

# HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

## NOTICE OF AND AGENDA FOR A REGULAR MEETING TO BE HELD BY THE BOARD OF DIRECTORS

**DATE:** TUESDAY, MARCH 26, 2024  
**TIME:** 5:30 PM  
**PLACE:** PHARR CITY HALL  
2<sup>nd</sup> FLOOR CITY COMMISSION CHAMBERS  
118 SOUTH CAGE BLVD.  
PHARR, TEXAS 78577

**PRESIDING: S. DAVID DEANDA, JR, CHAIRMAN**

*An electronic copy of the agenda packet can be obtained at [www.hcrma.net](http://www.hcrma.net)*

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### PLEDGE OF ALLEGIANCE

### INVOCATION

### CALL TO ORDER AND ESTABLISHMENT OF A QUORUM FOR A REGULAR MEETING

### PUBLIC COMMENT

#### 1. REPORTS

- A. Report on Program Management Activity for 365 Tollway Project – HCRMA Staff
- B. Report on Construction Activity for 365 Tollway Project – Ramon Navarro IV, HCRMA.

#### 2. **CONSENT AGENDA** *(All matters listed under Consent Agenda are considered to be routine by the Governing Body and will be enacted by one motion. There will be no separate discussion of these items; however, if discussion is desired, that item(s) will be removed from the Consent Agenda and will be considered separately. The Governing Body may also elect to go into Executive Session on any item on this agenda, whether or not such item(s) are posted as an Executive Session Item, at any time during the meeting when authorized by provisions of the Open Public Meeting Act.)*

- A. Approval of Minutes for the Regular Board Meeting held February 27, 2024 and the Special Board Meeting held March 5, 2024.
- B. Approval of Project & General Expense Report for the period from February 8, 2024 to March 6, 2024.
- C. Approval of Financial Reports for January 2024.
- D. Resolution 2024-16 – Consideration and Approval of one-year extension to the Investment Advisory Service Agreement between Hilltop Securities Asset Management, LLC and the Hidalgo County Regional Mobility Authority.
- E. Resolution 2024-17 – Consideration and Approval of a no-cost time extension to the Professional Service Agreement with Leonel Garza & Associates to provide appraisal services for the 365 Tollway Project.
- F. Resolution 2024-18 – Consideration and Approval of a no-cost time extension to the Professional Service Agreement with HLH Appraisal Services to provide review appraisal services for the 365 Tollway Project.

### **3. REGULAR AGENDA**

- A. Resolution 2024-19 – Approval of Award of Contract to Escobedo & Cardenas, LLP, Cantu Law Company, and Bracewell, LLP, for professional legal services to the Hidalgo County Regional Mobility Authority.
- B. Resolution 2024-20 – Approval of Award of Contract to Plains Capital Bank, to provide Banking Depository Services for the Hidalgo County Regional Mobility Authority.
- C. Resolution 2024-23 – Consideration and Approval of Award of Contract to Intertek PSI and MEG Engineers for Construction Material Testing Lab and Forensic Services of the 365 Tollway Project.
- D. Resolution 2024-08 – Consideration and Approval of Award of Contract to MitRes Services, LLC, for the Granjeno Wetland Mitigation Site Project.
- E. Resolution 2024-24 – Consideration and Approval of Change Order number 1 to the contract with SICE, Inc. to provide Toll Collection System Installation, Integration, and Maintenance for the 365 Tollway project.

### **4. CHAIRMAN'S REPORT**

- A. None.

### **5. TABLED ITEMS**

- A. None.

### **6. EXECUTIVE SESSION, CHAPTER 551, TEXAS GOVERNMENT CODE, SECTION 551.071 (CONSULTATION WITH ATTORNEY), SECTION 551.072 (DELIBERATION OF REAL PROPERTY), AND SECTION 551.074 (PERSONNEL MATTERS)**

- A. Consultation with Attorney on legal issues pertaining to Change Order Number 5 to that certain contract with Pulice Construction Inc. for the 365 Tollway Project (551.071 T.G.C.)
- B. Consultation with Attorney on legal issues pertaining to the Financial Assistance Agreement with the Texas Department of Transportation for the 365 Tollway Project (551.071 T.G.C.)
- C. Consultation with Attorney on legal issues pertaining to Professional Service Agreements for Engineering, Surveying and Environmental Services to include construction material testing (Section 551.071 T.G.C.).
- D. Consultation with Attorney on legal issues pertaining to the voluntary acquisition of real property for various parcels for the 365 Tollway Project and International Bridge Trade Corridor Project (Sections 551.071 and 551.072 T.G.C.).
- E. Consultation with Attorney on legal issues pertaining to the acquisition, including the use of Eminent Domain, for property required to complete the project alignments of the 365 Tollway Project (Sections 551.071 and 551.072 T.G.C.).
- F. Consultation with Attorney on legal issues pertaining to the Environmental Clearance Document for the International Bridge Trade Corridor Project (Section 551.071 T.G.C.).
- G. Consultation with Attorney on legal issues pertaining to Professional Services Agreements (Section 551.071 T.G.C.).

### **ADJOURNMENT OF REGULAR MEETING**

## CERTIFICATION

I, the Undersigned Authority, do hereby certify that the attached agenda of the Hidalgo County Regional Mobility Authority Board of Directors is a true and correct copy and that I posted a true and correct copy of said notice on the Hidalgo County Regional Mobility Authority Web Page ([www.hcrma.net](http://www.hcrma.net)) and the bulletin board in the Hidalgo County Regional Mobility Authority office (203 W. Newcombe Ave, Pharr, Texas 78577), a place convenient and readily accessible to the general public at all times, and said Notice was posted on the 20<sup>th</sup> day of **March 2024** at **5:00 pm** and will remain so posted continuously for at least 72 hours preceding the scheduled time of said meeting in accordance with Chapter 551 of the Texas Government Code.

Maria E. Alaniz  
Administrative Assistant

Note: If you require special accommodations under the Americans with Disabilities Act, please contact Maria E. Alaniz at 956-402-4762 at least 96 hours before the meeting.

## PUBLIC COMMENT POLICY

Public Comment Policy: "At the beginning of each HCRMA meeting, the HCRMA will allow for an open public forum/comment period. This comment period shall not exceed one-half (1/2) hour in length and each speaker will be allowed a maximum of three (3) minutes to speak. Speakers addressing the Board through a translator will be allowed a maximum of six (6) minutes.

All individuals desiring to address the HCRMA must be signed up to do so, prior to the open comment period. For meetings being held by telephonic or videoconference, individuals may contact Maria. E. Alaniz at (956) 402-4762 before 5:00 pm day of the meeting.

The purpose of this comment period is to provide the public an opportunity to address issues or topics that are under the jurisdiction of the HCRMA. For issues or topics which are not otherwise part of the posted agenda for the meeting, HCRMA members may direct staff to investigate the issue or topic further. No action or discussion shall be taken on issues or topics which are not part of the posted agenda for the meeting. Members of the public may be recognized on posted agenda items deemed appropriate by the Chairman as these items are considered, and the same time limitations applies."

**Note:** Participation by Telephone/Video Conference Call – One or more members of the HCRMA Board of Directors may participate in this meeting through a telephone/video conference call, as authorized by Sec. 370.262, Texas Transportation Code.

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Item 1A

**HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY**

**AGENDA RECOMMENDATION FORM**

<b>BOARD OF DIRECTORS</b>	<u>  X  </u>	<b>AGENDA ITEM</b>	<u>  1A  </u>
<b>PLANNING COMMITTEE</b>	<u>          </u>	<b>DATE SUBMITTED</b>	<u>  03/21/2024  </u>
<b>FINANCE COMMITTEE</b>	<u>          </u>	<b>MEETING DATE</b>	<u>  03/26/2024  </u>
<b>TECHNICAL COMMITTEE</b>	<u>          </u>		

1. Agenda Item: **REPORT ON PROGRAM MANAGEMENT ACTIVITY FOR 365 TOLLWAY PROJECT AND HIDALGO COUNTY LOOP**
  
2. Nature of Request: (Brief Overview) Attachments:   X   Yes     No  
Report on 365 Tollway, Section 4, and Section A West and Section C Projects
  
3. Policy Implication: Board Policy, Local Government Code, Texas Government Code, Texas Transportation Code, TxDOT Policy
  
4. Budgeted:     Yes     No   X   N/A
  
5. Staff Recommendation: **Report only.**
  
6. Program Manager's Recommendation:     Approved     Disapproved   X   None
  
7. Planning Committee's Recommendation:     Approved     Disapproved   X   None
  
8. Board Attorney's Recommendation:     Approved     Disapproved   X   None
  
9. Chief Auditor's Recommendation:     Approved     Disapproved   X   None
  
10. Chief Financial Officer's Recommendation:     Approved     Disapproved   X   None
  
11. Chief Development Engineer's Recommendation:     Approved     Disapproved     None
  
12. Chief Construction Engineer's Recommendation:   X   Approved     Disapproved     None
  
13. Executive Director's Recommendation:   X   Approved     Disapproved     None

**HCRMA Board of Directors**

**S. David Deanda, Jr., Chairman**  
**Ezequiel Reyna, Jr., Vice-Chairman**  
**Juan Carlos Del Angel, Secretary/Treasurer**  
**Gabriel Kamel, Director**  
**Francisco Pardo, Director**  
**Sergio Saenz, Director**  
**Michael J. Williamson, Director**

**HCRMA Administrative Staff**

**Pilar Rodriguez, PE, Executive Director**  
**Ramon Navarro IV, PE, CFM, Chief Constr. Eng.**  
**Celia Gaona, CIA, Chief Auditor/Compliance Ofcr.**  
**Jose Castillo, Chief Financial Ofcr.**

**General Engineering Consultant**  
**HDR Engineering, Inc.**

# Overview

- ❑ 365 TOLL Project Overview
  - + Granjeno Wetland Mitigation Project
- ❑ Segment 4 / Section A West Plan
- ❑ Overweight Permit Summary

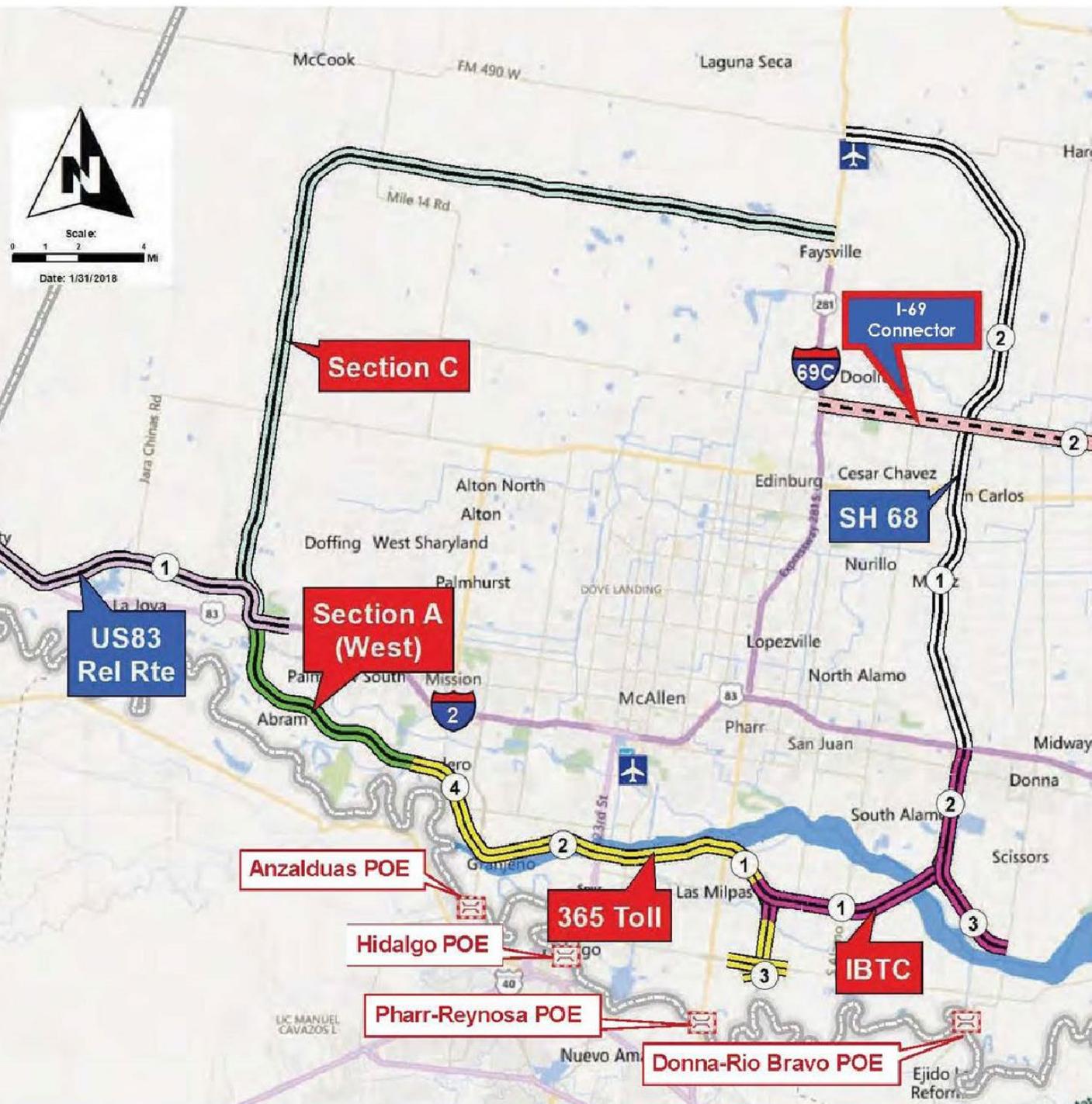
## MISSION STATEMENT:

To provide our customers with a rapid and reliable alternative for the safe and efficient movement of people, goods, and services.



# HCRMA STRATEGIC PLAN

DEVELOP THE  
INFRASTRUCTURE TO  
SERVE A POPULATION  
OF APPROXIMATELY  
800,000 RESIDENTS  
AND  
5 INTERNATIONAL  
PORTS OF ENTRY



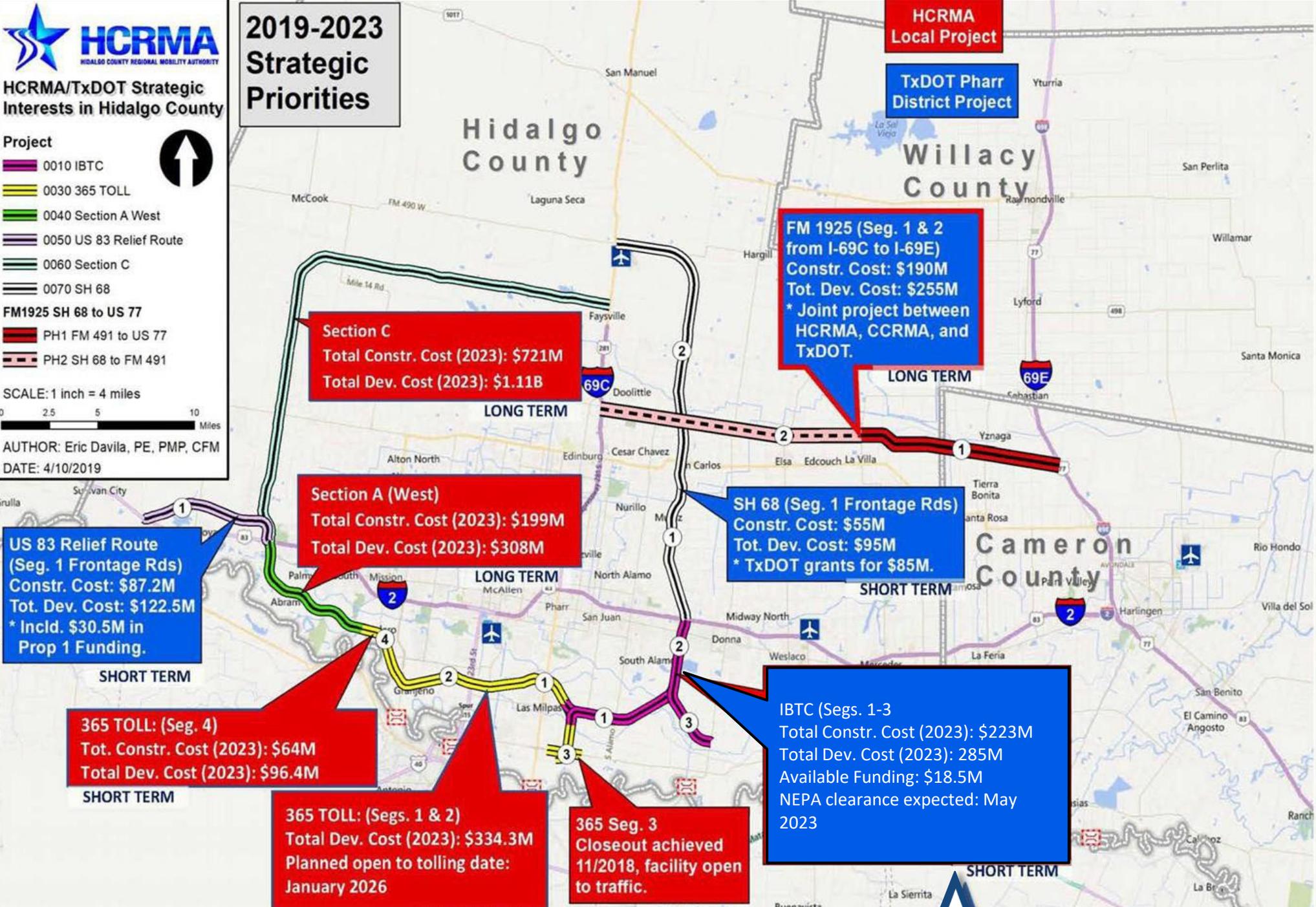
- Project**
-  0010 IBTC
  -  0030 365 TOLL
  -  0040 Section A West
  -  0050 US 83 Relief Route
  -  0060 Section C
  -  0070 SH 68
  - FM1925 SH 68 to US 77**
  -  PH1 FM 491 to US 77
  -  PH2 SH 68 to FM 491

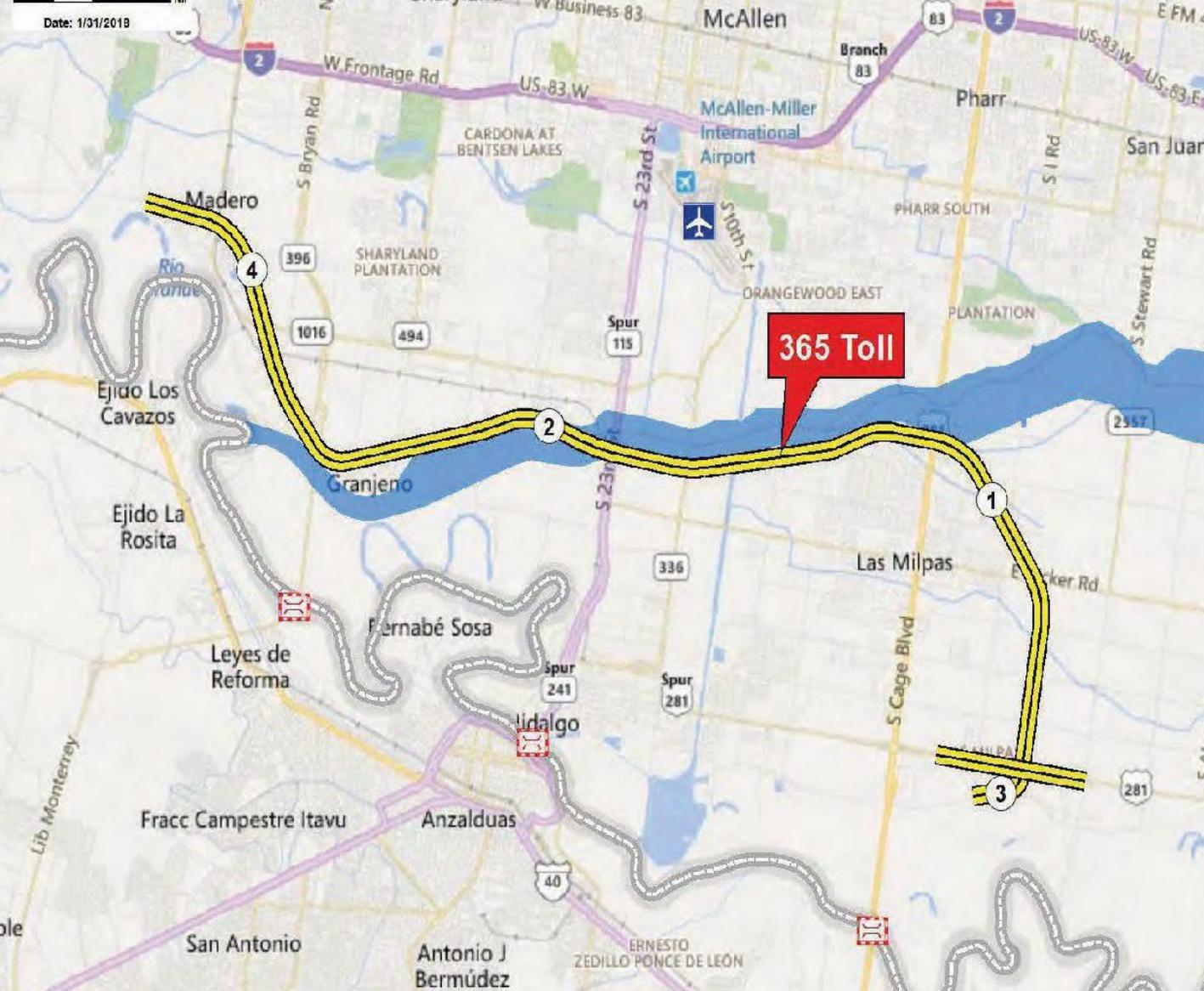
SCALE: 1 inch = 4 miles



AUTHOR: Eric Davila, PE, PMP, CFM  
DATE: 4/10/2019

## 2019-2023 Strategic Priorities





**MAJOR MILESTONES:**  
 NEPA CLEARANCE  
 07/03/2015

100% ROW ACQUIRED

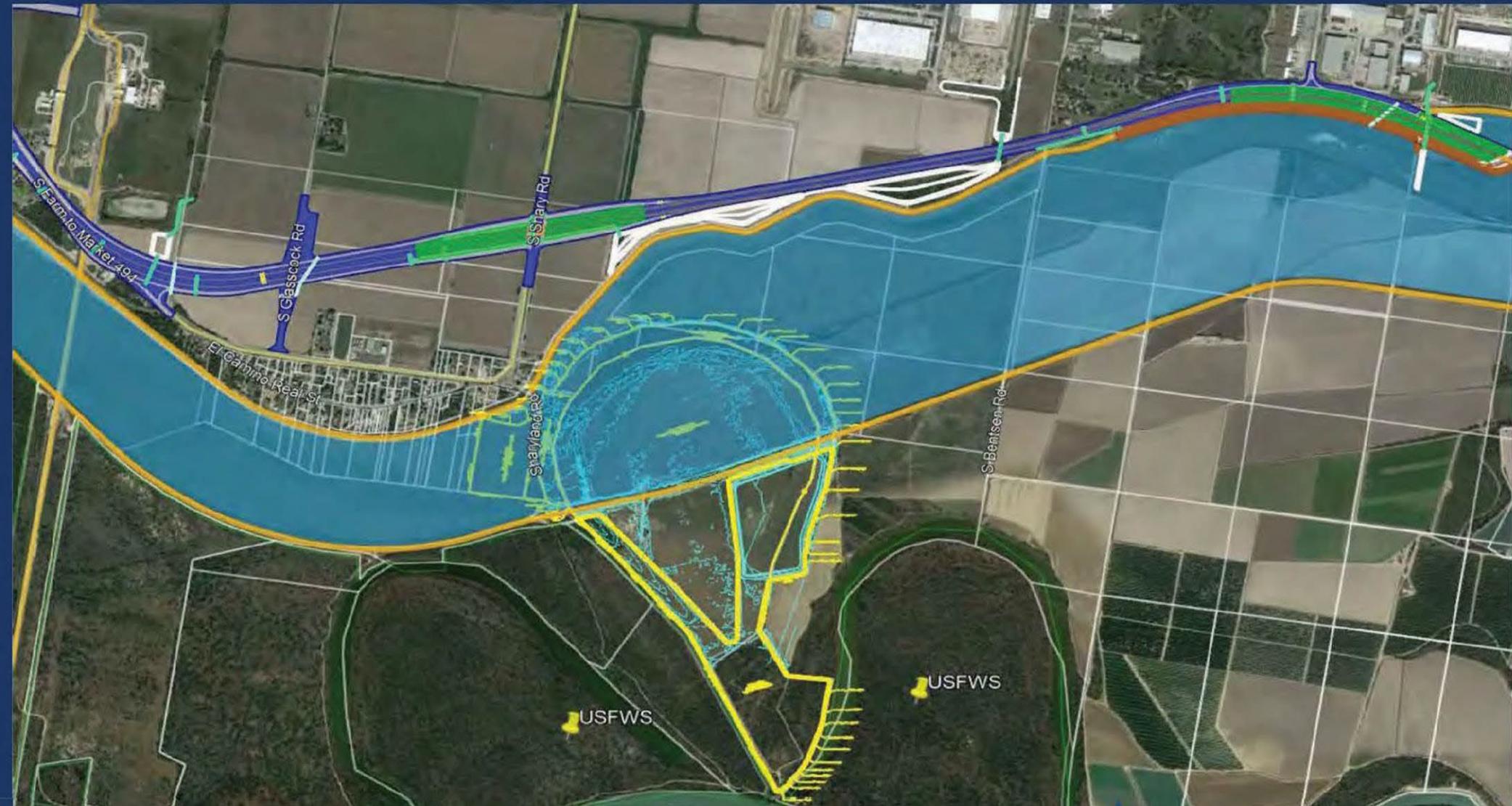
**PH 1: 365 SEG. 3**  
 LET: 08/2015  
COMPLETED

**PH 2: 365 TOLL**  
**SEGS. 1 & 2**  
**LET: 11/2021**  
 OPEN: 01/2026

[SEGS. 1 & 2] LIMITS FROM 0.8 MI. W. FM 396 / ANZ. HWY.  
 TO US 281 / BSIF CONNECTOR [365 SEG. 3 COMPLETED]  
 [SEG. 4 FUTURE] LIMITS FROM FM 16 / CONWAY  
 TO 0.8 MI. W. FM 396 / ANZALDUAS HIGHWAY



# GRANJENO WETLAND MITIGATION SITE



# LETTING:

## PROJECT DETAILS:

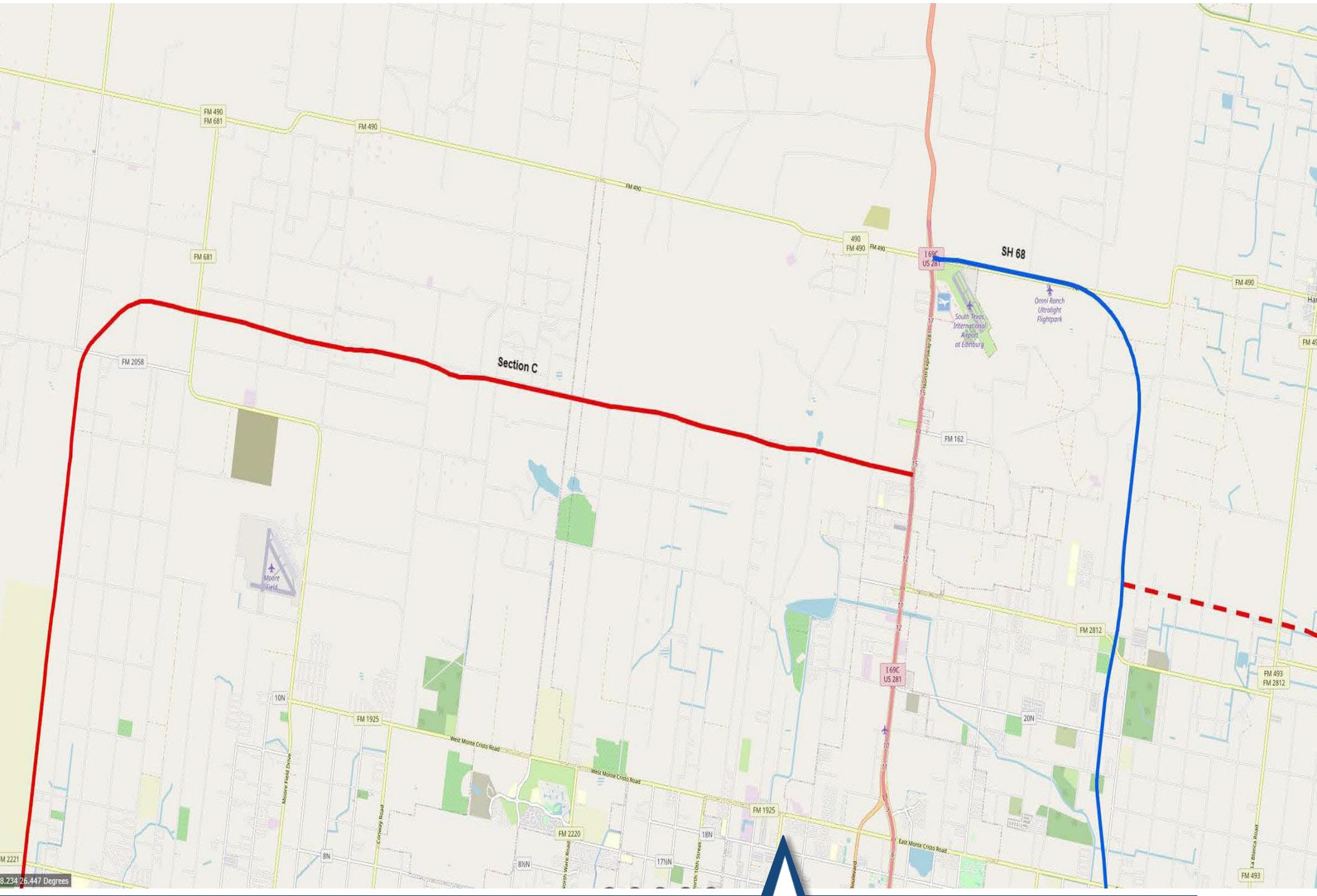
The HCRMA Granjeno Wetland Mitigation Site project is for the restoration of 23.88 acres of land, including approximately 17 acres planned specifically for wetland restoration. The project consists of grading and compaction of approximately 19 acres to establish a wetland which includes the placement of a clay liner and plant root zone soil strata. It also includes berm grading and compaction of approximately 6 acres of upland area. The project includes construction of an access driveway and road including maintenance and brush clearing/trimming. The project includes construction of a groundwater well with controls, approximately 3,000 linear feet of pvc distribution pipe, associated equipment, and a security fence.

- (MANDATORY) In-person or Virtual Attendance Option.

Pre-Bid Meeting: Tuesday, February 20, 2024, 2 P.M. C.S.T.

- All inquiries shall be submitted by 3:00PM CST on Friday, March 8, 2024. Inquiries beyond this date will not be responded to.
- Electronic bids via CivCast will be received until 3:00 P.M. C.S.T., Wednesday, March 13, 2024.
- Bid opening date & time: Wednesday, March 13, 2024, Until 3:05 P.M. C.S.T.
- Sole bid: MitRes Services, LLC





M 2221  
-8.234 26.447 Degrees



**Section C Project Summary**

- Project Description: Construct 4 lane controlled access tolled highway.
  - Length (Mi.): 29.85 from Schematic
  - ROW (Ac.): 1176 - 75% 300-ft / 25% 400-ft Road Width
  - Project Limits
    - From: I-2, 0.8 Mi W of Showers Rd
    - To: I-69C, 0.6 Mi. S. of FM 162

**Key Assumptions**

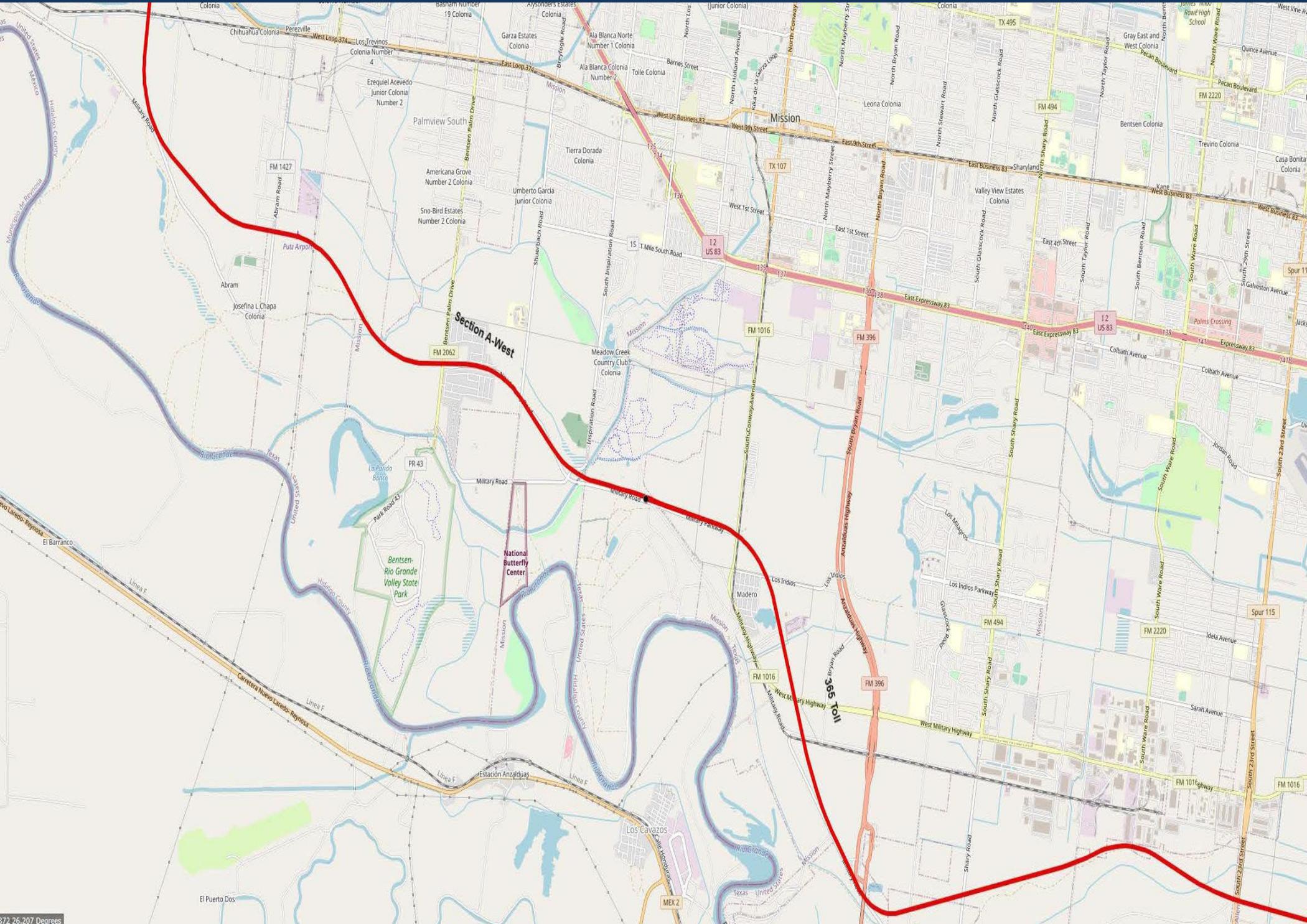
- Independent Env. Document (EIS), Overweight Pavement Design, Toll Collection System, and Partially Compensable Utilities.

**Project Cost Overview**

**Total Development Cost: \$1,113,452,600 in 2023 Dollars**

- **Mgt. Support: \$10,813,200** - 1.5% of CC: GEC Oversight
- **Prelim. Engr.: \$39,648,400** - 5.5% of CC: Environmental (EIS), Schematic, Low Level Flight, Surveys
- **Final Design: \$50,461,600** - 7.0% of CC: PS&E, Geotech, Pavement Design, SUE, Topo
- **ROW Acq.: \$152,880,000** - \$130,000/AC for ROW Services, Title Services, Land Acquisition
- **Utility Relo.: \$57,670,400** - 8.0% of CC for Utility Relocations / Drainage
- **Toll Collect. Sys.: \$41,450,600** - 5.75% of CC: 5% for TSI + TCS Des. + 0.75% T&R
- **Construction: \$720,880,000** - \$23MM/Mi. (Approx.) for CRCP 2+2 Facility + 5% Contingency
- **Constr. Mgt.: \$39,648,400** - 5.5% of CC: CEI & CMT





372.26,207 Degrees



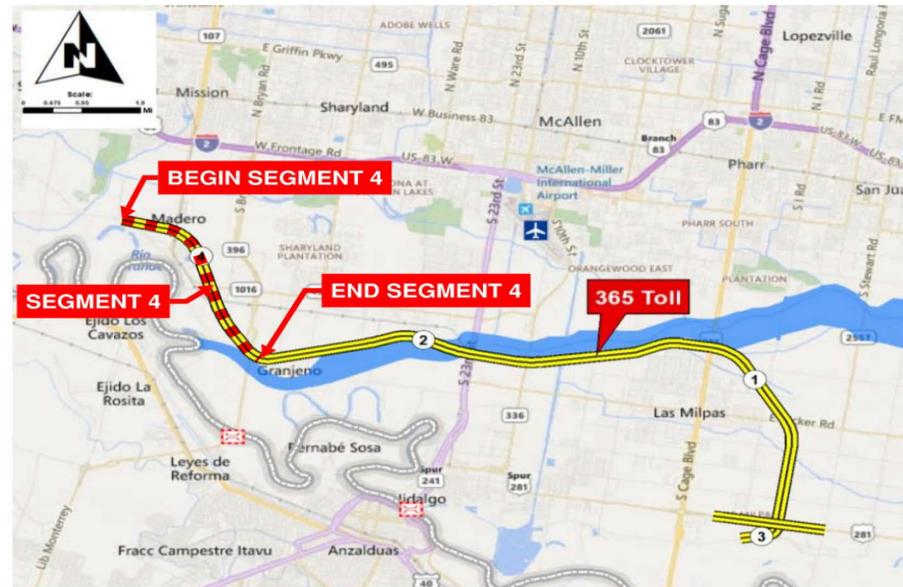
### 365 Tollway Segment 4 Project Summary

- Project Description: Construct 4 lane controlled access tolled highway.
  - Length (Mi.): 2.65 from Schematic
  - ROW (Ac.): 104 - 75% 300-ft / 25% 400-ft Road Width
  - Project Limits
    - From: FM 1016 / Conway Ave
    - To: FM 396 / Anzalduas Hwy

### Project Cost Overview

**Total Development Cost: \$96,400,000 in 2023 Dollars**

- **Mgt. Support: \$960,000** - 1.5% of CC: GEC Oversight
- **Prelim. Engr.: \$1,120,000** - 1.75% of CC: Environmental Re-evaluation (EA), Low Level Flight, Surveys
- **Final Design: 4,480,000** - 7.0% of CC: PS&E, Geotech, Pavement Design, SUE, Topo
- **ROW Acq.: \$13,520,000** - \$130,000/AC for ROW Services, Title Services, Land Acquisition
- **Utility Relo.: \$5,120,000** - 8.0% of CC for Utility Relocations / Drainage
- **Toll Collect. Sys.: \$3,680,000** - 5.75% of CC: 5% for TSI + TCS Des. + 0.75% T&R
- **Construction: \$64,000,000** - \$23MM/Mi. (Approx.) for CRCP 2+2 Facility + 5% Contingency
- **Constr. Mgt.: \$3,520,000** -5.5% of CC: CEI & CMT



**Section A (West) Project Summary**

- Project Description: Construct 4 lane controlled access tolled highway.
  - Length (Mi.): 8.26 from Schematic
  - ROW (Ac.): 325 - 75% 300-ft / 25% 400-ft Road Width
  - Project Limits
    - From: I-2, 0.8 Mi W of Showers Rd
    - To: FM 1016 / Conway Ave

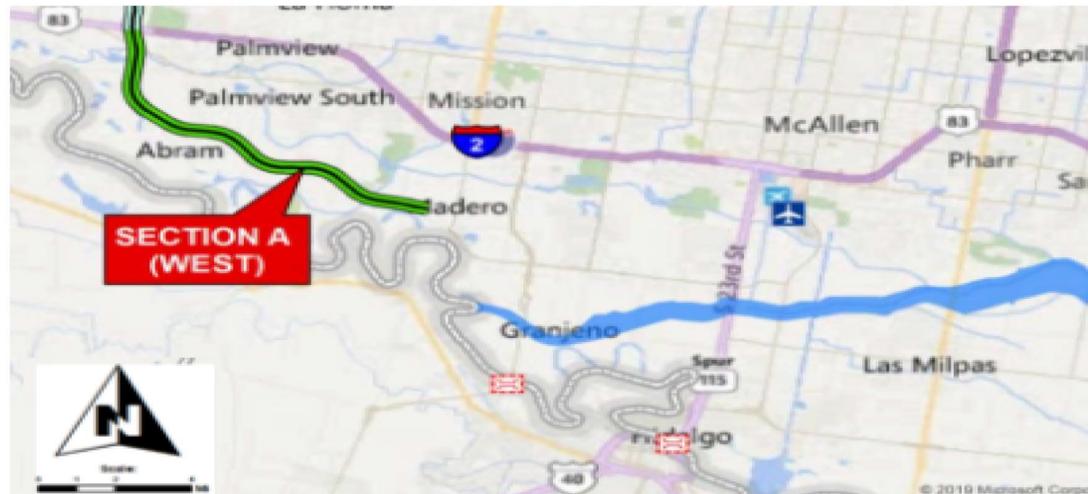
**Key Assumptions**

- Independent Env. Document (EIS), Overweight Pavement Design, Toll Collection System, and Partially Compensable Utilities.

**Project Cost Overview**

**Total Development Cost: \$308,057,100 in 2023 Dollars**

- **Mgt. Support: \$2,992,200** - 1.5% of CC: GEC Oversight
- **Prelim. Engr.: \$10,971,400** - 5.5% of CC: Environmental (EIS), Schematic, Low Level Flight, Surveys
- **Final Design: \$13,963,600** - 7.0% of CC: PS&E, Geotech, Pavement Design, SUE, Topo
- **ROW Acq.: \$42,250,000** - \$130,000/AC for ROW Services, Title Services, Land Acquisition
- **Utility Relo.: \$15,958,400** - 8.0% of CC for Utility Relocations / Drainage
- **Toll Collect. Sys.: \$11,470,100** - 5.75% of CC: 5% for TSI + TCS Des. + 0.75% T&R
- **Construction: \$199,480,000** - \$23MM/Mi. (Approx.) for CRCP 2+2 Facility + 5% Contingency
- **Constr. Mgt.: \$10,971,400** - 5.5% of CC: CEI & CMT



Thursday, September 14, 2023

Lenguaje  ▼

## Specialized Overweight Permits

Hidalgo County allows shippers to securely order specialized overweight permits online. The permits cover travel over the Hidalgo County roads listed below for vehicles weighing no more than the Mexican Legal Weight Limit or 125,000 lbs. For a more detailed explanation, see below.

### Permit Information

The Hidalgo County Regional Mobility Authority (HCRMA) administers the overweight permit corridor system for the Hidalgo County. Overweight permits issued through the HCRMA are only valid for destinations originating from the following points of entry:

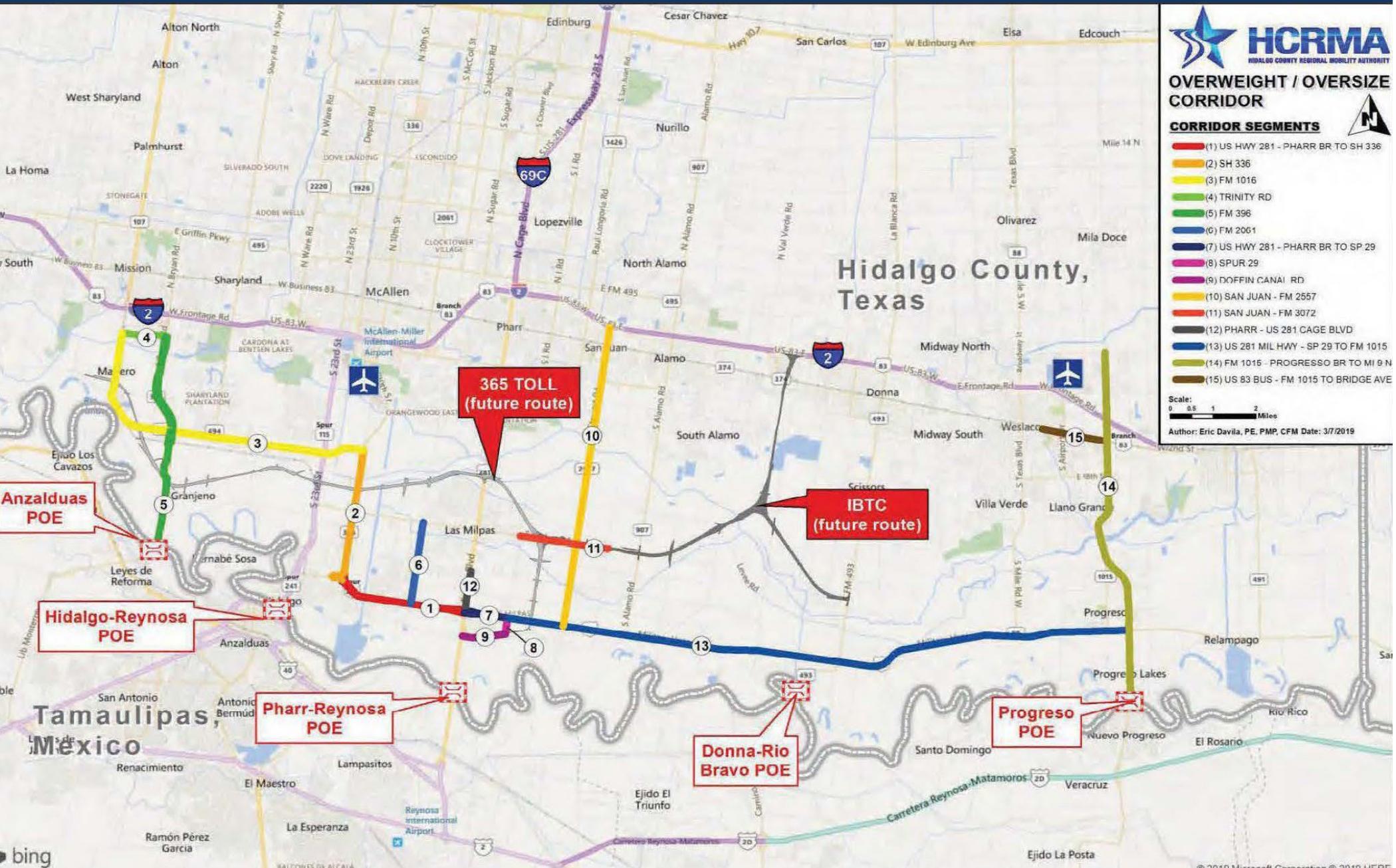
- Anzalduas Bridge
- Pharr-Reynosa Bridge
- Donna-Rio Bravo Bridge
- Progreso Bridge

Or for movement on the following roads:

- (1) U.S. Highway 281 between its intersection with Pharr-Reynosa International Bridge and its intersection with State Highway 336.
- (2) State Highway 336 between its intersection with U.S. Highway 281 and its intersection with Farm-to-Market Road 1016.
- (3) Farm-to-Market Road 1016 between its intersection with State Highway 336 and its intersection with Trinity Road.
- (4) Trinity Road between its intersection with Farm-to-Market Road 1016 and its intersection with Farm-to-Market Road 396.
- (5) Farm-to-Market Road 396 between its intersection with Trinity Road and its intersection with the Anzalduas International Bridge.
- (6) Farm-to-Market Road 2061 between its intersection with Farm-to-Market Road 3072 and its intersection with U.S. Highway 281.
- (7) U.S. Highway 281 between its intersection with the Pharr-Reynosa International Bridge and its intersection with Spur 29.
- (8) Spur 29 between its intersection with U.S. Highway 281 and its intersection with Doffin Canal Road.
- (9) Doffin Canal Road between its intersection with the Pharr-Reynosa International Bridge and its intersection with Spur 29.
- (10) FM 2557 (Stewart Road) from US 281/Military Highway to Interstate 2 (US 83).
- (11) FM 3072 (Dicker Road) from Veterans Boulevard ('I' Road) to Cesar Chavez Road.
- (12) Route 12: US 281 (Cage Boulevard) from US 281/Military Highway to Anaya Road.
- (13) US 281/Military Highway from Spur 29 to FM 1015.
- (14) Farm to Market 1015 - Progreso International Bridge to Mile 9 North.
- (15) US 83 Business - Farm to Market 1015 to South Bridge Avenue.

The gross weight of cargo and equipment shall not exceed the allowable permissible axle load, the Mexican Legal Weight Limit or 125,000 lbs, whichever is less, and the dimensions of the load and vehicle shall not exceed 12' wide, 15'6" high, or 110' long.

# OVERWEIGHT / OVERSIZE CORRIDOR SEGMENTS



# ▶ ACCUMULATED OVERWEIGHT REPORT:

January 14, 2014 - February 29, 2024

Total Permits Issued:	<b>326,942</b>
Total Amount Collected:	<b>\$ 57,348,442</b>
■ Convenience Fees:	<b>\$ 1,123,842</b>
■ Total Permit Fees:	<b>\$ 56,224,600</b>
-Pro Miles:	\$ 980,826
-TxDOT:	\$ 47,790,910
-HCRMA	\$ 7,452,864

\*Effective November 13, 2017, permit fee increased from \$80 to \$200

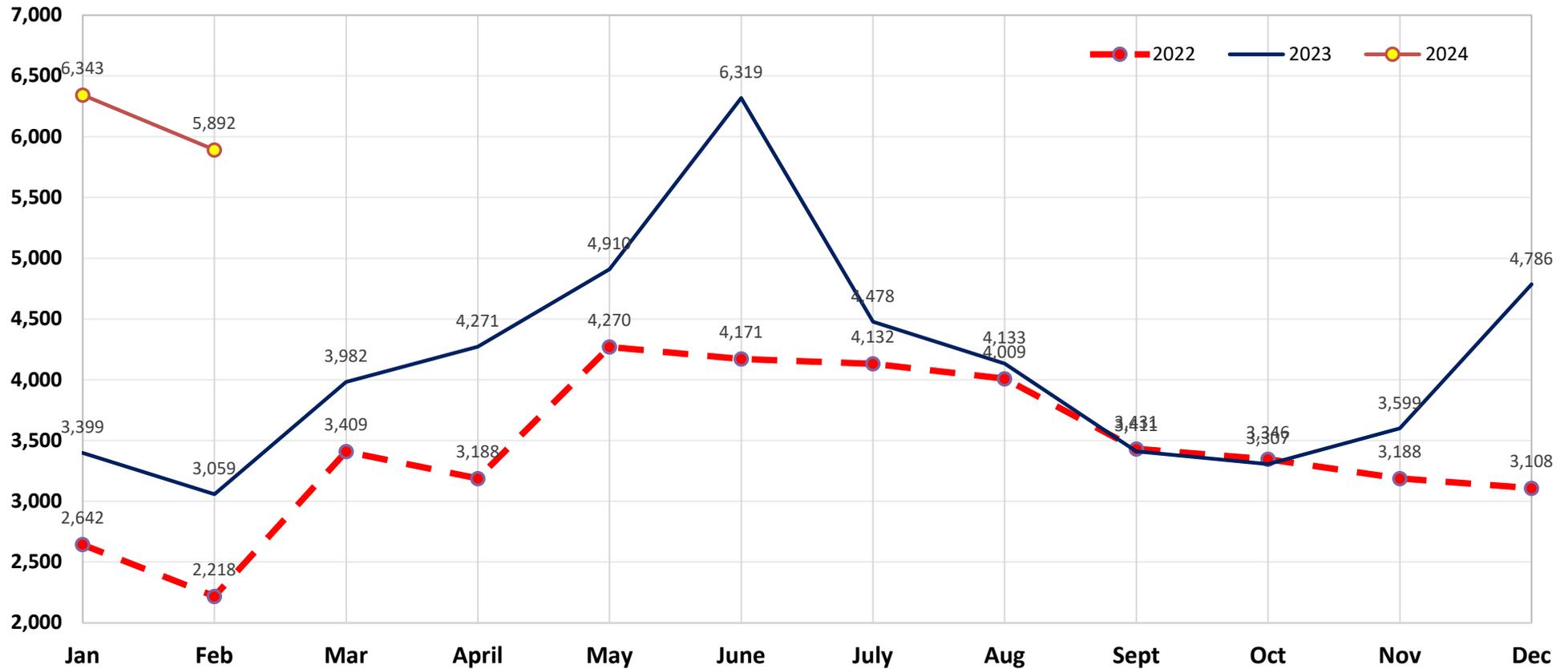
# ► OVERWEIGHT REPORT FOR 2024:

January 1, 2024- February 29, 2024

Total Permits Issued:	<b>12,235</b>
Total Amount Collected:	<b>\$ 2,503,880</b>
■ Convenience Fees:	\$ 56,880
■ Total Permit Fees:	\$ 2,447,000
-Pro Miles:	\$ 36,705
-TxDOT:	\$ 2,079,950
-HCRMA	\$ 330,345

# JANUARY 1, 2024 – FEBRAURY 29, 2024

## Overweight/Oversized Permit Count 2022 - 2024 Monthly Comparison



### NOTES:

- The accumulated permit count for 2022: 4,860 in comparison to 2023: 6,458  
Annual increase comparison of: 2022: 7,375+[151%] and 2023:+5,777 [89.45%]
- Monthly permit count of 5,892 represents a 92.61% (increase, 2,833) compared to the same month in 2023 (3,059).

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**Item 1B**

**HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY**

**AGENDA RECOMMENDATION FORM**

<b>BOARD OF DIRECTORS</b>	<u>  X  </u>	<b>AGENDA ITEM</b>	<u>  1B  </u>
<b>PLANNING COMMITTEE</b>	<u>          </u>	<b>DATE SUBMITTED</b>	<u>  03/22/2024  </u>
<b>FINANCE COMMITTEE</b>	<u>          </u>	<b>MEETING DATE</b>	<u>  03/26/2024  </u>
<b>TECHNICAL COMMITTEE</b>	<u>          </u>		

1. Agenda Item: **REPORT ON CONSTRUCTION ACTIVITY FOR 365 TOLLWAY PROJECT**
  
2. Nature of Request: (Brief Overview) Attachments:   X   Yes      No  
Report on 365 Tollway Construction Segments I / II
  
3. Policy Implication: Board Policy, Local Government Code, Texas Government Code, Texas Transportation Code, TxDOT Policy
  
4. Budgeted:      Yes      No   X   N/A
  
5. Staff Recommendation: **Report only.**
  
6. Program Manager's Recommendation:      Approved      Disapproved   X   None
  
7. Planning Committee's Recommendation:      Approved      Disapproved   X   None
  
8. Board Attorney's Recommendation:      Approved      Disapproved   X   None
  
9. Chief Auditor's Recommendation:      Approved      Disapproved   X   None
  
10. Chief Financial Officer's Recommendation:      Approved      Disapproved   X   None
  
11. Chief Development Engineer's Recommendation:      Approved      Disapproved      None
  
12. Chief Construction Engineer's Recommendation:   X   Approved      Disapproved      None
  
13. Executive Director's Recommendation:   X   Approved      Disapproved      None

### HCRMA Board of Directors

**S. David Deanda, Jr., Chairman**

**Eziquiel Reyna, Jr., Vice-Chairman**

**Juan Carlos Del Angel, Secretary/Treasurer**

**Gabriel Kamel, Director**

**Sergio Saenz, Director**

**Francisco “Frank” Pardo, Director**

**Michael J. Williamson, Director**

### HCRMA Administrative Staff

**Pilar Rodriguez, PE, Executive Director**

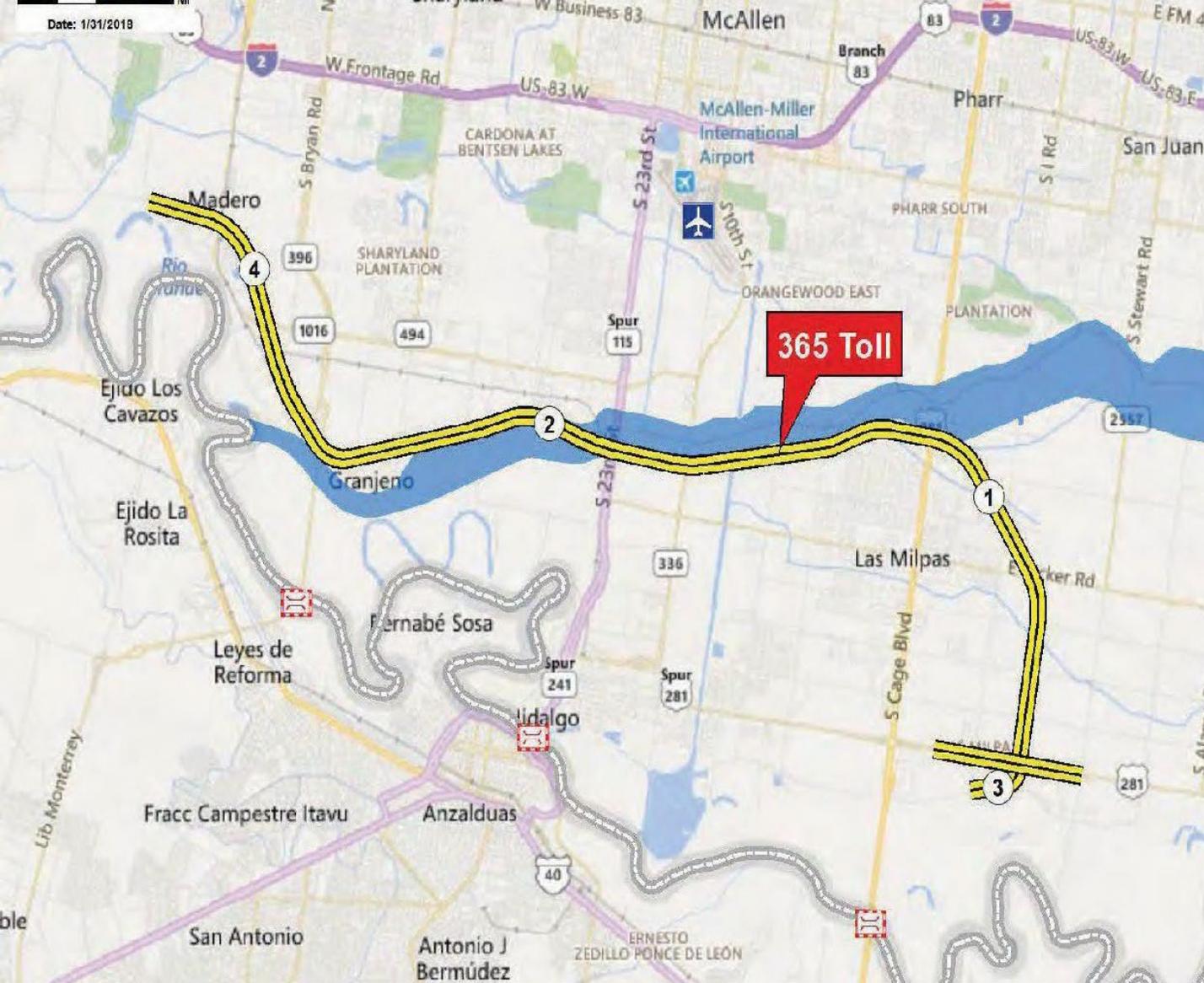
**Ramon Navarro IV, PE, CFM, Chief Constr. Eng.**

**Celia Gaona, CIA, Chief Auditor/Compliance Ofcr.**

**Jose Castillo, Chief Financial Ofcr.**

### General Engineering Consultant

**HDR Engineering, Inc.**



**MAJOR MILESTONES:**  
 NEPA CLEARANCE  
 07/03/2015

100% ROW ACQUIRED

**PH 1: 365 SEG. 3**  
 LET: 08/2015  
COMPLETED

**PH 2: 365 TOLL**  
**SEGS. 1 & 2**  
**LET: 11/2021**  
**OPEN: 01/2026**

[SEGS. 1 & 2] LIMITS FROM 0.8 MI. W. FM 396 / ANZ. HWY.  
 TO US 281 / BSIF CONNECTOR [365 SEG. 3 COMPLETED]  
 [SEG. 4 FUTURE] LIMITS FROM FM 16 / CONWAY  
 TO 0.8 MI. W. FM 396 / ANZALDUAS HIGHWAY





## **365 TOLLWAY COLLECTION SYSTEM INSTALLATION, INTEGRATION and MAINTENANCE PROJECT**

- SEPTEMBER 8, 2022** -Request for Proposals was released
- OCTOBER 3, 2022** -Mandatory Pre-bid meeting was conducted with In-Person or Virtual Attendance option
- DECEMBER 9, 2022** -Five Proposals were received for the 365 Toll Collection System, Integration, and Maintenance Project
- DECEMBER 16, 2022** -Compliance reviews were conducted of all electronic bids;
- FEBRUARY 6, 2023** -Evaluation committee [HCRMA staff and HDR [GEC]] thoroughly reviewed proposals, conducted oral presentations and in accordance with RFP's two-step scoring process
- FEBRUARY 14, 2023** -Proposal bid prices opened, evaluated, scored by evaluation committee
- FEBRUARY 28, 2023** -First Executive
- MARCH 13, 2023** -Second Executive Briefing
- MARCH 14, 2023** -Negotiation of contract terms, condition, & BAFO
- MARCH 28, 2023** -Award of contract to SICE, Inc. for \$13,980,669 with a score of 905
- OCTOBER 28, 2023** -Single Gantry amendment
- APRIL 26, 2024** - CO#1 single-gantry (monogantry) structure and classifying vehicles based on axles and height

# EXECUTIVE SUMMARY

- The Notice to Proceed (NTP) was issued to Pulice Construction Inc. (PCI) on February 15, 2022, with time charges commencing on March 17, 2022.
- The work under this contract shall be substantially completed within **1,264 CALENDAR** days [September 22, 2025] After Substantial Completion, Pulice will be allowed up to an additional 60 calendar days for Final Acceptance. Therefore, all improvements must be final accepted by [November 21, 2025].
- Working days will be charged Sunday through Saturday, including all holidays [with exception of:

New Year's Day (January 1<sup>st</sup>)

Independence Day (July 4<sup>th</sup>)

Labor Day (1<sup>st</sup> Monday in the month of September)

Thanksgiving Day and day after (4<sup>th</sup> Thursday and Friday in the month of November);

Christmas Eve and Day (December 24<sup>th</sup> and 25<sup>th</sup>)

regardless of weather conditions, material availability, or other conditions not under the control of the Contractor, except as expressly provided for in the Contract. If Contractor fails to complete the work on or before the contract time, Pulice Construction Inc. agrees to pay the Authority \$ 16,500 per day as liquidated damages to cover losses, expenses and damages of the Authority for every Calendar Day which the Contractor fails to achieve Substantial Completion of the Project.

- The total construction cost submitted \$ 295,932,420.25.

# HCRMA 365 TOLL PROJECT CSJ#0921-02-368: CHANGE ORDER SUMMARY

Four (5) approved Changes Order(s): **[\$9,711, 974.93]** +0 days

CO#1	11/11/2021 entering VECP process	+000 days	\$000,000,000.00	.0%
CO#2	12/21/2021 VECP Plan Revisions	+000 days	\$(14,208,622.30)	(4.80%)
CO#3	04/26/2022 VECP Contractor Risk	+000 days	\$000,000,000.00	(0%)
CO#4	01/24/2023 Drill Shafts	+000 days	\$171,516.59	0.06%
CO#5	06/24/2023 VECP True Realized Savings	+000 days	<u>\$4,325,130.78</u>	1.44%
CO#6	11/29/2023 PLAN REVISIONS \ FIELD CHANGES	+000 days	TBD [PENDING]	

## CHANGE ORDERS:

### Change Order No.1 Summary: November 10, 2021, Resolution 2021-54

- The Primary purpose of Change Order No. 1 is for the HCRMA and contractor to enter a defined VECP proves to reduce the overall cost of the project based on a 30% design furnished by the contractor.
- Cost to the Project include: 30% of 5% of the project savings to the project or direct costs to the contractor, whichever is less. These costs are intended to pay the contractor for design work achieve a 30% design.
- The HCRMA assumes ownership of all design work developed by the contractor, and cost savings are shared by the HCRMA and contractor by 40% and 60% respectively.

### Change Order No. 2 Summary: December 20, 2021, Resolution 2021-78

- Change order No. 2 amended the contract price from \$295,932,420.25 to \$281,723,797.95.
- By execution of Change Order No. 1, the contractor completed a 30% design to an effort to estimate cost savings for the project. Payment for the contractor's initial design work is \$613,285.06 in accordance with calculations presented in Change Order No. 1. This is the only cost due to the contractor based on the execution of Change Order No. 2 and is non-participating.
- Notice to proceed was issued 2/15/2022, the HCRMA reimburse the contractor for the remaining design costs to not exceed 5% of the total cost savings. Payments made will be based upon design milestones at 60%, 90% and 100% completion and acceptance.

VECP calculations for Contract Price of	\$281,723,797.95	
VECP Gross Savings	\$38,010,382.63	
Less est. Total Design Cost	\$1,943,648.45	(Schematics + Final Design)
Less Est. Owner's Fees	\$545,178.43	(GEC, Environmental, T&R Costs)
VECP Net Savings	\$35,521,555.75	
60% Contractor Saving:	\$21,312,933.45	Paid as Progress Payments
40% Owner Savings:	\$14,208,622.30	Reduced from original Project

### Change Order No. 3 Summary: April 26, 2022, Resolution 2022-36

- As provided for Contract Amendment #1 and Change Order No. 2, the Contractor's share of the net savings includes the "Contractor Risk" that the actual costs of implementing the approved VECP concepts in Change Order No. 2 may not result in the saving approved by the parties. To the extent total actual costs exceed the total amount approved, all overages due to errors, oversights, omissions, additions, or corrections to final units, final quantities, or final unit prices or costs increases shall be deducted from Contractor 60% portion of the net savings.
- To the extent actual costs exceed the amounts presented in Exhibit A, Contractor agrees that such overages due to errors, oversight, omission additions, or corrections to final units, quantities or unit pricing shall be deducted from contractor's 60% portion of the net savings (the "Contractor Risk").
- Contractor VECP Savings Payments.

Contractor's share of the savings shall be calculated and paid out as progress payments under the terms of the contract, as follows:

Construction Progress	Proposed Savings Payment
20% Completion	\$4,262,586.69
40% Completion	\$4,262,586.69
60% Completion	\$4,262,586.69
80% Completion	\$4,262,586.69
Final Acceptance	<u>\$4,262,586.69</u>
	<b>\$21,312,933.45</b>

The parties agrees that if the Savings are not apparent or justified during a designated progress period, all, or part of any such Savings Payment, on the recommendation of the General Engineering Consultant, may be (i)deferred to the next progress period or (iii) reduced to reflect the Contractor's Risk for unrealized Savings/overages.

### Change Order No. 4 Summary: January 24, 2023, Resolution 2023-05

Change Order No. 4 removes 1,524LF of Item 416-6005 Drill Shaft (42") introduces 48" drill shafts to incorporate detailed, finalized quantities and unit costs; and establishes State/Federal participation on odified unit costs, assuring compliance with the standard specifications included within the contract. Change Order No. 4 introducing 1,585LF of Item 416-6006 Drill Shaft (48 IN) at a unit cost of \$308.39/LF for a net cost of \$171,516.59 to be fully paid by HCRMA [Owner].

**Change Order No. 5 Summary: June 24, 2023, Resolution 2023-30**

In Lieu of \$38,010,382.63 savings, they only can truly account for \$30,565,888. They are claiming that of the \$7,444,494.63 shortfall, only \$3,186,525.45 is from their 60%; additional \$4,257,969.18 are contributable to busts in original plans, design errors and quantity mistakes and are to be attributed to HCRMA contingency[\$ 5,000,000>>\$570,514.23].

- As provided for Contract Amendment #1 and Change Order No. 2, the Contractor’s share of the net savings includes the “Contractor Risk” that the actual costs of implementing the approved VECP concepts in Change Order No. 2 may not result in the saving approved by the parties. To the extent total actual costs exceed the total amount approved, all overages due to errors, oversights, omissions, additions, or corrections to final units, final quantities, or final unit prices or costs increases shall be deducted from Contractor 60% portion of the net savings. **The unrealized savings presented are \$2,367,208.20**
  - To the extent actual costs exceed the amounts presented in Exhibit A, Contractor agrees that such overages due to errors, oversight, omission additions, or corrections to final units, quantities or unit pricing shall be deducted from contractor’s 60% portion of the net savings (the “Contractor Risk”), **revised shall be \$18,945,725.25**
  - Contractor VECP Savings Payments **are amended, as such:**

Contractor’s share of the savings shall be calculated and paid out as progress payments under the terms of the contract, as follows:

Construction Progress	Proposed Savings Payment	Paid Date
**20% Completion	\$4,262,586.69	12/22/22
40% Completion	<del>\$4,262,586.69</del> <b>\$3,670,784.64</b>	
60% Completion	<del>\$4,262,586.69</del> <b>\$3,670,784.64</b>	
80% Completion	<del>\$4,262,586.69</del> <b>\$3,670,784.64</b>	
Final Acceptance	<del>\$4,262,586.69</del> <b>\$3,670,784.64</b>	
	<del>\$21,312,933.45</del> <b>\$18,945,725.25</b>	

\*\*[\$18,945,725.25 - \$4,262,586.69 = \$14,683,138.56 / 4 = \$3,670,784.64]



# PROJECT PRODUCTION

## □ CAPTURING VECP PACKETS

- 2/8/23 VECP Team met, exchanged concepts, formats
- 3/8/23 VECP meeting formal report submitted
- 4/20/23 VECP concepts completed and negotiations underway
- 7/07/23 New revised baseline schedule
- 7/10/23 CO#5 terms and conditions
- 2/23/24 CO#6 conditions and negotiations

## □ FORMAL SUBMITTALS, REVIEW OF DOCUMENTS

- RFIs 158
  - SUBMITTALS 164
- 03/22/2024

## □ TESTING [Soils/Concrete]

- Levees / embankment / select fill
- Drill Shafts / Bents / Slab
- Roadway: limed subgrade / Cement Treated base
- MSE backfill
- REFREE LAB

## □ ENVIRONMENTAL JUSTICES [SW3Ps] Archeological sites

## □ EMBANKMENT Shary / SH336 / SP115 / Highline/ McColl /Anaya

## □ UNDERGROUND WORK Storm Sewer / Irrigation structures / Tolling Conduit

## □ LEVEE WORK

## □ Bridge Substructure FM494 / Floodway / SP115 / SH336 / McColl / Ditch Bridge / Highline

- BEAMS SET: McColl / Canal Bridge / Floodway/ FM494

## □ RETAINING WALLS Highline / Anaya / SP115/ SH336 / Jackson

## General Information

### Project

Work Type  
Heavy Highway

### Location



Texas Parks & Wildlife, CONANP, Esri, Tom... Powered by Esri

Coordinates  
26.14052384945899, -98.24062242016183

Location  
FM-396 (ANZALDUAS HIGHWAY) TO US-281 MILITARY HIGHWAY

### Management

Prime Contractor  
PULICE CONSTRUCTION, INC.

Project Manager  
Ramon Navarro, IV, P.E.

Managing Office  
HCRMA Construction Department

Created By  
Sergio Mandujano

Awarded Amount  
\$295,932,420.25



Authorized Amount  
\$265,126,088.59



Approved Changes  
-\$30,806,331.66

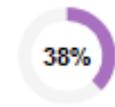


### Description

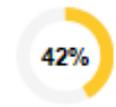
GREENFIELD PROJECT, PRINCIPAL ARTERIAL, CONTROLLED ACCESS HIGHWAY, TOLL IMPROVEMENT, CSJ: 0921-02-368

### Amount Paid

Amount paid so far  
\$111,258,712.47



of your  
Awarded  
\$295,932,420.25



of your  
Authorized  
\$265,126,088.59



of your  
Approved  
Payments  
\$111,258,712.47

### Important Dates

Date Created  
Apr 22, 2022

Notice to Proceed  
Feb 15, 2022

Construction Start  
Mar 17, 2022

Work Completion  
Sep 22, 2025

### Progress

Time Complete: 736 Days

Time Remaining: 528 Days

Amount Posted: \$93,613,433.67

Awarded Amount: \$295,932,420.25

Amount Posted: \$93,613,433.67

Authorized Amount: \$265,126,088.59

Total Retainage  
\$0.00



Retainage Released  
\$0.00



Liquidated Damages  
\$0.00



End Date	Status	Payment	To Date	% Complete	No.
03/15/2024	Pending	\$2,969,884.58	\$114,228,597.05	35.2%	24
02/15/2024	Paid	\$4,352,674.67	\$111,258,712.47	34.3%	23
01/15/2024	Paid	\$3,798,704.58	\$108,906,037.80	33.0%	22
12/15/2023	Paid	\$7,678,808.97	\$103,107,333.22	31.6%	21
11/15/2023	Paid	\$6,172,155.46	\$95,428,524.25	29.5%	20
10/15/2023	Paid	\$5,115,697.33	\$89,256,368.79	27.9%	19
09/15/2023	Paid	\$7,157,089.08	\$84,140,671.46	26.5%	18
08/15/2023	Paid	\$5,532,158.94	\$76,983,582.38	24.5%	17
07/15/2023	Paid	\$2,803,225.26	\$71,451,423.44	23.2%	16
06/15/2023	Paid	\$2,402,150.75	\$68,648,198.18	22.3%	15
05/15/2023	Paid	\$1,672,812.23	\$66,246,047.43	21.5%	14
04/15/2023	Paid	\$2,302,505.87	\$64,573,235.20	21.1%	13
03/15/2023	Paid	\$1,571,621.63	\$62,270,729.33	20.5%	12
02/15/2023	Paid	\$1,519,297.77	\$60,699,107.70	19.9%	11
01/15/2023	Paid	\$943,705.68	\$59,179,809.93	19.2%	10
12/15/2022	Paid	\$8,892,613.75	\$58,236,104.25	19.0%	9
11/14/2022	Paid	\$4,085,602.35	\$49,343,490.50	16.5%	8
10/14/2022	Paid	\$1,427,873.36	\$45,257,888.15	16.1%	7
09/15/2022	Paid	\$657,136.92	\$43,830,014.79	16.0%	6
08/18/2022	Paid	\$378,458.17	\$43,172,877.87	15.8%	5
07/19/2022	Paid	\$2,793,575.17	\$42,794,419.70	15.7%	4
06/20/2022	Paid	\$2,336,832.39	\$40,000,844.53	14.8%	3
05/31/2022	Paid	\$14,029,200.82	\$37,664,012.14	13.9%	2
04/30/2022	Paid	\$23,634,811.32	\$23,634,811.32	8.6%	1

# GRANJENO / ANZALDUAS (LOOKING EAST)



MSE Wall #3 east of 23rd Street, Stations 879+00 to 879+27, Lift 18 (6")



Crews embanking the roadway on the east side of 10th Street (SH336) STA 926+00 through 953+00.



Placement \delivery of flexbase material to the East side of San Juan Canal embankment





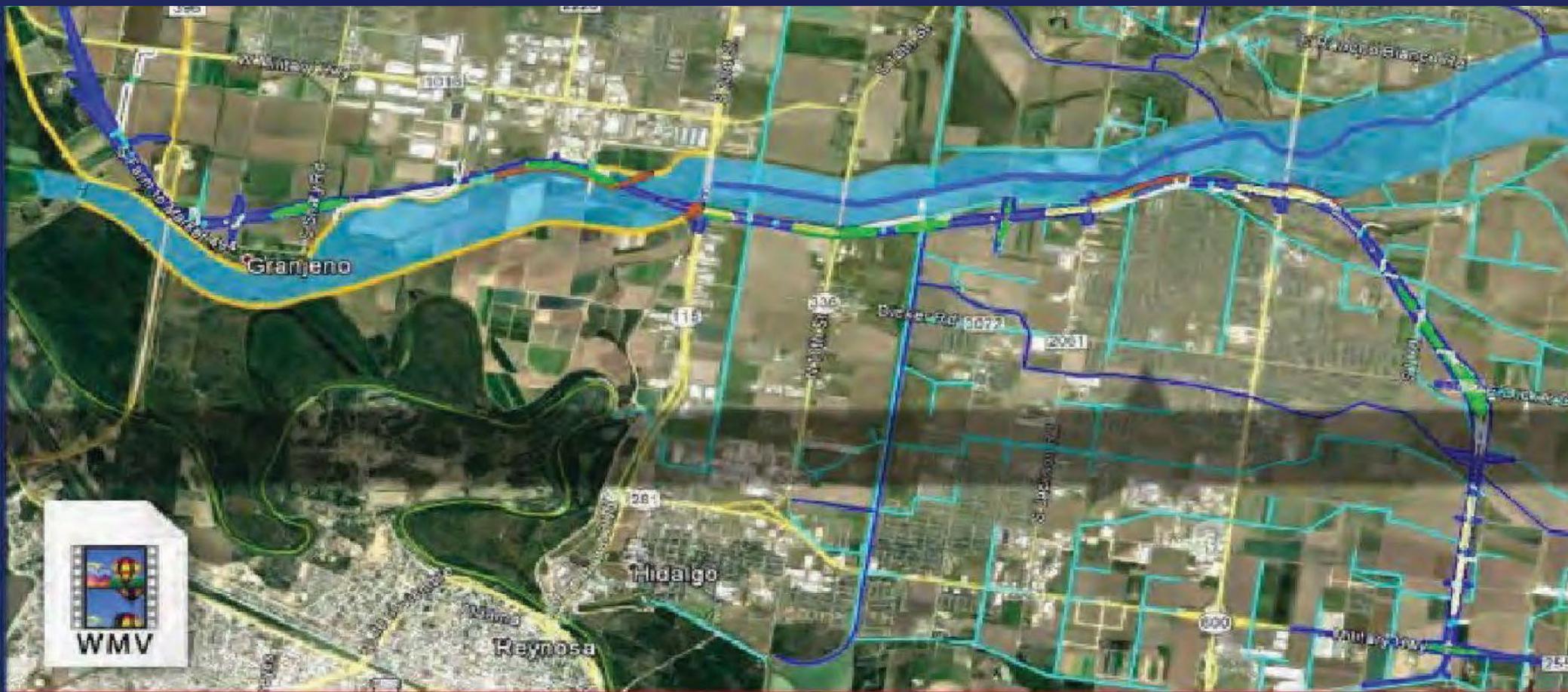
**CREWS REMOVING HARDWARE \ FORMS  
ON BENT #3 AT ANAYA RD STA 1246+00**



Trenching and installation of conduit for toll collection system hardware.

Placement of pole bases (drill shafts) for hardware\luminaires.





Item 2A

**HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY**

**AGENDA RECOMMENDATION FORM**

BOARD OF DIRECTORS	<u>  X  </u>	AGENDA ITEM	<u>  2A  </u>
PLANNING COMMITTEE	<u>          </u>	DATE SUBMITTED	<u>  03/18/2024  </u>
FINANCE COMMITTEE	<u>          </u>	MEETING DATE	<u>  03/26/2024  </u>
TECHNICAL COMMITTEE	<u>          </u>		

1. Agenda Item: **APPROVAL OF MINUTES FOR THE REGULAR MEETING HELD FEBRUARY 27, 2024 AND THE SPECIAL BOARD MEETING HELD ON MARCH 5, 2024.**
  
2. Nature of Request: (Brief Overview) Attachments:  Yes  No  
Approval of Minutes for the Hidalgo County Regional Mobility Authority Board of Directors Regular Meeting held February 27, 2024 and the Special Meeting held March 5, 2024.
  
3. Policy Implication: Board Policy, Local Government Code, Texas Government Code, Texas Transportation Code, TxDOT Policy
  
4. Budgeted:  Yes  No  N/A
  
5. Staff Recommendation: **Motion to approve the minutes for the Board of Director's Regular Meeting held on February 27, 2024 and the Special Meeting held on March 5, 2024.**
  
6. Program Manager's Recommendation:  Approved  Disapproved  None
  
7. Planning Committee's Recommendation:  Approved  Disapproved  None
  
8. Board Attorney's Recommendation:  Approved  Disapproved  None
  
9. Chief Auditor's Recommendation:  Approved  Disapproved  None
  
10. Chief Financial Officer's Recommendation:  Approved  Disapproved  None
  
10. Chief Development Engineer's Recommendation:  Approved  Disapproved  None
  
11. Chief Construction Engineer's Recommendation:  Approved  Disapproved  None
  
12. Executive Director's Recommendation:  Approved  Disapproved  None

**STATE OF TEXAS  
COUNTY OF HIDALGO  
HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY**

The Hidalgo County Regional Mobility Authority Board of Directors convened for a Regular Board Meeting on Tuesday, February 27, 2024, at 5:30 pm at the Pharr City Hall, 2nd Floor City Commission Chambers, 118 S. Cage, Blvd, Pharr, TX 78577, with the following participating:

Board Members: David Deanda, Jr., Chairman  
Ezequiel Reyna, Vice-Chairman  
Juan Carlos Del Ángel, Secretary/Treasurer  
Sergio Saenz, Director (teleconference)  
Michael Williamson, Director

Absent: Frank Pardo, Director  
Gabriel Kamel, Director

Staff: Pilar Rodriguez, Executive Director  
Ramon Navarro, Chief Construction Engineer  
Celia Gaona, Chief Auditor/Compliance Officer  
Maria Alaniz, Executive Assistant  
Richard Cantu, Cantu Law Company, Legal Counsel  
Colby Echols, Hilltop Securities, Financial Advisor

**PLEDGE OF ALLEGIANCE**

Chairman Deanda led the Pledge of Allegiance.

**INVOCATION**

Mrs. Maria Alaniz led the invocation.

**CALL TO ORDER AND ESTABLISHMENT OF A QUORUM FOR A REGULAR MEETING**

Chairman Deanda called the Regular Meeting to order at 5:30 p.m.

**PUBLIC COMMENT**

*No Comments*

**1. REPORTS**

A. Report on Program Management Activity for 365 Tollway Project – HCRMA Staff  
*Mr. Ramon Navarro reported on Program Manager Activity for 365 Tollway Project. No action taken.*

- B. Report on Construction Activity for 365 Tollway Project – Ramon Navarro IV, HCRMA.  
*Mr. Ramon Navarro reported on the construction activity for 365 Tollway Project. No action taken.*

## 2. CONSENT AGENDA

***Motion by Carlos Del Angel with a second by Ezequiel Reyna, to approve the Consent Agenda. Motion carried unanimously.***

- A. Approval of Minutes for the Regular Board Meeting held January 23, 2024.  
*Approved the Minutes for the Regular Board Meeting held January 23, 2024.*
- B. Approval of Project & General Expense Report for the period from January 13, 2024, to February 7, 2024.  
*Approved the Project & General Expense Report for the period from January 13, 2024, to February 7, 2024.*
- C. Approval of Financial Reports for December 2023.  
*Approved the Financial Reports for December 2023.*
- D. Resolution 2024-06 – Consideration and approval of a Multiple Use Agreement between the HCRMA and the City of Pharr for a hike & bike trail.  
*Approved Resolution 2024-06 – Consideration and approval of a Multiple Use Agreement between the HCRMA and the City of Pharr for a hike & bike trail.*
- E. Resolution 2024 – 07 – Consideration and Approval of Public Fund Investment Act Training for Investment Officer Jose Castillo, Chief Finance Officer.  
*Approved Resolution 2024 – 07 – Consideration and Approval of Public Fund Investment Act Training for Investment Officer Jose Castillo, Chief Finance Officer.*

## 3. REGULAR AGENDA

- A. Resolution 2024-09 – Consideration and Approval of Work Authorization Number 15 and Work Authorization Number 16 to the Professional Service Agreement with C&M Associates, Inc. for an updated bring down letter and General Engineering Consultant support.  
***Motion by Michael Williamson, with a second by Ezequiel Reyna, to approve Resolution 2024-09 – Consideration and Approval of Work Authorization Number 15 and Work Authorization Number 16 to the Professional Service Agreement with C&M Associates, Inc. for an updated bring down letter and General Engineering Consultant support in the amount of \$12,705 for Work Authorization Number 15 and \$90,000 for Work Authorization Number 16. Motion carried unanimously.***
- B. Resolution 2024-10 – Consideration and Approval of Contract Amendment Number 17 to the Professional Service Agreement with C&M Associates, Inc. to increase the maximum amount payable for Work Authorization Number 15 and Work Authorization Number 16.  
***Motion by Michael Williamson and seconded by Ezequiel Reyna, to approve Resolution 2024-10 – Consideration and Approval of Contract Amendment Number 17 to the Professional Service Agreement with C&M Associates, Inc. to increase the maximum amount payable for Work Authorization Number 15 and Work Authorization Number 16 for a revised maximum payable amount of 1,029,163.20. Motion carried unanimously.***

- C. Resolution 2024-11 – Consideration and Approval of an Agreement with Kinder Morgan, Inc. for Participation in Relocation of Utility Gas Line for the 365 Tollway Project.  
***Motion by Sergio Saenz, with a second by Michael Williamson, to approve Resolution 2024-11 – Consideration and Approval of an Agreement with Kinder Morgan, Inc. for Participation in Relocation of Utility Gas Line for the 365 Tollway Project in an amount not to exceed \$40,000. Motion carried unanimously.***
- D. Resolution 2024-12 – Consideration and Approval Supplemental Number 1 to Work Authorization Number 21 to the Professional Service Agreement with SAMES, Inc. for surveying services for additional “X” Parcels claimed by Hidalgo County Irrigation District Number 2 as part of the 365 Tollway Project.  
***Motion by Carlos Del Angel, with a second by Michael Williamson, to approve Resolution 2024-12 – Consideration and Approval Supplemental Number 1 to Work Authorization Number 21 to the Professional Service Agreement with SAMES, Inc. for surveying services for additional “X” Parcels claimed by Hidalgo County Irrigation District Number 2 as part of the 365 Tollway Project in the amount of \$19,845. Motion carried unanimously.***
- E. Resolution 2024-13 – Consideration and Approval of Contract Amendment Number 23 with SAMES, Inc. to increase the maximum amount payable for Supplemental Number 1 to Work Authorization Number 21.  
***Motion by Carlos Del Angel, with a second by Michael Williamson, to approve Resolution 2024-13 – Consideration and Approval of Contract Amendment Number 23 with SAMES, Inc. to increase the maximum amount payable for Supplemental Number 1 to Work Authorization Number 21 for a revised maximum amount payable of \$387,371.50. Motion carried unanimously.***
- F. Resolution 2024-14 – Consideration and Approval of Designation of the Rio Grande Valley Metropolitan Planning Organization Members for the Hidalgo County Regional Mobility Authority.  
***Motion by Carlos Del Angel, with a second by Michael Williamson, to approve Resolution 2024-14 – Consideration and Approval of Designation of the Rio Grande Valley Metropolitan Planning Organization Members for the Hidalgo County Regional Mobility Authority. Motion carried unanimously.***

#### 4. CHAIRMAN’S REPORT

- A. Annual Election of Vice Chairman and Secretary/Treasurer for the Hidalgo County Regional Mobility Authority.  
***Motion by Carlos Del Angel, with a second by Michael Williamson, to re-elect Ezequiel Reyna as Vice-Chairman for the Hidalgo County Regional Mobility Authority Board of Directors. Motion carried unanimously.***
- Motion by Sergio Saenz, with a second by Michael Williamson, to re-elect Carlos Del Angel as Secretary Treasurer for the Hidalgo County Regional Mobility Authority Board of Directors. Motion carried unanimously.***

#### 5. TABLED ITEMS

- A. None.

**6. EXECUTIVE SESSION, CHAPTER 551, TEXAS GOVERNMENT CODE, SECTION 551.071 (CONSULTATION WITH ATTORNEY), SECTION 551.072 (DELIBERATION OF REAL PROPERTY), AND SECTION 551.074 (PERSONNEL MATTERS)**

**Motion by Ezequiel Reyna, with a second by Carlos Del Angel, to enter into Executive Session to consult with board Attorney on legal issues pertaining to Item 6A, Item 6C, and Item 6E under Section under Section 551.074 of the Texas Government Code at 5:53 p.m. Motion carried unanimously.**

A. Consultation with Attorney on legal issues pertaining to Change Order Number 5 to that certain contract with Pulice Construction Inc. for the 365 Tollway Project (551.071 T.G.C.)

***No Action taken.***

B. Consultation with Attorney on legal issues pertaining to the Financial Assistance Agreement with the Texas Department of Transportation for the 365 Tollway Project (551.071 T.G.C.)

***No Action taken.***

C. Consultation with Attorney on legal issues pertaining to Professional Service Agreements for Engineering, Surveying and Environmental Services (Section 551.071 T.G.C.).

***No Action taken.***

D. Consultation with Attorney on legal issues pertaining to the voluntary acquisition of real property for various parcels for the 365 Tollway Project and International Bridge Trade Corridor Project (Sections 551.071 and 551.072 T.G.C.).

***No Action taken.***

E. Consultation with Attorney on legal issues pertaining to the acquisition, including the use of Eminent Domain, for property required to complete the project alignments of the 365 Tollway Project (Sections 551.071 and 551.072 T.G.C.).

***No Action taken.***

F. Consultation with Attorney on legal issues pertaining to the Environmental Clearance Document for the International Bridge Trade Corridor Project (Section 551.071 T.G.C.).

***No Action taken.***

**Motion by Ezequiel Reyna, with a second by Michael Williamson, to reconvene the regular board meeting at 6:25 p.m. Motion carried unanimously.**

**ADJOURNMENT**

*There being no other business to come before the Board of Directors, motion by Carlos Del Ángel, with a second by Ezequiel Reyna, to adjourn the meeting at 6:27 p.m.*

---

S. David Deanda, Jr., Chairman

Attest:

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Carlos Del Ángel, Secretary/Treasurer

**STATE OF TEXAS  
COUNTY OF HIDALGO  
HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY**

The Hidalgo County Regional Mobility Authority Board of Directors convened for a Special Board Meeting on Tuesday, March 5, 2024, at 3:00 pm by video/teleconference, with the following participating:

- Board Members: David Deanda, Jr., Chairman  
Ezequiel Reyna, Vice-Chairman  
Juan Carlos Del Ángel, Secretary/Treasurer  
Gabriel Kamel, Director  
Frank Pardo, Director  
Sergio Saenz, Director  
Michael Williamson, Director
- Absent: None
- Staff: Pilar Rodriguez, Executive Director  
Ramon Navarro, Chief Construction Engineer  
Celia Gaona, Chief Auditor/Compliance Officer  
Jose Castillo, Chief Financial Officer  
Maria Alaniz, Executive Assistant  
Blakely Fernandez, Bracewell, LLP, Legal Counsel

**PLEDGE OF ALLEGIANCE**

Chairman David Deanda, Jr. led the Pledge of Allegiance.

**INVOCATION**

Mrs. Maria Alaniz led the invocation.

**CALL TO ORDER AND ESTABLISHMENT OF A QUORUM FOR A SPECIAL MEETING**

**Chairman Deanda called the Special meeting to order at 3:00 P.M**

**PUBLIC COMMENT**

*No Comments*

**1. REGULAR AGENDA**

- A. Resolution 2024-15 – Consideration and Approval to designate additional routes to the Hidalgo County Overweight and Oversized vehicle corridor.  
***Motion by Ezequiel Reyna, with a seconded by Michael Williamson, to approve Resolution 2024-15 – Consideration and Approval to designate additional routes to the Hidalgo County Overweight and Oversized vehicle corridor. Motion carried unanimously.***

**ADJOURNMENT**

*There being no other business to come before the Board of Directors, motion by Sergio Saenz, with a second by Ezequiel Reyna, to adjourn the meeting at 3:08 p.m.*

---

S. David Deanda, Jr., Chairman

Attest:

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Carlos Del Ángel, Secretary/Treasurer

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**Item 2B**

**HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY**

**AGENDA RECOMMENDATION FORM**

<b>BOARD OF DIRECTORS</b>	<u>  X  </u>	<b>AGENDA ITEM</b>	<u>  2B  </u>
<b>PLANNING COMMITTEE</b>	<u>          </u>	<b>DATE SUBMITTED</b>	<u>  03/20/24  </u>
<b>FINANCE COMMITTEE</b>	<u>          </u>	<b>MEETING DATE</b>	<u>  03/26/24  </u>
<b>TECHNICAL COMMITTEE</b>	<u>          </u>		

1. Agenda Item: **APPROVAL OF PROJECT AND GENERAL EXPENSE REPORT FROM FEBRUARY 8, 2024 TO MARCH 6, 2024**

2. Nature of Request: (Brief Overview) Attachments:  Yes  No

Consideration and approval of project and general expense report for the period from February 8, 2024, to March 6, 2024

3. Policy Implication: Board Policy, Local Government Code, Texas Government Code, Texas Transportation Code, TxDOT Policy

4. Budgeted:  Yes  No  N/A Funding Source: VRF Bond

Operating Account	\$ 188,807.08
Toll Revenue Series 2022A&B	\$ 528,264.26
Disbursement Account	\$ 505,989.55
VRF Series 2020A	\$ 0.00
<b>Total Project Expenses for Reporting Period</b>	<b>\$ 1,223,060.89</b>

Fund Balance after Expenses \$ 139,960,593

5. Staff Recommendation: **Motion to approve the project and general expense report for the February 8, 2024, to March 6, as presented.**

6. Planning Committee's Recommendation:  Approved  Disapproved  None

7. Finance Committee's Recommendation:  Approved  Disapproved  None

8. Board Attorney's Recommendation:  Approved  Disapproved  None

9. Chief Auditor's Recommendation:  Approved  Disapproved  None

10. Chief Financial Officer's Recommendation:  Approved  Disapproved  None

11. Chief Development Engineer's Recommendation:  Approved  Disapproved  None

12. Chief Construction Engineer's Recommendation:  Approved  Disapproved  None

13. Executive Director's Recommendation:  Approved  Disapproved  None



# Memorandum

**To:** S. David Deanda Jr., Chairman  
**From:** Pilar Rodriguez, PE, Executive Director  
**Date:** February 20, 2024  
**Re:** **Expense Report for the Period from February 8, 2024, to March 6, 2024**

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Attached is the expense report for the period commencing on February 8, 2024, to March 6, 2024.

Expenses for the General Account total \$188,807.08, Toll Revenue Series 2022A&B total is \$528,264.26, Disbursement Account total \$ 505,989.55, and the VRF Series 2020A Account is \$0.00. The aggregate expense for the reporting period is \$ 1,223,060.89.

Based on review by this office, **approval of expenses for the reporting period is recommended in the aggregate amount of \$ 1,223,060.89.**

This leaves a fund balance (all funds) after expenses of \$139,960,593.

If you should have any questions or require additional information, please advise.

Plains Capital 41

Make Check Payable to	Inv Date	Amount
Valero Fleet	2/15/2024	\$ 1,000.75
Bracewell, LLP	3/5/2024	\$ 1,118.92
City of Pharr	3/14/2024	\$ 850.00
City of Pharr	3/8/2024	\$ 126,412.20
City of Pharr	3/8/2024	\$ 205.00
City of Pharr	3/8/2024	\$ 7,380.00
City of Pharr	3/8/2024	\$ 5,497.71
Pharr Economic Development Corporation	3/4/2024	\$ 4,480.00
UBEO, LLC. (Copy Zone)	2/27/2024	\$ 383.05
Law Office of Richard A. Cantu. P.C.	3/6/2024	\$ 150.00
Aim Media Texas	2/29/2024	\$ 4,967.32
Advance Publishing LLC	2/28/2024	\$ 1,357.50
Hilltop Securites Asset Management	2/28/2024	\$ 4,700.00
Gateway Printing & Office Supply Inc.	2/23/2024	\$ 157.79
Gateway Printing & Office Supply Inc.	2/23/2024	\$ 88.98
Bentley	4/18/2024	\$ 5,666.10
A-Fast Delivery, LLC	2/21/2024	\$ 141.00
Pathfinder Public Affairs	2/29/2024	\$ 10,000.00
Pena Designs	3/6/2024	\$ 200.00
Superior Alarm	2/19/2024	\$ 964.30
Corpus Christi Caller-Times	2/1/2024	\$ 761.60
Gatehouse Media Texas Holdings II, Inc.	2/1/2024	\$ 1,571.00
Burton McCumber & Longoria, LLP	3/11/2024	\$ 5,000.00
Xerox Buiness Solutions Southwest	2/7/2024	\$ 282.03
Xerox Financial Services	3/12/2024	\$ 591.60
Xerox Financial Services	3/12/2024	\$ 219.46
Pilar Rodriguez	3/7/2024	\$ 165.72
Alejandro Alanis	2/23/2024	\$ 230.00
Credit Card Services	3/3/2024	\$ 55.00
Credit Card Services	3/3/2024	\$ 1,196.85
Credit Card Services	3/3/2024	\$ 3,013.20
Credit Card Services	3/3/2024	\$ -
		<b>\$ 188,807.08</b>

Wilmington Trust 44/365 Project Construction & Related Costs 2022 A

SICE Inc.	2/1/2024	\$ 34,867.80
SICE Inc.	3/1/2024	\$ 75,856.70
Bracewell, LLP	3/5/2024	\$ 4,720.00
Atlas Technical Consultants, LLC	3/7/2024	\$ 3,943.91
Terracon Consultants, Inc.	2/26/2024	\$ 25,968.99
Terracon Consultants, Inc.	2/9/2024	\$ 54,771.18
HDR Engineering, Inc.	3/13/2024	\$ 43,644.71
HDR Engineering, Inc.	3/13/2024	\$ 193,700.52
HDR Engineering, Inc.	3/13/2024	\$ 2,128.74
HDR Engineering, Inc.	3/13/2024	\$ 13,439.06
Escobedo & Cardenas, LLP	3/6/2024	\$ 1,575.00
Law Office of Richard A. Cantu. P.C.	3/6/2024	\$ 4,950.00
Texas Department of Transportation	3/15/2024	\$ 171.46
B2Z Engineering	3/5/2024	\$ 46,073.32
Raba Kistner, Inc.	3/6/2024	\$ 17,153.84
Blanton & Associates, Inc.	2/8/2024	\$ 5,299.03
		<b>\$ 528,264.26</b>

Wilmington Trust 45/Capital Projects

CP

Hidalgo County Drainage District No.1	2/7/2024	\$ 497,297.05
VTX Communications LLC	2/14/2024	\$ 8,692.50
		<b>\$ 505,989.55</b>

Wilmington Trust 46/VRF Series 2020A

VRF 2020

\$ -

Sub Total - General -41 (Operating)	\$	188,807.08
Sub Total - Construction/Related Costs-44 (New Bonds A)	\$	528,264.26
Sub Total - Capital Projects-45 (Disbursement)	\$	505,989.55
Sub Total - VRF Series 2020A-46 (VRF Series 2020A)	\$	-
<b>Total</b>	<b>\$</b>	<b>1,223,060.89</b>

Approved: \_\_\_\_\_  
S. David Deanda, Jr., Chairman

\_\_\_\_\_  
Pilar Rodriguez, Executive Director

Approved: \_\_\_\_\_  
Juan Carlos Del Ángel, Secretary/Treasurer

\_\_\_\_\_  
3/26/2024

Item 2C

**HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY**

**AGENDA RECOMMENDATION FORM**

BOARD OF DIRECTORS	<u>  X  </u>	AGENDA ITEM	<u>  2C  </u>
PLANNING COMMITTEE	<u>          </u>	DATE SUBMITTED	<u>  03/19/24  </u>
FINANCE COMMITTEE	<u>          </u>	MEETING DATE	<u>  03/26/24  </u>
TECHNICAL COMMITTEE	<u>          </u>		

1. Agenda Item: **APPROVAL OF THE FINANCIAL REPORT FOR THE MONTH OF JANUARY 2024**
  
2. Nature of Request: (Brief Overview) Attachments:   X   Yes    No  
Consideration and approval of financial report for the month of January 2024.
  
3. Policy Implication: Board Policy, Local Government Code, Texas Government Code, Texas Transportation Code, TxDOT Policy
  
4. Budgeted:    Yes    No   X   N/A  
  
Funding Source:
  
5. Staff Recommendation: **Motion to approve the Financial Report for the months of January 2024, as presented.**
  
6. Planning Committee's Recommendation:    Approved    Disapproved   X   None
  
7. Finance Committee's Recommendation:    Approved    Disapproved   X   None
  
8. Board Attorney's Recommendation:    Approved    Disapproved   X   None
  
9. Chief Auditor's Recommendation:    Approved    Disapproved   X   None
  
10. Chief Financial Officer's Recommendation:   X   Approved    Disapproved    None
  
11. Chief Development Engineer's Recommendation:    Approved    Disapproved   X   None
  
12. Chief Construction Engineer's Recommendation:    Approved    Disapproved   X   None
  
13. Executive Director's Recommendation:   X   Approved    Disapproved    None

**HIDALGO CO. REGIONAL MOBILITY AUTHORITY  
STATEMENT OF NET POSITION JANUARY 31, 2024**

**ASSETS**

**CURRENT ASSETS**

Cash & cash equivalents	\$ 14,542,857
Cash with fiscal agent-promises	62,152
Cash & cash equivalents-Capital Projects	25,804,468
Investment-Capital Projects nonrestricted	36,955,770
Accrued Interest	1,843
Accrued Interest-Capital Project nonrestricted	163,753
Accounts Receivable-Govts.	10,537,277
Accounts Receivable - VR Fees	599,420
Accounts Receivable - Promises	29,754
Advance	2,513,637
Prepaid expense	48,132
Prepaid bond insurances	275,498
	<hr/>
Total Current Assets	91,533,762

**RESTRICTED ASSETS**

Cash & equivalent-Construction 2020A Series	11,554
Cash & equivalent-Construction 2022 A&B series	4,393,120
Investments-Construction 2022 A&B Series	54,331,660
Investment-2020 debt service	668,142
Investment-debt service 2013 series	5,425
Investment-debt service 2022 A&B	1,650
Cash & equivalents-debt service reserves. 2022 A&B	18,930,647
Investment-2022 liendebt service	4,603,618
Cash & equivalent-debt service jr. lien	187
Accrued interest	782,079
Prepaid items	899
	<hr/>
Total Restricted Assets	83,728,981

**CAPITAL ASSETS**

Land-ROW	914,934
Land-environmental	441,105
Leaschold improvements	388,932
Office equipment/other	40,946
Right to use-Bldg	437,340
Road-BSEF	3,010,637
Construction in progress	254,192,172
Accumulated depreciation	(491,277)
Accumulated amortization	(251,471)
	<hr/>
Total Capital Assets	258,683,319

**TOTAL ASSETS** **\$ 433,946,061**

**LIABILITIES AND NET POSITION**

**CURRENT LIABILITIES**

Accounts payable	\$ 61,816
Accounts payable-City of Pharr	614,666
Accounts payable-capital projects	109,490
Accrued wages	39,619
Lease Payable	208,697
Unearned Revenue - Overweight Permit Escrow	62,152
Current Portion of Bond Premium 2020A	45,256
Current Portion of Bond Premium 2022 A	356,126
Current Portion of Bond Premium 2022 B	132,309
	<hr/>
Total Current Liabilities	1,630,131

**RESTRICTED LIABILITIES**

Current Portion of Long-Term 2020 Debt	2,325,000
Accrued bond interest payable	535,214
Retainage payable	139,078
	<hr/>
Total Restricted Liabilities	2,999,292

**LONG-TERM LIABILITIES**

2020 Series A Bonds Payable	9,870,000
2020 Series B Bonds Payable	53,260,000
2022 Series A Bonds Payable	154,302,560
2022 Series B Bonds Payable	65,054,751
Bond premium 2020A	1,165,340
Bond premium 2022A	11,366,348
Bond premium 2022B	4,222,858
	<hr/>
Total Long-Term Liabilities	299,241,857

Total Liabilities **303,871,280**

**NET POSITION**

Investment in Capital Assets, Net of Related Debt	15,180,027
Restricted for:	
Debt Service	21,210,377
Capital projects	58,736,334
Unrestricted	34,948,044
	<hr/>
Total Net Position	130,074,782

**TOTAL LIABILITIES AND NET POSITION** **\$ 433,946,061**



Pharr, TX

# Balance Sheet

## Account Summary

As Of 01/31/2024

Account	Name	Balance
<b>Fund: 41 - HCRMA-GENERAL</b>		
<b>Assets</b>		
<u>41-1-1100-000</u>	GENERAL OPERATING	64,102.17
<u>41-1-1102-000</u>	POOL INVESTMENTS	6,519,058.58
<u>41-1-1102-001</u>	INVESTMENT-ROAD MAINT,	1,076,494.67
<u>41-1-1102-002</u>	INVESTMENT-GENERAL	6,883,202.05
<u>41-1-1113-000</u>	ACCOUNTS RECIEVABLES-VR FEES	599,420.00
<u>41-1-1113-009</u>	ACCOUNTS RECEIVABLE- PROMILES	29,754.00
<u>41-1-1113-012</u>	ACCRUED INTEREST	1,042.54
<u>41-1-1113-100</u>	PROMILES-PREPAID/ESCROW OVERWE	62,151.56
<u>41-1-1601-000</u>	PREPAID EXPENSE	48,131.73
<u>41-1-1601-001</u>	PREPAID BOND INSURANCE	275,497.51
<u>41-1-1910-001</u>	LAND - RIGHT OF WAY	914,933.99
<u>41-1-1910-002</u>	LAND - ENVIORNMENTAL	441,105.00
<u>41-1-1920-004</u>	LEASEHOLD IMPROV.	388,932.22
<u>41-1-1922-000</u>	ACCUM DEPR - BUILDINGS	-161,660.23
<u>41-1-1940-001</u>	OFFICE FURNITURE & FIXTURES	32,339.94
<u>41-1-1940-002</u>	COMPUTER/SOFTWARE	8,606.51
<u>41-1-1940-003</u>	RIGHT TO USE- BLDG	437,340.00
<u>41-1-1942-000</u>	ACCUM DEPR - MACH & EQUIP	-25,553.06
<u>41-1-1942-001</u>	ACCUM AMORT-BLDG	-251,471.00
<u>41-1-1950-001</u>	ROADS - BSIF	3,010,636.97
<u>41-1-1952-000</u>	ACCUM DEPR - INFRASTRUCTURE	-304,063.71
<u>41-1-1960-000</u>	CONSTRUCTION IN PROGRESS	254,192,172.08
	<b>Total Assets:</b>	<b>274,242,173.52</b>
		<b><u>274,242,173.52</u></b>
<b>Liability</b>		
<u>41-2-1212-000</u>	ACCOUNTS PAYABLE	24,291.55
<u>41-2-1212-001</u>	A/P CITY OF PHARR	138,986.14
<u>41-2-1212-007</u>	ACCRUED WAGES	39,618.86
<u>41-2-1212-010</u>	LEASE PAYABLE	208,697.00
<u>41-2-1213-007</u>	CURRENT-UNAMORTIZED-PREM 2022 A	356,125.78
<u>41-2-1213-008</u>	CURRENT-UNAMORTIZED-PREM 2022 B	132,308.88
<u>41-2-1213-010</u>	CURRENT- UNAMORTIZED- PREM 2020A	45,255.92
<u>41-2-1213-012</u>	BONDS PAYABLE CURRENT- 2020B	2,325,000.00
<u>41-2-1213-100</u>	UNEARNED REV.-OVERWEIGHT	62,151.56
<u>41-2-1214-004</u>	UNAMORTIZED PREM- 2020A	1,165,339.94
<u>41-2-1214-005</u>	LT UNAMORTIZED PREM 2022 A	11,366,347.66
<u>41-2-1214-006</u>	LT UNAMORTIZED PREM 2022 B	4,222,858.10
<u>41-2-1214-011</u>	LONG TERM BONDS- 2020A	9,870,000.00
<u>41-2-1214-012</u>	LONG TERM BONDS- 2020B	53,260,000.00
<u>41-2-1214-013</u>	LT BOND PAY 2022 A	154,302,559.75
<u>41-2-1214-014</u>	LT BOND PAY 2022 B	65,054,751.35
	<b>Total Liability:</b>	<b>302,574,292.49</b>
<b>Equity</b>		
<u>41-3-3400-000</u>	FUND BALANCE	-28,593,103.76
	<b>Total Beginning Equity:</b>	<b>-28,593,103.76</b>
Total Revenue		801,853.54
Total Expense		540,868.75
Revenues Over/Under Expenses		<u>260,984.79</u>
Total Equity and Current Surplus (Deficit):		-28,332,118.97
<b>Total Liabilities, Equity and Current Surplus (Deficit):</b>		<b><u>274,242,173.52</u></b>



Pharr, TX

# Income Statement Account Summary

For Fiscal: 2024 Period Ending: 01/31/2024

		Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
<b>Fund: 41 - HCRMA-GENERAL</b>						
<b>Revenue</b>						
<u>41-4-1504-000</u>	VEHICLE REGISTRATION FEES	0.00	0.00	599,420.00	599,420.00	-599,420.00
<u>41-4-1505-005</u>	PROMILES-OW/OS PERMIT FEES	0.00	0.00	133,947.00	133,947.00	-133,947.00
<u>41-4-1506-000</u>	INTEREST REVENUE	0.00	0.00	68,475.90	68,475.90	-68,475.90
<u>41-4-4664-000</u>	MISCELLANEOUS	0.00	0.00	10.64	10.64	-10.64
	<b>Revenue Total:</b>	<b>0.00</b>	<b>0.00</b>	<b>801,853.54</b>	<b>801,853.54</b>	<b>-801,853.54</b>
<b>Expense</b>						
<u>41-52900-1100-000</u>	SALARIES	0.00	0.00	42,941.11	42,941.11	-42,941.11
<u>41-52900-1105-000</u>	FICA	0.00	0.00	3,499.81	3,499.81	-3,499.81
<u>41-52900-1106-000</u>	HEALTH INSURANCE	0.00	0.00	2,474.52	2,474.52	-2,474.52
<u>41-52900-1115-000</u>	EMPLOYEES RETIREMENT	0.00	0.00	4,983.46	4,983.46	-4,983.46
<u>41-52900-1116-000</u>	PHONE ALLOWANCE	0.00	0.00	392.30	392.30	-392.30
<u>41-52900-1117-000</u>	CAR ALLOWANCE	0.00	0.00	1,292.30	1,292.30	-1,292.30
<u>41-52900-1178-000</u>	ADMIN FEE	0.00	0.00	750.00	750.00	-750.00
<u>41-52900-1200-000</u>	OFFICE SUPPLIES	0.00	0.00	79.39	79.39	-79.39
<u>41-52900-1603-000</u>	BUILDING REMODEL	0.00	0.00	95.00	95.00	-95.00
<u>41-52900-1607-000</u>	CONTRACTUAL ADM/IT SERVICES	0.00	0.00	1,700.00	1,700.00	-1,700.00
<u>41-52900-1611-000</u>	POSTAGE/FEDEX/COURTIER	0.00	0.00	274.00	274.00	-274.00
<u>41-52900-1620-000</u>	GENERAL LIABILITY	0.00	0.00	4,066.02	4,066.02	-4,066.02
<u>41-52900-1621-000</u>	INSURANCE-E&O	0.00	0.00	1,812.02	1,812.02	-1,812.02
<u>41-52900-1623-001</u>	INSURANCE-OTHER	0.00	0.00	5,740.84	5,740.84	-5,740.84
<u>41-52900-1623-002</u>	INSURANCE- CYBERSECURITY	0.00	0.00	8,828.82	8,828.82	-8,828.82
<u>41-52900-1715-000</u>	RENT-OFFICE	0.00	0.00	8,960.00	8,960.00	-8,960.00
<u>41-52900-1715-001</u>	RENT-OFFICE EQUIPMENT	0.00	0.00	1,183.20	1,183.20	-1,183.20
<u>41-52900-1731-000</u>	MISCELLANEOUS	0.00	0.00	5,000.00	5,000.00	-5,000.00
<u>41-52900-1999-006</u>	TRANS OUT- 2020 DEBT SVC	0.00	0.00	331,109.78	331,109.78	-331,109.78
<u>41-53000-1100-000</u>	SALARIES	0.00	0.00	54,101.65	54,101.65	-54,101.65
<u>41-53000-1104-000</u>	OVERTIME	0.00	0.00	8,136.97	8,136.97	-8,136.97
<u>41-53000-1105-000</u>	FICA	0.00	0.00	4,756.86	4,756.86	-4,756.86
<u>41-53000-1106-000</u>	HEALTH INSURANCE	0.00	0.00	4,949.04	4,949.04	-4,949.04
<u>41-53000-1115-000</u>	EMPLOYEES RETIREMENT	0.00	0.00	8,158.18	8,158.18	-8,158.18
<u>41-53000-1116-000</u>	PHONE ALLOWANCE	0.00	0.00	646.10	646.10	-646.10
<u>41-53000-1117-000</u>	CAR ALLOWANCE	0.00	0.00	553.84	553.84	-553.84
<u>41-53000-1178-000</u>	ADMN FEE	0.00	0.00	1,350.00	1,350.00	-1,350.00
<u>41-53000-1200-000</u>	OFFICE SUPPLIES	0.00	0.00	114.80	114.80	-114.80
<u>41-53000-1610-001</u>	SUBSCRIPTIONS - SOFTWARE	0.00	0.00	19,000.00	19,000.00	-19,000.00
<u>41-53000-1715-001</u>	RENTAL - OFFICE EQUIPMENT	0.00	0.00	438.92	438.92	-438.92
<u>41-53000-1715-010</u>	VEHICLE RENTAL	0.00	0.00	11,010.22	11,010.22	-11,010.22
<u>41-53000-1715-011</u>	VEHICLE INSURANCE	0.00	0.00	2,469.60	2,469.60	-2,469.60
	<b>Expense Total:</b>	<b>0.00</b>	<b>0.00</b>	<b>540,868.75</b>	<b>540,868.75</b>	<b>-540,868.75</b>
	<b>Fund: 41 - HCRMA-GENERAL Surplus (Deficit):</b>	<b>0.00</b>	<b>0.00</b>	<b>260,984.79</b>	<b>260,984.79</b>	
	<b>Total Surplus (Deficit):</b>	<b>0.00</b>	<b>0.00</b>	<b>260,984.79</b>	<b>260,984.79</b>	



Pharr, TX

# Bank Statement Register

GENERAL OPERATING

Period 1/1/2024 - 1/31/2024

Packet: BRPKT04119

*03/13/24*

Bank Statement

General Ledger

Beginning Balance	123,812.13
Plus Debits	680,555.20
Less Credits	681,406.83
Adjustments	0.00
Ending Balance	122,960.50

Account Balance	64,102.17
Less Outstanding Debits	0.00
Plus Outstanding Credits	58,858.33
Adjustments	0.00
Adjusted Account Balance	122,960.50

Statement Ending Balance	122,960.50
Bank Difference	0.00
General Ledger Difference	0.00

CASH BALANCE CONSISTS OF THE FOLLOWING GENERAL LEDGER ACCOUNTS

41-1-1100-000 GENERAL OPERATING

Cleared Deposits

Item Date	Reference	Item Type	Description	Amount
01/31/2024	<a href="#">DEP0076216</a>	Deposit	OUTSTANDING CR FROM DEC	26,487.00
01/31/2024	<a href="#">DEP0076217</a>	Deposit	OUTSTANDING CR FROM DEC	40,041.00
01/31/2024	<a href="#">DEP0076218</a>	Deposit	OUTSTANDING CR FROM DEC	42,606.00
01/31/2024	<a href="#">DEP0076219</a>	Deposit	OUTSTANDING CR FROM DEC	24,813.00
01/31/2024	<a href="#">DEP0076220</a>	Deposit	OUTSTANDING CR FROM DEC	224,757.01
01/31/2024	<a href="#">DEP0076221</a>	Deposit	OUTSTANDING CR FROM DEC	10,000.00
01/31/2024	<a href="#">DEP0076222</a>	Deposit	OUTSTANDING CR FROM DEC	7,380.00
01/31/2024	<a href="#">DEP0076223</a>	Deposit	OUTSTANDING CR FROM DEC	5,505.11
01/31/2024	<a href="#">DEP0076224</a>	Deposit	OUTSTANDING CR FROM DEC	5,497.71
01/31/2024	<a href="#">DEP0076225</a>	Deposit	OUTSTANDING CR FROM DEC	4,480.00
01/31/2024	<a href="#">DEP0076226</a>	Deposit	OUTSTANDING CR FROM DEC	1,500.00
01/31/2024	<a href="#">DEP0076227</a>	Deposit	OUTSTANDING CR FROM DEC	850.00
01/31/2024	<a href="#">DEP0076228</a>	Deposit	OUTSTANDING CR FROM DEC	960.00
01/31/2024	<a href="#">DEP0076229</a>	Deposit	OUTSTANDING CR FROM DEC	205.00
01/31/2024	<a href="#">DEP0076230</a>	Deposit	OUTSTANDING CR FROM DEC	200.00
01/31/2024	<a href="#">DEP0076231</a>	Deposit	OUTSTANDING CR FROM DEC	98.19
01/31/2024	<a href="#">DEP0076232</a>	Deposit	OUTSTANDING CR FROM DEC	75.00
01/31/2024	<a href="#">DEP0076233</a>	Deposit	OUTSTANDING CR FROM DEC	43.30
01/31/2024	<a href="#">DEP0076234</a>	Deposit	OUTSTANDING CR FROM DEC	5,596.57
01/31/2024	<a href="#">DEP0076235</a>	Deposit	OUTSTANDING CR FROM DEC	20.00
01/31/2024	<a href="#">DEP0076236</a>	Deposit	OUTSTANDING CR FROM DEC	1,140.52
01/31/2024	<a href="#">DEP0076237</a>	Deposit	OUTSTANDING CR FROM DEC	79.39
01/31/2024	<a href="#">DEP0076239</a>	Deposit	To record interest	144,262.76
01/31/2024	<a href="#">DEP0077280</a>	Deposit	TO RECORD FUND 41 JANUARY EXPENSES	24,813.00
01/31/2024	<a href="#">DEP0077281</a>	Deposit	TO RECORD FUND 41 JANUARY EXPENSES	26,487.00

Cleared Deposits

Item Date	Reference	Item Type	Description	Amount
01/31/2024	<a href="#">DEP0077282</a>	Deposit	TO RECORD FUND 41 JANUARY EXPENSES	40,041.00
01/31/2024	<a href="#">DEP0077283</a>	Deposit	TO RECORD FUND 41 JANUARY EXPENSES	42,606.00
01/31/2024	<a href="#">DEP0077284</a>	Deposit	TO RECORD FUND 41 JANUARY EXPENSES	10.64
Total Cleared Deposits (28)				680,555.20

Cleared Checks

Item Date	Reference	Item Type	Description	Amount
12/19/2023	<a href="#">2776</a>	Check	ADVANCE PUBLISHING LLC	-906.75
12/19/2023	<a href="#">2779</a>	Check	HILLTOP SECURITIES INC.	-8,500.00
12/19/2023	<a href="#">2780</a>	Check	OFFICE DEPOT	-99.88
01/26/2024	<a href="#">2785</a>	Check	GATEWAY PRINTING & OFFICE SUPPLY INC	-79.39
Total Cleared Checks (4)				-9,586.02

Cleared Other

Item Date	Reference	Item Type	Description	Amount
01/31/2024	<a href="#">EFT0004279</a>	EFT	TO RECORD FUND 41 JANUARY EXPENSES	-268,308.41
01/31/2024	<a href="#">EFT0004280</a>	EFT	TO RECORD FUND 41 JANUARY EXPENSES	-1,177.60
01/31/2024	<a href="#">DEPR0001091</a>	Deposit Reversal	OUTSTANDING CR FROM DEC	-26,487.00
01/31/2024	<a href="#">DEPR0001092</a>	Deposit Reversal	OUTSTANDING CR FROM DEC	-10,000.00
01/31/2024	<a href="#">DEPR0001093</a>	Deposit Reversal	OUTSTANDING CR FROM DEC	-224,757.01
01/31/2024	<a href="#">DEPR0001094</a>	Deposit Reversal	OUTSTANDING CR FROM DEC	-24,813.00
01/31/2024	<a href="#">DEPR0001095</a>	Deposit Reversal	OUTSTANDING CR FROM DEC	-40,041.00
01/31/2024	<a href="#">DEPR0001096</a>	Deposit Reversal	OUTSTANDING CR FROM DEC	-850.00
01/31/2024	<a href="#">DEPR0001097</a>	Deposit Reversal	OUTSTANDING CR FROM DEC	-7,380.00
01/31/2024	<a href="#">DEPR0001098</a>	Deposit Reversal	OUTSTANDING CR FROM DEC	-205.00
01/31/2024	<a href="#">DEPR0001099</a>	Deposit Reversal	OUTSTANDING CR FROM DEC	-1,500.00
01/31/2024	<a href="#">DEPR0001100</a>	Deposit Reversal	OUTSTANDING CR FROM DEC	-4,480.00
01/31/2024	<a href="#">DEPR0001101</a>	Deposit Reversal	OUTSTANDING CR FROM DEC	-960.00
01/31/2024	<a href="#">DEPR0001102</a>	Deposit Reversal	OUTSTANDING CR FROM DEC	-5,505.11
01/31/2024	<a href="#">DEPR0001103</a>	Deposit Reversal	OUTSTANDING CR FROM DEC	-5,497.71
01/31/2024	<a href="#">DEPR0001104</a>	Deposit Reversal	OUTSTANDING CR FROM DEC	-75.00
01/31/2024	<a href="#">DEPR0001105</a>	Deposit Reversal	OUTSTANDING CR FROM DEC	-43.30
01/31/2024	<a href="#">DEPR0001106</a>	Deposit Reversal	OUTSTANDING CR FROM DEC	-20.00
01/31/2024	<a href="#">DEPR0001107</a>	Deposit Reversal	OUTSTANDING CR FROM DEC	-1,140.52
01/31/2024	<a href="#">DEPR0001108</a>	Deposit Reversal	OUTSTANDING CR FROM DEC	-200.00
01/31/2024	<a href="#">DEPR0001109</a>	Deposit Reversal	OUTSTANDING CR FROM DEC	-5,596.57
01/31/2024	<a href="#">DEPR0001110</a>	Deposit Reversal	OUTSTANDING CR FROM DEC	-98.19
01/31/2024	<a href="#">DEPR0001111</a>	Deposit Reversal	OUTSTANDING CR FROM DEC	-79.39
01/31/2024	<a href="#">DEPR0001112</a>	Deposit Reversal	OUTSTANDING CR FROM DEC	-42,606.00
Total Cleared Other (24)				-671,820.81

Outstanding Checks

Item Date	Reference	Item Type	Description	Amount
01/26/2024	<a href="#">2782</a>	Check	A FAST DELIVERY	-274.00
01/26/2024	<a href="#">2783</a>	Check	ALAN YODER ENTERPRISES INC	-95.00
01/26/2024	<a href="#">2784</a>	Check	CITY OF MCALLEN	-2,000.00
01/26/2024	<a href="#">2786</a>	Check	INFO TECH	-19,000.00
01/26/2024	<a href="#">2787</a>	Check	OFFICE DEPOT	-114.80
01/26/2024	<a href="#">2788</a>	Check	TEXAS MUNICIPAL LEAGUE INTERGOVERN	-22,917.30
01/26/2024	<a href="#">2789</a>	Check	XEROX CORPORATION	-1,622.12
Total Outstanding Checks (7)				-46,023.22

Outstanding Other

Item Date	Reference	Item Type	Description	Amount
12/31/2023	<a href="#">DFT0010524</a>	Bank Draft	PLAINS CAPITAL-CREDIT CARD SERVICES	-500.00
01/31/2024	<a href="#">DFT0010766</a>	Bank Draft	CITY OF PHARR	-850.00
01/31/2024	<a href="#">DFT0010767</a>	Bank Draft	PHARR ECONOMIC DEVELOPMENT CORPOR	-5,980.00
01/31/2024	<a href="#">DFT0010768</a>	Bank Draft	CITY OF PHARR	-5,505.11
Total Outstanding Other (4)				-12,835.11



Pharr, TX

# Bank Statement Register

## POOL INVESTMENTS

Period 1/1/2024 - 1/31/2024

Packet: BRPKT04056

### Bank Statement

### General Ledger

*03/15/24*

Beginning Balance	6,488,696.45	Account Balance	6,519,058.58
Plus Debits	30,362.13	Less Outstanding Debits	0.00
Less Credits	0.00	Plus Outstanding Credits	0.00
Adjustments	0.00	Adjustments	0.00
Ending Balance	6,519,058.58	Adjusted Account Balance	6,519,058.58

Statement Ending Balance	6,519,058.58
Bank Difference	0.00
General Ledger Difference	0.00

CASH BALANCE CONSISTS OF THE FOLLOWING GENERAL LEDGER ACCOUNTS

41-1-1102-000 POOL INVESTMENTS

### Cleared Deposits

Item Date	Reference	Item Type	Description	Amount
01/31/2024	<u>DEP0075900</u>	Deposit	FUND 41 INTEEST EXPENSE 2024	30,362.13
Total Cleared Deposits (1)				30,362.13



Pharr, TX

# Bank Statement Register

RMA LOGIC ROAD MAINT

Period 1/1/2024 - 1/31/2024

Packet: BRPKT04053

## Bank Statement

## General Ledger

*03/15/24*

Beginning Balance	1,071,481.06	Account Balance	1,076,494.67
Plus Debits	5,013.61	Less Outstanding Debits	0.00
Less Credits	0.00	Plus Outstanding Credits	0.00
Adjustments	0.00	Adjustments	0.00
Ending Balance	1,076,494.67	Adjusted Account Balance	1,076,494.67

Statement Ending Balance	1,076,494.67
Bank Difference	0.00
General Ledger Difference	0.00

CASH BALANCE CONSISTS OF THE FOLLOWING GENERAL LEDGER ACCOUNTS

41-1-1102-001 INVESTMENT-ROAD MAINT,

## Cleared Deposits

Item Date	Reference	Item Type	Description	Amount
01/31/2024	<u>DEP0075899</u>	Deposit	FUND 41 INTEREST EXPENSE 2024	5,013.61
Total Cleared Deposits (1)				5,013.61



Pharr, TX

# Bank Statement Register

## INVESTMENT-GENERAL

Period 1/1/2024 - 1/31/2024

Packet: BRPKT04055

### Bank Statement

### General Ledger

*03/5/24*

Beginning Balance	6,851,144.43	Account Balance	6,883,202.05
Plus Debits	32,057.62	Less Outstanding Debits	0.00
Less Credits	0.00	Plus Outstanding Credits	0.00
Adjustments	0.00	Adjustments	0.00
Ending Balance	6,883,202.05	Adjusted Account Balance	6,883,202.05

Statement Ending Balance	6,883,202.05
Bank Difference	0.00
General Ledger Difference	0.00

CASH BALANCE CONSISTS OF THE FOLLOWING GENERAL LEDGER ACCOUNTS

41-1-1102-002 INVESTMENT-GENERAL

### Cleared Deposits

Item Date	Reference	Item Type	Description	Amount
01/31/2024	<u>DEP0075904</u>	Deposit	FUND 41 INTEREST EXPENSE 2024	32,057.62
Total Cleared Deposits (1)				32,057.62



Pharr, TX

# Balance Sheet

## Account Summary

As Of 01/31/2024

Account	Name	Balance
<b>Fund: 42 - HCRMA-DEBT SERVICE</b>		
<b>Assets</b>		
<u>42-1-1102-002</u>	INVESTMENTS D/S 2022 A SERIES	4,483,865.02 ✓
<u>42-1-1102-003</u>	INVESTMENTS D/S2022 B SERIES	118,007.43 ✓
<u>42-1-1102-004</u>	INVESTMENT SR 2022A	1,649.54 ✓
<u>42-1-1102-010</u>	INVESTMENTS RESERVE D/S 2022 A SERIE	13,107,331.29
<u>42-1-1102-011</u>	INVESTMENTS RESERVE D/S 2022 B SERIE	5,884,077.96
<u>42-1-1102-012</u>	INVESTMENT JR LIEN REV BDS 2022B	1,745.77
<u>42-1-1113-012</u>	ACCRUED INTEREST	20,635.24
<u>42-1-1601-000</u>	PREPAID EXPENSE	898.72
<u>42-1-4105-000</u>	WILMINGTON-DEBT SERVICE	5,425.43
<u>42-1-4105-001</u>	DEBT SVC - JR LIEN	186.73
<u>42-1-4105-002</u>	DEBT SERVICE- 2020 SERIES	668,141.86
	<b>Total Assets:</b>	<b>24,291,964.99</b>
		<b><u>24,291,964.99</u></b>
<b>Liability</b>		
<u>42-2-4214-007</u>	ACCRUED INTEREST PAY- 2020 SERIES	137,360.00
<u>42-2-4214-008</u>	ACCRUED INTEREST PAY - 2022 A SERIES	274,658.00
<u>42-2-4214-009</u>	ACCRUED INTEREST PAY 2022 B SERIES	123,196.00
	<b>Total Liability:</b>	<b>535,214.00</b>
<b>Equity</b>		
<u>42-3-4400-000</u>	FUND BALANCE	23,256,075.42
	<b>Total Beginning Equity:</b>	<b>23,256,075.42</b>
Total Revenue		500,675.57
Total Expense		0.00
<b>Revenues Over/Under Expenses</b>		<b>500,675.57</b>
	<b>Total Equity and Current Surplus (Deficit):</b>	<b>23,756,750.99</b>
	<b>Total Liabilities, Equity and Current Surplus (Deficit):</b>	<b><u>24,291,964.99</u></b>



Pharr, TX

# Income Statement

## Account Summary

For Fiscal: 2024 Period Ending: 01/31/2024

		Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
<b>Fund: 42 - HCRMA-DEBT SERVICE</b>						
<b>Revenue</b>						
<u>42-4-1506-000</u>	INTEREST INCOME	0.00	0.00	60,783.39	60,783.39	-60,783.39
<u>42-4-1506-001</u>	INTEREST INCOME-JR LIEN	0.00	0.00	0.89	0.89	-0.89
<u>42-4-1506-002</u>	INTEREST 2020 SERIES	0.00	0.00	204.25	204.25	-204.25
<u>42-4-1506-003</u>	INTEREST 2022 A SERIES	0.00	0.00	19,905.48	19,905.48	-19,905.48
<u>42-4-1506-004</u>	INTEREST 2022 B SERIES	0.00	0.00	504.79	504.79	-504.79
<u>42-4-1506-010</u>	INTEREST RESERVE 2022 A SERIES	0.00	0.00	60,762.67	60,762.67	-60,762.67
<u>42-4-1506-011</u>	INTEREST RESERVE 2022 B SERIES	0.00	0.00	27,404.32	27,404.32	-27,404.32
<u>42-4-1999-000</u>	TRANSFERS IN-FROM GENERAL FUND	0.00	0.00	331,109.78	331,109.78	-331,109.78
	<b>Revenue Total:</b>	<b>0.00</b>	<b>0.00</b>	<b>500,675.57</b>	<b>500,675.57</b>	<b>-500,675.57</b>
	<b>Fund: 42 - HCRMA-DEBT SERVICE Total:</b>	<b>0.00</b>	<b>0.00</b>	<b>500,675.57</b>	<b>500,675.57</b>	
	<b>Total Surplus (Deficit):</b>	<b>0.00</b>	<b>0.00</b>	<b>500,675.57</b>	<b>500,675.57</b>	



Pharr, TX

# Bank Statement Register

## INVESTMENT D/S 2022A SERIES

Period 1/1/2024 - 1/31/2024

Packet: BRPKT04036

Bank Statement

General Ledger

*03/5/24*

Beginning Balance	4,464,908.72
Plus Debits	18,956.30
Less Credits	0.00
Adjustments	0.00
Ending Balance	4,483,865.02

Account Balance	4,483,865.02
Less Outstanding Debits	0.00
Plus Outstanding Credits	0.00
Adjustments	0.00
Adjusted Account Balance	4,483,865.02

Statement Ending Balance	4,483,865.02
Bank Difference	0.00
General Ledger Difference	0.00

CASH BALANCE CONSISTS OF THE FOLLOWING GENERAL LEDGER ACCOUNTS

42-1-1102-002 INVESTMENTS D/S 2022 A SERIES

Cleared Deposits

Item Date	Reference	Item Type	Description	Amount
01/31/2024	<u>DEP0075932</u>	Deposit	To record interest	18,956.30
Total Cleared Deposits (1)				18,956.30



Pharr, TX

# Bank Statement Register

INVESTMENT SR 2022A

Period 1/1/2024 - 1/31/2024

Packet: BRPKT04037

*03/5/24*

### Bank Statement

### General Ledger

Beginning Balance	700.36
Plus Debits	949.18
Less Credits	0.00
Adjustments	0.00
Ending Balance	1,649.54

Account Balance	1,649.54
Less Outstanding Debits	0.00
Plus Outstanding Credits	0.00
Adjustments	0.00
Adjusted Account Balance	1,649.54

Statement Ending Balance	1,649.54
Bank Difference	0.00
General Ledger Difference	0.00

CASH BALANCE CONSISTS OF THE FOLLOWING GENERAL LEDGER ACCOUNTS

42-1-1102-004 INVESTMENT SR 2022A

### Cleared Deposits

Item Date	Reference	Item Type	Description	Amount
01/31/2024	<u>DEP0075931</u>	Deposit	To record interet	949.18
Total Cleared Deposits (1)				949.18



Pharr, TX

# Bank Statement Register

INVESTMENT D/S 2022B SERIES

Period 1/1/2024 - 1/31/2024

Packet: BRPKT04035

*03/5/24*

Bank Statement

General Ledger

Beginning Balance	117,509.12
Plus Debits	498.31
Less Credits	0.00
Adjustments	0.00
Ending Balance	118,007.43

Account Balance	118,007.43
Less Outstanding Debits	0.00
Plus Outstanding Credits	0.00
Adjustments	0.00
Adjusted Account Balance	118,007.43

Statement Ending Balance	118,007.43
Bank Difference	0.00
General Ledger Difference	0.00

CASH BALANCE CONSISTS OF THE FOLLOWING GENERAL LEDGER ACCOUNTS

42-1-1102-003 INVESTMENTS D/S2022 B SERIES

Cleared Deposits

Item Date	Reference	Item Type	Description	Amount
01/31/2024	<u>DEP0075942</u>	Deposit	To record Interest	498.31
Total Cleared Deposits (1)				498.31



Pharr, TX

# Bank Statement Register

## INVESTMENT RESERVE D/S 2022A SERIES

Period 1/1/2024 - 1/31/2024

Packet: BRPKT04049

03/5/24

### Bank Statement

### General Ledger

Beginning Balance	12,985,805.95	Account Balance	13,107,331.29
Plus Debits	60,762.67	Less Outstanding Debits	60,762.67
Less Credits	0.00	Plus Outstanding Credits	0.00
Adjustments	0.00	Adjustments	0.00
Ending Balance	13,046,568.62	Adjusted Account Balance	13,046,568.62

Statement Ending Balance	13,046,568.62
Bank Difference	0.00
General Ledger Difference	0.00

CASH BALANCE CONSISTS OF THE FOLLOWING GENERAL LEDGER ACCOUNTS

42-1-1102-010 INVESTMENTS RESERVE D/S 2022 A SERIES

### Cleared Deposits

Item Date	Reference	Item Type	Description	Amount
01/31/2024	<u>DEP0075901</u>	Deposit	FUND 41 INTEREST EXPENSE 2024	60,762.67
Total Cleared Deposits (1)				60,762.67

### Outstanding Deposits

Item Date	Reference	Item Type	Description	Amount
01/31/2024	<u>DEP0076626</u>	Deposit	AVG. MO RATE 5.5102%	60,762.67
Total Outstanding Deposits (1)				60,762.67



Pharr, TX

# Bank Statement Register

## INVESTMENT RESERVE D/S 2022B SERIES

Period 1/1/2024 - 1/31/2024

Packet: BRPKT04047

*03/5/24*

### Bank Statement

### General Ledger

Beginning Balance	5,856,673.64	Account Balance	5,884,077.96
Plus Debits	27,404.32	Less Outstanding Debits	0.00
Less Credits	0.00	Plus Outstanding Credits	0.00
Adjustments	0.00	Adjustments	0.00
Ending Balance	5,884,077.96	Adjusted Account Balance	5,884,077.96

Statement Ending Balance	5,884,077.96
Bank Difference	0.00
General Ledger Difference	0.00

CASH BALANCE CONSISTS OF THE FOLLOWING GENERAL LEDGER ACCOUNTS

42-1-1102-011 INVESTMENTS RESERVE D/S 2022 B SERIES

### Cleared Deposits

Item Date	Reference	Item Type	Description	Amount
01/31/2024	<u>DEP0075902</u>	Deposit	FUND 42 INTEREST EXPENSE 2024	27,404.32
Total Cleared Deposits (1)				27,404.32



Pharr, TX

# Bank Statement Register

## INVESTMENT JR LIEN REV BDS 2022B

Period 1/1/2024 - 1/31/2024

Packet: BRPKT04031

### Bank Statement

### General Ledger

Beginning Balance	1,739.29
Plus Debits	6.48
Less Credits	0.00
Adjustments	0.00
Ending Balance	1,745.77

Account Balance	1,745.77
Less Outstanding Debits	0.00
Plus Outstanding Credits	0.00
Adjustments	0.00
Adjusted Account Balance	1,745.77

*03/5/24*

Statement Ending Balance	1,745.77
Bank Difference	0.00
General Ledger Difference	0.00

CASH BALANCE CONSISTS OF THE FOLLOWING GENERAL LEDGER ACCOUNTS

42-1-1102-012 INVESTMENT JR LIEN REV BDS 2022B

### Cleared Deposits

Item Date	Reference	Item Type	Description	Amount
01/31/2024	<u>DEP0075957</u>	Deposit	To record Interest	6.48
Total Cleared Deposits (1)				6.48



Pharr, TX

# Bank Statement Register

WILMINGTON-DEBT SERVICE

Period 1/1/2024 - 1/31/2024

Packet: BRPKT04034

*03/2/24*

Bank Statement

General Ledger

Beginning Balance	5,404.71	Account Balance	5,425.43
Plus Debits	20.72	Less Outstanding Debits	0.00
Less Credits	0.00	Plus Outstanding Credits	0.00
Adjustments	0.00	Adjustments	0.00
Ending Balance	5,425.43	Adjusted Account Balance	5,425.43

Statement Ending Balance	5,425.43
Bank Difference	0.00
General Ledger Difference	0.00

CASH BALANCE CONSISTS OF THE FOLLOWING GENERAL LEDGER ACCOUNTS

42-1-4105-000 WILMINGTON-DEBT SERVICE

Cleared Deposits

Item Date	Reference	Item Type	Description	Amount
01/31/2024	<u>DEP0075953</u>	Deposit	To record interest	20.72
Total Cleared Deposits (1)				20.72



Pharr, TX

# Bank Statement Register

## INVESTMENTS D/S 2020 SERIES -

Period 1/1/2024 - 1/31/2024

Packet: BRPKT04032

*03/5/24*

### Bank Statement

### General Ledger

Beginning Balance	336,827.83
Plus Debits	331,314.03
Less Credits	0.00
Adjustments	0.00
Ending Balance	668,141.86

Account Balance	668,141.86
Less Outstanding Debits	0.00
Plus Outstanding Credits	0.00
Adjustments	0.00
Adjusted Account Balance	668,141.86

Statement Ending Balance	668,141.86
Bank Difference	0.00
General Ledger Difference	0.00

CASH BALANCE CONSISTS OF THE FOLLOWING GENERAL LEDGER ACCOUNTS

42-1-4105-002 DEBT SERVICE- 2020 SERIES

### Cleared Deposits

Item Date	Reference	Item Type	Description	Amount
01/31/2024	<u>DEP0075956</u>	Deposit	To record Interest	331,314.03
Total Cleared Deposits (1)				331,314.03



Pharr, TX

# Balance Sheet

## Account Summary

As Of 01/31/2024

Account	Name	Balance	
<b>Fund: 44 - HCRMA-365 CONSTRUCTION</b>			
<b>Assets</b>			
<u>44-1-1102-001</u>	INVESTMENTS - 2022 A SERIES	58,724,777.72	
<u>44-1-1102-002</u>	INVESTMENTS - 2022 B SERIES	2.39	
<u>44-1-1113-012</u>	ACCRUED INTEREST	761,443.77	
	<b>Total Assets:</b>	<b>59,486,223.88</b>	<b><u>59,486,223.88</u></b>
<b>Liability</b>			
<u>44-2-1212-009</u>	RETAINAGE PAYABLE	139,078.90	
	<b>Total Liability:</b>	<b>139,078.90</b>	
<b>Equity</b>			
<u>44-3-1400-000</u>	FUND BALANCE	60,862,607.37	
	<b>Total Beginning Equity:</b>	<b>60,862,607.37</b>	
Total Revenue		386,214.90	
Total Expense		1,901,677.29	
Revenues Over/Under Expenses		-1,515,462.39	
	<b>Total Equity and Current Surplus (Deficit):</b>	<b>59,347,144.98</b>	
	<b>Total Liabilities, Equity and Current Surplus (Deficit):</b>		<b><u>59,486,223.88</u></b>



Pharr, TX

# Income Statement

## Account Summary

For Fiscal: 2024 Period Ending: 01/31/2024

		Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
<b>Fund: 44 - HCRMA-365 CONSTRUCTION</b>						
<b>Revenue</b>						
<u>44-4-1506-000</u>	INTEREST REVENUE	0.00	0.00	386,214.90	386,214.90	-386,214.90
	<b>Revenue Total:</b>	<b>0.00</b>	<b>0.00</b>	<b>386,214.90</b>	<b>386,214.90</b>	<b>-386,214.90</b>
<b>Expense</b>						
<u>44-52900-8841-000</u>	PROFESSIONAL SERVICES	0.00	0.00	2,325.00	2,325.00	-2,325.00
<u>44-52900-8844-000</u>	365 PROJECT CONSTRUCTION A-FEDERAL	0.00	0.00	1,899,352.29	1,899,352.29	-1,899,352.29
	<b>Expense Total:</b>	<b>0.00</b>	<b>0.00</b>	<b>1,901,677.29</b>	<b>1,901,677.29</b>	<b>-1,901,677.29</b>
	<b>Fund: 44 - HCRMA-365 CONSTRUCTION Surplus (Deficit):</b>	<b>0.00</b>	<b>0.00</b>	<b>-1,515,462.39</b>	<b>-1,515,462.39</b>	
	<b>Total Surplus (Deficit):</b>	<b>0.00</b>	<b>0.00</b>	<b>-1,515,462.39</b>	<b>-1,515,462.39</b>	



Pharr, TX

# Bank Statement Register

## INVESTMENTS - 2022 A SERIES

Period 1/1/2024 - 1/31/2024

Packet: BRPKT04033

*03/15/24*

### Bank Statement

### General Ledger

Beginning Balance	66,347,686.05
Plus Debits	409,314.15
Less Credits	8,032,222.48
Adjustments	0.00
Ending Balance	58,724,777.72

Account Balance	58,724,777.72
Less Outstanding Debits	0.00
Plus Outstanding Credits	0.00
Adjustments	0.00
Adjusted Account Balance	58,724,777.72

Statement Ending Balance	58,724,777.72
Bank Difference	0.00
General Ledger Difference	0.00

CASH BALANCE CONSISTS OF THE FOLLOWING GENERAL LEDGER ACCOUNTS

44-1-1102-001 INVESTMENTS - 2022 A SERIES

### Cleared Deposits

Item Date	Reference	Item Type	Description	Amount
01/31/2024	<u>DEP0075954</u>	Deposit	To record interest	363,117.65
01/31/2024	<u>DEP0075986</u>	Deposit	AV. MO. RATE - JANUARY 2024	23,099.25
01/31/2024	<u>DEP0075995</u>	Deposit	AVG MO. RATE - JANUARY 2024	23,097.25
Total Cleared Deposits (3)				409,314.15

### Cleared Other

Item Date	Reference	Item Type	Description	Amount
01/31/2024	<u>EFT0004185</u>	EFT	To record interest	-8,009,123.23
01/31/2024	<u>EFT0004187</u>	EFT	AVG MO. RATE -REVERSAL	-23,099.25
Total Cleared Other (2)				-8,032,222.48



Pharr, TX

# Balance Sheet

## Account Summary

As Of 01/31/2024

Account	Name	Balance	
<b>Fund: 45 - HCRMA - CAP.PROJECTS FUND</b>			
<b>Assets</b>			
<u>45-1-1102-000</u>	Pool Investment	62,760,238.07	
<u>45-1-1113-012</u>	ACCRUED INTEREST	163,753.21	
<u>45-1-1250-000</u>	A/R Govts.	10,537,277.45	
<u>45-1-1267-000</u>	ADVANCE	2,513,637.48	
	<b>Total Assets:</b>	<u>75,974,906.21</u>	<u><b>75,974,906.21</b></u>
<b>Liability</b>			
<u>45-2-1212-000</u>	Accounts Payable	109,489.69	
	<b>Total Liability:</b>	<u>109,489.69</u>	
<b>Equity</b>			
<u>45-3-1400-000</u>	Fund Balance	75,581,482.41	
	<b>Total Beginning Equity:</b>	<u>75,581,482.41</u>	
Total Revenue		283,934.11	
Total Expense		0.00	
<b>Revenues Over/Under Expenses</b>		<u>283,934.11</u>	
	<b>Total Equity and Current Surplus (Deficit):</b>	75,865,416.52	
	<b>Total Liabilities, Equity and Current Surplus (Deficit):</b>		<u><b>75,974,906.21</b></u>



Pharr, TX

# Income Statement Account Summary

For Fiscal: 2024 Period Ending: 01/31/2024

	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
<b>Fund: 45 - HCRMA - CAP.PROJECTS FUND</b>					
<b>Revenue</b>					
<u>45-4-1506-000</u>					
Interest Revenue	0.00	0.00	283,934.11	283,934.11	-283,934.11
<b>Revenue Total:</b>	<b>0.00</b>	<b>0.00</b>	<b>283,934.11</b>	<b>283,934.11</b>	<b>-283,934.11</b>
<b>Fund: 45 - HCRMA - CAP.PROJECTS FUND Total:</b>	<b>0.00</b>	<b>0.00</b>	<b>283,934.11</b>	<b>283,934.11</b>	
<b>Total Surplus (Deficit):</b>	<b>0.00</b>	<b>0.00</b>	<b>283,934.11</b>	<b>283,934.11</b>	



Pharr, TX

# Bank Statement Register

Pool Investment

Period 1/1/2024 - 1/31/2024

Packet: BRPKT04041

*02/15/24*

## Bank Statement

## General Ledger

Beginning Balance	65,137,329.43	Account Balance	62,760,238.07
Plus Debits	283,934.11	Less Outstanding Debits	0.00
Less Credits	2,661,025.47	Plus Outstanding Credits	0.00
Adjustments	0.00	Adjustments	0.00
Ending Balance	62,760,238.07	Adjusted Account Balance	62,760,238.07

Statement Ending Balance	62,760,238.07
Bank Difference	0.00
General Ledger Difference	0.00

### CASH BALANCE CONSISTS OF THE FOLLOWING GENERAL LEDGER ACCOUNTS

45-1-1102-000 Pool Investment

#### Cleared Deposits

Item Date	Reference	Item Type	Description	Amount
01/31/2024	<a href="#">DEP0075906</a>	Deposit	To record interet	163,753.21
01/31/2024	<a href="#">DEP0076241</a>	Deposit	FUND 45 EXPENSE INTEREST EXPENSE 202	120,180.90
Total Cleared Deposits (2)				283,934.11

#### Cleared Other

Item Date	Reference	Item Type	Description	Amount
01/31/2024	<a href="#">EFT0004193</a>	EFT	To record Interest	-2,661,025.47
Total Cleared Other (1)				-2,661,025.47



Pharr, TX

# Balance Sheet

## Account Summary

As Of 01/31/2024

Account	Name	Balance	
Fund: 46 - HCRMA- VRF SERIES 2020A			
<b>Assets</b>			
<u>46-1-1102-000</u>	INVESTMENTS	<u>11,554.18</u>	
	<b>Total Assets:</b>	<b>11,554.18</b>	<b><u>11,554.18</u></b>
<b>Liability</b>			
	<b>Total Liability:</b>	<u>0.00</u>	
Total Revenue		11,554.18	
Total Expense		<u>0.00</u>	
Revenues Over/Under Expenses		<b>11,554.18</b>	
	<b>Total Equity and Current Surplus (Deficit):</b>	<b>11,554.18</b>	
	<b>Total Liabilities, Equity and Current Surplus (Deficit):</b>		<b><u>11,554.18</u></b>



Pharr, TX

# Income Statement Account Summary

For Fiscal: 2024 Period Ending: 01/31/2024

	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
<b>Fund: 46 - HCRMA- VRF SERIES 2020A</b>					
<b>Revenue</b>					
<u>46-4-1506-000</u>					
INTEREST REVENUE	0.00	0.00	11,554.18	11,554.18	-11,554.18
<b>Revenue Total:</b>	<b>0.00</b>	<b>0.00</b>	<b>11,554.18</b>	<b>11,554.18</b>	<b>-11,554.18</b>
<b>Fund: 46 - HCRMA- VRF SERIES 2020A Total:</b>	<b>0.00</b>	<b>0.00</b>	<b>11,554.18</b>	<b>11,554.18</b>	
<b>Total Surplus (Deficit):</b>	<b>0.00</b>	<b>0.00</b>	<b>11,554.18</b>	<b>11,554.18</b>	



Pharr, TX

# Bank Statement Register

## INVESTMENTS

Period 1/1/2024 - 1/31/2024

Packet: BRPKT04030

### Bank Statement

### General Ledger

*03/15/24*

Beginning Balance	3,189,072.00	Account Balance	11,554.18
Plus Debits	11,554.18	Less Outstanding Debits	0.00
Less Credits	3,189,072.00	Plus Outstanding Credits	0.00
Adjustments	0.00	Adjustments	0.00
Ending Balance	11,554.18	Adjusted Account Balance	11,554.18

Statement Ending Balance	11,554.18
Bank Difference	0.00
General Ledger Difference	0.00

CASH BALANCE CONSISTS OF THE FOLLOWING GENERAL LEDGER ACCOUNTS

46-1-1102-000 INVESTMENTS

### Cleared Deposits

Item Date	Reference	Item Type	Description	Amount
01/31/2024	<a href="#">DEP0075958</a>	Deposit	To record Interest	11,554.18
Total Cleared Deposits (1)				11,554.18

### Cleared Other

Item Date	Reference	Item Type	Description	Amount
01/31/2024	<a href="#">EFT0004186</a>	EFT	To record Interest	-3,189,072.00
Total Cleared Other (1)				-3,189,072.00

Item 2D

**HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY**

**AGENDA RECOMMENDATION FORM**

BOARD OF DIRECTORS	<u>  X  </u>	WORKSHOP ITEM	<u>  2D  </u>
PLANNING COMMITTEE	<u>          </u>	DATE SUBMITTED	<u>  03/19/2024  </u>
FINANCE COMMITTEE	<u>          </u>	MEETING DATE	<u>  03/26/2024  </u>
TECHNICAL COMMITTEE	<u>          </u>		

1. Agenda Item: **RESOLUTION 2024-16 – CONSIDERATION AND APPROVAL OF ONE-YEAR EXTENSION TO THE INVESTMENT ADVISORY SERVICE AGREEMENT BETWEEN HILLTOP SECURITIES ASSET MANAGEMENT, LLC AND THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY.**
  
2. Nature of Request: (Brief Overview) Attachments:   X   Yes    No  
  
Consideratin and approval of one-year extension to the Investment Advisory Service Agreement with Hilltop Securities Asset Management, LLC.
  
3. Policy Implication: Board Policy, Local Government Code, Texas Government Code, Texas Transportation Code, TxDOT Policy
  
4. Budgeted:    Yes    No   X   N/A
  
5. Staff Recommendation: **Motion to approve Resolution 2024-16 – Consideration and Approval of One-Year Extension to the Investment Advisory Service Agreement between Hilltop Securities Asset Management, LLC and the Hidalgo County Regional Mobility Authority, as presented.**
  
6. Program Manager’s Recommendation:    Approved    Disapproved   X   None
  
7. Planning Committee’s Recommendation:    Approved    Disapproved   X   None
  
8. Board Attorney’s Recommendation:    Approved    Disapproved   X   None
  
9. Chief Auditor’s Recommendation:    Approved    Disapproved   X   None
  
10. Chief Financial Officer’s Recommendation:    Approved    Disapproved   X   None
  
11. Chief Development Engineer’s Recommendation:    Approved    Disapproved   X   None
  
12. Chief Construction Engineer’s Recommendation:    Approved    Disapproved   X   None
  
13. Executive Director’s Recommendation:   X   Approved    Disapproved    None

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

BOARD RESOLUTION No. 2024 – 16

APPROVAL OF ONE-YEAR EXTENSION TO THE INVESTMENT  
ADVISORY SERVICE AGREEMENT BETWEEN HILLTOP SECURITIES  
ASSET MANAGEMENT, LLC, AND THE HIDALGO COUNTY REGIONAL  
MOBILITY AUTHORITY

THIS RESOLUTION is adopted this 26<sup>nd</sup> day of March 2024, by the Board of Directors of the Hidalgo County Regional Mobility Authority at a regular meeting.

WHEREAS, the Hidalgo County Regional Mobility Authority (the “Authority”), acting through its Board of Directors (the “Board”), is a regional mobility authority created pursuant to Chapter 370, Texas Transportation Code, as amended (the “Act”); and

WHEREAS, the Authority is authorized by the Act to address mobility issues in and around Hidalgo County; and

WHEREAS, on February 10, 2022, the Authority issued \$151,650,344.75 in Senior Lien Toll and Vehicle Registration Fee Revenue Bonds Series 2022A and \$63,884,707.35 Junior Lien Toll and Vehicle Registration Fee Revenue and Refunding Bonds, Series 2022B; and

WHEREAS, on March 22, 2022, the Authority approved an agreement with Hilltop Securities Asset Management to provide Investment Advisory Services;

The agreement was entered into for an initial two-year period with provisions to exercise one-year extensions after the two-year period; and

WHEREAS, the Authority has determined it is necessary to exercise a one-year extension to the agreement with Hilltop Securities Asset Management to provide Investment Advisory Services.

NOW THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS  
OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY THAT:

- Section 1. The recital clauses are incorporated in the text of this Resolution as if fully restated.
- Section 2. The Board hereby approves the one-year extension to the Investment Advisory Service Agreement between Hilltop Securities Asset Management, LLC and the Hidalgo County Regional Mobility Authority hereto attached as Exhibit A.
- Section 3. The Board authorizes the Executive Director to execute the one-year extension to the Investment Advisory Services Agreement between Hilltop Securities Asset Management, LLC and the Hidalgo County Regional Mobility Authority, as approved.

\*\*\*\*\*

PASSED AND APPROVED AS TO BE EFFECTIVE IMMEDIATELY BY THE BOARD OF DIRECTORS OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY AT A REGULAR MEETING, duly posted and noticed, on the 26<sup>th</sup> day of March, 2024, at which meeting a quorum was present.

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S. David Deanda Jr., Chairman

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Carlos Del Ángel, Secretary/Treasurer

EXHIBIT A  
ONE-YEAR EXTENSION TO THE  
INVESTMENT ADVISORY SERVICE AGREEMENT  
BETWEEN  
HILLTOP SECURITIES ASSET MANAGEMENT, LLC  
AND  
THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY  
DATED  
MARCH 26, 2024

EXHIBIT B  
INVESTMENT ADVISORY SERVICE AGREEMENT WITH  
HILLTOP SECURITIES ASSET MANAGEMENT, LLC  
DATED  
MARCH 22, 2022

EXHIBIT A

ONE YEAR EXTENSION TO THE INVESTMENT ADVISORY SERVICE AGREEMENT  
BETWEEN HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY AND  
HILLTOP SECURITIES ASSET MANAGEMENT, LLC  
DATED MARCH 22, 2022

INITIAL AGREEMENT PERIOD FOR TWO YEARS WITH  
ADDITIONAL ONE-YEAR TERMS

ONE-YEAR EXTENSION EFFECTIVE MARCH 26, 2024

**HILLTOP SECURITIES  
ASSET MANAGEMENT, LLC**

**HIDALGO COUNTY REGIONAL  
MOBILITY AUTHORITY**

By: \_\_\_\_\_  
Richard M. Ramirez, Regional  
Managing Director

By: \_\_\_\_\_  
Pilar Rodriguez, Executive Director

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

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

## EXHIBIT B

**AGREEMENT FOR  
INVESTMENT ADVISORY SERVICES  
BY AND BETWEEN  
HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY  
AND  
HILLTOP SECURITIES ASSET MANAGEMENT, LLC**

This Investment Advisory Agreement (the “**Agreement**”) is made by and between the Hidalgo County Regional Mobility Authority (the “**Investor**”) and Hilltop Securities Asset Management, LLC (“**HSAM**”). This agreement shall be effective as of the date of its acceptance by the Investor as indicated on the signature page hereof.

### **I. Terms and Conditions**

This Agreement sets forth the terms and conditions governing the relationship of the Investor to HSAM with respect to securities and money which the Investor holds, from time to time, and which are available for investment or reinvestment (the “**Portfolio**”). This Agreement shall apply to any and all investable funds and securities in the Investor’s Portfolio during the period in which this Agreement shall be in effect.

### **II. Investment Advisory Services**

- A. Services.** With respect to the Portfolio, HSAM will provide investment advisory services and cause to be executed such trades as determined in accordance with Section II. B below. HSAM agrees to provide professional services and its facilities and to direct and coordinate all programs of investing as may be considered and authorized by the Investor and to assume and pay those expenses incurred by HSAM in connection with the execution of investment decisions. Specifically, HSAM agrees to perform the following duties:
1. Review the Investor’s cash flow projections;
  2. Recommend appropriate strategies based upon cash flow requirements;
  3. Advise the Investor on current market conditions and other general information;
  4. Analyze risk/return relationships between various investment alternatives;
  5. Participate in meetings of the governing body of the Investor, its staff, representatives, or committees as requested by the Investor, when the subject of investments is to be discussed;
  6. Assist in the selection of investment securities and, as directed by the Investor, cause the transactions to be executed;
  7. Advise on the investment of the Portfolio in a manner consistent with the Investor’s Investment Policy and Strategy and in compliance with the Public Funds Investment Act, the proceedings of the Investor authorizing the investment of the bond funds and applicable state and federal rules and regulations;
  8. Promptly send (or cause to be sent) trade confirmations to the Investor; and
  9. Assist the Investor in creating monthly, quarterly, and year-end investment reports for accounting entries and as required by written investment policy, stated procedures and / or state law.
- B. Scope of Investment Decisions.** In performing the services listed in Section II. A above, HSAM shall not have discretionary authority and, accordingly, shall obtain approval from the Investor for the purchase or sale of securities prior to execution. The Investor hereby represents and acknowledges

that its written investment policy (attached hereto as Appendix A and incorporated herein) and investment strategy includes its investment objectives and all portfolio limitations and restrictions, including, without limitation, acceptable levels of investment risk. The Investor also agrees to notify HSAM in writing ten (10) business days in advance of the implementation of any changes in the Investor's investment objectives, investment limitations, and/or financial condition.

- C. **Standard of Care.** In the administration of its duties, HSAM shall exercise the judgment and care, under prevailing circumstances, that a prudent person would exercise in the management of the person's own affairs, not for speculation, but for investment, considering, with regard to the entire Portfolio rather than any particular investment or security, the probable safety of capital and the probable income to be derived.
- D. **Settlement of Securities.** The purchase of individual securities shall be executed "delivery versus payment" (DVP) through the Investor's safekeeping agent. By so doing, Investor's funds will be released only when and if the Investor has received, through the safekeeping agent, the designated securities purchased.
- E. **Hold Harmless.** Subject to the provisions of Section XV. N. and to the extent allowed by law, the Investor hereby agrees to indemnify and hold harmless HSAM, as well as any of its officers, directors, shareholders, affiliates, general partners, employees, agents and trustees, from charges incurred by HSAM on the Investor's behalf and, for any and all market losses arising with respect to the Portfolio.
- F. **Return on the Portfolio.** The Investor expressly affirms and acknowledges that HSAM has not promised or guaranteed any stated or specified return on, or performance of, the Investor's investment portfolio.

### III. Representations

- A. HSAM represents that it is registered as an investment advisor under the Investment Advisers Act of 1940 (the "Advisers Act") and is authorized and empowered to enter into this Agreement.
- B. The Investor represents and confirms that (1) the Investor has full power and authority to enter into this agreement; (2) the terms hereof do not violate any obligation by which the Investor is bound, whether arising by contract, operation of law, or otherwise; and (3) this Agreement has been duly authorized and will be binding on Investor according to its terms.
- C. The Investor agrees to:
  - 1. Provide HSAM with the schedule of estimated cash flow requirements related to the Portfolio, and promptly notify HSAM as to any changes in such estimated cash flow schedule;
  - 2. Provide HSAM, not less than monthly, with all relevant custodian, safekeeping and bank statements relating to all of the Portfolio; and
  - 3. Allow HSAM to rely upon all information regarding schedules or other information pertaining to the Portfolio as provided to it by the Investor as being true and accurate. HSAM shall have no responsibility to verify, through audit or investigation, the accuracy or completeness of such information and HSAM will not undertake to authenticate any such information.
- D. The Investor recognizes that there may be loss or depreciation of the current liquidation, immediate and ongoing value of any investment due to the fluctuation of market values. The Investor represents that no party to this Agreement has made any guarantee, either oral or written, that the Investor's investment objectives will be achieved. HSAM shall not be liable for any investment losses in the Portfolio in the absence of willful malfeasance, gross negligence, or violation of applicable law. Nothing in this Agreement shall constitute a waiver or limitation of any

rights that the Investor may have under applicable state or federal law including without limitation, the state and federal securities laws.

- E. Investor represents and acknowledges that Investor has reviewed and understands the risk factors and fees associated with the Portfolio.

#### **IV. Fees and Costs of HSAM**

As consideration for the services provided by HSAM under this Agreement, HSAM will be entitled to a fee (the “**Advisor Fee**”) determined in accordance with the schedule set forth in the fee schedule (“**Schedule A**”), a copy of which is attached hereto, is incorporated herein for all purposes and is being delivered to the Investor simultaneously with the execution, and as an integral part, of this Agreement.

#### **V. Reporting and Account Statements**

HSAM will deliver or cause to be delivered to the Investor confirmation of transactions and/or periodic statements for the Portfolio as set forth in this Agreement. HSAM will also provide the Investor with an annual valuation of the Investor’s Portfolio and any additional statements that may be required by applicable law, including the reporting provisions of the Public Funds Investment Act, or other applicable state law, with respect to transactions effected under this Agreement.

#### **VI. Other Services**

The investment advisory services provided hereunder by HSAM to the Investor are exclusive of any other services that HSAM may provide to the Investor.

#### **VII. Execution of Investment Transactions**

- A. **Affiliated Broker.** HSAM is affiliated through common ownership and control with Hilltop Securities (“**Hilltop**”), a registered broker/dealer with the Financial Industry Regulatory Authority. (“**FINRA**”), the U.S. Securities and Exchange Commission (“**SEC**”), and various state and territorial regulatory authorities. Investor hereby authorizes HSAM to effect transactions for the Portfolio by execution through Hilltop. Where transactions are effected through Hilltop, Hilltop may act on an agency or principal basis to the extent permitted by law. Pursuant to Rule 206(3) of the Advisers Act, HSAM will obtain the Investor’s consent on each investment transaction to allow Hilltop to act as a principal in acquiring a security to facilitate a trade.
- B. **Bundling of Investment Transactions.** Transactions for each Investor account generally will be effected independently unless HSAM decides to purchase or sell the same securities for several Investors at approximately the same time. HSAM may (but is not obligated to) combine or “batch” such orders to obtain best execution. Under this procedure, transactions will be averaged as to price and will be allocated among HSAM investors included in the “batch” group in proportion to the purchase and sale orders placed for each Investor in batch transactions. HSAM may not receive commissions or other compensation from such brokers.

#### **VIII. Selection of Brokers**

The Investor agrees that when HSAM effects or places orders for the execution of transactions for the Portfolio (other than situations where the Investor specifically instructs otherwise in writing), HSAM may allocate such transactions to such brokers and dealers for execution on such markets, at such prices as in the judgment of HSAM will be in the best interests of the Investor, taking into consideration, in the selection of such brokers and dealers, the available prices and rates of brokerage commissions and other relevant factors, without having to demonstrate that such factors are of a direct benefit to the Investor. Subject to the foregoing, HSAM will

arrange for the execution of securities transactions for the Portfolio through brokers or dealers that HSAM reasonably believes will provide best execution.

#### **IX. Non-Exclusive Relationship**

The Investor hereby acknowledges that HSAM's services under this Agreement are nonexclusive, and that HSAM shall be free to render the same or similar services to other Investors. The Investor further acknowledges that HSAM's advice is specific to each individual Investor's investment objectives, limitations and financial condition. Therefore HSAM, in the performance of its investment advisory duties, may give advice to, and take action on behalf of, other Investors that may differ from the advice given, or the timing and nature of the action taken, with respect to the Investor's Portfolio. Nothing in this Agreement shall be deemed to impose upon HSAM any obligation to purchase or sell, or to recommend for purchase or sale for the Investor's Portfolio, any security that HSAM or its affiliate, Hilltop Securities, Inc., may purchase or sell, for their own account or for the accounts of any other Investor if, at the sole discretion of HSAM, it is for any reason undesirable or impractical to take such action or make such recommendation for the Investor's Portfolio. The Investor also acknowledges that HSAM has varying fee structures and arrangements with other investors and may charge their investors different fees, which may be higher or lower than the fees charged with respect to the Investor's Portfolio for similar services.

#### **X. Instructions from the Investor**

HSAM may rely on all instructions (whether oral or written) given by the Investor or its agents that HSAM reasonably believes to be genuine. HSAM's records of such a transaction will be conclusive as to the content of any instruction. Instructions may be given to HSAM by any officer or agent authorized by (1) the investment policy; (2) a duly executed "Authorization to Trade Public Funds" form provided by HSAM; or (3) a resolution of the governing body of Investor. HSAM may rely on such authorization until written notice to the contrary is delivered to HSAM by the Investor; and if the Investor does not deliver appropriate authorizing documentation, HSAM may accept instructions from any person reasonably believed by HSAM to be an officer of the Investor. Subject to the provisions of Section XV. N. and to the extent allowed by law, the Investor agrees to hold harmless, and, to the extent permitted by law, indemnify and defend, HSAM, as well as any of its officers, directors, shareholders, affiliates, general partners, employees, agents, and trustees, against any and all losses sustained by HSAM resulting from or by reason of any and all claims, liabilities, losses, damages, charges, costs, fees, and expenses (including, without limitation, attorney fees and costs, including fees of attorneys who may be HSAM employees or employees of HSAM's affiliates) arising out of or in connection with any action taken in reliance upon any instruction or inquiry reasonably believed genuine.

#### **XI. Transactions Subject to Industry Regulations and Standards**

All transactions shall be subject to the regulations of all applicable government authorities and self-regulatory agencies including, but not limited to, the constitutions and rules of the clearing agent, exchange, or market where executed. The Investor understands that HSAM is registered as an investment advisor under the Advisers Act, and as such is obligated to comply with all applicable laws and regulations, including those of the SEC and other regulatory and self-regulatory agencies, and agrees that HSAM shall not be liable to the Investor as a result of any action taken by HSAM to comply with any ruling, interpretation, or directive of such organizations. Further, Investor understands and agrees that HSAM will not accept any instructions from Investor which would require a violation of any such rules or regulations.

#### **XII. Assignment**

Neither HSAM nor the Investor may assign any of its rights, authorizations, or obligations under this Agreement without the prior written consent of the other party.

#### **XIII. Term and Investor's Right of Cancellation**

This Agreement shall become effective as of the date hereof and continue for a two-year period after which time this contract may be renewed for additional one-year periods upon approval by both parties. Either party may terminate this Agreement upon delivering to the other party 30 calendar days' prior written notice. In the

event of termination, it is understood and agreed that only the amounts due to HSAM for services provided and expenses incurred to and including the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement. In addition, the parties hereto agree that upon termination of this Agreement HSAM shall have no continuing obligation to the Investor regarding the investment of funds or performing any other services contemplated herein.

#### **XIV. Custodial Arrangements**

Custody of Portfolio assets will be maintained with a custodian selected by Investor and identified to HSAM (the "Custodian"). HSAM will not have custody of any assets in the Portfolio. Investor will be solely responsible for paying all fees or charges of the Custodian. Investor authorizes HSAM to give Custodian instructions for the purchase, sale, conversion, redemption, exchange or retention of any security, cash or cash equivalent or other investment for the Portfolio, but only the Investor may confirm a transaction.

#### **XV. Miscellaneous**

**A. Notices to the Investor.** All written communication to the Investor shall be sent to the Investor's address set forth on the signature page hereof or as directed in writing to HSAM by the Investor. Any notice, statement, or other communication mailed to the Investor by HSAM in accordance with this section will be deemed to be given to the Investor upon actual receipt thereof by the Investor.

**B. Notices to HSAM.** Any notice, statement, or other communication from the Investor to HSAM under this Agreement must be in written form and will be deemed to be given to HSAM upon actual receipt thereof by HSAM, whether such notice was mailed, personally delivered, or telecopied to:

Hilltop Securities Asset Management, LLC  
2700 Via Fortuna, Suite 410  
Austin, TX 78746  
Attention: Scott McIntyre Fax Number: (512) 481-2020  
[scott.mcintyre@hilltopsecurities.com](mailto:scott.mcintyre@hilltopsecurities.com)

**C. Confidential Relationship.** All of the information and advice furnished by either party to the other under this Agreement, including their respective agents and employees, will be treated by HSAM as strictly confidential and will not be disclosed by HSAM to third parties under any circumstances except as required by law or as expressly authorized by the Investor.

**D. No Limitations of Liability.** Federal and state securities laws impose liabilities under certain circumstances on persons who do not act in good faith and, therefore, nothing in this Agreement shall in any way constitute a waiver or limitation of any rights that the Investor may have under federal and state securities laws.

**E. Indemnity.** Subject to the provisions of Section XV. N. and to the extent allowed by law, the Investor will indemnify HSAM for any loss, liability, or expense (including attorney's fees) which HSAM may incur as a result of, or arising from, any claims asserted by any third party with respect to the Portfolio or the services rendered by HSAM under this Agreement, except in cases of gross negligence or willful misconduct by HSAM in managing the Investor's Portfolio, in which case HSAM will indemnify Investor for such loss, liability, or expense (including attorneys' fees) which Investor may incur as a result of, or arising from, any claims asserted by any third party due to HSAM's gross negligence or willful misconduct.

**F. Inconsistent Provisions; Agreements.** If any provisions of this Agreement should become or be found to be inconsistent with laws, rules, or regulations of any government or regulatory body having jurisdiction over the subject matter herein, such provisions shall be deemed modified or rescinded in accordance with any such laws, rules, or regulations.

**G. Invalid Provisions.** If any provision or condition of this Agreement shall be held to be invalid or unenforceable by any Court, or regulatory or self-regulatory agency or body, such invalidity or

unenforceability shall attach only to such provision or condition. The validity of the remaining provisions and conditions shall not be affected, and this Agreement shall be carried out as if any such invalid or unenforceable provision or condition were not contained herein.

- H. Waiver of Terms.** A party's failure to insist at any time upon strict compliance with any terms of this Agreement shall not constitute a waiver of any of that party's rights as described herein.
- I. Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of Texas, without regard to its principles of conflicts of laws. Venue for disputes related to this agreement shall be the state district courts in Hidalgo County, Texas.
- J. Extraordinary Events.** Neither HSAM nor any of its officers, directors, shareholders, affiliates, general partners, employees, agents, or trustees shall be liable for losses caused directly or indirectly by government restrictions, exchange or market actions, suspensions of trading, wars, strikes, delays in the transmission of orders due to breakdown or failure of transmission or communication facilities, or any other causes beyond HSAM's reasonable control or anticipation.
- K. Written Disclosure Statement.** Simultaneously with the execution of this Agreement, HSAM has delivered to the Investor Part II of its Form ADV as filed with the SEC, or a similar disclosure document, as its brochure pursuant to Rule 204.3 of the Advisers Act. The Investor's execution of this Agreement shall be deemed acknowledgment of receipt thereof.
- L. Verification of Information.** The Investor represents and warrants to HSAM that all information furnished to HSAM in connection with the opening of the Portfolio (and all documents supplied by the Investor in this regard, including financial statements) are true, complete, and correct. HSAM is entitled to rely on this information until HSAM receives written notice of any change, which the Investor agrees to furnish promptly should any material changes occur.
- M. HSAM Covenants.**
1. **No Boycott of Israel Verification.** Pursuant to Section 2271.002, Texas Government, Contractor hereby represents that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not Boycott Israel and, subject to or as otherwise required by applicable Federal law, Contractor agrees not to Boycott Israel during the term of this Agreement. For purposes of this Section, "Boycott Israel" shall have the meaning given such term in Section 808.001, Texas Government Code. Contractor understands "affiliate" for this Section 4.07 to mean an entity that controls, is controlled by, or is under common control with Contractor and exists to make a profit.
  2. **No Boycott of Certain Energy Companies.** Pursuant to Section 2274.002, Texas Government Code, Contractor hereby represents that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, does not boycott energy companies, and will not boycott energy companies during the term of the contract. For purposes of this Section, "Boycott Energy Company" shall have the meaning given such term in Section 809.001, Texas Government Code.
  3. **No Discrimination Against Firearm and Ammunition Industries.** Pursuant to Section 2274.003, Texas Government Code, Contractor hereby represents that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and will not discriminate during the term of the contract against a firearm entity or firearm trade association. For purposes of this Section, "discriminate against a firearm entity or firearm trade association" shall have the meaning given such term in Section 2274.001, Texas Government Code.
  4. **No Contracts with Certain Companies.** Contractor and the person or persons executing the contract or contract amendment on behalf of Contractor, or representing themselves as executing the contract or contract amendment on behalf of Contractor (collectively, the

“Signing Entities”), hereby acknowledge that (i) the Signing Entities do not engage in business with Iran, Sudan or any foreign terrorist organization and (ii) the Signing Entities are not named on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of the Comptroller’s website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>;

<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>;

<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

5. **No Conflict of Interest.** Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any supplier or person doing business with a local government entity disclose in the Questionnaire Form CIQ, the supplier or person’s affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the Records Administrator of the HCRMA not later than the 7th business day after the date the supplier or person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code. A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor. HSAM represents that it has no conflict of interest that would in any way interfere with its or its employee’s performance of services for the Investor or which in any way conflicts with the interests of the Investor. HSAM shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with the Investor’s interests.
6. **Nondiscrimination.** HSAM, with regard to work performed by it during this Agreement, shall not discriminate on the grounds of race, color, sex, or national origin.

**N. Cyber Liability Insurance.** HSAM maintains data protection liability insurance coverage for an aggregate limit of \$5,000,000, covering claims made in connection with privacy liability, privacy regulatory liability, PCI DSS liability, system security liability, multimedia liability, breach event cost reimbursement, cyber extortion reimbursement, digital asset loss reimbursement and business interruption losses. Our level of cyber liability insurance is an amount that we consider sufficient to hold harmless, indemnify, and defend Investor for losses, costs, and expenses arising from claims resulting from a breach of the HSAM’s systems and/or sensitive information. The current policy, provided by Everest National Insurance Company, expires in April 2022. HSAM, at a minimum, shall maintain such coverage during the term of of this Agreement. Evidence of Cyber Liability Insurance is included as Appendix B.

**O. No Waiver of Immunity or Defense.** To the extent, if any, that this Agreement imposes an obligation on Investor make a payment or other expenditure of any sort, including any obligation of indemnity, such payment, expenditure or obligation shall be payable solely from current revenues that are immediately available for such purposes, and no debt is or is intended to be created by reason of this Agreement. Investor has no duty to create a sinking fund for payment of any obligation of indemnity and no such fund is or will be created. To the extent not otherwise covered in this Agreement, the City retains its governmental and sovereign immunities and its limitations of liability. HSAM acknowledges that Investor is entering into this Agreement in its governmental capacity for the fulfillment of governmental functions and the subject and nature of this Agreement are governmental rather than proprietary. In any event, the procedures and limitations of Chapter 271, Texas Local Government Code apply.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK. THE NEXT PAGE IS A SIGNATURE PAGE.]

By signing this Agreement, the undersigned Investor acknowledges receipt of a copy of this Agreement, including Schedule A.

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

 5/19/2022  
Signature of Investor Date

PILAR RODRIGUEZ  
Print Name

EXECUTIVE DIRECTOR  
Capacity of Signatory

\_\_\_\_\_  
Address  
\_\_\_\_\_  
\_\_\_\_\_

HILLTOP SECURITIES ASSET MANAGEMENT, LLC

 3/22/22  
Signature of Officer Date

SCOTT MCINTYRE  
Print Name

MANAGING DIRECTOR  
Capacity of Signatory

**SCHEDULE A**

**FEE SCHEDULE AND EXPENSE ITEMS**

In consideration for the services rendered by Hilltop Securities Asset Management, LLC ("HSAM") in connection with the investment of the Portfolio for the Investor, the Investor agrees to an asset-based annual fee of four (4) basis points (1/25<sup>th</sup> of 1%) calculated on the average asset balance during the period.

The above fee includes all costs associated with investment management. Safekeeping and banking fees will remain the responsibility of the Investor.

There are no initial setup fees, withdrawal or termination fees.

Approximately fifteen (15) to thirty (30) days following the conclusion of each calendar quarter, HSAM shall provide Investor with an invoice that adequately sets forth the fees claimed to be due to HSAM for the prior calendar quarter. Said fee includes all costs of services related to the investment services provided under this Agreement.

**Appendix A**  
**HCRMA Investment Policy**

## Investment Policy

### I. Scope

This policy complies with the Texas Public Funds Investment Act and applies to the investment of short-term operating funds and proceeds from certain bond issues. Longer-term funds, including investments of employees' investment retirement funds, are covered by a separate policy.

1. **Pooling of Funds** Except for cash in certain restricted and special funds, Hidalgo County Regional Mobility Authority (RMA) will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

### II. General Objectives

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

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

a. **Credit Risk** Hidalgo County RMA will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

- Limiting investments to the safest types of securities and the highest credit quality investment counterparts
- Qualifying the financial institutions, broker/dealers, intermediaries, counterparties, investment agreement providers, and investment advisers with which Hidalgo County RMA will do business
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

b. **Interest Rate Risk** Hidalgo County RMA will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity (matching cash flow requirement with investment cash flow)
- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

2. **Liquidity** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). A portion of the portfolio also may be placed in money market mutual funds or local government investment pools which offer same-day liquidity for short-term funds. Investment agreements that provide cash flow flexibility may also be used.
  
3. **Yield** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of subordinated importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:
  - A security with declining credit may be sold early to minimize loss of principal.
  - A security swap would improve the quality, yield, or target duration in the portfolio.
  - Liquidity needs of the portfolio require that the security be sold.

### III. Standards of Care

1. **Prudence** The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

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

2. **Ethics and Conflicts of Interest** Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of Hidalgo County RMA.
  
3. **Delegation of Authority** Authority to manage the investment program is granted to a designated official as appointed by the Board, hereinafter referred to as "investment officer", and derived from the following: Texas Public Fund Investment Act. Responsibility for the operation of the investment program is hereby delegated to the investment officer, who shall

act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository investment agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the investment officer. The investment officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

#### **IV. Financial Dealers and Institutions**

1. **Authorized Financial Dealers and Institutions** A list will be maintained of financial institutions authorized to provide investment services. In addition, a list also will be maintained of approved security broker/dealers selected by creditworthiness (e.g., a minimum capital requirement of \$10,000,000 and at least five years of operation). These may include, but are not limited to, "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- Audited financial statements
- Proof of Financial Industry Regulatory Authority (FINRA) certification, as appropriate
- Proof of state registration, as appropriate
- Completed broker/dealer questionnaire, as appropriate
- Certification of having read and understood the Hidalgo County RMA investment policy.

An annual review of the financial condition and registration of qualified financial institutions and broker/dealers will be conducted by the investment officer.

From time to time, the investment officer may choose to invest in instruments offered by minority and community financial institutions. In such situations, a waiver to the criteria under Paragraph 1 may be granted. All terms and relationships will be fully disclosed prior to purchase and will be reported to the appropriate entity on a consistent basis and should be consistent with state or local law. These types of investment purchases should be approved by the appropriate legislative or governing body in advance.

2. **Internal Controls** The investment officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of Hidalgo County RMA are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the investment officer shall establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- Control of collusion
- Separation of transaction authority from accounting and recordkeeping
- Custodial safekeeping
- Avoidance of physical delivery securities
- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers
- Development of a wire transfer agreement with the lead bank and third-party custodian

3. **Delivery vs. Payment** All trades where applicable will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities will be held by a third-party custodian as evidenced by safekeeping receipts.

## **V. Suitable and Authorized Investments**

In accordance with authorizing Federal and State laws, the Trust Agreements, the Authority's depository contract, and appropriate approved collateral provisions, and in furtherance of the Investment Strategy Statement attached hereto, the Authority may utilize the following investments for the investment of the Authority's funds:

### Obligations of or Guaranteed by Governmental Entities

- a) Obligations of the United States or its agencies and instrumentalities, excluding mortgage-backed securities.
- b) Direct obligations of the State of Texas or its agencies and Instrumentalities.
- c) Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities.
- d) Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.
- e) Certificates of Deposit and Share Certificates

A certificate of deposit, or share certificate meeting the requirements of the Act that are issued by or through a depository institution that either has its main office, or a branch in the State of Texas that is (1) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor or the National Credit Union Share Insurance Fund or its successor; (2) secured by obligations described in clauses (a)-(d) above, excluding mortgage-backed securities directly issued by a federal agency or instrumentality that have a market value of not less than the principal amount of

the certificates and those mortgage-backed securities listed in Section 16.0; or (3) secured in any other manner and amount provided by law for deposits of the Authority.

In addition to Hidalgo County RMA to invest funds in certificates of deposit above, an investment in certificates of deposit made in accordance with the following conditions is an authorized investment under this policy:

1. The funds are invested by Hidalgo County RMA through: (1) a broker that has its main office or a branch office in the State of Texas and is selected from a list adopted by Hidalgo County RMA as required by Section IV(1) of this Investment Policy; or (2) a depository institution that has its main office or a branch office in the State of Texas and that is selected by the investing entity.
2. The broker or the depository institution selected by the investing entity under subparagraph (i) above arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of Hidalgo County RMA.
3. the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and
4. Hidalgo County RMA appoints the depository institution selected by Hidalgo County RMA under subparagraph (i) above, an entity described by Section 2257.041(d) of the Act, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the investing entity with respect to the certificates of deposit issued for the account of the investing entity.

f) Repurchase Agreements

A fully collateralized repurchase agreement that (1) has a defined termination date; (2) is secured by obligations described in clause (a) above; (3) requires the securities being purchased by the Authority to be pledged to the Authority, held in the Authority's name, and deposited at the time the investment is made with the Authority or with a third party selected and approved by the Authority; and (4) is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State of Texas. "Repurchase agreement" means a simultaneous agreement to buy, hold for a specified time, and sell back at a future date obligations described in clause (a) above, at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed. The term includes a direct security repurchase agreement and reverse security repurchase agreement.

Notwithstanding any other law, the term of any reverse security repurchase agreement may not exceed 180 days after the date the reverse security repurchase agreement is delivered. Money received by the Authority under the terms of a reverse security repurchase agreement shall be used to acquire additional authorized investments, but the term of authorized investments acquired must mature not later than the expiration date stated in the reverse security repurchase agreement. The Authority requires the execution of a Master Repurchase Agreement in substantially the form as may be prescribed by The Securities Industry and Financial Markets Association (SIFMA).

g) Banker's Acceptance

A Bankers' acceptance that (1) has a stated maturity of 270 days or fewer from the date of its issuance; (2) will be, in accordance with its terms, liquidated in full at maturity; (3) is eligible for collateral for borrowing from a Federal Reserve Bank; and (4) is accepted by a bank organized and existing under the laws of the United States or any state, if the short-term obligations of the bank,

or of a bank holding company of which the bank is the largest subsidiary, are rated not less than A-1 or P-1 or an equivalent rating of at least one nationally recognized credit rating agency. Such transactions shall not exceed 5% of the total Authority's Investment Portfolio, and all such endorsing banks shall come only from a list of entities that are constantly monitored as to financial solvency.

h) Commercial Paper

Commercial Paper that (1) has a stated maturity of 270 days or fewer from the date of its issuance; and (2) is rated not less than A-1 or P-1 or an equivalent rating by at least (A) two nationally recognized credit rating agencies or (B) one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any State. Such transactions shall not exceed 25% of the total Authority's Investment Portfolio with no more than 5% in any one issuer or its subsidiaries.

i) Mutual Funds

A no-load money market mutual fund that (1) is registered with and regulated by the Securities and Exchange Commission; (2) provides the Authority with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940; (3) has a dollar-weighted average stated maturity of 60 days or fewer; and (4) includes in its investment objectives the maintenance of a stable net asset value of \$1 for each share.

A no-load mutual fund that (1) is registered with the Securities and Exchange Commission; (2) has an average weighted maturity of less than two years; (3) is invested exclusively in obligations described in this Section 14.0; (4) is continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than AAA or its equivalent; and (5) conforms to the requirements set forth in Sections 2256.016(b) and (c) of the Act, relating to the eligibility of investment pools to receive and invest funds of investing entities.

The Authority is not authorized to (1) invest in the aggregate more than 15% of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, in mutual funds described in the immediately preceding paragraph; (2) invest any portion of bond proceeds, reserves and funds held for debt service, in mutual funds described in the immediately preceding paragraph; or (3) invest its funds or funds under its control, including bond proceeds and reserves and other funds held for debt service, in any one mutual fund described in either paragraph above in an amount that exceeds 10% of the total assets of the mutual fund. In addition, the total assets invested in any single mutual fund may not exceed 5% of the Authority's average fund balance, excluding bond proceeds and reserves and other funds held for debt service.

With regard to Money Market Mutual Funds, the Authority is not authorized to invest its funds in any one money market mutual fund in an amount that exceeds 5% of the total assets of the money market mutual fund.

j) Investment Pools

The Authority may invest its funds and funds under its control through an eligible investment pool if the Board of Directors by official action authorizes investment in the particular pool. An investment pool shall invest the funds it receives from entities in authorized investments permitted by the Act. The Authority may invest its funds through an eligible investment pool if the pool provides to the Investment Officer an offering circular or other similar disclosure document that contains, at a minimum, the following information:

- 1) The types of investments in which money is allowed to be invested.

- 2) The maximum average dollar-weighted maturity allowed, based on the stated maturity date, of the pool.
- 3) The maximum stated maturity date any investment security within the portfolio has.
- 4) The objectives of the pool.
- 5) The size of the pool.
- 6) The names of the members of the advisory board of the pool and the dates their terms expire.
- 7) The custodian bank that will safe keep the pool's assets.
- 8) Whether the intent of the pool is to maintain a net asset value of \$1 and the risk of market price fluctuation.
- 9) Whether the only source of payment is the assets of the pool at market value or whether there is a secondary source of payment, such as insurance or guarantees, and a description of the secondary source of payment.
- 10) The name and address of the independent auditor of the pool.
- 11) The requirements to be satisfied for an entity to deposit funds in and withdraw funds from the pool and any deadlines or other operating policies required for the entity to invest funds in and withdraw funds from the pool.
- 12) The performance history of the pool, including yield, average dollar-weighted maturities, and expense ratios.

To maintain eligibility to receive funds from and invest funds on behalf of the Authority, an investment pool must be continuously rated no lower than AAA, AAA-m, and AAA-f or at an equivalent rating of at least one nationally recognized rating service and must furnish to the Investment Officer: (i) Investment transaction confirmations and (ii) A monthly report that contains, at a minimum, the following information:

- 1) The types and percentage breakdown of securities in which the pool has invested.
- 2) The current average dollar-weighted maturity, based on the stated maturity date of the pool.
- 3) The current percentage of the pool's portfolio in investments that have stated maturities of more than one year.
- 4) The book value versus the market value of the pool's portfolio, using amortized cost valuation.
- 5) The size of the pool.
- 6) The number of participants in the pool.
- 7) The custodian bank that is safekeeping the assets of the pool.
- 8) A listing of daily transaction activity of the Authority in the pool.
- 9) The yield and expense ratio of the pool.
- 10) The portfolio managers of the pool.
- 11) Any changes or addenda to the offering circular.

The Authority by contract may delegate to an investment pool the Authority to hold legal title as custodian of investments purchased with its local funds.

For purposes of investment in an investment pool, "yield" shall be 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.

To be eligible to receive funds from and invest funds on behalf of the Authority, a public funds investment pool created to function as a money market mutual fund must mark its portfolio to market daily, and, to the extent reasonably possible, stabilize at a \$1 net asset value. If the ratio of the market value of the portfolio divided by the book value of the portfolio is less than 0.995 or greater than 1.005, portfolio holdings shall be sold as necessary to maintain the ratio between 0.995 and 1.005.

To be eligible to receive funds from and invest funds on behalf of the Authority, a public funds investment pool must have an advisory board composed:

- 1) Equally of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for a public funds investment pool created under Chapter 791, Texas Government Code, and managed by a state agency; or
- 2) Of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for other investment pools.

k) Guaranteed Investment Contracts

A Guaranteed Investment Contract is an authorized investment for bond proceeds if the guaranteed investment contract:

- 1) Has a defined termination date;
- 2) Is secured by obligations described by clause (a) above, but excluding those obligations described by Section 16.0 herein in an amount at least equal to the amount of bond proceeds invested under the contract;
- 3) Is pledged to the Authority and deposited with the Authority or with a third party selected and approved by the Authority; and
- 4) Meets the following requirements:
  - a) The Board of Directors of the Authority must specifically authorize guaranteed investment contracts as an eligible investment in the order, ordinance, or resolution authorizing the issuance of bonds;
  - b) The Authority must receive bids from at least three separate providers with no material financial interest in the bonds from which proceeds were received;

- c) The Authority must purchase the highest yielding guaranteed investment contract for which a qualifying bid is received;
- d) The price of the guaranteed investment contract must take into account the reasonably expected drawdown schedule for the bond proceeds to be reinvested; and

The provider must certify the administrative costs reasonably expected to be paid to third parties in connection with the guaranteed investment contract.

The following are not authorized investments under this Section V:

1. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
2. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
3. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and
4. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

## **VI. Investment Parameters**

1. **Diversification** The investments shall be diversified by:
  - limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities),
  - limiting investment in securities that have higher credit risks,
  - investing in securities with varying maturities, and
  - continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPs), money market funds or repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.
2. **Maximum Maturities** To the extent possible, Hidalgo County RMA shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Hidalgo County RMA will not directly invest in securities maturing more than five (5) years from the date of purchase or in accordance with state and local statutes and ordinances. Hidalgo County RMA shall adopt weighted average maturity limitations (which often range from 60 days to 3 years), consistent with the investment objectives.

Reserve funds and other funds with longer-term investment horizons may be invested in securities exceeding five (5) years if the maturity of such investments are made to coincide as nearly as practicable with the expected use of funds. The intent to invest in securities with longer maturities shall be disclosed in writing to the legislative body.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as LGIPs, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

## **VII. Reporting**

1. **Methods** The investment officer shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner which will allow Hidalgo County RMA to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the investment officer, the legislative body, and any pool participants. The report will include the following:
  - Listing of individual securities held at the end of the reporting period.
  - Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities over one-year duration that are not intended to be held until maturity (in accordance with Governmental Accounting Standards Board (GASB) requirements).
  - Average weighted yield to maturity of portfolio on investments as compared to applicable benchmarks.
  - Listing of investment by maturity date.
  - Percentage of the total portfolio which each type of investment represents.
2. **Performance Standards** The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates.
3. **Marking to Market** The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least quarterly. In defining market value, considerations should be given to the GASB Statement 31 pronouncement.

## **VIII. Policy Considerations**

1. **Exemption** Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy
2. **Amendments** This policy shall be reviewed on an annual basis. Any changes must be approved by the investment officer and any other appropriate authority, as well as the individual(s) charged with maintaining internal controls.

## **IX. List of Attachments**

The following documents, as applicable, are (or may be in the future) attached to this policy:

- Listing of authorized personnel,
- Repurchase agreements and tri-party agreements,
- Listing of authorized broker/dealers and financial institutions,
- Credit studies for securities purchased and financial institutions used,
- Safekeeping agreements,
- Wire transfer agreements,
- Sample investment reports, and
- Methodology for calculating rate of return.

**Appendix B**  
**Hilltop Securities Cyber Security Insurance Certificate**

Item 2E

**HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY**

**AGENDA RECOMMENDATION FORM**

BOARD OF DIRECTORS	<u>  X  </u>	WORKSHOP ITEM	<u>  2E  </u>
PLANNING COMMITTEE	<u>          </u>	DATE SUBMITTED	<u>  03/19/2024  </u>
FINANCE COMMITTEE	<u>          </u>	MEETING DATE	<u>  03/26/2024  </u>
TECHNICAL COMMITTEE	<u>          </u>		

1. Agenda Item: **RESOLUTION 2024-17 – CONSIDERATION AND APPROVAL OF A NO-COST TIME EXTENSION TO THE PROFESSIONAL SERVICES AGREEMENT WITH LEONEL GARZA & ASSOCIATES TO PROVIDE APPRAISAL SERVICES FOR THE 365 TOLLWAY PROJECT.**
  
2. Nature of Request: (Brief Overview) Attachments:   X   Yes    No  
  
Consideration and approval of no-cost time extension to the PSA with Leonel Garza & Associates for the 365 Tollway Project.
  
3. Policy Implication: Board Policy, Local Government Code, Texas Government Code, Texas Transportation Code, TxDOT Policy
  
4. Budgeted:    Yes    No   X   N/A
  
5. Staff Recommendation: **Motion to approve Resolution 2024-17 – Consideration and Approval of no-cost time extension to the Professional Service Agreement with Leonel Garza & Associates to provide appraisal services for the 365 Tollway Project, as presented.**
  
6. Program Manager’s Recommendation:    Approved    Disapproved   X   None
  
7. Planning Committee’s Recommendation:    Approved    Disapproved   X   None
  
8. Board Attorney’s Recommendation:    Approved    Disapproved   X   None
  
9. Chief Auditor’s Recommendation:    Approved    Disapproved   X   None
  
10. Chief Financial Officer’s Recommendation:    Approved    Disapproved   X   None
  
11. Chief Development Engineer’s Recommendation:    Approved    Disapproved   X   None
  
12. Chief Construction Engineer’s Recommendation:    Approved    Disapproved   X   None
  
13. Executive Director’s Recommendation:   X   Approved    Disapproved    None

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY  
BOARD RESOLUTION NO. 2024-17

CONSIDERATION AND APPROVAL OF A NO-COST TIME EXTENSION TO THE  
PROFESSIONAL AGREEMENT WITH LEONEL GARZA & ASSOCIATES, LLP, TO  
PROVIDE APPRAISAL SERVICES FOR THE 365 TOLLWAY PROJECT

THIS RESOLUTION is adopted this 26<sup>th</sup> day of March, 2024 by the Board of Director of the Hidalgo County Regional Mobility Authority.

WHEREAS, the Hidalgo County Regional Mobility Authority (the “Authority”), acting through its Board of Directors (the “Board”); is a regional mobility authority created pursuant to Chapter 370, Texas Transportation Code, as amended (the “Act”); and

WHEREAS, the Authority was created by Order of Hidalgo County (the “County”) dated October 26, 2004; Petition of the County dated April 21, 2005; and a Minute Order of the Texas Transportation Commission (the “Commission”) dated November 17, 2005, pursuant to provisions under the Act the Authority; and

WHEREAS, the Board of Directors of the Authority has been constituted in accordance with the Act to address mobility issues in and around Hidalgo County; and

WHEREAS, the Authority has adopted a Strategic Plan that prioritizes the 365 Tollway and IBTC Projects; and

WHEREAS, the Authority solicited Statements of Qualifications for Appraisal Services for the 365 Tollway and IBTC Projects; and

WHEREAS, on February 11, 2019, the Authority received three (3) responses to the request for Statement of Qualifications for Appraisal Services for the 365 Tollway and IBTC Projects; and

WHEREAS, a Selection Committee reviewed and ranked the proposals submitted by the responding firms; and

WHEREAS, on March 5, 2019, the Authority approved Resolution 2019-10 award a Professional Service Agreement to Leonel Garza & Associates LLP as the primary appraiser and Professional Appraisal Services, Inc. as secondary appraiser for the 365 Tollway and IBTC Projects ; and

The agreement was entered into for an initial four-year period with provisions to exercise one-year extensions after the four-year period; and

WHEREAS, the Authority finds it necessary to approve Resolution 2024-17 Consideration and approval of a no-cost time extension to the Professional services agreement with Leonel Garzas & Associates LLP to provide appraisal services for the 365 Tollway Project.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTOR OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY THAT:

- Section 1. The recital clauses are incorporated in the text of this Resolution as if fully restated.
- Section 2. The Board hereby approves Resolution 2024-17 for a no-cost time extension to the Professional Service Agreement for Appraisal Services with Leonel Garza & Associates, LLP, for the 365 Tollway Project, hereto attached as Exhibit A.
- Section 3. The Board hereby authorizes the Executive Director to execute the extension to the Professional Service Agreement with Leonel Garza & Associates, LLP, for appraisal services.

\*\*\*\*

PASSED AND APPROVED AS TO BE EFFECTIVE IMMEDIATELY BY THE BOARD OF DIRECTORS OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY AT A REGULAR MEETING, duly posted and noticed, on the 26<sup>th</sup> day of March, 2024, at which meeting a quorum was present.

---

S. David Deanda, Chairman

Attest:

---

Carlos Del Ángel, Secretary/Treasurer

EXHIBIT A

No Cost Time Extension

to the

Professional Service Agreement

With Leonel Garza & Associates, LLC

For Appraisal Services for the 365 Tollway Project

**CONTRACT AMENDMENT**  
**TO THE PROFESSIONAL SERVICES AGREEMENT**  
**APPRAISAL SERVICES**  
**LEONEL GARZA & ASSOCIATES, LLC**

This is the first amendment (“AMENDMENT”) to that Professional Services Agreement for Appraisal Services (“the AGREEMENT”) entered into by and between the HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY, a political subdivision of the State of Texas (“RMA”) and LEONEL GARZA & ASSOCIATES, LLC, pursuant to the RMA’s authority under the Texas Transportation Code, Chapter 370.

**This AMENDMENT revises Article XV – Termination to the Agreement as follows:**

This agreement becomes effective when fully executed by all parties hereto and it shall terminate at the close of December 31, 2026.

This contract amendment to the Professional Services Agreement shall become effective on the date of final execution of the parties hereto. All other terms and conditions of the Agreement not hereby amended are to remain in full force and effect.

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

**THE APPRAISER**

**THE AUTHORITY**

\_\_\_\_\_  
**(Signature)**

\_\_\_\_\_  
**(Signature)**

Leonel Garza & Associates, LLC  
**(Printed Name)**

Pilar Rodriguez  
**(Printed Name)**

President  
**(Title)**

Executive Director  
**(Title)**

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

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

Item 2F

**HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY**

**AGENDA RECOMMENDATION FORM**

BOARD OF DIRECTORS	<u>  X  </u>	WORKSHOP ITEM	<u>  2F  </u>
PLANNING COMMITTEE	<u>          </u>	DATE SUBMITTED	<u>  03/19/2024  </u>
FINANCE COMMITTEE	<u>          </u>	MEETING DATE	<u>  03/26/2024  </u>
TECHNICAL COMMITTEE	<u>          </u>		

1. Agenda Item: **RESOLUTION 2024-18 – CONSIDERATION AND APPROVAL OF A NO-COST TIME EXTENSION TO THE PROFESSIONAL SERVICES AGREEMENT WITH HLH APPRAISAL SERVICES TO PROVIDE REVIEW APPRAISAL SERVICES FOR THE 365 TOLLWAY PROJECT.**
  
2. Nature of Request: (Brief Overview) Attachments:   X   Yes    No  
  
Consideration and approval of no-cost time extension to the PSA with HLH Appraisal Services for the 365 Tollway Project.
  
3. Policy Implication: Board Policy, Local Government Code, Texas Government Code, Texas Transportation Code, TxDOT Policy
  
4. Budgeted:    Yes    No   X   N/A
  
5. Staff Recommendation: **Motion to approve Resolution 2024-18 – Consideration and Approval of no-cost time extension to the Professional Service Agreement with HLH Appraisal Services to provide review appraisal services for the 365 Tollway Project, as presented.**
  
6. Program Manager’s Recommendation:    Approved    Disapproved   X   None
  
7. Planning Committee’s Recommendation:    Approved    Disapproved   X   None
  
8. Board Attorney’s Recommendation:    Approved    Disapproved   X   None
  
9. Chief Auditor’s Recommendation:    Approved    Disapproved   X   None
  
10. Chief Financial Officer’s Recommendation:    Approved    Disapproved   X   None
  
11. Chief Development Engineer’s Recommendation:    Approved    Disapproved   X   None
  
12. Chief Construction Engineer’s Recommendation:    Approved    Disapproved   X   None
  
13. Executive Director’s Recommendation:   X   Approved    Disapproved    None

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY  
BOARD RESOLUTION NO. 2024-18

CONSIDERATION AND APPROVAL OF A NO-COST TIME EXTENSION TO  
PROFESSIONAL SERVICE AGREEMENT WITH HLH APPRAISAL SERVICES TO  
PROVIDE REVIEW APPRAISAL SERVICES FOR THE 365 TOLLWAY PROJECT

THIS RESOLUTION is adopted this 26<sup>th</sup> day of March 2024 by the Board of Director of the Hidalgo County Regional Mobility Authority.

WHEREAS, the Hidalgo County Regional Mobility Authority (the “Authority”), acting through its Board of Directors (the “Board”); is a regional mobility authority created pursuant to Chapter 370, Texas Transportation Code, as amended (the “Act”); and

WHEREAS, the Authority was created by Order of Hidalgo County (the “County”) dated October 26, 2004; Petition of the County dated April 21, 2005; and a Minute Order of the Texas Transportation Commission (the “Commission”) dated November 17, 2005, pursuant to provisions under the Act the Authority; and

WHEREAS, the Board of Directors of the Authority has been constituted in accordance with the Act to address mobility issues in and around Hidalgo County; and

WHEREAS, the Authority has adopted a Strategic Plan that prioritizes the 365 Tollway and IBTC Projects; and

WHEREAS, the Authority solicited Statements of Qualifications for Review Appraisal Services for the 365 Tollway and IBTC Projects; and

WHEREAS, on February 11, 2019, the Authority received three (3) responses to the request for Statement of Qualifications for Appraisal Services for the 365 Tollway and IBTC Projects; and

WHEREAS, a Selection Committee reviewed and ranked the proposals submitted by the responding firms; and

WHEREAS, on March 5, 2019 the Authority approved Resolution 2019-11 to award a Professional Service Agreement to HLH Appraisal Services for the 365 Tollway and IBTC Projects; and

The agreement was entered into for an initial four-year period with provisions to exercise one-year extensions after the four-year period; and

WHEREAS, the Authority finds is necessary to approve Resolution 2024-18 Consideration and approval of a no-cost time extension to the Professional Service agreement with HLH Appraisal Services to provide review appraisal services for the 365 Tollway Project.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTOR OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY THAT:

- Section 1. The recital clauses are incorporated in the text of this Resolution as if fully restated.
- Section 2. The Board hereby approves Resolution 2024-18 for a no-cost time extension to the Professional Service Agreement with HLH Appraisal Services for the 365 Tollway Project, hereto attached as Exhibit A.
- Section 3. The Board hereby authorizes the Executive Director to execute the Professional Service Agreement with HLH Appraisal Services for Review Appraisal Services.

\*\*\*\*

PASSED AND APPROVED AS TO BE EFFECTIVE IMMEDIATELY BY THE BOARD OF DIRECTORS OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY AT A REGULAR MEETING duly posted and noticed, on the 26<sup>th</sup> day of March 2024, at which meeting a quorum was present.

---

S. David Deanda, Chairman

Attest:

---

Juan Carlos Del Ángel, Secretary/Treasurer

EXHIBIT A

No-Cost Time Extension  
To the  
Professional Service Agreement  
With  
HLH Appraisal Services  
For  
Review Appraisal Services  
for the  
365 Tollway Project

**CONTRACT AMENDMENT  
TO THE PROFESSIONAL SERVICES AGREEMENT  
REVIEW APPRAISAL SERVICES  
HLH APPRAISAL SERVICES**

This is the first amendment (“AMENDMENT”) to that Professional Services Agreement for Review Appraisal Services (“the AGREEMENT”) entered into by and between the HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY, a political subdivision of the State of Texas (“RMA”) and HLH Appraisal Services, pursuant to the RMA’s authority under the Texas Transportation Code, Chapter 370.

**This AMENDMENT revises Article XV – Termination** to the Agreement as follows:

This agreement becomes effective when fully executed by all parties hereto and it shall terminate at the close of December 31, 2026.

This contract amendment to the Professional Services Agreement shall become effective on the date of final execution of the parties hereto. All other terms and conditions of the Agreement not hereby amended are to remain in full force and effect.

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

**THE REVIEW APPRAISER**

**THE AUTHORITY**

\_\_\_\_\_  
**(Signature)**

\_\_\_\_\_  
**(Signature)**

Harvey L. Heerssen  
\_\_\_\_\_

Pilar Rodriguez  
\_\_\_\_\_

**(Printed Name)**

**(Printed Name)**

Owner  
\_\_\_\_\_

Executive Director  
\_\_\_\_\_

**(Title)**

**(Title)**

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

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

**Item 3A**

**HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY**

**AGENDA RECOMMENDATION FORM**

BOARD OF DIRECTORS	<u>  X  </u>	AGENDA ITEM	<u>  3A  </u>
PLANNING COMMITTEE	<u>          </u>	DATE SUBMITTED	<u>  03/19/24  </u>
FINANCE COMMITTEE	<u>          </u>	MEETING DATE	<u>  03/26/24  </u>
TECHNICAL COMMITTEE	<u>          </u>		

1. Agenda Item: **RESOLUTION 2024-19 – APPROVAL OF AWARD OF CONTRACT WITH ESCOBEDO & CARDENAS, LLP, LAW OFFICE OF RICHARD A. CANTU, P.C., AND BRACEWELL, LLP FOR LEGAL SERVICES TO THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY.**
  
2. Nature of Request: (Brief Overview) Attachments:   X   Yes    No  
  
Consideration and Approval of award of contract with Escobedo & Cardenas, LLP, Law Office of Richard Cantu, PC., and Bracewell, LLP, for Legal Services to the Hidalgo County Regional Mobility Authority.
  
3. Policy Implication: Board Policy, Local Government Code, Texas Government Code, Texas Transportation Code, TxDOT Policy
  
4. Budgeted:    Yes    No   X   N/A
  
5. Staff Recommendation: **Motion to approve Resolution 2024-19 – Award of contract with Escobedo & Cardenas, LLP, Law Office of Richard Cantu, PC., and Bracewell, LLP, for legal services to the Hidalgo County Regional Mobility Authority, as presented.**
  
6. Program Manager’s Recommendation:    Approved    Disapproved   X   None
  
7. Planning Committee’s Recommendation:    Approved    Disapproved   X   None
  
8. Board Attorney’s Recommendation:    Approved    Disapproved   X   None
  
9. Chief Auditor’s Recommendation:    Approved    Disapproved   X   None
  
10. Chief Financial Officer’s Recommendation:    Approved    Disapproved   X   None
  
11. Chief Development Engineer’s Recommendation:    Approved    Disapproved   X   None
  
12. Chief Construction Engineer’s Recommendation:    Approved    Disapproved   X   None
  
13. Executive Director’s Recommendation:   X   Approved    Disapproved    None



**HCRMA**  
HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

# Memorandum

**To:** S. David Deanda, Chairman  
**From:** Pilar Rodriguez, PE, Executive Director  
**Date:** March 19, 2024  
**Re:** **Resolution 2024-19 – Award of Contract with Escobedo & Cardenas, LLP, Law Office of Richard Cantu, P.C., and Bracewell, LLP for Legal Services to the HCRMA**

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## **Background**

On March 1, 2024, the Hidalgo County Regional Mobility Authority (HCRMA) received a single response to the formal solicitation for Request for Proposals for Legal Services.

## **Goal**

In order for the Authority to conduct business, general counsel legal services are required from time to time. Counsel services may be provided in the areas of administrative law, public law, transportation law, real estate law, eminent domain, contract law, employment law, and litigation.

Staff is requesting award of contract with the single respondent to the Request for Proposal for legal services, which is Escobedo & Cardenas, LLP, Law Office of Richard Cantu, and Bracewell, LLP.

## **Options**

The Board of Directors may opt to not authorize staff to negotiate and request re-solicitation of the Request for Proposals.

## **Recommendation**

Based on review by this office, **approval of Resolution 2024-19 – Award of Contract with Escobedo & Cardenas, LLP, Law Office of Richard Cantu, and Bracewell, LLP, for legal services to the Hidalgo County Regional Mobility Authority is recommended.**

If you should have any questions or require additional information, please advise.

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY  
BOARD RESOLUTION NO. 2024-19

AWARD OF CONTRACT WITH ESCOBEDO & CARDENAS, LLP, LAW OFFICE OF  
RICHARD CANTU, P.C., AND BRACEWELL, LLP, FOR LEGAL SERVICES TO THE  
HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

THIS RESOLUTION is adopted this 26<sup>th</sup> day of March, 2024 by the Board of Director of the Hidalgo County Regional Mobility Authority.

WHEREAS, the Hidalgo County Regional Mobility Authority (the “Authority”), acting through its Board of Directors (the “Board”); is a regional mobility authority created pursuant to Chapter 370, Texas Transportation Code, as amended (the “Act”); and

WHEREAS, the Authority was created by Order of Hidalgo County (the “County”) dated October 26, 2004; Petition of the County dated April 21, 2005; and a Minute Order of the Texas Transportation Commission (the “Commission”) dated November 17, 2005, pursuant to provisions under the Act the Authority; and

WHEREAS, the Board of Directors of the Authority has been constituted in accordance with the Act to address mobility issues in and around Hidalgo County; and

WHEREAS, the Authority requires general legal counsel services to conduct day to day business and provide legal advice to the Board of Directors and staff; and

WHEREAS, the Authority solicited Request for Proposals for Legal Services; and

WHEREAS, on March 1, 2024, the Authority received a single response to the Request for Proposals for Legal Services; and

WHEREAS, the Authority has determined it is necessary to award a Professional Service Agreement with the single respondent, Escobedo & Cardenas, LLP, Law Office of Richard Cantu, and Bracewell, LLP, for legal services to the Authority;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTOR OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY THAT:

- Section 1. The recital clauses are incorporated in the text of this Resolution as if fully restated.
- Section 2. The Board hereby awards a Professional Service Agreement for Legal Services with Escobedo & Cardenas, LLP, Law Office of Richard Cantu, PC, and Bracewell, LLP and authorizes the Executive Director to negotiate the terms of the agreement.
- Section 3. The Board hereby authorizes the Executive Director to execute the Professional Service Agreement for legal services with Escobedo & Cardenas, LLP, Law Office of Richard Cantu, PC, and Bracewell, LLP.

\*\*\*\*

PASSED AND APPROVED AS TO BE EFFECTIVE IMMEDIATELY BY THE BOARD OF DIRECTORS OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY AT A REGULAR MEETING, duly posted and noticed, on the 26<sup>th</sup> day of March 26, 2024, at which meeting a quorum was present.

---

S. David Deanda, Chairman

Attest:

---

Juan Carlos Del Ángel, Secretary/Treasurer

RESPONSE TO

# Hidalgo County Regional Mobility Authority

RESPONSE TO REQUEST FOR  
PROPOSAL FOR LEGAL SERVICES -  
2024-03



**ESCOBEDO  
&  
CARDENAS**  
ATTORNEYS AT LAW



---

LAW OFFICE OF  
RICHARD A. CANTU, P.C.  
-EST. 2003-

---

**BRACEWELL**

**REQUEST FOR PROPOSAL FOR  
LEGAL SERVICES – 2024-03  
PREPARED FOR**



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# A. Statement of Qualifications

Escobedo & Cardenas, LLP (E & C), Cantu Law Company (Cantu) and Bracewell LLP (Bracewell) (collectively, the Firms) propose to continue serving the Hidalgo County Regional Mobility Authority (the Authority) as co-general counsel. For the past seven years, Richard Cantu, Luis Cardenas and Blakely Fernandez have shared the role of general counsel, providing the Authority with a hands-on, local counsel with expertise in public law and real estate, along with the benefits of the resources of a larger firm with a broad network and expertise in transportation law and the transportation industry. The Firms are confident that their team can continue to provide superior legal services to the Authority in each of the areas described in the RFP's scope of services.

## 1. Firm Overviews

### ***a. Escobedo & Cardenas, LLP***

1602 Dulcinea Street  
Edinburg, Texas 78539  
T: 956.825.1408

At E & C, with over 45 years of combined experience, you can trust that you will receive the highest level of attention and efficiency for your case. Whether you are involved in commercial or tort litigation or are in the middle of a business dispute, our firm can help you in developing a solid legal strategy and seeing it through from start to finish. Our firm is comprised of experienced trial lawyers with expertise in commercial and tort litigation including, but not limited to, shareholder disputes, breach of contract, construction litigation, banking litigation, government law, real estate litigation, employment and labor law, and tort law.

We are focused on providing results to our clients. Our firm understands the impact that a single legal proceeding can have on a business or individual client, and we always work hard to make sure that we only represent our clients in the way they want to be represented. We will take the time to learn about our client so that we can make smart decisions in strategizing your best steps moving forward.

Our firm is headquartered out of McAllen, Texas but our clients extend beyond the Rio Grande Valley, across Texas and the United States.

### ***b. Cantu Law Company***

3301 N. Taylor Road  
Mission, Texas 78573  
T: 956.297.3335

The Law Office of Richard A. Cantu, P.C., doing business as Cantu Law Company, located in Mission, Hidalgo County, Texas, is a boutique law firm specializing in handling real estate matters, including, but not limited to, commercial, residential and farm and ranch transactions, contract law, condemnation matters, banking/finance law, business organizations, wills, probate, landlord/tenant, mediation, and litigation. Our goal is to assist our clients in identifying the legal issues, informing our clients of possible options and/or resolutions, developing legal courses of action, using our legal skills to solve the problems, and preparing and/or reviewing legal documents in support thereof. We are proud to represent many individuals as well as both large and small companies, and governmental entities throughout the State of Texas and mainly in the Rio Grande Valley.

### ***c. Bracewell LLP***

300 Convent Street, Suite 2700  
San Antonio, Texas 78205  
T: 210.299.3410

Founded in 1945, Bracewell is a Texas-headquartered, international law firm. As the firm has grown across the United States and abroad, our headquarters have remained in Texas – the vibrant, commercial center of the Southwest. We serve governmental entities, educational and not-for-profit institutions, major financial institutions, and local, national and multinational corporations, providing full-service counsel in virtually every area of law, including particularly public law, transportation law (federal and state), public finance, project development, litigation, labor and employment, environmental and real estate law.

Bracewell began its work in public law over 50 years ago. Bracewell has four offices located in Texas – San Antonio, Austin, Dallas and Houston, each of which have active practices in all of the areas identified above. The San Antonio, Texas, office was formed in 1999 as a result of the firm acquiring attorneys who formerly operated as Wells, Pinckney & McHugh, a well-established firm with a strong South Texas and national client base.

In 2013, the office expanded with the addition of five partners, including Blakely Fernandez, who has represented the Authority since 2007. These partners have established practices in the areas of public law, transportation law, public finance, economic development, employment law, real estate, and litigation. Building on the firm's combined strengths, the San Antonio office provides clients with full-service legal counsel, with particular emphasis on transportation law, public law, public finance, real estate, labor and employment law, litigation, immigration and water law matters.

## 2. Lists of Principals and Partners

### *a. Escobedo & Cardenas, LLP*

E & C consists of two partners, Luis M. Cardenas and Joe Escobedo, Jr.



#### **Luis M. Cardenas**

Partner

**T:** 956.540.2472    **F:** 956.630.2223

**E:** Luis@escobedocardenas.com

As part of the \*AV rated firm in handling complex litigation matters for the firm's clients of Escobedo & Cardenas LLP, Luis Cardenas applies his experience and knowledge to make our firm as effective as it is. Selected to \*\*Super Lawyers as a Rising Star from 2004-2011 and becoming a Super Lawyer in 2012, Mr Cardenas serves businesses and individuals across the state of Texas.

After receiving his Bachelor of Arts from the University of Texas in 1993, he received his J.D. from the University of Houston in 1997. Mr. Cardenas is AV rated by Martindale Hubbell and board certified in personal injury trial law by the Texas Board of Legal Specialization. Luis Cardenas is a member of the Texas Pattern Jury Charge Committee for the Malpractice, Premises and Products Texas Pattern Jury Charge edition. Mr. Cardenas is also a member of the American Board of Trial Advocates (ABOTA). He has been a past board member of the Hidalgo County Bar Association and Hidalgo County Young Lawyer's Association and has given multiple presentations and seminars on a large range of legal issues. Mr. Cardenas has represented banks, oil and gas corporations, insurance companies, transportation companies, construction companies and individual clients. Mr. Cardenas is fluent in Spanish.



#### **Joe Escobedo, Jr.**

Partner

**T:** +956.540.2472    **F:** +956.630.2223

**E:** Joe@escobedocardenas.com

Joe Escobedo Jr. is an \*AV-rated attorney who has represented clients in complex commercial and tort-based litigation (in both state and federal courts) for over 25 years.

Mr. Escobedo was born in Mission, Texas. Since receiving his law degree from the University of Texas School of Law in 1989, Mr. Escobedo has devoted his practice to the representation of individuals and corporations in Texas courtrooms and has tried numerous cases on both sides of the docket. He was selected to \*\*Super Lawyers from 2006-2015, an honor which is bestowed on less than 5 percent of lawyers in the state. Mr. Escobedo has been certified as a mediator by The Center for Public Policy Dispute Resolution at the University of Texas School of Law and is Board Certified in Personal Injury Trial Law by the Texas Board of Legal Specialization. He is a member of the American Board of Trial Advocates (ABOTA). Mr. Escobedo has authored and presented numerous Continuing Legal Education (CLE) articles across the country and is fluent in Spanish.

### ***b. Cantu Law Company***

The Law Office of Richard A. Cantu, doing business as Cantu Law Company, consists of two lawyers, Richard A. Cantu, President, and Rebecca R. Lopez, Associate Attorney. The focal point of Richard A. Cantu's practice is representing clients in commercial real estate developments and transactions, representing local financial institutions in connection with real estate loan transactions, and representing local municipalities and governmental entities in real estate transactions and condemnation matters.



#### **Richard A. Cantu**

President

**T:** 956.297.3335    **F:** 956.297.3335

**E:** richard@cantulawcompany.com

Richard Cantu has been practicing law for more than 27 years. Although his focus has been primarily on real estate law, his practice includes business law, contract law, wills, probate and administrative/public law as well.

Mr. Cantu spent more than 10 years as an attorney with Valley Land Title Company. He owns his own firm now located in Mission, Texas. Mr. Cantu grew up in Rio Grande City, Texas, received a Bachelor of Arts degree from Texas A&M University (College Station, Texas) in 1992 and a Juris Doctor degree from Texas Southern University Thurgood Marshall School of Law in 1996. He is a member of the State Bar of Texas, a member of the Real Estate, Probate & Trust Law Section of the State Bar of Texas, a member of the Texas Bar Foundation, a member and former director of the Hidalgo County Bar Association, a member and former co-chair of the Real Estate Section of the Hidalgo County Bar Association, a current Director of the Valley Alliance of Mentors, for Opportunities and Scholarships (VAMOS), a former director of CASA of Hidalgo County, a former director of the Hidalgo County Young Lawyer's Association. Mr. Cantu dedicates his free time to his family and his community.

### ***b. Bracewell LLP***

Bracewell has nearly 400 lawyers located in ten offices, and 180 of those are partners/principals in the firm. A complete list, including biographical information of all of Bracewell's lawyers can be found at [www.bracewell.com](http://www.bracewell.com). For purposes of this solicitation, we are including information on the partners in the San Antonio Office and the Public Law / Public Entities Practice Group.

**San Antonio Office Partners.** The San Antonio office has 13 lawyers, nine of which are partners. Partners in San Antonio include:



#### **Blakely Fernandez**

Partner | San Antonio

**T:** +1.210.299.3410    **F:** +1.800.404.3970

**E:** blakely.fernandez@bracewell.com

Blakely Latham Fernandez focuses her practice in the space where business and government intersect, recognizing that complex business issues and solutions often exist in a political environment, just as complex public issues and solutions often benefit from private partnerships.

She represents both governmental entities and private sector clients in structuring projects that include public benefit and, often, incentives. As a former elected official, she recognizes the stewardship and political considerations that are an important part of project development.

Blakely's representation of public entities includes acting as traditional bond counsel, public law and administrative law counsel, and special counsel on economic development. Her representation of private sector clients includes acting as developer's counsel, corporate counsel, and special counsel on public contracting and procurements.



## **William T. Avila**

Partner | San Antonio

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Bill Avila's practice focuses on public finance law, specifically providing legal counsel, negotiating, drafting documents and securing governmental approvals. He has closed approximately 1,000 transactions, totaling more than \$50 billion in aggregate principal amount of municipal bond transactions as bond counsel, underwriters' counsel, issuer's counsel, user's counsel and trustee's counsel for a variety of public infrastructure and improvement projects.



## **Amber K. Dodds**

Partner | San Antonio

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Amber Dodds counsels employers in all areas of employment law. Her advice includes analysis and direction on employment and benefits issues, such as leave administration, employee investigations, use of background checks and consumer reports, employee discipline and preventing harassment and retaliation claims. She drafts employment policies and employee handbooks specific to client industry and management needs. Amber also routinely advises on employee pay practices, such as compliance with overtime, per diem, pay deduction, and exemption classification requirements. She has experience advising clients on compliance with Occupational Safety and Health Act (OSHA) regulations, including the General Duty Clause, Process Safety Management, and a variety of industry or hazard-specific regulations.

In addition to regulatory and employment-law compliance, Amber represents employers in pre-litigation administrative investigation and hearings, settlement negotiations, and federal and state court litigation. Her litigation matters have included a variety of employment-law claims, such as retaliation, wrongful termination, discrimination, harassment, and wage and hour issues, as well as general civil litigation matters in the public, private and religious organization employer context. Amber is also experienced in Fair Labor Standards Act (FLSA) collective action litigation, including class certification and notice issues.

Amber served as an intern in the United States District Court for the Western District of Texas with the Honorable Lee Yeakel and the Texas First Court of Appeals with Justice Evelyn V. Keyes.



## **Richard C. Danysh**

Of Counsel | San Antonio

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During his career, Richard Danysh has tried approximately 40 civil jury trials to verdict and has been recognized for his skill by his peers with election as a fellow in the American College of Trial Lawyers. He has also initiated, prepared and participated in numerous "mock trials" in cases involving claims for substantial damages. His work has encompassed all aspects of state and federal trials, arbitration and forms of alternative dispute resolution.

His cases have run a wide spectrum including breach of contract, fraud, tortious interference, personal injury defense, wrongful death, premises liability, property damage, lender liability and related disputes. In addition, he has experience in environmental tort litigation. Richard's clients come from a variety of industries including brewing, sports, energy, financial services and manufacturing.



## **Carrie Douglas**

Partner | San Antonio

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Carrie Douglas is a passionate advocate who works tirelessly to achieve maximum reimbursements from commercial payors and third-party administrators for hospital systems, ambulatory surgery centers and large physician practices. She represents clients in a variety of reimbursement related legal disputes, involving managed care contracts and other payor-provider disputes wherein she uses her efforts to resolve matters at the pre-litigation stage.

Carrie has extensive experience on matters pertaining to unilateral payor policies involving COVID-19 reimbursement, reference-based pricing, out-of-network plans and E/M downcoding. She has also established successful strategies related to disputes involving experimental/investigational designations, medical necessity, diagnosis-related groups (DRG) downgrades and refunds, offsets and other adjustments, which have allowed for pre-litigation resolutions. In addition, she advises hospitals and health systems on compliance with the Hospital Price Transparency Rule.

Dedicated to her clients' business success, Carrie has brought in more than \$16 million over the past six years for West Texas' largest regional health system.



## **Victoria M. Garcia**

Managing Partner, San Antonio | San Antonio

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Focusing on immigration, labor and employment law, Victoria Garcia represents U.S. and international companies in all aspects of labor and employment, and immigration. She also serves as the managing partner of Bracewell's San Antonio office.

Victoria provides clients with comprehensive legal guidance regarding business immigration matters, including (i) obtaining non-immigrant and immigrant visas for foreign employees, (ii) responding to inquiries and audits from the Department of Homeland Security, and (iii) complying with U.S. immigration laws in the hiring, retention and management of domestic workforces. Victoria also represents clients in a wide range of labor and employment matters, including employment discrimination litigation, administrative proceedings, labor/management relations, and the formulation of policies and procedures relating to every aspect of the employment relationship.

Additionally, Victoria provides clients with advice and counsel on international employment issues, including the application of United States legislation abroad, the transfer, assignment and separation of employees on foreign assignment, the transfer of employees between subsidiaries and related entities, and on conflicts between U.S. and foreign legislation.



## **Summer B. Greathouse**

Partner | San Antonio

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Summer concentrates her practice on tax-exempt financings, tax credits, economic development and governmental contracts at the federal, state and local levels, with a focus on affordable and workforce housing development. She regularly represents governmental entities in public-private partnerships in connection with 4% and 9% low-income housing tax credit transactions and workforce housing transactions involving public facility corporations and housing finance corporations. Her governmental clients range from large urban cities to rural municipalities and counties to housing authorities across Texas and her focus is always on helping her clients achieve their goals for those communities.

Additionally, Summer has experience advising purchasers, sellers, lenders, borrowers, landlords and tenants in various real estate transactions, including financings, acquisitions, dispositions and leases. She also has experience counseling clients on corporate governance, choice of entities and non-profit matters.

Prior to attending law school, Summer lived and owned a business in Buenos Aires, Argentina and is fluent in Spanish.



## **Jane H. Macon**

Partner | San Antonio

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**E:** [jane.macon@bracewell.com](mailto:jane.macon@bracewell.com)

Jane Macon focuses her practice on public finance and administrative law, public and private partnerships, real estate, civil litigation, zoning, platting, condemnation and municipal bonds.

Jane made history in the City of San Antonio when she became the first woman to serve as city attorney from 1977 to 1983. In 2000, she was appointed by President Bill Clinton to serve on the Selective Service Appeal Board. Jane is past-chair of Siebert Financial Corporation (Nasdaq: SIEB) and officer of Siebert Foundation.



## **James P. Plummer**

Partner | San Antonio

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Jim Plummer concentrates his practice on tax-exempt financings, tax credits and governmental contracts at the federal, state and local levels. His practice includes a substantial amount of work related to affordable housing and housing bonds, as well as state and local taxation. Jim also has extensive experience in public private partnerships (PPP), particularly negotiating development, management and operating contracts involving governmental entities and contracts with tax-exempt financing.

**Public Law & Public Entities Practice Group Attorneys.** Bracewell has a practice group specifically dedicated to public law and public entities. This group includes the following partners from various Texas offices:



**Blakely Fernandez**  
Partner | San Antonio  
See resume above.



**Jane H. Macon**  
Partner | San Antonio  
See resume above.



**Barron F. Wallace**  
Partner | Houston  
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**E:** barron.wallace@bracewell.com

As a result of his experience with virtually all types of governmental entities and diverse finance structures, Barron Wallace's public finance practice is both unique and broad. His clients benefit from his knowledge of traditional and highly structured project finance conduit transactions involving state agencies, cities, school districts, airports, higher education, economic development, private and primary secondary schools, regional mobility authorities, special districts and not-for-profit organizations focusing on parks and cultural arts. His multifaceted practice spans traditional municipal finance, tax increment finance, urban redevelopment, as well as general public law.

Barron's leadership, insight and in-depth understanding is beneficial in providing bond, disclosure and tax counsel to issuers, underwriters, trustees, third-party credit providers, and borrowers. He serves as bond and disclosure counsel for cities, counties, state agencies, and special districts, including local government corporations. In addition, Barron represents national and regional investment banking firms as underwriter's counsel and also advises conduit bond issuers, tax increment reinvestment zones, local government corporations and certain special districts as general counsel or special counsel. As a by-product of his many years of experience and innovations in public finance, he also focuses on urban infrastructure and transportation development and public/private partnerships.



**Mary F. Buzak**  
Counsel | Houston  
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Mary Buzak provides general counsel services to clients regarding various matters, including real estate transactions, development agreements, contracting and procurements, and federal grants. Prior to joining Bracewell, Mary held positions in the City of Houston Legal Department, City of Cincinnati Solicitor's Office, Texas Legislative Council and the US Department of Labor. She most recently served as a senior assistant city attorney for the City of Houston, where her practice focused on the sale and lease of municipal property, economic development incentives, tax increment reinvestment zones, and parks and green space.



## Sara M. Burgin

Of Counsel | Austin

**T:** +1.512.494.3654 **F:** +1.800.404.3970

**E:** sara.burgin@bracewell.com

Sara Burgin uses her scientific background and more than 30 years of legal experience to assist clients with issues relating to water use, management and disposal. She advises on permitting, compliance and enforcement matters in association with onshore and offshore wastewater and storm water discharges; issues relating to surface water and ground water rights; water contracts; Spill Prevention, Control and Countermeasures (SPCC) plan requirements and applicability issues; Clean Water Act (CWA) jurisdiction; issues associated with public water systems at industrial facilities; and dredge and fill permit requirements.

In addition to her water experience, Sara has also counseled clients on industrial solid waste matters related to wastewater treatment facilities and recycling/reuse of treated wastewater and/or solids resulting from treatment.



## W. Stephen Benesh

Partner | Austin

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Steve Benesh is a seasoned business litigator in his 36th year of practice at Bracewell. He currently serves as President Elect of the State Bar of Texas and is a former Chair of the Texas Bar Foundation. Steve brings his experience and judgment to bear in helping his clients resolve their issues, whether that means vigorously protecting those interests in the courtroom or working collaboratively to reach a common-sense solution outside the courtroom. He has represented clients in diverse matters, including securities, class action, business torts, fraud, breach of fiduciary duty, deceptive trade practices, breach of contract, and products liability. Steve has first-chair jury and non-jury trial experience representing plaintiffs and defendants in state and federal courts, as well as arbitration and mediation experience.

Steve's qualities have been described by sources quoted by *Chambers USA*. "Stephen is practical and business-oriented, he anticipates issues well and his work product is great," says one source. "He is a results-oriented lawyer," says another. In addition to his ranking in *Chambers USA* in Texas Litigation: Securities and General Commercial (2023), Steve is recognized by BL Rankings, *Best Lawyers* (2009-2024) in the areas of Bet-the-Company Litigation, Commercial Litigation, Banking and Finance Litigation and Construction Litigation. In addition, he has been honored by the same publication four times as Austin Lawyer of the Year in Banking and Finance litigation (2014, 2016, 2024) and Construction Litigation (2022). In *The Legal 500 United States*, Steve is recommended in Energy Litigation: Oil and Gas (2023); Dispute Resolution - General Commercial Disputes (2023); Dispute Resolution - Securities Litigation: Defense (2018, 2020-2023); Construction (including Construction Litigation) (2016-2018); and Construction (2013 - 2014).



## **Jonathan K. Frels**

Partner | Houston

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Jonathan Frels has spent his entire legal career focused on public law, public finance and state legislative matters, both in private practice and through government service in Texas. He serves as bond counsel, underwriter's counsel and disclosure counsel in public finance transactions for school districts, cities, counties, state agencies, navigation districts, port authorities, economic development corporations, water districts and water authorities. He also represents political subdivisions as general counsel with respect to public law issues. In addition to helping governmental entities and developers meet their infrastructure and financing needs, Jonathan assists governmental bodies, nonprofit corporations and entities that contract with governmental bodies with respect to Public Information Act issues.

In addition to his experience in private practice, Jonathan served as deputy attorney general for legal counsel at the Texas Office of the Attorney General, 2008 - 2010. In this role, he acted as counsel to the attorney general and supervised the Office of the Attorney General's non-litigation civil legal divisions, including the agency's Public Finance Division, Opinion Committee, General Counsel Division and Open Records Division. While with the Office of the Attorney General, Jonathan frequently testified before and served as a resource to members and committees of the Texas Legislature on a variety of subjects, including public finance and open government matters.

He also served as chief of the Office of the Attorney General's Public Finance Division, where he oversaw the division's review and approval of all bonds and similar financial obligations issued by state agencies, political subdivisions and institutions of higher education, as well as certain nonprofit corporations created to act on behalf of political subdivisions.



## **Victoria N. Ozimek**

Partner | Austin

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Victoria Ozimek offers legal advice to clients regarding all aspects of tax advantaged obligations, from vetting the tax issues on proposed financing structures to assisting issuers with post-issuance compliance matters such as remedial actions and private business use analyses. In addition to traditional state and local government financings, Victoria has worked on transactions for the financing of multifamily and single family housing, universities and colleges, charter schools, airports and seaports, and water facilities. She has also acted as special tax counsel to a number of issuers in situations where an issuer's regular counsel may not be in a position to provide the specific tax experience needed.

In addition to advising clients regarding the structuring of transactions, Victoria has assisted issuers with responding to examinations of obligations by the Internal Revenue Service (IRS) and, if necessary, negotiating with the IRS regarding any identified issues. She has also advised issuers regarding the IRS's Voluntary Closing Agreement Program. When needed, Victoria has worked with clients to secure private letter rulings and other guidance from the IRS regarding the tax effect of a proposed action.

### 3. Team Leaders: Richard Cantu, Luis Cardenas & Blakely Fernandez

The Firms propose to continue the shared responsibility of Co-Team Leaders between **Richard Cantu, Luis Cardenas** and **Blakely Fernandez**. These attorneys have proven their ability to serve the Authority in a seamless fashion, maintaining communication and keeping each other apprised of issues related to the Authority. Richard, Luis and Blakely will continue to be available to the Authority 24-hours a day, seven days a week. Their collective knowledge of the Authority's Projects and history will ensure efficient and effective representation of the Authority's interests.

Richard has been practicing real estate law in the Rio Grande Valley for over 17 years. He has represented the Authority since 2015. Richard's experience includes right of way acquisition, utility relocation, condemnation, open meetings, and governance.

Luis has represented public and non-profit entities in Texas for over 20 years. Luis has represented the Authority since 2015. Luis's experience includes condemnation, procurement, open meetings, public information, and public contracting. He is a trusted advisor to public and private clients throughout South Texas.

Blakely has been representing transportation interests in Texas since 2003. She has served as bond and disclosure counsel to the Texas Department of Transportation, underwriters counsel for Central Texas Regional Mobility Authority financings, general counsel to the Authority and the Alamo Regional Mobility Authority, general counsel to the Capital Area Metropolitan Transit Authority, general counsel to the capital Area Metropolitan Planning Organization, special counsel to VIA Transit Authority, and has represented a variety of private companies in developing infrastructure projects and negotiating/managing infrastructure and financing contracts.

Blakely Fernandez specializes in administrative and public law including government contracting, procurement, economic development and project finance. Blakely has worked directly for public entities, including the City of San Antonio and the State of Hawaii; she has also held elected office as a Trustee for the Alamo Community College District.

Blakely has a strong focus in ethics and compliance. In 2002, she founded the Annual Ethics Forum hosted by the St. Mary's Law Journal (now in its 21<sup>st</sup> year). More recently, she produced a comprehensive Ethics and Compliance Manual and Training Program for mobility authorities. She regularly advises clients on campaign finance and related (gifts, trips and entertainment) laws.

Blakely has developed procurement strategies and processes for housing, transportation, water, athletic venues, and other facilities. She has been involved in the forefront of Texas procurement projects using alternative delivery mechanisms, including design build, construction manager at-risk, pass-through financing, value engineering change proposals, take or pay contracts, and public-private partnerships. She has delivered presentations and "best practices" guides on Texas procurement law to industry trade groups and governmental clients.

In 2013, Blakely (in conjunction with engineering firm partners) developed the Eagle Ford Shale Best Practices Handbook for the San Antonio River Authority to assist local governments with best practices related to development regulation (the handbook can be found here: [https://www.sara-tx.org/wp-content/uploads/2015/04/Eagle-Ford-Shale\\_Best\\_Practices\\_Handbook.pdf](https://www.sara-tx.org/wp-content/uploads/2015/04/Eagle-Ford-Shale_Best_Practices_Handbook.pdf)). As Trustee for the Alamo College District, Blakely oversaw the procurement, selection and contracting of the first P3 community college housing project in Texas. More recently, Blakely worked with the City of El Paso, Texas's procurement team and its City Attorney's office to draft procurements and policies for the City's large-scale, high-profile projects.

### 4. HCRMA Proposed Team

If the Firms are selected as the Authority's co-legal counsel, Richard Cantu, Luis Cardenas and Blakely Fernandez will serve as the Co-Team Leaders for the Authority's legal matters, continuing to focus on client needs and approaching their relationship with the Authority as a partnership.

The Team leaders propose to continue jointly representing the Authority, with Richard and Luis maintaining the active local role and Blakely and the Bracewell firm providing support on larger projects or specific issues, including procurement, large contracts, regulatory compliance, etc. Richard and Luis will continue to staff committee and other local meetings, while Blakely will continue to be available on an as-requested basis. Together, the Team will prepare any training the Authority requests. Blakely will take the lead on contract matters, TxDOT and FHWA matters, environmental issues, design-build/concession and other alternative delivery matters, transportation policy, and legislation. Richard and Luis will take the lead on open government, real estate, condemnation/eminent domain, purchasing, and litigation. In addition to the Team Leaders, a team of Bracewell lawyers is available to assist the Authority on an as-need basis.

Lawyer / Education	Role	Years of Experience
<b>Richard Cantu, Cantu</b> Texas Southern University Thurgood Marshall School of Law – 1996	Co-Team Leader; Committee and Local Meetings, Training, Open Government, Real Estate, Condemnation/Eminent Domain, Purchasing, and Litigation	27
<b>Luis Cardenas, E &amp; C</b> University of Houston Law, J.D. – 1997 University of Texas, B.A. – 1993	Co-Team Leader; Committee and Local Meetings, Training, Open Government, Real Estate, Condemnation/Eminent Domain, Purchasing, and Litigation	27
<b>Blakely Fernandez, Bracewell</b> St. Mary's University School of Law, J.D. – 2002 <i>summa cum laude</i> St. Mary's University, M.A. – 1998 Pepperdine University, B.A. – 1991	Co-Team Leader; Special Projects, Contract Matters, TxDOT and FHWA Matters, Environmental Issues, Design-build/Concession Matters, Transportation Policy, and Legislation	22
<b>Sara Burgin, Bracewell</b> University of Houston Law Center, J.D. – 1982 <i>with honors</i> Texas A&M University, M.S. – 1977 The University of Texas at Austin, B.A. – 1973	Environmental Matters	42
<b>Steve Benesh, Bracewell</b> The University of Texas School of Law, J.D. – 1987 The University of Texas at Austin, Bachelor of Business Administration – 1984	Litigation, Construction Law	36
<b>Amber K. Dodds, Bracewell</b> The University of Texas School of Law, J.D. – 2012 <i>with honors</i> Boston University, M.A. – 2008 <i>summa cum laude</i> Trinity University, B.A. – 2006 <i>summa cum laude, Phi Beta Kappa</i>	Labor and Employment	12

## 5. Experience with Governmental Entities

### a. Escobedo & Cardenas, LLP

Below is representational list of entities Luis Cardenas has represented with regard to public law:

<b>Hidalgo County Regional Mobility Authority</b> Pilar Rodriguez, Executive Director   956-402-4762  <i>Legal counsel (2015 – current)</i>	<b>City of Edinburg, Texas</b> Ponciano Longoria, City Engineer   956-388-8210  <i>Conducted right-of-way acquisition and condemnation litigation for the City of Edinburg</i>
<b>City of La Joya, Texas</b> Mike Alaniz, City Manager   956-581-7095  <i>Conducted annexation litigation and advised City of La Joya regarding annexation, extraterritorial jurisdiction issues, taxation, and utility services</i>	<b>Hidalgo County Irrigation District No. 5</b> Archie Miles   956-565-1058  <i>Advised District regarding condemnation issues and conducted condemnation litigation, including Texas Public Utilities Commission hearings and proceedings</i>
<b>Delta Lake Irrigation District</b> Board of Directors   956-262-2101  <i>Advised board of directors regarding water rights, condemnation and taxation issues</i>	

### b. Cantu Law Company

Below is representational list of entities Richard Cantu has represented with regard to public law:

<b>Hidalgo County Regional Mobility Authority</b> Pilar Rodriguez, Executive Director   956-402-4762  <i>Legal counsel (2015 – current)</i>	<b>City of Pharr, Texas</b> Dr. Jonathan Flores, City Manager   956-402-4000  <i>Legal Counsel for Real Estate Matters, including conveyances and condemnation (2012-current)</i>
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<p><b>City of Edinburg, Texas</b> Ponciano Longoria, City Engineer   956-388-8210</p> <p><i>Conducted right-of-way acquisition and condemnation litigation (2016-2017)</i></p>	<p><b>City of La Joya, Texas</b> Mike Alaniz, City Manager   956-581-7095</p> <p><i>Legal Counsel for Real Estate Matters (2015-2017)</i></p>
<p><b>City of Donna, Texas</b> Chanel Borrego, MPA, Planning Director   956-464-6917</p> <p><i>Legal Counsel for Real Estate Matters (2018-2019)</i></p>	

**c. Bracewell LLP**

Bracewell’s public law attorneys have the experience and expertise to provide advice in the unique public environment in which local governments operate and make decisions. Bracewell represents a wide range of public entities and public officials, including regional mobility authorities, public transportation entities, metropolitan planning organizations, state agencies, municipalities, counties, school districts, community college districts, hospital districts and health care systems, universities, ports, major airport systems, special districts, and non-profit corporations funded by political subdivisions. We also represent private companies in their dealings with public bodies.

We represent clients in federal, state and local general law in connection with governmental entities including, but not limited to, competitive procurement procedures, the Texas Transportation Code, Texas Local Government Code, the Texas Public Information Act and Texas Open Meetings Act, Texas Tort Claims Act, ethics and governance, as well as a wide spectrum of matters including:

- federal, state and local procurement and contracting issues
- elections and campaign finance law
- Public Funds Investment Act
- real estate and eminent domain proceedings
- environmental issues and clearance
- governance and ethics compliance and training
- Public Information Act and Open Meetings requirements and issues
- constitutional law and civil rights issues
- public safety and cybersecurity issues
- municipal bonds and public finance

With over 30 lawyers, our public law group is one of the largest public law practices in the nation and in Texas having been working with public entities for the past 50 years. Our representation includes all aspects of governmental representations, from serving as outside general counsel to governmental entities to serving as special counsel in the areas in of procurement contracting, economic development, tax, bonds, governance, employment law, litigation, and other areas as needed. We also regularly draft legislation and represent our public clients before the Texas Legislature, and its committees, and US Congress, and its committees.

The Bracewell public law team proposed for the Authority includes Blakely Fernandez who, as a former elected official, has an acute understanding of public law issues from the client, as well as the legal, perspective. Lawyers in Bracewell’s public law practice group are highly experienced in both state and constitutional law, specifically as they relate to public law matters, open meetings, open records and related regulatory requirements. This broad, diverse experience representing all sorts of public entities enables us to provide focused, effective guidance in all areas of public law that may arise from time to time. The public law group has a vibrant special district practice serving as general counsel to these entities. Based on this representation, the firm has developed considerable knowledge in navigating the unique legal and regulatory framework applicable to governmental entities, including sovereign immunity, annual appropriation requirements, indemnity limitations, competitive procurement procedures, Texas Public Funds Investment Act, Texas Public Information Act and Texas Open Meetings Act, Texas Tort Claims Act, as well as ethics and governance.

The Bracewell public law team also includes prominent former city attorney, Jane Macon. Jane has substantial experience and is a leader in the public law arena, respecting the balance of legal, business and sometimes political implications in her counsel to public clients. Additionally, three Bracewell partners have firsthand experience at the Office of the Attorney General and offer unique insights into the office’s review process for bond transactions as well as the opinions committee process.

With regard to transportation matters, our public law team understands the statutory, regulatory and financial requirements for regional mobility authorities in Texas, including the Texas Transportation Code, TxDOT rules, FHWA rules and guidelines, the Texas Public Funds Investment Act, the Texas Public Information Act, the Texas Open Meetings Act, and ethics filings for public officials.

**Developing Manuals and Handbooks.** Although attorney legal advice and product is most often structured in the form of memoranda and opinion letters, the Bracewell public law team has developed manual, handbooks, and best practices guides for our clients, along with appropriate training manuals and presentations. The most widely distributed example of this type of effort is the San Antonio River Authority’s Best Practices Handbook for the Eagle Ford Shale, which covers regulatory and contracting guidelines for local governments managing shale development. This handbook can be found at: [https://www.sara-tx.org/wp-content/uploads/2015/04/Eagle-Ford-Shale\\_Best\\_Practices\\_Handbook.pdf](https://www.sara-tx.org/wp-content/uploads/2015/04/Eagle-Ford-Shale_Best_Practices_Handbook.pdf).

Our team also developed the Ethics and Compliance Manual for the Authority, addressing a variety of best practices in the areas of contracting, conflicts, governance, and personnel matters. This manual has been used by other mobility authorities and local governments as a guide for compliance under local, state, and federal laws and regulations. In addition to creating manuals, Bracewell attorneys conduct training workshops covering topics such as conflicts of interest, procurements, misuse of government property, nepotism, bribery and gifts, qualifications for office and open government.

**Internal Investigations.** In an environment of increased regulatory vigilance and enhanced financial incentives to whistleblowers, public entities must proactively ensure compliance with applicable statutes and regulations. Bracewell’s lawyers routinely conduct internal investigations for public entities to contain and resolve issues such as governance practices and procedures, duties and responsibilities of officials, codes of conduct, and, in the private sector, compliance with Securities and Exchange Commission (SEC) and financial exchange regulations, as well as the Foreign Corrupt Practices Act (FCPA).

Our team has been hired by governmental entities to conduct investigations involving a myriad of allegations, including financial impropriety, misappropriation of public funds, abuse of office/authority and related matters. Our lawyers have also handled terminations and other complex and sensitive personnel matters, including the often-resulting wrongful termination litigation. On multiple occasions, Bracewell lawyers have investigated alleged financial improprieties, official misuse and misappropriation of public funds by governmental entities. Our investigations have resulted in a full report to the governing body, including a recommendation for terminating appropriate leadership parties.

**Experience with Comparable Sized Governmental Organizations.** Our lawyers’ experience with public and private entities is comprehensive, diverse, and reputable. Below is representational list of entities our team has represented with regard to public law:

<p><b>Hidalgo County Regional Mobility Authority</b> 2005 – current Pilar Rodriguez, Executive Director   956-402-4762</p> <p><i>Procurement advice and counsel; alternative delivery procurement structure; drafting procurements and contract documents; governance and ethics compliance</i></p>	<p><b>Bexar County, Texas</b> 2013 – current Honorable Peter Sakai, County Judge   210-338-1326</p> <p><i>Advice on structure of projects and P3s; project development and finance; bond counsel</i></p>
<p><b>Alamo Regional Mobility Authority</b> 2008 – current Art Rinehardt, County Engineer   210-335-6782</p> <p><i>Transportation finance, disclosure and funding agreements; bond counsel</i></p>	<p><b>Central Texas Regional Mobility Authority</b> 2005 – current James Bass, Executive Director   512-996-9778</p> <p><i>Transportation finance, disclosure and funding agreements; bond counsel</i></p>
<p><b>University of Texas at San Antonio</b> Taylor Eighmy, President   210-458-4101</p> <p><i>Advice and counsel on public private partnerships, alternative delivery and historic preservation (2022 – current)</i></p>	

## 6. Experience in the Transportation Sector

### *a. Escobedo & Cardenas, LLP*

E & C has represented the Authority in condemnation matters since March of 2015.

### *a. Cantu Law Company*

Cantu has represented the Authority in condemnation matters since March of 2015.

### *b. Bracewell LLP*

Bracewell lawyers have a long history in the transportation sector. As discussed above, Blakely has been representing transportation interests in Texas since 2003. Her work in this arena has included many “firsts.” She served as bond and disclosure counsel to the Texas Department of Transportation on the first issues of Mobility Fund bonds, and was on the underwriting team for Central Texas Regional Mobility Authority initial financing. Her work as general counsel to the Authority and the Alamo Regional Mobility Authority, includes creating the first County Transportation Reinvestment Zone in Texas, negotiating one of the early pass-through agreements in Texas, working with bond counsel to enter into the first vehicle registration fee borrowing in the State, participating in the first RMA disparity study, as well as managing a variety of questions of first impression before the Texas Attorney General and TxDOT. As general counsel to the Capital Area Metropolitan Planning Organization, Blakely negotiated the first (and only) regional infrastructure fund agreement, providing significant debt/cost of issuance savings to a regional mobility authority and creating a revolving fund for the MPO to support local, non-tolled projects. In addition to the legal work Blakely performs, she also regularly drafts and lobbies for legislative solutions to mobility problems.

The Bracewell team combines diverse practice experience and comprehensive bench strength to assist our clients with issues in transportation and mobility. Our transportation practice group not only focuses on transportation activities, but also includes logistics providers (including carriers, intermediaries, and other third-party logistics providers) as well as commercial users (manufacturers, retailers, distributors, and other shippers). This broad cross-over practice assures our attorneys are well-versed in industry issues from stock and equipment to labor trends to equity investors.

Lawyers at Bracewell have represented a variety of transportation clients in Texas, including:

- Hidalgo County Regional Mobility Authority
- Texas Department of Transportation (TxDOT)
- Alamo Regional Mobility Authority
- Central Texas Regional Mobility Authority
- North Texas Tollway Authority
- Cameron County Regional Mobility Authority
- North East Texas Regional Mobility Authority
- VIA Metropolitan Transit
- Dallas Area Rapid Transit (DART)
- Houston METRO
- Grand Parkway Association of Houston
- Austin-Bergstrom International Airport
- Dallas-Fort Worth International Airport
- Houston Airport System

Bracewell’s attorneys have advised clients on virtually every type and variation of transportation matter, including construction and professional services contracts, concessions, master trust indentures, TIFIA loans, intermodal agreements, international bridge projects, pass through agreements, TxDOT agreements, TxDOT advanced funding agreements, and agreements related to transit, transportation corridors, rail projects, overweight corridors, transit oriented development, as well as other global services and supply chain agreements, and owner-operator agreements. This comprehensive contracting experience is valued by our clients, who see such experience as a major asset in executing their transportation strategies.

Additionally, Bracewell is suited to provide government relations services at both the federal and state levels in the areas of transportation. Blakely Fernandez has been active in drafting and advocating for the transportation legislation before the Texas legislature. The Bracewell governmental affairs team in Washington, DC regularly represents clients before FHWA and USDOT.

## 7. Experience in Procurement Law

### *a. Escobedo & Cardenas, LLP*

E & C has advised the HCRMA in procurement matters on an as needed basis.

### *b. Bracewell LLP*

Bracewell lawyers regularly provide counsel with regard to government procurements and contracting. For example, in our general counsel representation of the Authority, we have advised the Authority on the requirements and merits of the available delivery and finance mechanisms for large transportation projects, including pass through financing, comprehensive development agreements, design build, and design-bid-build. Additionally, we drafted and maintain the Authority's procurement and purchasing policies. After exploring the merits of the available delivery options, we advise the client on the best option for a specific project, and draft the appropriate procurement documents, including selection criteria and process, and assist in managing the procurements and any policies.

We have advised the City of El Paso, Texas, on available and appropriate procurement methods for the delivery of critical projects and services, including public/private partnerships (P3) for project development construction manager at risk, owner's representative, and program manager/operator for project development. Each of these solicitations was developed with the client's unique project goals in mind and utilized innovative approaches to achieving these goals, including initiating a pre-posting industry forum.

Our expertise in procurement law is also beneficial to the private sector, where we frequently represent clients with regard to solicited and unsolicited proposals for P3s, as well as traditional procurement and government contracting matters. For developers, this representation has covered everything from federal contracting and disadvantaged business enterprises opportunities, to structuring urban infill development projects utilizing local and state contracting tools to maximize flexibility and manage party risk, as well as developing soliciting and unsolicited proposals for public private partnerships. For service providers and suppliers, our focus is generally on unique local requirements and goals, like small or minority owned businesses.

## 8. Experience in Developing Public Infrastructure Projects

### *a. Escobedo & Cardenas, LLP*

E & C has not provided legal counsel related to the development of public infrastructure projects.

### *b. Bracewell LLP*

Bracewell has over 50 experienced lawyers dedicated to infrastructure project development, as well as many experienced attorneys specializing in a full range of areas necessary to support such work, including public law, finance, tax, environmental and technology. We understand the pre-development process, from building the initial team, to the preliminary engineering work through final schematics, including the regulatory requirements of environmental clearance and local, state and federal permitting. With regard to transportation projects, we are also familiar with the TxDOT and federal rules and processes. We have comprehensive experience in bid response preparation, risk analysis, the structuring of joint ventures and consortium arrangements, and negotiation of concession agreements, construction contracts, operations and maintenance and asset management agreements and the supporting contracts that are required for the construction, ownership and operation of infrastructure projects.

**Public Private Partnerships.** Bracewell provides representation on projects ranging from transportation to energy to social infrastructure. P3s for complex transportation projects comprise a significant part of our practice. Our firm has represented the developer of every successful P3 toll project in Texas. We have developed considerable experience in navigating the legal and regulatory framework applicable to negotiating with governmental entities, including sovereign immunity, annual appropriation requirements, indemnity limitations, bidding statutes, and open meetings and open records acts.

Additionally, the firm represented the Dallas Police and Fire Pension Systems in its post-financial close activities to complete the project and achieve service commencement. This project was named the 2010 North American Bond Deal of the Year by *Project Finance Magazine*.

**Construction and EPC Contracts.** Bracewell's construction practice represents major infrastructure developers, transportation, energy, chemical and manufacturing companies and construction companies. Our firm has particular strength in the drafting and negotiation of construction and related contracts, including design/build contracts; engineering, procurement and construction (EPC) contracts and engineering services agreements; and related bid documentation. We have familiarity with and have advised clients with respect to the prevailing forms of construction contracts that are used internationally, including the FIDIC contracts and ICE's NEC contract forms.

**Infrastructure and Construction.** Bracewell's experience in infrastructure and construction demonstrates expertise in complex business contracts and public sector contracts. Bracewell has extensive experience in the representation of governmental entities or other sponsors of investment funds, operating companies and financial institutions in all types of infrastructure project development, finance, construction and operations. Our public and private infrastructure and construction projects have included transportation facilities, offshore projects, marine terminals, water supply and treatment facilities, drainage projects, waste treatment facilities, sports and entertainment venues and a wide variety of energy projects, including transmission facilities. This is supplemented by our award-winning experience on public infrastructure projects undertaken through concession arrangements or P3s.

## 9. Conflicts of Interest

We are not aware of any potential conflicts of interest with the Authority that would preclude the Firms from thoroughly and vigorously representing the Authority. Each of the Firms will immediately disclose to the Authority if any of the firm are aware of a client or prospective client being averse to the Authority seeking legal services from any firm with regard to the Authority.

## B. Rate Proposal

The Firms quite sensitive to the pressure on our clients to control legal expenses and we actively work to keep legal expenses in-line with budget expectations. Cost control starts with working with the Authority to develop a budget and fee arrangements, based on the scope of services, time-line and the circumstances surrounding the particular transaction.

Legal work for the Authority has traditionally been undertaken on an hourly basis. Co-team leaders Richard, Luis and Blakely have both offered the Authority reduced, government rates. Based on market changes for South Texas since that time, the Firms have significantly increased their standard rates, but have agreed to maintain a government rate based on the Lower Rio Grande Valley market as follows:

Service Provider	Hourly Rate*
Richard Cantu	\$325
Luis Cardenas	\$325
Blakely Fernandez	\$495
E & C Paralegals	\$75

*\* Rates for additional lawyers are provided on an as needed basis.*

As previously mentioned, Bracewell lawyers are available to assist the Authority on an as-need basis as special projects arise.

As has been their practice, Richard, Luis and Blakely will not charge for add-ons, like standard printing, long distance calls, or travel time. E&C and Cantu have established a flat fee for Board meetings of \$150.

Potential fee arrangements we are willing to discuss with the Authority may include one or more of the following options:

- Fixed Fees
- Hourly Fees
- Fees priced on a per bond basis
- Alternative Fee Arrangements

These types of arrangements may be beneficial for specific legal projects.

## C. Insurance Requirements

Cantu and E & C's professional insurance meets the minimum requirement of \$1,000,000 of coverage. A copy of the firm's insurance certificate is on file with HCRMA.

Bracewell's professional insurance meets the minimum requirement of \$1,000,000 of coverage. A copy of the firm's insurance certificate is on file with HCRMA.

## D. DBE/HUB/SBE

Escobedo & Cardenas, LLP is a small, minority owned law firm, but is not a registered DBE/HUB/SBE firm.

The Law Office of Richard A. Cantu, P.C., doing business as Cantu Law Company is a small, minority owned law firm, but is not a registered DBE/HUB/SBE firm.

ADDENDUM 1

**HCRMA  
REQUIRED DISCLOSURE AND PROVISIONS**

Section 1. DISCLOSURE OF CERTAIN RELATIONSHIPS. Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any supplier or person doing business with a local government entity disclose in the Questionnaire Form CIQ, the supplier or person’s affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the Records Administrator of the HCRMA not later than the 7th business day after the date the supplier or person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code. A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

Section 2. ANTI-BOYCOTT VERIFICATION. Pursuant to Section 2271.002, Texas Government Code, to the extent this Agreement is a contract for goods or services, Contractor hereby represents that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not Boycott Israel and, subject to or as otherwise required by applicable Federal law, Contractor agrees not to Boycott Israel during the term of this Agreement. For purposes of this Section, "Boycott Israel" shall have the meaning given such term in Section 808.001, Texas Government Code. Contractor understands "affiliate" for this Section 4.07 to mean an entity that controls, is controlled by, or is under common control with Contractor and exists to make a profit.

Section 3. PROHIBITION ON CONTRACTS WITH COMPANIES BOYCOTTING CERTAIN ENERGY COMPANIES. Pursuant to Section 2274.002, Texas Government Code, to the extent this Agreement is a contract for goods or services, Contractor hereby represents that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, does not boycott energy companies, and will not boycott energy companies during the term of the contract. For purposes of this Section, "Boycott Energy Company" shall have the meaning given such term in Section 809.001, Texas Government Code.

Section 4. PROHIBITION ON CONTRACTS WITH COMPANIES THAT DISCRIMINATE AGAINST FIREARM AND AMMUNITION INDUSTRIES. Pursuant to Section 2274.003, Texas Government Code, to the extent this Agreement is a contract for goods or services, Contractor hereby represents that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and will not discriminate during the term of the contract against a firearm entity or firearm trade association. For purposes of this Section, "discriminate against a firearm entity or firearm trade association" shall have the meaning given such term in Section 2274.001., Texas Government Code.

Section 5. PROHIBITION ON CONTRACTS WITH CERTAIN COMPANIES. Contractor and the person or persons executing the contract or contract amendment on behalf of Contractor, or representing themselves as executing the contract or contract amendment on behalf of Contractor (collectively, the “Signing Entities”), hereby acknowledge that (i) the Signing Entities do not engage in business with Iran, Sudan or any foreign terrorist organization and (ii) the Signing Entities are not named on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of the Comptroller’s website:

- <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>
- <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>
- <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>

CONTRACTOR: Escobedo & Cardenas, LLP

By: 

Date: 2-16-24

Name: Luis Cardenas

Title: Partner

ADDENDUM 1

HCRMA  
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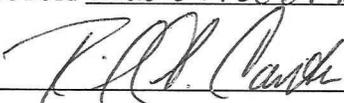
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- <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>
- <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>

CONTRACTOR: Law Office of Richard A. Carter, P.C., dba Carter Law Company

By: 

Date: 2/16/2024

Name: Richard A. Carter

Title: President

February 2, 2024

ADDENDUM 1

**HCRMA  
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- <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>

CONTRACTOR: Bracewell LLP

By: Blakely Fernandez

Date: 2/16/2024

Name: 

Title: Partner

February 2, 2024

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**Item 3B**

**HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY**

**AGENDA RECOMMENDATION FORM**

BOARD OF DIRECTORS	<u>  X  </u>	AGENDA ITEM	<u>  3B  </u>
PLANNING COMMITTEE	<u>          </u>	DATE SUBMITTED	<u>  03/19/24  </u>
FINANCE COMMITTEE	<u>          </u>	MEETING DATE	<u>  03/26/24  </u>
TECHNICAL COMMITTEE	<u>          </u>		

1. Agenda Item: **RESOLUTION 2024-20 – APPROVAL OF CONTRACT WITH PLAINSCAPITAL BANK, FOR BANKING DEPOSITORY SERVICES FOR THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY.**
2. Nature of Request: (Brief Overview) Attachments:  Yes  No  
Consideration and Approval of contract with PlainsCapital Bank, for banking depository services to the HCRMA.
3. Policy Implication: Board Policy, Local Government Code, Texas Government Code, Texas Transportation Code, TxDOT Policy
4. Budgeted:  Yes  No  N/A
5. Staff Recommendation: **Motion to approve Resolution 2024-20 – Approval of contract with PlainsCapital Bank, for banking depository services to the Hidalgo County Regional Mobility Authority, as presented.**
6. Program Manager’s Recommendation:  Approved  Disapproved  None
7. Planning Committee’s Recommendation:  Approved  Disapproved  None
8. Board Attorney’s Recommendation:  Approved  Disapproved  None
9. Chief Auditor’s Recommendation:  Approved  Disapproved  None
10. Chief Financial Officer’s Recommendation:  Approved  Disapproved  None
11. Chief Development Engineer’s Recommendation:  Approved  Disapproved  None
12. Chief Construction Engineer’s Recommendation:  Approved  Disapproved  None
13. Executive Director’s Recommendation:  Approved  Disapproved  None

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY  
BOARD RESOLUTION NO. 2024-20

AWARD OF CONTRACT TO SINGLE RESPONDENT, PLAINSCAPITAL BANK, TO THE  
REQUEST FOR PROPOSALS FOR BANKING DEPOSITORY SERVICES FOR  
THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

THIS RESOLUTION is adopted this 26<sup>th</sup> day of March, 2024 by the Board of Director of the Hidalgo County Regional Mobility Authority.

WHEREAS, the Hidalgo County Regional Mobility Authority (the “Authority”), acting through its Board of Directors (the “Board”); is a regional mobility authority created pursuant to Chapter 370, Texas Transportation Code, as amended (the “Act”); and

WHEREAS, the Authority was created by Order of Hidalgo County (the “County”) dated October 26, 2004; Petition of the County dated April 21, 2005; and a Minute Order of the Texas Transportation Commission (the “Commission”) dated November 17, 2005, pursuant to provisions under the Act the Authority; and

WHEREAS, the Board of Directors of the Authority has been constituted in accordance with the Act to address mobility issues in and around Hidalgo County; and

WHEREAS, the Authority requires banking depository services to conduct day to day business; and

WHEREAS, the Authority solicited Request for Proposals for Banking Depository Services; and

WHEREAS, on March 1, 2024, the Authority received a single response to the Request for Proposals for Banking Depository Services; and

WHEREAS, staff is requesting award of contract to the single respondent, PlainsCapital Bank, for Banking Depository Services for the Authority;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTOR OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY THAT:

- Section 1. The recital clauses are incorporated in the text of this Resolution as if fully restated.
- Section 2. The Board hereby awards a Professional Service Agreement for Banking Depository Services to PlainsCapital Bank for the Hidalgo County Regional Mobility Authority.
- Section 3. The Board hereby authorizes the Executive Director to execute the Professional Service Agreement with PlainsCapital Bank for Banking Depository Services.

\*\*\*\*

PASSED AND APPROVED AS TO BE EFFECTIVE IMMEDIATELY BY THE BOARD OF DIRECTORS OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY AT A REGULAR MEETING, duly posted and noticed, on the 26<sup>th</sup> day of March , 2024, at which meeting a quorum was present.

---

S. David Deanda, Chairman

Attest:

---

Juan Carlos Del Ángel, Secretary/Treasurer



**HCRMA**  
HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

# Memorandum

**To:** S. David Deanda, Chairman  
**From:** Pilar Rodriguez, PE, Executive Director  
**Date:** March 19, 2024  
**Re:** **Resolution 2024-20- Award of Contract with PlainsCapital Bank for Banking Depository Services to the HCRMA**

---

## **Background**

The Hidalgo County Regional Mobility Authority solicited Request for Proposals (RFPs) for Banking Depository Services. RFPs were available for download through the HCRMA website.

On March 1, 2024, the Hidalgo County Regional Mobility Authority (HCRMA) received a single response to the formal solicitation for Request for Proposals for Banking Depository Services.

## **Goal**

In designating a bank depository, the primary concerns are safety, liquidity, and yield, as well as, an efficient and effective technology for effecting financial transactions.

## **Options**

The Board of Directors may opt to not to approve the contract and request re-solicitation of the Request for Proposals.

## **Recommendation**

Based on review by this office, **approval of Resolution 2024-20 – Award of Contract to PlainsCapital Bank for banking depository services is recommended.**

If you should have any questions or require additional information, please advise.

# HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

REQUEST FOR PROPOSALS  
FOR  
BANKING DEPOSITORY SERVICES  
HCRMA-2024-02



**PlainsCapitalBank**

100 E. Nolana Loop

Pharr, TX 78577

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- 2. Proposal**
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  - B) attachment B Proforma Statement**
  - C) attachment C Sample Bank Depository Contract**
  - D) attachment D Insured Cash Sweep Service Description**
- 3. References**
- 4. Treasury Management Terms and Conditions**
- 5. PlainsCapital Bank Locations**
- 6. PlainsCapital Primary Contacts**

March 1, 2024

Pilar Rodriguez, Executive Director  
Hidalgo County Regional Mobility Authority  
203 West Newcombe Avenue  
Pharr, Texas 78577

RE: Request for Proposals for Banking Depository Services – HCRMA – 2024-02

Dear Mr. Rodriguez,

PlainsCapital Bank (PCB) is honored to be given the opportunity to submit a bid for the Hidalgo County Regional Mobility Authority Depository Contract. Our goal is to exceed your expectations and look forward to continuing a 5-year partnership.

PlainsCapital Bank has been a Texas banking tradition since 1988. Founded in Lubbock with one branch, \$160 million in deposits, and a lot of entrepreneurial spirit, we've grown to become the eighth-largest, best bank in Texas with over \$13.7 billion in assets as of March 31, 2023, with 59 branches in all major markets across the state. Headquartered in Dallas, PlainsCapital Bank now has approximately 1,050 employees and provides a full suite of banking services including commercial banking and lending, treasury management products and services, personal and private banking, and trust and wealth management services. Our strength and momentum are powered by an unrelenting commitment to delivering highly personalized, customer-focused relationship banking.

Our leadership teams are Texas natives with over 30 years of tenure with our Bank who have lived their entire lives in the communities we serve. We have a long history of partnering with 100+ public entities, large and small, in all the markets we serve. We have specialized expertise in public funds, liquidity and investing services to meet all your financial needs.

Per the Bid Notice and directives contained in the Bid Form itself, we confirm all objectives and requirements have been met as specified in this proposal; specifically, the *Minimum Qualifications for Proposing Institutions*. PlainsCapital Bank confirms the proposed bid is valid for 120 days from the submission date. Below, please find some of the excerpts of the complete bid packet attached.

### **Rates**

PlainsCapital Bank is proposing an account structure of non-interest bearing, analyzed accounts in conjunction with the use of an Insured Cash Sweep (ICS). Analyzed accounts will receive an earnings credit of 5.25% on the average daily collected balance and used to offset the cost of services. The Earnings Credit Rate (ECR) is based on the Lower End of the Fed Fund Target Rate. Bank offers HCRMA non-interest-bearing transaction accounts up to an aggregate maximum collateral of \$10,000,000 with no minimum balance requirements. The ICS interest rate is 5.15% and will be based on the Lower End of the Fed Fund Target Rate less 0.10 basis points.



PlainsCapital Bank has looked forward to this bid opportunity that offers our strong competitive pricing and commitment of our people to build a long-lasting depository service relationship with Hidalgo County Regional Mobility Authority. Feel free to contact me for any additional information by phone at (956) 283-2255 or email: [larry.gonzalez@plainscapital.com](mailto:larry.gonzalez@plainscapital.com). Dacia A. Salinas is also available to provide additional information or answer any questions as well, at (956) 385-3513 email: [dacia.salinas@plainscapital.com](mailto:dacia.salinas@plainscapital.com).

Respectfully,

A handwritten signature in black ink, appearing to read "Larry C. Gonzalez", written over a horizontal line.

Larry C. Gonzalez  
Upper Rio Grande Valley Market President

**HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY  
REQUEST FOR PROPOSALS FOR  
BANKING DEPOSITORY SERVICES – 2024-02**

The Hidalgo County Regional Mobility Authority (“HCRMA”) is a governmental entity seeking a qualified institution for banking depository services. Depository services include those tasks and responsibilities associated with the collection and disbursement of the HCRMA’s money, provision of timely and reader-friendly reports, implementation of security measures to protect and assist the HCRMA with its fiduciary responsibilities with respect to financial assets and provision of cash management techniques, as well as, other financial services that may include, but not be limited to, custodial, safekeeping, trust, escrow, commercial services, and on-line computer services.

This Request for Proposal (“RFP”) represents a competitive process for qualified banks and credit unions to provide depository services. The process of competitive negotiations being used should not be confused with competitive sealed bidding where goods and services can be precisely described and price is generally the determining factor. This competitive RFP will provide the HCRMA with the flexibility to negotiate with firms the terms and conditions that are mutually agreeable to all parties. The HCRMA will consider the terms and conditions for the performance of depository services, including the type and cost of services to be provided, and will select that institution offering a proposal deemed most advantageous to the HCRMA. The HCRMA intends to enter into contract negotiations with the selected financial institution. These negotiations could include any aspect of services and fees. If a contract is not finalized in a reasonable period of time, the HCRMA will open negotiations with the next ranked firm. Final selection and approval is subject to HCRMA Board approval.

The contract period shall be for five (5) years.

The HCRMA Board of Directors reserves the right to reject in part or in whole any or all responses, waive minor technicalities, and select the financial institution which best serves the interests of the HCRMA. Late responses will not be accepted.

**SCOPE OF SERVICES:**

**General Services**

The HCRMA requires a variety of banking/financial services. Services required by the HCRMA may fall within the domain of the Depository or may be provided by institutions outside of the Depository Contract. The HCRMA retains the right to select and utilize those services deemed most appropriate to be provided by a depository and shall, within the scope of the law, solicit other banking/financial services as the HCRMA determines will best satisfy the needs of, and be most advantageous to, the HCRMA. The primary Depository services pertain to the secure processing of the HCRMA’s collections and disbursements, and provision of timely and reader-friendly reports.

Compliant with the HCRMA’s fiduciary responsibilities is the utilization of technological security mechanisms and processes to safeguard the HCRMA’s financial resources. The HCRMA intends to review additional and/or modified security measures through the Depository to protect the HCRMA’s financial resources from fraudulent acts.

Other services required by the HCRMA include, but are not limited to custodial, safekeeping, trust, escrow, and on-line services, as well as cash management techniques to enhance the HCRMA’s short-term investment earnings options.

## **SPECIFIC SERVICES**

The HCRMA's required Depository Services include:

- Collection services (currency and checks, and transfer)
- Disbursement services (checks, transfers)
- Account reconciliation
- Reports (electronic and hardcopy)
- Cash management
- Online computer capability
- Financial safeguards

## **ADDITIONAL/ PREFERRED SERVICES**

- Corporate trust services
- Training
- Safekeeping/ storage services
- Credit Card Services

## **MINIMUM QUALIFICATIONS FOR PROPOSING INSTITUTIONS**

The minimum qualifications required of an institution to provide depository services to the HCRMA, hereinafter referred to as "Respondents" or "Depository Respondents", are listed below. Respondents submitting proposals to provide Depository Services must provide a letter certifying that the institution satisfies the qualifications listed below. Such Respondents must also include documentary evidence of qualification, where appropriate.

- The financial institution providing Depository Services must be a bank or financial institution that provides Depository Services for governmental entities that has its main office or branch office in the State of Texas.
  - The financial institution must have banking facilities within Hidalgo County.
  - The financial institution's local deposits must be equal to or greater than \$250,000,000, as shown on the latest published quarterly financial statement.
  - The financial institution's combined capital and surplus must be equal to or greater than \$50,000,000 and it must be in good financial standing.
  - The financial institution must be a member of the Federal Reserve System.
  - The financial institution must be a member of the Federal Deposit Insurance Corporation (FDIC) or have other federal insurance coverage. Deposits must be fully secured by a combination of FDIC Insurance or other federal insurance coverage and permitted securities as provided for in the Texas Public Finances Collateral Act equal to a value of 105% of the funds being secured.
  - No outstanding or unsatisfied financial obligation to the HCRMA or Hidalgo County.
  - The financial institution must have a check fraud protection system.
- PlainsCapital Bank confirms certification to the minimum qualifications listed above. Signed certification has been provided in Tab 1.

## **CONDITIONS TO BE SATISFIED BY THE DEPOSITORY**

The selected Depository shall satisfy, at all times, the conditions listed below:

- Maintain the HCRMA's funds covered by the Depository Services contract.
- Perform all duties and obligations required of the Depository by law and under the depository contract.
- Pay, upon presentation, all checks drawn and properly payable on a demand deposit account with the Depository.
- Pay all transfers properly payable as directed by a designated officer.

- Provide and maintain security at a level equal to at least 105% of the value on the amount of deposits, plus accrued interest, less FDIC coverage, or other federal insurance coverage. PlainsCapital Bank confirms agreement.

**RESPONSES TO THE RFP SHALL INCLUDE THE FOLLOWING INFORMATION:**

**PROPOSAL CONTENT**

Respondents must provide a complete answer to all questions set forth in this RFP. Responses to the questions that follow will be used by the Depository Selection Committee to evaluate the proposals to provide depository services. Each question should be specifically addressed.

1. Include the following information related to your firm:

a. Name and address  
 PlainsCapital Bank  
 100 E. Nolana Loop  
 Pharr, TX.78577

b. Location of national headquarters  
 PlainsCapital Corporation  
 6565 Hillcrest Avenue  
 Dallas, TX 75205

Parent Holding Company  
 Hilltop Holdings Inc.  
 6565 Hillcrest Avenue  
 Dallas, TX 75205

c. History including date founded  
 OUR PARENT COMPANY

PlainsCapital Bank is a wholly owned subsidiary of Hilltop Holdings Inc. (NYSE: HTH), a well-capitalized, publicly traded diversified financial holding company based in Dallas with a national footprint. Hilltop was ranked No. 63 in Forbes’ 2023 list of America’s 100 Best Banks and ranked No. 8 in Texas, based on growth, credit quality, and profitability. Hilltop’s approximately 29% insider ownership drives the company’s long-term decision making and appropriate risk management strategies, while providing meaningful alignment between the interests of our management, board of directors, and stockholders.

Hilltop’s other subsidiaries include HilltopSecurities (municipal investment banking) and PrimeLending (residential mortgage origination). Together, the Hilltop family of companies employ approximately 4,100 people in approximately 355 locations in 47 states.

PlainsCapital Bank was founded in 1988. Since then, we’ve grown to become the eighth-largest Texas based bank with over \$13.7 billion in deposits as of March 31, 2023, and 59 locations throughout the state. Our leadership teams have over 30 years of tenure with our Bank who have lived their entire lives in the communities we serve. We have a long history of partnering with 100+ public entities, large and small, in all of the markets we serve to help move our communities forward. We have specialized expertise in public banking, treasury management, and liquidity and investing services to meet all your financial needs.

At PlainsCapital Bank and Hilltop Securities Inc., we understand the challenges you face

every day. Our bankers work to deliver value-added advice and guidance to help solve the complex issues that public entities must address. Our local banking teams bring broad market knowledge with national insights to entities such as Hidalgo County Regional Mobility Authority (the “HCRMA”). We partner with you to advance your community-because it’s our community, too.

d. **Brief description of firm including the following:**

i. **Number of branches and their locations in Hidalgo County**

PlainsCapital Bank has a total of 7 branches in the Hidalgo County area. For locations, please see map on Tab 5.

ii. **Number of branches located in the State of Texas**

In the State of Texas, PlainsCapital Bank has a total of 59 branches.

iii. **Number of branches located nationally**

Although PlainsCapital Bank is Texas based, the Hilltop Holdings family of companies has a significant national footprint with approximately 355 branch and office locations in 47 states and the District of Columbia with approximately 4,900 employees. Hilltop also has a substantial presence in Texas with approximately 90 branches and office locations across the state.

Hilltop’s concentration of locations and customers in Texas gives it strong roots from which to grow PlainsCapital Bank, PrimeLending, and HilltopSecurities. Likewise, Hilltop’s nationwide presence provides diversification and a broader platform for growth outside its core Texas market.

2. **Include the following information regarding the personnel that would be assigned to the HCRMA’s account:**

a. **Name, title, address**

Name Larry Gonzalez \_\_\_\_\_

Title Upper Rio Grande Valley Market \_\_\_\_\_

Address 100 E. Nolana Pharr, TX. 78577 \_\_\_\_\_

Telephone # 956-283-2255 \_\_\_\_\_

Fax # 956-283-2257 \_\_\_\_\_

Email [larry.gonzalez@plainscapital.com](mailto:larry.gonzalez@plainscapital.com)

b. **Years of applicable experience**

Mr. Gonzalez has over 38 years of banking experience.

c. **Brief resume**

Larry Gonzalez, Market President Upper Rio Grande Valley, has over 38 years of commercial banking experience serving the Starr County and Hidalgo County markets. Larry is responsible for the management and growth of PlainsCapital Bank’s Upper Rio Grande Valley market, cultivating profitable relationships, ensuring operational compliance, actively involved in loan portfolio management, strategic execution and risk management, and growing revenue for PlainsCapital Bank. He has extensive experience in commercial real estate and specializes in gathering and cultivating bilingual client relationships. Larry efforts are also focused on new economic development in the Rio Grande Valley and engaging in farm and ranch management as well as real estate

investing. Larry joined PlainsCapital Bank (then First National Bank of Edinburg) in 2008 and has served the company in various capacities. Larry is a graduate of Texas A&M University having earned a B.B.A. in Finance. His current affiliations include Starr County Industrial Foundation officer and director, Starr County Historical Foundation officer and director, Our Lady of Sorrows Catholic Church member, United Way of South Texas director, Rio Grande Valley Partnership director and officer, and Edinburg Rotary Club member.

- d. Please designate which of these personnel will be the HCRMA’s day-to-day contact. The local bank branch will provide daily banking services to the HCRMA. The Public Funds group will provide all additional support services including technical, collateral, investment, and any other customer needs as requested. VP, Public Funds Officer Roxanna Salas will be available as a day-to-day contact. Cell numbers are provided for urgent matters.

**Roxanna Salas, VP Public Funds Officer**, has over 20 years of experience in handling public entities and has focused her knowledge base to help public fund entities with the products and services needed to be successful. Her responsibilities are focused on providing day to day support to public fund clients in collateral monitoring, resolving any issues that may arise and assist in client training of treasury services.

**Dacia A. Salinas, VP Treasury Management Sales Officer**, has over 20 years of banking experience with a focus on Commercial Banking and Public Funds. Dacia is the local Treasury Management Sales Officer for the Rio Grande Valley and alternate liaison for Public Funds. Ms. Salinas is an active member in the Edinburg community and supports local businesses by participating with the Edinburg Chamber of Commerce and serving as a volunteer at Sacred Heart Catholic Church.

- 3. Provide the names of the executive staff responsible for making immediate and important decisions concerning the HCRMA account and their availability during normal business hours, after hours, and weekends.

Name Larry C. Gonzalez \_\_\_\_\_  
Title Market President- Pharr Nolana \_\_\_\_\_  
Address 100 E. Nolana Pharr, TX. 78577 \_\_\_\_\_  
Telephone # 956-283-2255 \_\_\_\_\_  
Fax # 956-283-2257 \_\_\_\_\_  
Email [larry.gonzalez@plainscapital.com](mailto:larry.gonzalez@plainscapital.com)

Mr. Gonzalez is available Monday thru Friday from 8am to 5pm and will provide cell phone numbers for urgent matters.

- 4. Provide a brief description of Respondent’s capital structure as shown on the latest published quarterly financial statement to include:
  - a. Total capital \$1.6 billion in total capital as of March 31, 2023.
  - a. Current value of deposits \$11.0 billion in deposits as of March 31, 2023.

**OUR STRONG CAPITAL POSITION**

PlainsCapital Bank’s conservative management and relationship-driven business model are

designed to foster long-term success and sustained growth. Put simply, we are built to last. PlainsCapital Bank and our parent company, Hilltop Holdings Inc., are rated “Investment Grade” by three national credit rating agencies. PlainsCapital ended the first quarter of 2023 in an extremely strong financial condition. The Bank’s capital, as measured by its Tier 1 Leverage Ratio of 10.69%, is well in excess of the minimum regulatory guideline of 5.0% to be well capitalized.

PLAINSCAPITAL BANK (AS OF 3/31/23)	
Total Assets	\$13.7 Billion
Total Equity Capital	\$1.6 Billion
Total Deposits	\$11.0 Billion
Tier 1 Leverage Ratio	10.69%

HILLTOP HOLDINGS (AS OF 3/31/23)	
Total Assets	\$17.0 Billion
Total Equity Capital	\$2.1 Billion
2022 Net Income	\$113.1 Million
Tier 1 Leverage Ratio	11.82%

**Hilltop Holdings, Inc. Fitch Rating:**

Long-Term IDR	BBB+
Short-Term IDR	F2
Long-Term Foreign Currency IDR	Stable
Sovereign Long-Term Foreign Currency IDR	Negative
Viability Rating	bbb+
Government Support Rating	ns

**Hilltop Holdings, Inc. KBRA Rating:**

Senior Unsecured Debt	A-
Subordinated Debt	BBB+
Short-Term Debt	K2
Outlook/Watch LTR	Stable

**PlainsCapital Bank KBRA Rating:**

Senior Unsecured Debt	A
Subordinated Debt	A-
Deposit	A
Short-Term Deposit	K1
Short-Term Debt	K1
Outlook/Watch LTR	Stable

**Annual Audited Financial Statements**

<https://ir.hilltop-holdings.com/filings/annual-reports/default.aspx>

**Call Report (FDIC Certificate Number 17491)**

<https://cdr.ffiec.gov/public/ManageFacsimiles.aspx>

5. Explain changes, if any that have occurred within Respondent’s firm over the last six (6) months or future changes you expect may occur including:
  - a. Staffing
  - b. Capital
  - c. Organizational structure
  - d. Other

Hilltop Holdings Inc. (NYSE: HTH) (“Hilltop”) announced November 30, 2023, that Jerry

Schaffner, President and CEO of Hilltop’s banking subsidiary, PlainsCapital Bank (the “Bank”), is retiring on May 1, 2024. At that time, Hilltop President and CEO Jeremy B. Ford will become CEO of PlainsCapital Bank. In anticipation of the transition, PlainsCapital Chief Operating Officer Brian Heflin has been named President of the Bank, and current Chief Administrative Officer Pete Villarreal has been named Chief Operating Officer effective immediately. Schaffner will continue to serve on PlainsCapital Bank’s board of directors, and Ford will continue to serve as President and CEO of Hilltop and Chairman of PlainsCapital Bank following the transition.

With regard to mergers and acquisitions, PlainsCapital has not publicly announced any recent or foreseen mergers or acquisitions. Hilltop Holdings seeks to build the premier Texas-based diversified financial services holding company through acquisitions and organic growth and using PlainsCapital Bank as its platform.

6. Depository Services. Provide a complete description of the services Respondent would provide for each of the HCRMA’s depository needs listed below, as well as ideas and suggestions for changes or modifications that could be implemented to make the HCRMA’s financial operation more effective and efficient.

- a. Collections and disbursements processing.

**Standard Deposit Services**

The Bank will offer all disbursing and deposit services as required by the HCRMA. Incoming wires and ACH items are reported and posted in real-time at the time of receipt. Intra-day check clearing information is available thru BOS in real-time. Cut off time for same day ledger credit at the branch is 6:00pm although, same day credit cannot be guaranteed for high volume late deposit drops. The Bank recommends morning delivery to ensure same day posting of branch deposits. Cut off time for same day deposit through Remote Deposit is 6:00pm. Refer to tab 5 for all PCB Branch Locations within the HCRMA’s proximity.

**Standard Disbursement Services**

Bank agrees to pay all HCRMA checks upon presentment according to the Deposit Account Agreement and Terms and Conditions. If the payee is presenting a physical check at branch, payee must present a valid state issued identification or U.S. Government issued passport or Visa.

Refer to following link for PlainsCapital Bank Commercial Deposit Account Agreement and Terms and Conditions.

<https://www.plainscapital.com/wp-content/uploads/2023/12/Commercial-Disclosure-Brochure-December2023.pdf>

- b. Account Reconciliation.

Partial reconciliation is available through BOS and provides check paid details through the reconciliation module. A Paid check report can be created for a specific date or date range, for single or multiple accounts and can exported into multiple formats. Reports that require a specified format can be automatically created and delivered via SFTP for ingestion into the HCRMA reconciliation system.

Full reconciliation is available through BOS and multiple reports be created: Issued Checks, Outstanding Issued Checks, Daily Checks Issued Summary, Paid Checks, ACH Transactions, Stops and Voids, Exception items, Stale Dated Checks, Check Reconciliation Summary and Payee Match Report. Full activity reports, including balance, can be exported for view, printing or export; formatted files can also be sent via SFTP. Files sent

via SFTP require an FTP Transmission setup and additional fees will apply.

Reports can be created through the BOS reconciliation module for viewing, printing or exporting in multiple formats anytime; information is based on previous day. Files can be exported in standard formats or mapped to HCRMA's specific file format requirements. Paid check images are available through the reconciliation module for viewing and printing. Additional reconciliation files are available thru SecureConnect and/or ACH Reporting Modules.

c. **Cash Management Services.**

**Wire Transfer Services**

Wire initiation and book transfer transactions can be made through BOS (online banking) or a direct request to the Wire Room using PIN verification. Online initiation and monitoring is available in real-time. Online wires may be future dated with no limit to a future date. Wires may be submitted online 24/7 however, must be approved before 5:00pm CST on the effective date. Future dated wires that are approved before the effective date are warehoused and processed the morning of the effective date. Refer to following link for PlainsCapital Bank Commercial Deposit Account Agreement and Terms and Conditions for more details.

<https://www.plainscapital.com/wp-content/uploads/2023/12/Commercial-Disclosure-Brochure-December2023.pdf>

<https://www.plainscapital.com/wp-content/uploads/2022/09/2022-PCB-Treasury-Management-Terms-and-Conditions.pdf>

Dual authorization is not required for wire transactions however, it is available and strongly recommended to the HCRMA. Transaction based virtual tokens are required for wire transfer transactions only at the approval stage. Templates are available and the HCRMA can require approval before use by other users. Real-time wire stages are available through BOS along with wire report history available for 90 days.

The HCRMA will designate a Primary and Secondary Administrator during the onboarding process. These Administrators will be responsible for granting access to other HCRMA employees. Users may be restricted to initiating only or may have initiation and approval access. A user with both initiation and approval access can only perform one step of the dual control wire process. It is also recommended all users with wire approval authority are setup with an appropriate wire limit.

The Bank also utilizes a behavioral software within our wire system, which may place any wire meeting certain criteria into a que for further review. HCRMA personnel with access to the wire module may receive calls directly from the wire room from time to time to further validate a wire before release.

As a backup method the HCRMA has the option to setup a wire PIN which allows a wire to be initiated by an authorized person via phone directly to the Bank's Wire Room. A HCRMA account signer must execute the wire PIN agreement. Wire PIN's are Bank issued and mailed directly to authorized wire PIN approvers. Dual control and dollar limits are required.

Further, wires may also be faxed, emailed, or delivered to the branch in the event the system is unavailable. Only authorized account signers can submit these requests; voice recordings are mandatory, and the wire room will perform a call back procedure to the originator before

releasing any wire(s) submitted via fax or email. Dual control will not apply.

**Branch or PIN Wire Cutoff:**

Domestic Outgoing wire initiation and approval must be received before 3:30p.m.

International outgoing wire initiation and approval must be received before 3:00p.m.

**Online Wire Cutoff:**

Note: Domestic Outgoing wires may be submitted online 24/7 thru BOS however, must be submitted and approved before 5:00p.m. for same day wire to go out. All wires (including same day and future dated) must be approved by 5:00pm on the day the wire was submitted. Any wire not approved before 5:00pm will not be processed and must be resubmitted the following day.

Available funds are used as a basis to release outgoing wires. Assigned account officer will contact the HCRMA if available funds are insufficient to allow movement of funds if necessary. Incoming electronic activity (wires & ACH) will automatically update the available balance as these transactions are received.

**Positive Pay**

Positive pay service is available to the HCRMA. Check register files are uploaded through BOS in either fixed width or comma delimited format. Required fields are check number, date issue, check amount and account number; payee name and void codes are optional. Input is available online for manual checks by entering the check information through the BOS positive pay module. Dual control is recommended for any user to input manual check issue information; separate users should be setup to decision any positive pay exceptions.

The Bank highly recommends dual control to upload check issue information. Files sent via SFTP require an FTP Transmission setup and additional fees will apply. If given edit rights, end user can change check records, change payee or issue date, and delete outstanding items and/or files. Bank can also assist with purging a file or assist with reloading replacement files.

The email alert feature for positive pay exceptions is mandatory for all users entitled to the positive pay module; text alerts are optional but recommended. Authorized users will receive an email at 9:00am CST or optional text notification only when there are exceptions. Exceptions are available for review by 9:00am CST with available images; decisions must be made by 2:00pm CST. In the event no decision is submitted prior to cutoff the default decision is return. The Bank offers the Positive pay correction feature which allows the user to correct exceptions if due to a misread.

The mobile app can also be utilized to review and decision all exceptions with the same capabilities as the desktop version. All "OTC" checks are validated by tellers against the positive pay issue file before cashing a check. Issue files are immediately available for validation purposes upon receipt from the HCRMA, no matter the delivery method. The Bank will attempt to contact the HCRMA when an OTC check is presented, but related issue information is not in the positive pay validation file.

ACH filters are available and managed through the BOS Positive Pay module, allowing pending ACH debits to be reviewed and decisioned online before posting. Payment rules can be setup by the originating ACH company ID to allow those designated by the HCRMA to process without review going forward; dollar thresholds per payment rule are optional, and

rules can be applied as exceptions are reviewed. ACH full debit blocks are available and would prevent all ACH debits from posting to an account without notification to the HCRMA. Exceptions are available for review by 9:00am CST; decisions must be made by 2:00pm CST.

### **Stop Payments**

Stop payments and stop payment renewals can be submitted online. Paper follow-up document is not required. Authorized user will sign onto the online banking with assigned credentials, enter the appropriate check information as prompted (check #, date, dollar amount, payee, reason for stop), and transmit to the Bank. Renewals will follow the same steps. Stop payments are effective for six months from the date of stop payment submission. Deadline for same day stop pay is 6:00pm CST. The HCRMA may view all stop payments submitted online to track current stop payments; the report will reflect date of stop payment submittal, approval, status, check number, account, dollar amount, payee, expiration date (optional) and reason for stop payment (optional). The clearing system will verify the check status before a stop payment can be processed; there is no limit on the amount of history checked.

Positive pay void is another option to return a check in place of a stop pay and renewal. Positive pay void is optional but if utilized would present the check as an exception and can be decisioned “Return” with a “Payment Stopped” reason.

#### **d. Financial Safeguards.**

Authorized account signers will designate one or two primary administrators responsible for user access to the online profile; the administrator can add other administrators as needed, and all have the ability to add and modify other users. The Bank recommends dual control for this feature however, single control is available as well.

Each user will be required to authenticate at first time login, or from any new computer. If cookies are erased daily, authentication will be required at each login. Authentication offers a one-time security code delivered to a landline or mobile device; security codes may be delivered via text message to a mobile device (mobile device phone number must be input into the user profile before a text message can be delivered).

Further, the Bank maintains a comprehensive security program designed to protect customer information. The sections below highlight a few areas of our security program.

### **Strong Authentication**

First time login and new devices require temporary security codes delivered out of band (phone or mobile) in order to complete the login process. This multi-step process helps the bank to protect accounts and allows recognition of devices used to sign in. Bank also offers login by token as an optional enrollment request.

### **Suspicious Activity Monitoring**

Behavioral analytic software is utilized to monitor account activity to establish behavior patterns which help detect possible fraud. Contact the client services team or anyone of the bank’s team members handling your accounts to report fraud attempts immediately. Fraud can also be reported through the website at the How to Report Fraud section.

### **Secure Messaging**

The Bank utilizes a corporate secure email solution secured by Proofpoint Encryption

(<https://protectedmail.plainscapital.com:10020/euweb/login>) to share sensitive data.

### **Encryption Technology**

The Bank uses 256-bit encryption technology to protect your username, password and other personal account information when you're using our site. You'll know your information is encrypted when the plainscapital.com page you're on starts with "https://" and you see a lock symbol in your web browser. We also use encryption technology to protect data in transit to third parties and data stored within our corporate systems.

### **Handling your personal information**

When we set up or manage your account information, we are required by law to have your Social Security Number on file. During the normal course of business, we may also obtain other personal or confidential information to support your financial transactions. We use internal policies and technical safeguards to protect and limit access to your personal information and make sure it isn't used inappropriately.

### **Our employees**

Our employees receive regular training and education on topics surrounding security and data privacy. We conduct awareness campaigns to ensure our employees are trained to respond to phishing emails, social engineering and suspicious website links. Our corporate code of conduct is our commitment to supporting the integrity and ethical standards we expect from our employees. The code of conduct includes specific guidelines about how we expect employees to protect confidential information (including your account and personal information), as well as guidelines to limit our employees access to your confidential information and restrict how we use and share information for certain processes and transactions.

- e. **Institutional/Corporate Trust Services.**  
PlainsCapital Private Bank thru Wealth Management & Trust provides Corporate Escrow, Paying Agent/Registrar Services. Fees are negotiated at time of request.
- f. **Safekeeping.**  
Bank offers safekeeping services through our Wealth Management and Trust Services department. The Bank's depository used for securities safekeeping and clearance is Bank of New York Mellon (BNY).

All securities would be held in a custody account in the HCRMA's name with PCB's Wealth Management and Trust department. The HCRMA will have 24-hour online access (in addition to monthly statements) evidencing the ownership of all securities and confirming all transactions. Bank does not issue safekeeping receipts for book entry securities, but Bank can provide a List of Holdings monthly or upon request.

Online origination of security transactions is not available; however, the HCRMA may monitor transactions online. Bank will provide the HCRMA with settlement instructions for our account at BNY.

For same day cash settlements, the deadline is 10:00a.m. There will be no charge for late submissions however, same day settlement may be withheld if instructions are given after the deadline.

Fees for safekeeping of HCRMA owned investments is as follows:

\$35.00 per security purchased; \$15.00 per interest payment; \$2 per security holding.

**g. On-line Computer Capability.**

Business Online Services is compatible with the current, generally available versions of the following browsers and operating systems:

Browser	Android OS	Apple iOS	Mac OS	Windows 8	Windows 10
Apple Inc. Safari		X	X		
GoogleChrome	X		X	X	X
Microsoft Edge					X
Microsoft Internet Explorer				X	X
Mozilla Firefox				X	X

The Bank offers Business Online Services (BOS) with dual control capabilities. All services are available thru one portal 24/7; services include:

**❖ Reporting Module**

- Previous day
  - End of day ledger balances, collected balance and monthly averages for both
  - Transaction details, paid check & deposit ticket images included
  - Summary debit & credit totals
  - EDI reporting
  - ACH Return Item & NOC reporting
- Current day
  - ACH debit & credit transactions
  - Incoming wire reporting
  - Paid checks (please note paid check activity will not be complete until end of day processing)
  - Controlled disbursement totals and transactions
  - Deposits made through remote deposit capture
  - Cash forecasting
- Monthly bank statements and analysis statements
- Saved reports

**❖ Transfers & Payments**

- Internal Account Transfers
  - Transfers are real-time and account available balances referenced on page
  - Transfers can be made from one account to another
  - Transfers can be made from one account to many accounts in one transaction
  - Templates can be created and saved for future use
  - Descriptions can be added and will be referenced on bank statement or file exports
  - Dual control highly recommended for internal account transfers

- ACH Origination
  - Payment / Collection templates supporting all payment types (CCD, PPD, CTX, Web, Tel)
  - Tax and child support templates available
  - Addenda records can be added
  - Detail recipient records can be imported into existing templates from multiple file formats
  - Upload NACHA formatted files
  - ACH Same Day transactions available for both payments & collections
  - Manage ACH NOCs easily; templates with related NOCs are automatically flagged for review and acceptance
  - Origination detail reports can be created and exported in CSV file formats for 90 days
  - Dual control is available and strongly recommended for ACH Origination for both payments and collections
  - Dual control to create ACH Templates is highly recommended before utilization
  - Template transactions or file uploads require token security at the approval stage
  - Real time status reports available online
- Wire Initiation
  - Supports both domestic and international wires (USD\$ only)
  - ABA & Swift lookup tools available
  - Wire file import feature available in CSV formats
  - Dual control is available and strongly recommended for online wire initiation
  - Create templates for repetitive use; Dual control to create wire templates is highly recommended before utilization
  - Wire transactions require token security at the approval stage; multiple wires can be approved at once
  - Real time status reports available online
  - Transaction history available for review and export for 90 days

❖ **Account Services**

- Stop Payments
  - Initiate and monitor existing stop payment requests
- ACH Positive Pay
- Check Positive Payee
- Reconciliation
- Remote Deposit Capture

❖ **Administration**

- Dual Control for Administration is available and strongly recommended
- Create new and manage users access and permissions online
- Setup user alerts to be sent via email or text or both

- Create user reports
- Manage additional approval settings

❖ **Mobile Application**

- Transaction Reporting
- Account Transfers
- Approve ACH, wires, positive pay exceptions, and administration setups or changes

Test Demo link available:

[www.plainscapital.com/BOSTMdemo](http://www.plainscapital.com/BOSTMdemo)

7. Describe interest rates to be paid on deposits of \$100,000 or more, interest rates paid on deposits of \$100,000 or less, and interest rates paid on U.S. Treasury Bills over \$10,000.  
The HCRMA can choose from the options below and may change structure throughout the term of the contract as the HCRMA deems necessary.

**Option A:** Bank offers non-interest-bearing accounts where balances collateralized by authorized securities (up to \$10 million in securities available) will earn a monthly earnings credit allowance. Non-interest-bearing accounts will offset bank fees at the rate of the Lower Fed Funds Target Rate, currently 5.25%.

**Option B:** The HCRMA may choose to sweep all balances to the ICS (Insured Cash Sweep) and earn interest at the Lower Fed Funds Target less 10 basis points, currently 5.15% and pay hard dollar service fees.

**Option C:** The HCRMA may choose a combination of option A and B using a peg/target balance in non-interest bearing accounts. Non-interest-bearing accounts will earn a monthly earnings credit allowance to offset bank fees at a rate of the Lower Fed Funds Target, currently 5.25%. Anything over the peg/target balance would be swept and earn interest at the ICS rate. ICS rate is based on the Lower Fed Funds Target rate less 10 basis points, currently 5.15%.

Bank is happy to discuss with the HCRMA to ensure enough balances are maintained to offset service fees.

**About Insured Cash Sweep:** When the Bank places your funds using ICS, funds are automatically transferred from your PlainsCapital transaction account into deposit accounts at other ICS Network banks in amounts below \$250,000, the standard FDIC insurance maximum. As a result, you can access FDIC insurance coverage from many institutions while working directly with just one bank. Additional benefits to utilizing the ICS:

- Eliminates the need to manage daily collateral requirements, as all funds in the ICS account are fully insured
- All operating funds are fully insured while earning a competitive interest rate
- Individual ICS accounts can be setup per depository account or utilized with ZBA account structure or combination of both
- Target balances can be maintained for the bank depository account
- ICS balances maintain complete liquidity to fund real-time disbursements
- Participating banks can be excluded if required

- PlainsCapital Bank receives dollar-for-dollar deposits from the IntraFi Network allowing your funds to be reinvested back into your community.

Securities and ICS are authorized investments under the Texas Government Code Title 10 Chapter 2256 Subchapter A Section 2256.003 of the Public Fund Investment Act.

Refer to attachment D for Insured Cash Sweep Service Description and an excerpt from Texas Government Code.

8. Provide any other information that Respondent may deem applicable to the Depository Services that the HCRMA may utilize but has not been directly requested in this RFP.

**DELUXE PAYMENT EXCHANGE (DPX)**

Deluxe Payment Exchange is an easy, low cost digital solution allows users to process payments quickly and gives the recipient a choice on how to accept payments. Clients can send payments instantly through digital delivery or same day and allow the client to save time and money by cutting down in printing and mailing costs.

Benefits of DPX:

- **Reduced Time and Cost:** Create and send digital payments in a fraction of the time and cost of sending paper checks manually.
  - **Powerful Security Features:** With fully integrated Positive Pay, DPX automatically sends the issuance file to the bank. Clients no longer need to upload issuance files to the bank or risk forgetting to do so. DPX reduces the opportunity for check fraud by mail by using a secured website for sending and receiving payments. Each eCheck payment includes a proprietary stamp that allows financial institutions to verify authenticity.
  - **More Flexibility:** Deliver payments in just seconds anytime, from anywhere, without the need for printers or check stock. If a client prefers to issue paper checks, the client can choose Print+Mail service and checks will be printed and mailed with enhanced security features for the client.
  - **Easy Integration:** DPX integrates seamlessly into the client’s current check-payment process, giving them various methods for initiating payments. Clients can issue directly through the platform, import via CSV file, utilize the direct QuickBooks® integration (for eChecks) or use API for high volumes of payments.
  - **Simultaneous Remittance Data:** Each DPX payment can include up to 8 columns and multiple lines of customizable remittance data, to mirror current AP processes. Additionally, remittance data can be included as an attachment, by submitting it with an eCheck payment.
  - **Multiple Deposit Options:** Recipients can print or deposit checks using available bank deposit methods, including mobile and branch. Direct deposit, deposit to debit card, or to PayPal are optional. Recipient would pay a convenience fee.
9. Please include the following documentation as described below:
    - a. Proposed form of contract with the HCRMA as an appendix to the response.  
Refer to attachment C for Sample PlainsCapital Bank Depository Contract.
    - b. A letter certifying that the institution satisfies the minimum qualifications listed in this RFP and entitled “Minimum Qualifications for Proposing Institutions”.  
Signed letter certifying Minimum Qualifications included in Tab 1.
    - c. Provide a statement demonstrating the financial condition of the Bank.

Refer to Annual Report book included in the packet for Hilltop Holdings Inc., most recent audited financial statement and 10-K Annual Report.

Electronic version is available thru the following link:

[https://s26.q4cdn.com/460478275/files/doc\\_financials/2022/ar/2022-hilltop-holdings-annual-report.pdf](https://s26.q4cdn.com/460478275/files/doc_financials/2022/ar/2022-hilltop-holdings-annual-report.pdf)

10. Indicate whether the Respondent is a certified historically utilized business (“HUB”) or disadvantaged business enterprise (“DBE”) and of so, provide supporting documentation including evidence of certification through the State of Texas or a Texas regional certification agency.

PlainsCapital does not qualify as a certified DBE or HUB.

11. Indicate whether the following services will be provided during the term of the contract free of charge:

- a. **Operating fund checking account services for as many accounts as may be required by the HCRMA.**

The HCRMA may open and maintain one or more demand account at PlainsCapital Bank. Bank offers non-interest bearing operating accounts which are not restricted on the frequency or types of withdrawals. Bank is offering non-interest bearing transaction account(s) with no minimum balance requirements. Non-interest bearing accounts will offset bank fees at the rate of the Lower Fed Funds Target Rate, currently 5.25%.

Funds in non-interest bearing account(s) will sweep into a master Insured Cash Sweep (ICS) transaction account to other ICS Network banks in amounts below \$250,000, the standard FDIC insurance maximum. Swept funds will earn interest at a rate of 5.15%. Interest will accrue daily and will pay monthly to the ICS account. Bank is happy to discuss with the MRA to ensure enough balances are maintained to offset service fees.

Refer to response item 7 for “Account Structure” options.

- b. **Payroll account services.**

**ACH Origination Services**

Bank will provide ACH origination services to the HCRMA as required. Prenotes are not required by the Bank; normal ACH origination fees would apply. Refer to attachment B, for applicable fees.

ACH transactions can be submitted in three ways:

- ❖ **Online Templates**
  - Allows single or batched transactions
  - Transaction payment details can be imported into template
  - Payments & collections available
  - Dual control required for online services and security protocols
  - 4:00CST deadline for submittal
- ❖ **ACH File Upload**
  - NACHA formatted file required
  - Dual control required for online services and security protocols
  - 5:00CST deadline for submittal
- ❖ **ACH Direct Send**
  - NACHA formatted file required
  - File delivered via SFTP

ACH templates can be built by HCRMA users and maintained online; these are typically used for vendor or one-off payment or collection transactions. Dual control is required with a 4:00pm CST cutoff. Dual control is available and highly recommended for ACH template creation, requiring the template to be approved by another user before it can be utilized.

Additionally, the Bank offers Same Day ACH. Same Day ACH, items and/or files may be uploaded the same day as the effective date by 1:00pm CST. The HCRMA's eligible debits and credits will be processed same day and the payee's account will be debited or credited by 5:00pm local time. It is important to note these transactions may not memo post as "pending transactions" to the receivers account during the day.

Refer to attachment B, for applicable fees.

- c. **Investment services, counseling and safekeeping service for securities if necessary.**  
PlainsCapital Bank Private Bank offers investment and safekeeping services. A separate Investment Agency Agreement would need to be executed. Fees are negotiated at the time of request.
- d. **Storage of paid bonds and interest coupons.**  
PlainsCapital Bank will store and destroy bonds with respect to those held in the Investment Agency Account referenced in item "c".
- e. **Destruction of paid bonds and interest coupons with certification of same.**  
Refer to response "d".
- f. **Bank money orders and customer checks as required by HCRMA**  
Cashiers checks are available to HCRMA free of charge.
- g. **Checks according to quantity, quality, design, and specifications established by HCRMA.**  
Upon the HCRMA's request, check orders may be facilitated by Bank through Bank's vendor. Price is based on style and quantity ordered. Checks will be provided at cost and automatically debited from HCRMA's account.
- h. **Stop-payment orders, wire transfers or sweeping of funds.**  
The HCRMA can issue stop payment orders on items drawn on the disbursement account in accordance with Bank's procedures. Stop payments can be submitted through BOS (online banking) or at bank branch. Stop payments are effective for six months from the date of stop payment submission. The deadline for same day stop payment is 6:00pm.

Domestic wire transfers may be initiated online as a one-time same day or future dated transaction (with no limit to future date). Wires must be submitted and approved before 5:00p.m. for same day wire to go out. All wires (including same day and future dated) must be approved by 5:00pm on the day the wire was submitted. Any wire not approved before 5:00pm will not be processed. Repetitive wires may also be generated based on pre-established templates. The Bank recommends wires be submitted under Dual Control. Wires may also be faxed, emailed, or delivered to the branch in the event the system is unavailable. Fees will be charged through account analysis. Account Analysis fees may be offset by the earnings credit earned in non-interest bearing accounts as described in response item 7. Refer to attachment B for proforma analysis statement.

- i. **Internal service fees on accounts.**  
Fees will be charged through account analysis. Account Analysis fees may be offset by the earnings credit earned in non-interest bearing accounts as described in response item 7. Refer to attachment B for proforma analysis statement.
- j. **Tendering overdrafts (provide aggregate funds in other accounts are in amount sufficient to meet the overdraft and minimum balance).**  
HCRMA shall avoid overdrafts on any of its individual accounts and shall take prompt action to cover overdrafts in any single account. All overdrafts are viewed as extensions of credit and must be reviewed on an individual basis. Daylight overdrafts will be approved at Bank's discretion.  
  
Aggregation of accounts and balances will be used in the decision making for approval of overdrafts. Bank will promptly notify the personnel of overdraft condition. The fee for overdrafts, should one occur, will incur a fee of \$20. Interest at 3.5% plus Prime for negative overnight collected balance positions is accessed only on days when there is a negative collected balance in all non-interest bearing transaction accounts combined. Overdraft fee and interest are charged at the account level.
- k. **Describe any additional services provided without charge.**

12. Specify any fees required for financial services.

Fees for safekeeping of HCRMA owned investments are \$35.00 per security purchased; \$15.00 per interest payment; \$2 monthly per security holding. Fees may be deducted from demand transaction account.

**EVALUATION PROCESS:** After the deadline for receipt of RFP's, an evaluation committee will review all proposals utilizing the evaluation criteria noted below.

**EVALUATION CRITERIA:**

The following criteria and rating points (100 points maximum) will be used to evaluate the proposal:

1. Experience of the Individuals Assigned to the Account (0-20 points)
2. Access to Individual that has Authority to Make Decisions (0-10 points)
3. Depository Services including but not limited to: Collections Processing, Disbursement Processing, Currency Services, Account Reconciliation, Cash Management Services, Security, Collateral, Trust Services, Safekeeping, On-Line Computer Capability, Training, Reports (Timely and User-Friendly) (0-20 points)
4. Cost of Services (0-15 points)
5. Local Presence/DBE Commitment (0-5 points)
6. Financial Institution's past and prospective financial condition (0-20 points)

7. Net rate of return on HCRMA funds (0-10 points)

**SELECTION PROCESS:** The HCRMA reserves the right to interview respondents from a “short list” of eligible firms or to select directly from the qualified respondents that submit proposals. Scoring of the proposals will be based on the criteria above. Final scoring will occur following interviews of short-listed teams (if any interviews are conducted). The scoring will lead to a recommendation by the staff of the HCRMA. The recommendation of staff or selection committee will be forwarded to the Board of Directors of the HCRMA. The Board of Directors will make the final selection of a respondent and authorize entry into the contract.

**CONFLICTS OF INTEREST:** Respondents must disclose conflicts of interest by identifying each and every matter in which the respondent has, within the past three calendar years, represented any entity or individual with an interest adverse to the HCRMA, Federal Highway Administration, or the Texas Department of Transportation, or to the State of Texas or any of its boards, agencies, commissions, universities, elected or appointed officials, or Hidalgo County. Respondent must complete Exhibit A of this RFP.

Provide a list of governmental entities located in Hidalgo County to which services have been provided in past three (3) calendar years. Briefly describe the services provided for each governmental entity in an appendix to the response. The appendix will not be considered part of the ten (10) page limit. In addition respondents must comply with the HCRMA’s Conflict of Interest Policy. The Conflict of Interest Policy, the list of Key Personnel, and the Disclosure Form can be obtained from the HCRMA website or from the Contact Person indicated below.

**CONTRACT AWARD:** The award date for this contract is anticipated in March 2024. The HCRMA does not guarantee that a contract will be awarded as a result of the RFP. In the event that a contract are awarded, but the contract is not executed, the HCRMA does not guarantee that the contract will be re-awarded.

**INQUIRIES:** Any informational questions regarding this RFP may be directed to Maria Alaniz, Executive Assistant, in writing via CivCAST, **no later than 4:00PM, CST, February 23, 2024.**

**ANTI-LOBBYING:** Respondents shall restrict all contact with the HCRMA Board of Directors and direct all questions regarding this RFP, including questions regarding terms and conditions and technical specifications, to the points of contact. Failure to comply with this procedure may result in disqualification.

**RELEASE OF INFORMATION AND OPEN RECORDS:** All proposals, once submitted, are deemed to be the property of the HCRMA. Response documents may be subject to public disclosure under the Texas Public Information Act (“PIA”). Any material deemed to be proprietary, confidential, or otherwise exempt from disclosure under the PIA must be clearly marked as such. If a PIA request is received during the pendency of this procurement that might cover all or part of an RFP response, the HCRMA will attempt to notify the respondent.

**HISTORICAL DATA:** Since 2015, the depository bank for the HCRMA has been PlainsCapital Bank. The HCRMA currently has one (1) account with the bank and four (4) credit cards. The HCRMA has had no international currency exchange transactions. Below is a 3-month analysis.

	DEPOSITS		DISBURSEMENTS			Average Available Balance	Banking Fees
	No. of Trans.	Total	No. of Checks	No. of ACH	Total		
<b>December 2023</b>	7	\$827,075	7	14	\$177,080	\$497,685	\$0
<b>November 2023</b>	5	\$108,432	7	14	\$170,096	\$722,716	\$0
<b>October 2023</b>	4	\$79,758	6	14	\$161,618	\$772,795	\$0

**DELIVERY AND DEADLINE FOR SUBMISSION OF RESPONSES:** Sealed proposals must be received at the office of Pilar Rodriguez, Executive Director, HCRMA, 203 West Newcombe Avenue, Pharr, Texas 78577, **4:00 PM, March 1, 2024**, for consideration. Each firm should submit three (3) complete hardcopy sets and a PDF version on a flash drive of their proposal to the Authority no later than this date and time in a sealed envelope indicating that its contents are in response to the Request for Proposals for **“Banking Depository Services – HCRMA – 2024-02”**

EXHIBIT A

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor or other person doing business with local governmental entity

OFFICE USE ONLY

Date Received

This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session. This questionnaire is being filed in accordance with Chapter 176, Local Government Code by a person who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the person meets requirements under Section 176.006(a). By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code. A person commits an offense if the person knowingly violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

1 Name of person who has a business relationship with local governmental entity.

N/A

2  Check this box if you are filing an update to a previously filed questionnaire.

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

3 Name of local government officer with whom filer has employment or business relationship.

N/A

Name of Officer

This section (item 3 including subparts A, B, C & D) must be completed for each officer with whom the filer has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?

Yes  No

B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

Yes  No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

Yes  No

D. Describe each employment or business relationship with the local government officer named in this section.

N/A

4

  
Signature of person doing business with the governmental entity

3/1/24

Date

ADDENDUM 1

HCRMA  
REQUIRED DISCLOSURE AND PROVISIONS

Section 1. DISCLOSURE OF CERTAIN RELATIONSHIPS. Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any supplier or person doing business with a local government entity disclose in the Questionnaire Form CIQ, the supplier or person's affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the Records Administrator of the HCRMA not later than the 7th business day after the date the supplier or person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code. A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

Section 2. ANTI-BOYCOTT VERIFICATION. Pursuant to Section 2271.002, Texas Government Code, to the extent this Agreement is a contract for goods or services, Contractor hereby represents that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not Boycott Israel and, subject to or as otherwise required by applicable Federal law, Contractor agrees not to Boycott Israel during the term of this Agreement. For purposes of this Section, "Boycott Israel" shall have the meaning given such term in Section 808.001, Texas Government Code. Contractor understands "affiliate" for this Section 4.07 to mean an entity that controls, is controlled by, or is under common control with Contractor and exists to make a profit.

Section 3. PROHIBITION ON CONTRACTS WITH COMPANIES BOYCOTTING CERTAIN ENERGY COMPANIES. Pursuant to Section 2274.002, Texas Government Code, to the extent this Agreement is a contract for goods or services, Contractor hereby represents that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, does not boycott energy companies, and will not boycott energy companies during the term of the contract. For purposes of this Section, "Boycott Energy Company" shall have the meaning given such term in Section 809.001, Texas Government Code.

Section 4. PROHIBITION ON CONTRACTS WITH COMPANIES THAT DISCRIMINATE AGAINST FIREARM AND AMMUNITION INDUSTRIES. Pursuant to Section 2274.003, Texas Government Code, to the extent this Agreement is a contract for goods or services, Contractor hereby represents that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and will not discriminate during the term of the contract against a firearm entity or firearm trade association. For purposes of this Section, "discriminate against a firearm entity or firearm trade association" shall have the meaning given such term in Section 2274.001., Texas Government Code.

Section 5. PROHIBITION ON CONTRACTS WITH CERTAIN COMPANIES. Contractor and the person or persons executing the contract or contract amendment on behalf of Contractor, or representing themselves as executing the contract or contract amendment on behalf of Contractor (collectively, the "Signing Entities"), hereby acknowledge that (i) the Signing Entities do not engage in business with Iran, Sudan or any foreign terrorist organization and (ii) the Signing Entities are not named on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of the Comptroller's website:

- <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>
- <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>
- <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>

CONTRACTOR: PlainsCapital Bank

By:  \_\_\_\_\_

Date: 3/1/2024

Name: Larry Gonzalez

Title: Upper Rio Grande Valley Market President

February 2, 2024

## Confidential and Proprietary

Hidalgo County Regional Mobility  
Operating Account  
January, 2024



## Average Balances on Deposit

Collected Balance Disclosure	
Ledger	207,424.27
- Float	1.06
= Collected	207,423.21
Positive Collected	207,423.21
Negative Collected	0.00
Investable Balance Disclosure	
Average Collected Balance	207,423.21
- Reserve Requirement	0.00
= Investable Balance	207,423.21

## Services Performed

Services Performed	Volume	Price	Total Fee
<b>ACCOUNT MAINTENANCE</b>			
COMMERCIAL DEPOSIT RATE	207,424	.001000	16.44 A
ANALYSIS MAINTENANCE	1	20.0000	20.00 A
<b>Subtotal - Account maintenance</b>			<b>36.44</b>
<b>DEPOSIT SERVICES</b>			
IMAGE CLEAR DIRECT CHECKS	1	.1200	0.12 A
BRANCH DEPOSITS	1	1.2500	1.25 A
ACH CREDITS	4	.3500	1.40 A
<b>Subtotal - Deposit services</b>			<b>2.77</b>
<b>CLEARING SERVICES</b>			
CHECKS PAID	4	.2500	1.00 A
ACH DEBITS	21	.3000	6.30 A
<b>Subtotal - Clearing services</b>			<b>7.30</b>
<b>FUNDS TRANSFER</b>			
INCOMING WIRES	1	15.0000	15.00 A
WIRE MODULE	1	30.0000	30.00 A
<b>Subtotal - Funds transfer</b>			<b>45.00</b>
<b>ACH SERVICES</b>			
ACH ORIGINATED DEBIT / CREDITS	15	.1600	2.40 A
ACH MODULE	1	30.0000	30.00 A
ACH REPORTING	1	20.0000	20.00 A
<b>Subtotal - Ach services</b>			<b>52.40</b>
<b>CASH MANAGEMENT SERVICES</b>			
INSURED CASH SWEEP	0	20.0000	0.00
<b>Subtotal - Cash Management Services</b>			<b>0.00</b>

**INFORMATION REPORTING**

BOS - PER ACCOUNT FEE	1	20.0000	20.00	A
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BOS - PER ITEM	30	.0700	2.10	A
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<b>Subtotal - Information reporting</b>			<b>22.10</b>	
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**REMOTE DEPOSIT CAPTURE**

RDC PER ITEM		0.0500	0.00	
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RDC SINGLE FEED PACKAGE		50.0000	0.00	
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<b>Subtotal - Information reporting</b>			<b>0.00</b>	
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Total Analyzed			166.01	
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**Analysis Results****Required Balance Disclosure**

Balance Required For Services			39,907.14	
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= Total Required Balance			39,907.14	
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**Balance Position Disclosure**

Balance Position Basis			207,423.21	
------------------------	--	--	------------	--

- Total Required Balance			39,907.14	
--------------------------	--	--	-----------	--

= Balance Available for Other Service			167,516.07	
---------------------------------------	--	--	------------	--

Earnings Credit Amount			862.85	
------------------------	--	--	--------	--

- Analyzed Fees			166.01	
-----------------	--	--	--------	--

= Net Analyzed Result			696.84	
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<b>Fee-Based Result</b>			<b>0.00</b>	
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Net analyzed credit of \$696.84 will be waived.

1.00 of fees is equal to \$240.39 of Investable Balance.

Investable Balance receives an earnings credit of 5.2500%.

For the purpose of this proposal, pricing information is **Confidential and Proprietary** due to discounted prices offered specifically to the HCRMA.

**Pricing for services utilized, but not listed, will be charged at the bank's then published rates and billed via account analysis where applicable.**

## PLAINSCAPITAL BANK DEPOSITORY CONTRACT

This PlainsCapital Bank Depository Contract (this "Contract") is entered into as of this \_\_\_ day of \_\_\_\_\_, 20\_\_ (the "Effective Date"), by and between PlainsCapital Bank, a Texas state banking association ("Bank") and \_\_\_\_\_, a \_\_\_\_\_ ("Customer").

WHEREAS, pursuant to the Public Funds Collateral Act, Title 10, Chapter 2257 of the Texas Government Code (the "Act"), Customer qualifies as a Public Entity;

WHEREAS, Customer has designated Bank as a depository institution for certain of its funds and Bank has agreed to act as a depository institution for such funds in accordance with the Act, which Act requires that Bank secure such deposited funds, to the extent not insured by the Federal Deposit Insurance Corporation (the "FDIC"), by pledging certain securities ("Eligible Securities") of any type permitted by the Act to be held by Custodian (as defined below) as set forth herein; and

WHEREAS, Customer and Bank wish to enter into this Contract to set forth the terms applicable to the aforementioned depository relationship.

NOW, THEREFORE, for and in consideration of the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Bank and Customer hereby agree as follows:

1. Defined Terms. Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Act.
2. Designation of Depository. Customer, through action of its Board of Directors or other governing body (the "Board"), hereby designates Bank as a depository of funds for the period beginning on the Effective Date and continuing through and including \_\_\_\_\_ (the "Term").
3. Designation of Authorized Representatives. Attached hereto as Exhibit A is a copy of Customer's Resolution, which has been provided to Bank, containing the names and signatures of those Customer authorized representatives (each a "Customer Authorized Representative" and collectively "Customer Authorized Representatives"), as designated by the Board, who may transact business pursuant to this Contract on behalf of Customer, which Resolution may be changed or modified from time to time at the discretion of Customer; provided, however, that any such change or modification shall not be effective until Bank has received notice of any such changes or modifications and has had a reasonable opportunity to incorporate the same.
4. Grant of Security Interest. Bank hereby grants to Customer a security interest in all Eligible Securities held by Custodian and reflected on Custodian's records as being pledged to Customer (the "Collateral"). Until Customer has the right to compel sale of the Collateral under Section 9 hereof, Custodian shall act only in accordance with the joint instructions of Bank and Customer with regard to the Collateral; provided, however, that Bank shall be permitted to unilaterally substitute Eligible Securities for the Collateral in accordance with Section 7 hereof. All funds on deposit with Bank to the credit of Customer, inclusive of any applicable interest, in excess of FDIC insurance shall be secured at all times by the Collateral.
5. Custodian. Customer acknowledges and agrees that The Federal Reserve Bank of Dallas, and/or any such other entity as may be designated by Bank from time to time in its sole and absolute discretion, shall serve as Custodian hereunder. Customer hereby agrees to complete the custodial

agreement attached hereto as Exhibit B and to deliver such completed custodial agreement to Bank simultaneously with the delivery of its executed copy of this Contract. Customer further agrees to complete such additional custodial agreements or other similar and/or related documents as may be provided by Bank from time to time in accordance with this Section 5.

6. Amount of Collateral. The aggregate market value of Eligible Securities held by Custodian at all times during the Term hereof must be in an amount not less than \_\_\_\_\_ percent (\_\_\_%) of (a) the amount of the collected funds on deposit, increased by (b) the amount of accrued but uncredited interest, (c) reduced by that portion of the funds insured by the FDIC. Such amount is hereinafter called the "Required Collateral Value".
7. Substitution of Collateral. Bank may substitute Eligible Securities for any of the Collateral held by Custodian at any time by providing Custodian with a substitution notice signed by an authorized representative of Bank, provided that the market value of the Collateral following such substitution would equal or exceed the Required Collateral Value. Customer may require Bank to obtain prior authorization from Customer for any such substitution of Collateral by providing Bank with written notice of such requirement; provided, however, that (a) in no event shall Customer unreasonably withhold, condition or delay its authorization of any such substitution of Collateral, and (b) Bank shall have a reasonable time to act upon any such written notice once received by Bank.
8. Bank's Obligations. Bank shall perform all of the duties and obligations required of a depository institution under applicable law with respect to the collateralization of the funds of Customer on deposit with Bank, including the duties and obligations required under the Act. At the expiration of the Term of this Contract, Bank shall turn over to any successor depository designated by Customer all funds held by Bank as depository. Bank will furnish to Customer a monthly statement listing a description of the Collateral, which shall specify the par value, the market value and the maturity date of each component of the Collateral.
9. Default and Remedies. If Bank (a) fails to perform its obligations under Section 8 hereof, (b) is declared insolvent, or (c) has a receiver appointed for Bank (whether (a), (b) and/or (c), a "Default"), Customer may instruct Custodian to sell the Collateral or any part thereof at public or private sale, after providing Bank with not less than seven (7) business days' prior written notice of such Default with an opportunity to cure the same within such seven (7) day period, and if Bank fails to cure such Default, Custodian shall proceed to sell the specified Collateral in accordance with Customer's instructions and upon receipt of sufficient evidence from Customer showing (x) the alleged Default, (y) giving of proper notice to Bank and (z) Bank's failure to cure such Default. The proceeds of any such sale shall be applied to satisfy any indebtedness owed by Bank to Customer, and any excess proceeds shall be returned to Bank.
10. Termination. This Contract may be terminated at any time by either party following the expiration of the Term by giving sixty (60) days' prior written notice to the other party.
11. Assignment. This Contract may not be assigned in whole or in part by either party without the prior written consent of the non-assigning party.
12. Applicable Law. This Contract shall be governed by and construed in accordance with the laws of the State of Texas, without regard to its conflicts of laws rules.
13. Other Agreements. Notwithstanding anything to the contrary contained herein, all deposit accounts of Customer at Bank, and all services provided to Customer by Bank, shall be subject to that certain PlainsCapital Bank Commercial Deposit Account Agreement and those certain Treasury

Management Services Terms and Conditions (together, the “Additional Account Documents”), in effect from time to time, and as modified from time to time by Bank in accordance with the provisions of such Additional Account Documents.

- 14. Severability. If any provision of this Contract is held to be illegal, invalid or unenforceable under present or future laws effective during the Term hereof, such provisions shall be fully severable; this Contract shall be construed and enforced as if such severed provision had never comprised a part hereof; and the remaining provisions of this Contract shall remain in full force and effect and shall not be affected by the severed provision or by its severance from this Contract.
- 15. Successors and Assigns. This Contract shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.
- 16. Waiver. No waiver of any provisions or of any right or remedy hereunder shall be effective unless in writing and signed by both parties’ authorized representative. No delay in exercising, or no partial exercise of any right or remedy hereunder, shall constitute a waiver of any right or remedy, or future exercise thereof.
- 17. Notice. Any notice given by either party hereunder shall be deemed served, if delivered in person to the office of the representative authorized and designated in writing to act for the respective party, or upon receipt on a regular business day by recipient if via fax with an electronic confirmation; or three business days after deposit in the U.S. mail, return receipt requested, properly stamped with the required postage and addressed to the office of such representative, at the respective addresses set forth below.

If to Bank:

PlainsCapital Bank  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If to Customer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- 18. Headings. Headings used in this Contract are for convenience and reference purposes only and may not be used in interpreting this Contract.
- 19. Entire Agreement. This Contract constitutes the entire agreement between the parties with respect to the subject matter addressed herein and may not be amended or modified except by writing signed by both parties.
- 20. Multiple Counterparts. This Contract may be executed in separate or multiple counterparts by the parties, and all such counterparts shall be considered as one and the same instrument notwithstanding the fact that various counterparts are signed by only one of the parties. An electronic or facsimile transmission of a signed counterpart of this Contract shall be sufficient to bind the party or parties whose signature(s) appear thereon.

*Remainder of Page Intentionally Left Blank. Signature Page Follows.*

IN WITNESS WHEREOF, Bank and Customer have caused this Contract to be executed by their duly authorized representatives as of the Effective Date hereof.

**BANK:**

PlainsCapital Bank,  
a Texas banking association

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

**CUSTOMER:**

\_\_\_\_\_,  
a \_\_\_\_\_

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

SAMPLE

**EXHIBIT A**  
**RESOLUTION**

**(Attached)**

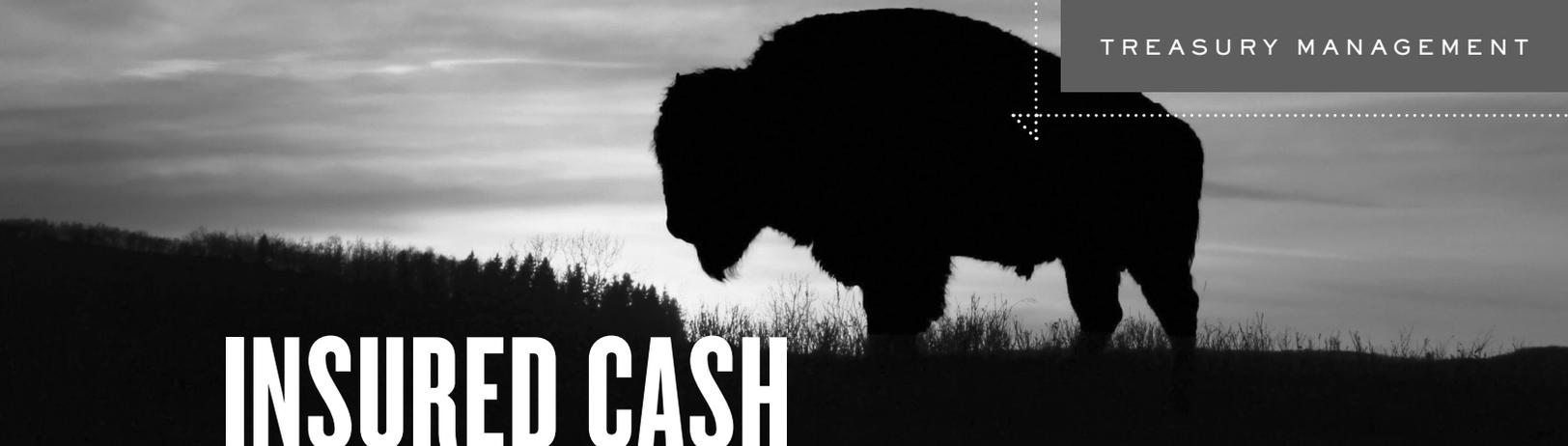
SAMPLE

**EXHIBIT B**

**CUSTODIAL AGREEMENT**

**(Attached)**

SAMPLE



# INSURED CASH SWEEP SERVICES

## INSURED CASH SWEEP

Insured Cash Sweep (ICS) services provided by PlainsCapital Bank, which leverage the DDA Option of the IntraFi<sup>SM</sup> Network Deposits<sup>SM</sup>, allow you to place your funds into a demand deposit account and:

**Rest assured** knowing your funds are eligible for multi-million-dollar FDIC insurance that's backed by the full faith and credit of the U.S. government.

**Earn returns** and put your money to work for you.

**Access your funds** with unlimited program withdrawals (using the ICS demand option).

**Support your community** by keeping the full amount of your deposit local.<sup>1</sup>

**Eliminate the ongoing tracking burdens** associated with collateralization and the need to footnote uninsured deposits in financial statements if you are accustomed to these practices.

## MONITOR YOUR ACCOUNTS ONLINE

You will receive a regular monthly statement showing your ICS balances and other key information. And you can check your ICS balances and track other important information online, 24/7, through a specifically designated Depositor Control Panel. Your confidential information remains protected.

## HOW DOES IT WORK?

When PlainsCapital Bank places your funds using ICS, your deposit is sent from your PlainsCapital transaction account into deposit accounts at other IntraFi Network Deposits banks in amounts below \$250,000, the standard FDIC insurance maximum. As a result, you can access FDIC insurance coverage from many institutions while working directly with just us.

## CONTACT US

Contact us for more information on Insured Cash Sweep.

[TreasuryManagement.com@plainscapital.com](mailto:TreasuryManagement.com@plainscapital.com)

## PLAINSCAPITAL.COM

<sup>1</sup>When deposited funds are exchanged on a dollar-for-dollar basis with other banks in the IntraFi<sup>SM</sup> Network Deposits<sup>SM</sup>, a participating institution can use the full amount of a deposit placed through DDA Option for local lending, satisfying some depositors' local investment goals or mandates. Alternatively, with a depositor's consent to certain types of DDA Option transactions, the bank may choose to receive fee income instead of deposits from other banks. Under these circumstances, deposited funds would not be available for local lending. Placement of funds through the DDA Option service is subject to the terms, conditions, and disclosures in the service agreements, including the Deposit Placement Agreement ("DPA"). Limits and customer eligibility criteria apply. Although funds are placed at destination banks in amounts that do not exceed the FDIC standard maximum deposit insurance amount ("SMDIA"), a depositor's balances at the relationship institution that places the funds may exceed the SMDIA (e.g., before DDA Option settlement for a deposit or after DDA Option settlement for a withdrawal) or be ineligible for FDIC insurance (if the relationship institution is not a bank). As stated in the DPA, the depositor is responsible for making any necessary arrangements to protect such balances consistent with applicable law. If the depositor is subject to restrictions on placement of its funds, the depositor is responsible for determining whether its use of DDA Option satisfies those restrictions. DDA-MMDA Option are registered service marks of the IntraFi Network LLC.

# Using ICS<sup>®</sup> for Public Funds

## In the State of Texas



**Texas Government Code**  
**Title 10 General Government**  
**Subtitle F State and Local Contracts and Fund Management**  
**Chapter 2256 Public Funds Investment**  
**Subchapter A Authorized Investments for Government Entities**  
**Sec. 2256.003. Authority to Invest Funds; Entities Subject to this Chapter.**

(a) Each governing body of the following entities may purchase, sell, and invest its funds and funds under its control in investments authorized under this subchapter in compliance with investment policies approved by the governing body and according to the standard of care prescribed by Section 2256.006:

- (1) a local government;
- (2) a state agency;
- (3) a nonprofit corporation acting on behalf of a local government or a state agency; or
- (4) an investment pool acting on behalf of two or more local governments, state agencies, or a combination of those entities.

### Sec. 2256.002 Definitions

\* \* \*

(7) "Local government" means a **municipality, a county, a school district**, a district or authority created under Section 52(b)(1) or (2), Article III, or Section 59, Article XVI, Texas Constitution, a fresh water supply district, a hospital district, and any political subdivision, authority, public corporation, body politic, or instrumentality of the State of Texas, and any nonprofit corporation acting on behalf of any of those entities.

### Sec. 2256.009: Authorized Investments: Obligations of, or Guaranteed by, Governmental Entities

*[As amended; effective immediately]*

(a) Except as provided by Subsection (b), the following are authorized investments under this subchapter:

\* \* \*

(7) interest-bearing banking deposits that are guaranteed or insured by:

- (A) the Federal Deposit Insurance Corporation or its successor; or
- (B) the National Credit Union Share Insurance Fund or its successor; and

(8) interest-bearing banking deposits other than those described by Subdivision (7) if:

(A) the funds invested in the banking deposits are invested through:

- (i) a broker with a main office or branch office in this state that the investing entity selects from a list the governing body or designated investment committee of the entity adopts as required by Section 2256.025; or
- (ii) a depository institution with a main office or branch office in this state that the investing entity selects;

(B) the broker or depository institution selected as described by Paragraph (A) arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the investing entity's account;

(C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and

(D) the investing entity appoints as the entity's custodian of the banking deposits issued for the entity's account:

- (i) the depository institution selected as described by Paragraph (A);
- (ii) an entity described by Section 2257.041(d); or
- (iii) a clearing broker dealer registered with the Securities and Exchange Commission and operating under Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3).

### Texas Municipal Utility Districts (MUD)

Sec. 49.157 of the Texas Water Code provides that "All district [MUD] investments shall be governed by Subchapter A, Chapter 2256, Government Code [See Sec. 2256.009(a)(8) above]."

## RELATED EXPERIENCE

At PlainsCapital Bank, Relationships Come First. PlainsCapital Bank has held fast to its tried and true relationship-based culture and its commitment to financial strength and stability. PCB bankers are renowned for their straightforward approach and for taking exceptional care their clients. They bring both financial and industry expertise along with vast local market knowledge to each client relationship. The actions and decisions of PlainsCapital employees are grounded in a set of shared personal values that include: Collaboration, Adaptability, Respect, Excellence and Integrity.

## REFERENCES

City of McAllen

Sergio Villasana Jr., CPA, CIA, CGFO, CPM

956-681-1081

[svillasana@mcallen.net](mailto:svillasana@mcallen.net)

McAllen, TX 78501

Bank Depository Contract Services

3 years under current contract, 18 years consecutively

Valley International Airport

Ron Mustard, Director of Finance

956-430-8608

[ron@flythevalley.com](mailto:ron@flythevalley.com)

Bank Depository Contract and Safekeeping Services

2 years under contract

City of Donna

David Vasquez, Finance Director

956-464-6913

[dvasquez@cityofdonna.org](mailto:dvasquez@cityofdonna.org)

Donna, TX 78537

Bank Depository Services

23 years consecutively

City of Port Isabel

Linda Chullino, Finance Director

956-943-2682

[financedirector@copitx.com](mailto:financedirector@copitx.com)

Bank Depository Services

23 years consecutively

City of Harlingen Waterworks

Ron De La Garza, Finance Director

956-430-6120

[rdelagarza@hwws.com](mailto:rdelagarza@hwws.com)



Bank Depository Contract and Safekeeping Services  
1 year under contract

Point Isabel Independent School District  
Christy Gonzalez, Chief Financial Officer  
956-943-0020

[cgonzalez@pi-isd.net](mailto:cgonzalez@pi-isd.net)

Bank Depository Services

7 years under current contract, 22 years consecutively

PlainsCapital Bank currently collateralizes over 140+ Texas Public Fund clients.

**TERMS**  
AND  
**CONDITIONS**

You (“Customer”, “you” or “your”), request that PlainsCapital Bank, a Texas state banking association (together with its successors and assigns, (“Bank”, “we”, “us”, or “our”) provide treasury management services (each a “Service”) in connection with your PlainsCapital Bank Commercial Deposit Account(s) or Consumer Deposit Account(s), where applicable (individually and collectively, the “Account(s)”). You acknowledge receipt of our PlainsCapital Bank Commercial Deposit Account Agreement and Services Disclosure and/or our PlainsCapital Bank Consumer Deposit Account Agreement and Services Disclosure where applicable (the PlainsCapital Bank Commercial Deposit Account Agreement and the PlainsCapital Bank Consumer Deposit Account Agreement are referred to herein collectively as the “Deposit Agreement”). For each Service, this Agreement, the Service Description, together with any user documentation and Service Application for that Service (collectively, the “Service Documentation”) provided or made available to you separately, together with our Deposit Agreement, as each may be modified or amended from time to time, contain the terms and conditions governing our provision of that Service to you, and any of your subsidiaries or affiliates on whose behalf you are acting. By execution of your application for Services, you and such subsidiaries and affiliates agree to be bound by such terms and conditions. The terms “Customer”, “you” or “your” as used in the Service Documentation mean you and any such subsidiary or affiliate. Additional copies of this Agreement are made available to you, and you may obtain additional copies of this Agreement (the most current version) at [plainscapital.com/treasuryterms](http://plainscapital.com/treasuryterms).

#### A. Applicable Terms of All Treasury Management Services

##### 1. Representations and Warranties; Beneficial Owners

Customer represents and warrants to Bank, as of the date this Agreement is entered into and at the time any Service is used or performed, that: (a) it is validly existing and in good standing under the laws of the jurisdiction of its organization; (b) it has all requisite power and authority to execute and deliver, and to perform its obligations under, this Agreement and each Service used or performed by it; (c) this Agreement has been duly authorized and executed by it and constitutes its legal, valid and binding obligation; and (d) any consent or authorization of any governmental authority or third party required to be obtained by it in connection with this Agreement or any Service used or performed by it has been obtained.

Customer understands and agrees that for certain types of legal entities, on and at any point after the commencement of our Service relationship with Customer, Bank may require Customer to identify, verify and certify each individual who, directly or indirectly, holds an ownership interest of twenty five percent (25%) or more in the entity, and an individual who has significant responsibility to control, manage, or direct the entity (“Beneficial Owners” as defined in the Code of Federal Regulations). If Customer is obligated to identify and/or certify Beneficial Owners at the time of Customer’s Service Application, Customer shall be responsible for notifying Bank of any subsequent change in identified and/or certified Beneficial Owners as soon as practicable in a form and manner acceptable to us.

##### 2. Change in Terms / Amendments to Service Documentation

Bank reserves the right to change these Terms and Conditions as well as the terms, conditions, fees and charges contained in the Service Documentation for any Service after sending you thirty (30) days’ prior notice of such change in writing or electronically or by printing a message on, or enclosing a message with, your bank account statement or account analysis statement; provided, no amendment will apply to a dispute between Customer and Bank of which Bank received actual notice prior to the date when Bank sends the aforementioned prior notice of such change. If you do not wish to be bound by any such change, you may discontinue using the affected Service before the change becomes effective. If you continue to use a Service after the change becomes effective, you will be bound by the change. Any written notice relating to a Service will be sent to you at your primary address as shown in our current system records. You agree to waive any claim or defenses that you failed to receive any such notice relating to a Service and are presumed to have received such notice.

##### 3. Authorized Signers and Users

Customer shall appoint certain authorized signer(s) on the PlainsCapital Bank Commercial Signature Card or in such other format or medium as described in this Agreement or as may be agreed by Bank (each person so appointed, being an “Authorized Signer” and collectively “Authorized Signers”). Customer agrees that Authorized Signers shall be authorized to act on behalf of Customer in all actions taken under the Service Documentation and may enter into all transactions contemplated therein and herein, including, without limitation, selecting Services for the benefit of Customer, appointing agents to act on behalf of Customer in the delivery of Services and signing additional documentation that may be necessary to implement Services. The Authorized Signer(s) may appoint agents to use the Services provided for the benefit of Customer (“Authorized Users”), who may be Authorized Signers. Authorized Users may act on behalf of Customer for a particular Service in accordance with the relevant Service Documentation or other document(s) establishing the Authorized Users’ responsibilities. Customer may revoke the authority of or change the Authorized Signers or Authorized Users at any time upon prior written notice and execution of additional documentation as may be required by Bank. Such change or revocation shall not be binding upon Bank until it has received the required written notice and has had a reasonable opportunity to act thereon. In any event, Bank may act on instructions that it believes in good faith were provided by an Authorized Signer or Authorized User, or anyone purporting to be an Authorized Signer or Authorized User.

##### 4. Inspection of Documents, Forms, and Instruments

Bank reserves the right to approve the form of Customer’s checks, drafts, deposit slips and similar documentation. Approval of such documentation does not constitute Bank’s agreement to be bound by any terms set forth on such documentation (such as required minimum number of signatures or the validity of an item after a period of time). All such terms must be expressly agreed to in writing by Bank. Prior to initiating a new account or Service, or at any other necessary time, Customer agrees to provide all information and conduct any test that Bank may reasonably request, including, without limitation, Service Documentation, signature cards, test tapes, transmissions, corporate resolutions and other documents. Bank may also request samples of Customer’s checks, drafts, deposit slips and similar items to ensure, in Bank’s sole discretion, whether such items meet Bank’s quality control and processing standards. In the event that Bank determines that any item or test does not meet its specifications, Bank will so advise Customer. Customer acknowledges that Services will not commence or continue until such time as an approved item or test is provided to Bank and determined by Bank to be satisfactory. Customer shall be responsible for initial product installation, whether or not Bank provides telephone or on-site installation support.

##### 5. Business Days

Unless otherwise expressly provided in the Service Documentation, a “Business Day” shall mean every Monday through Friday on which Bank is open for banking business. Saturdays, Sundays, and all Federal holidays are excluded.

##### 6. Security Procedures

Bank and Customer will agree in writing to one or more commercially reasonable security procedures that, where required in writing for a Service, must be used by Bank and Customer in connection with the Service(s). As used in this Agreement, a “security procedure” means any procedure established by a written agreement between Customer and Bank for the purpose of (a) verifying a payment order, transaction or service change order, purporting to have been received from Customer, or communication purporting to amend or cancel an existing payment order, transaction or service change order of the Customer, or (b) detecting error in the transmission or content of such payment order, transaction, service change order or communication. Bank’s security procedures may include, without limitation, authentication procedures described in Bank’s documentation related to the particular Service(s) or the Deposit Agreement applicable to Customer’s account, including, without limitation, algorithms or other codes, identifying words or numbers, encryption, callback procedures, or similar security devices. **Customer agrees to be bound by any payment order, transaction or service change order that is acted upon by Bank in accordance with such security procedure, or in accordance with any security procedure chosen by Customer after Bank offered and Customer**

refused a commercially reasonable security procedure, including, without limitation, any authentication procedure. Customer understands and agrees that any security procedure chosen by Customer after Bank offered and Customer refused a commercially reasonable security procedure will be deemed to be commercially reasonable, and that Customer will be bound by any payment order, transaction or service change order, whether or not authorized, that is issued in Customer's name and accepted by Bank in compliance with any security procedure chosen by Customer. Bank reserves the right to issue new security procedures and/or to cancel or change any security procedures from time to time.

#### 7. Access

Customer shall be solely responsible for the access of Authorized Users to Services. Access to Services will be controlled through the use of Customer IDs, user or login IDs, passwords, private keys or other security devices ("Security Credentials") including, without limitation, as described in the Deposit Agreement applicable to Customer's account. Customer understands and acknowledges that Customer is solely responsible for maintaining its own internal security and control over its access to Services including, without limitation, Customer IDs, user or login IDs, passwords, private keys and other security devices utilized by Customer. Customer agrees to use the utmost care in giving any Authorized User access to use one or more of the Services. Customer shall not disclose any information regarding the Services that an unauthorized user would find helpful to obtain access to all or part of any Service.

#### 8. Duty to Notify of Internal Security Compromise

Customer acknowledges and agrees that, if Customer has reason to believe that its internal security and/or control over information for access to Services including, without limitation, Customer IDs, user or login IDs, passwords, private keys and other security devices utilized by Customer, has been compromised, has become known to an unauthorized person (whether or not employed by Customer), or has been used without Customer's authorization, Customer shall notify Bank AT ONCE by telephone at Bank's Customer Service number, and shall confirm such notification in writing within one (1) business day.

#### 9. Indemnification and Liability; Third Party Claims

**a. Indemnification; Third Party Claims.** To the fullest extent permissible under applicable law, except for those losses caused directly by Bank's gross negligence or willful misconduct, Customer agrees to indemnify, defend and hold Bank, its officers, directors, shareholders, agents, employees, subsidiaries and affiliates, and their respective officers, directors, agents and employees, harmless from and against any and all losses, costs, suits, damages, claims, liabilities and expenses (including reasonable attorneys' fees) arising from or related in any way to (a) any Services performed in connection with this Agreement, (b) Bank's action or inaction in accordance with or reliance upon any instructions or information received from any person reasonably believed by Bank to be an authorized representative of Customer, (c) Customer's breach of any of Customer's covenants, agreements, responsibilities, representations or warranties under this Agreement, and/or (d) Customer's breach of applicable NACHA Operating Rules and Guidelines ("NACHA Rules") or the Security Procedures. In addition to other indemnification and liability provisions elsewhere in this Agreement or the Deposit Agreement applicable to Customer's account, Customer will be liable for, and will hold harmless and indemnify Bank, its officers, directors, shareholders, agents, employees, subsidiaries and affiliates, and their respective officers, directors, agents and employees from and against all claims of any sort by third parties or others arising out of this Agreement, including all losses and expenses incurred by Bank arising out of Customer's failure to report required changes, transmission of incorrect data to Bank, unauthorized disclosure of the Security Credentials, or failure to maintain compliance with the Security Procedures and the NACHA Rules.

**b. Limitation of Liability; Statute of Limitations.** TO THE FULLEST EXTENT PERMITTED BY LAW, WHETHER IN CONNECTION WITH YOUR ACCOUNT(S) OR A SERVICE, IN NO EVENT OR CIRCUMSTANCE WILL EITHER PARTY TO THIS AGREEMENT OR ITS RESPECTIVE DIRECTORS, OFFICERS, SHAREHOLDERS, EMPLOYEES, OR AGENTS BE RESPONSIBLE OR LIABLE TO THE OTHER PARTY

FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY OR PUNITIVE DAMAGES FOR ANY ACTION THAT EITHER PARTY TAKES OR FAILS TO TAKE, WHETHER ANY SUCH CLAIM IS BASED ON CONTRACT OR TORT OR OTHER DUTY IMPOSED AT LAW, OR WHETHER THE LIKELIHOOD OF SUCH DAMAGES WAS KNOWN TO EITHER PARTY. The foregoing limitation of liability will not apply where expressly prohibited by the laws governing your account, and is not intended to and will not avoid or limit your liability or responsibility for payment of attorney's fees, costs and court costs or other costs or expenses for which you are liable or responsible under other provisions of this Agreement. Additionally, to the extent permitted by law and unless a different time period is stated in this Agreement, any action, claim, suit or proceeding for damages against Bank, resulting in any respect from Bank's acts or omissions in its performance under or non-performance with this Agreement, must be brought within two (2) years of the date of Bank's alleged act or omission.

#### 10. Confidentiality

Customer and Bank represent, warrant and mutually agree that all security procedures or any security codes, keys, personal identification numbers, digital certificates/signatures or template numbers ("Codes"), will be maintained in strictest confidence and shall not be used or divulged to any other party except as may be necessary or advisable for the due performance of any of the Services, or as required by applicable law or ordered by a court or arbitrator(s) of competent jurisdiction, other than as follows: (i) to Customer's or Bank's accountants or persons with a need to know for purposes of preparing financial statements and/or tax returns; (ii) in response to the requirements of any regulated lending institution, (iii) to the Internal Revenue Service or other taxing authority, or (iv) to any governmental or bank regulator or regulatory agency. Bank shall maintain physical, electronic, and procedural safeguards to keep Customer's confidential information secure. Customer is solely responsible for the procedures to assure the internal confidentiality of its own security procedures, security devices and Codes and assumes all risk of accidental disclosure or inadvertent use of any security device by any party whatsoever, whether such disclosure or use is on account of Customer's negligent or deliberate acts or otherwise. If Customer or its agents have reason to believe that any security procedures or Codes have or may become known by unauthorized persons (whether or not employed by Customer), Customer shall notify Bank AT ONCE by telephone and confirm such verbal notification in writing to Bank within twenty-four (24) hours. Bank will replace the security procedures and Codes in accordance with Bank's security procedures. Bank reserves the right to change any or all of the security procedures or codes by giving verbal or written notice to the Customer. Customer's obligation to maintain the confidentiality of all security procedures shall survive the termination of any Service or this Agreement.

#### 11. Instructions; Electronic Records and Signatures

Customer consents and agrees to the use of electronic signatures and records with respect to the use of any Service. Except as otherwise expressly provided in this Agreement, Customer agrees that Bank may act and/or rely on any oral or written instruction or communication that Bank believes in good faith to be genuine and to have been initiated by or come from an Authorized Signer, an Authorized User or a Collection Authorized User of the Customer including, without limitation, instruction or communication by telephone, facsimile transmission, e-mail or other electronic method. Any such instruction or communication will be deemed to have been authorized by Customer without independent verification by Bank. Customer agrees that Bank's records of any such communication or instruction shall be conclusive evidence of the actual communication or instruction by Customer to Bank.

#### 12. Unsecured Electronic Transmissions and Instructions

Customer acknowledges that the use of facsimile transmission, voice mail, unencrypted e-mail, pager or other unsecured electronic or telephonic methods ("Electronic Transmissions") are inherently unsecured communication methods including, without limitation, due to the possibility of error, delay, and observation, corruption, modification, hacking or receipt by unauthorized personnel. Bank may rely in good faith on Customer's instructions regarding how and to what number or e-mail address Electronic Transmissions should be sent and may rely on any Electronic Transmission that it believes in good faith to have been initiated by an Authorized Signer or Authorized User of

Customer. CUSTOMER ACKNOWLEDGES AND AGREES THAT CUSTOMER'S SENDING OF INSTRUCTIONS AND REQUESTS TO BANK VIA UNSECURED ELECTRONIC TRANSMISSIONS IS IN VIOLATION OF BANK AND NATIONAL AUTOMATED CLEARINGHOUSE ASSOCIATION POLICY AND PROCEDURES. CUSTOMER UNDERSTANDS AND AGREES THAT BANK SHALL NOT BE LIABLE FOR ANY LOSS OR DAMAGE INCURRED BY CUSTOMER IN RELATION TO AN UNAUTHORIZED PERSON GAINING ACCESS TO ANY SUCH UNSECURED ELECTRONIC TRANSMISSIONS. CUSTOMER ALSO ASSUMES ALL RISKS, AND BANK SHALL NOT BE LIABLE FOR ANY LOSS THAT RESULTS FROM THE NON-RECEIPT, DISCLOSURE, ALTERATION, CORRUPTION OR MODIFICATION OF ANY SUCH UNSECURED ELECTRONIC TRANSMISSION. IF CUSTOMER ELECTS TO SEND UNSECURED ELECTRONIC TRANSMISSIONS, CUSTOMER AGREES TO INDEMNIFY AND HOLD BANK HARMLESS FROM ANY LOSS, COSTS OR EXPENSES, INCLUDING WITHOUT LIMITATION REASONABLE ATTORNEY'S FEES, ARISING FROM OR RELATING TO BANK'S ACTION IN RESPONDING TO ANY E-MAIL OR OTHER UNSECURED ELECTRONIC TRANSMISSION THAT BANK BELIEVES IN GOOD FAITH TO HAVE BEEN INITIATED BY AN AUTHORIZED SIGNER OR AUTHORIZED USER OF CUSTOMER.

### 13. Telephone Recording

Customer acknowledges, agrees and consents on behalf of itself, and its Authorized Signers or Authorized Users, that Bank may monitor and record telephone conversations for the purpose of quality assurance, training, and wire transfer confirmation, at any time without further notice to the parties to such conversations. The decision to record any conversation shall be solely in Bank's discretion, and Bank shall have no liability for failing to do so.

### 14. Computer Equipment and Software

Many Services require the use of computer hardware, software and web browser or other equipment. Customer is solely responsible for maintaining its computer, device and equipment in good working order, with the necessary compatibility, format and Internet Service Provider ("ISP") account or services to interface with Bank's systems, including, without limitation, the ability to support Bank's security procedures. Customer agrees to install and run upgrades and other system enhancements within a reasonable time of being requested to do so by Bank, and to install, run and regularly update a virus protection program and operating system patches on Customer's computer, device or other equipment. License Agreements for necessary software shall either be embedded in the software or separately documented. Customer agrees to comply with all applicable software license agreements (following Customer's review of the same) whether or not such agreements have been executed by Customer. Customer has no rights or ownership in any software provided by or through Bank (other than software developed solely for the Customer) and shall not transfer, copy, alter, modify, reverse engineer, reproduce, or convey in any manner, in whole or in part, any such software. Customer shall return all software and user manuals associated with any software upon request. Customer may also incur additional related expenses for additional items, including, but not limited to, telephone service or Internet service charges related to the use of the Services. Customer is also responsible for the costs of any communication lines and any data processing charges payable to third parties. Customer agrees that it is solely responsible for the operation and maintenance of all equipment used in connection with Services and will ensure that the vendor recommended maintenance is conducted by trained personnel, whether they are employees of the Customer or third party employees. Customers shall only use hardware approved by Bank, or purchase or lease the hardware, including but not limited to image scanners and personal computers. Bank makes no representations or warranties concerning, and has no responsibility or liability for, such equipment, software or services even if specified by Bank, or for any computer virus, malware, computer or other device inoperability or failure, or similar problems experienced through Customer's use of the Internet or System.

### 15. Transactions on Non-Business Days/Deadlines

Transactions, deposits, payment orders, entries or other requests by Customer received by Bank on a non-Business Day may be treated by Bank as received on the next Business Day. Requests received after established cutoff times on

the Business Day of receipt as specified in applicable Services ("Deadline(s)") may also be treated as received on the next Business Day. Bank may make adverse changes to any Deadline only after it provides written notice to Customer as provided herein.

### 16. Customer-initiated Transactions and Instructions

Bank will honor Customer's transactions and instructions (including adjustments, amendments and cancellations) only when Customer has complied with this Agreement and related Service Documentation. Bank will be under no obligation to honor, either in whole or in part, any transaction or instruction that: (a) exceeds Customer's collected or available funds on deposit with Bank; (b) Bank has reason to believe may not be authorized by Customer; (c) involves funds subject to a hold, dispute or legal process preventing their withdrawal; (d) violates any provision of any applicable regulation of the Federal Reserve Bank, NACHA Rules, or any other federal, state or local regulatory authority; or (e) Bank has reasonable cause not to honor, for the protection of either Bank or Customer.

### 17. Inconsistent Name and Account Number

Customer understands and agrees that Customer must ensure the accuracy of Customer's instructions to Bank. If Customer, an Authorized Signer or Authorized User initiates a fund transfer instruction or payment order ("Payment Order") to Bank or originates an Entry as that term is defined in this Agreement and the NACHA Rules, that describes the person to receive the proceeds of such Entry or such Payment Order (the "Beneficiary"), the Beneficiary's bank, or an intermediary bank inconsistently by name and an account or other identifying number, Bank and subsequent parties to the Entry or Payment Order may rely on and act solely on the basis of such number, even though the name and number do not agree and even though Bank and subsequent parties know or have reason to know of the inconsistency. Customer is responsible for any loss associated with such inconsistency, and Customer's obligation to pay the amount of the Payment Order or Entry to Bank is not excused in such circumstances.

### 18. Intercompany Services/Authority to Transfer or Commingling Funds

Customer hereby represents and warrants to Bank that any and all transfers and commingling of funds required or permitted by any Service or requested by the Customer, and all other aspects of the performance hereby by Bank and Customer, have been duly authorized by all necessary parties, including, without limitation, the account holder of each account, and that Customer has obtained and shall maintain in its regular business records and make available to Bank upon reasonable demand, adequate documentary evidence of such authorization from the account holder of each account, executed by the duly authorized officers, representatives, or agents of each such account holder in accordance with that account holder's organizational documents and/or resolutions. Customer further represents and warrants that each transfer or commingling of funds authorized hereunder is presumed not to be in violation of any agreement, organizational document or resolution of Customer or any of its affiliates or subsidiaries, nor is it in violation of any applicable federal, state, local law, regulation, of any decree, judgment, order of any judicial or administrative authority. Each representation and warranty contained herein shall be continuing and shall be deemed to be repeated upon Bank's affecting each transfer and commingling of funds authorized hereunder.

### 19. Customer Records

This Agreement and the performance of Services by Bank shall not relieve Customer of any obligation imposed by law. Customer shall retain and provide to Bank, upon request, all information necessary to remake or reconstruct any deposit, transmission, file or entry for thirty (30) days following receipt by Bank of the deposit, file, entry, transmission or other order affecting an account unless otherwise required by Service.

### 20. Account Communications and Review Period

Customer agrees to regularly and promptly review and verify all statements, reports, check payment records, wire transfer instructions, confirmations, adjustments, charges, and other transactions ("Account Communications"). Customer may elect to receive Account Communications electronically, including without limitation, delivery by posting to a password protected website. Customer acknowledges that, when so elected, Account Communications provided by Bank through electronic delivery shall be deemed to constitute effective delivery when posted by Bank, and Customer's

receipt of such Account Communications shall be presumed, regardless of whether Customer actually or timely accesses the Account Information.

## 21. Termination

Customer or Bank may terminate Service(s) at any time, with or without cause, provided that Customer shall deliver to the Bank written notice to terminate Service(s) at least thirty (30) Business Days prior to the termination date. Bank reserves the right to terminate Service(s) immediately upon providing written notice of such termination to Customer. Any termination of Service(s) shall not affect any of Bank's rights and Customer's obligations with respect to the Service(s) including Entries initiated by Customer prior to such termination, or the payment obligations of Customer with respect to services performed by Bank prior to termination, or any other obligations that survive termination of this Agreement.

## 22. Dispute Resolution

**a. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, excluding its conflicts of laws rules.

**b. Adverse Claims.** If Bank receives an adverse claim, or conflicting claim, against any Account, and Bank reasonably believes that it will not be protected if the claim is ignored, Customer agrees that Bank may "freeze" or place a hold on the affected Account. Any such hold will remain in place only so long as Bank considers it necessary, in Bank's sole discretion, to resolve the claim or employ legal remedies to allow a court to decide such claim. Bank shall have no liability for dishonored transactions due to any hold placed on an Account in accordance with this Section, and Customer agrees to reimburse Bank all costs, including attorneys' fees, incurred due to such adverse claim.

**c. Arbitration and Waiver of Jury Trial.** Customer and Bank agree that the transactions processed under this Agreement involve "commerce" under the Federal Arbitration Act ("FAA").

PLEASE REVIEW THIS PROVISION CAREFULLY. IF CUSTOMER HAS A DISPUTE WITH BANK, BANK PREFERS AND HOPES THAT THE DISPUTE MAY BE RESOLVED BY AGREEMENT AND IN A TIMELY MANNER. BANK BELIEVES THAT ARBITRATION MAY BE A BENEFICIAL MEANS TO RESOLVE DISPUTES WHEN AGREEMENT MAY NOT BE QUICKLY OBTAINABLE, AS A MEANS TO OBTAIN A LEGALLY BINDING DECISION IN A COST EFFECTIVE MANNER OUTSIDE THE JUDICIAL PROCESS OF COURT PROCEEDINGS. ACCORDINGLY, EXCEPT AS OTHERWISE SPECIFIED IN THIS AGREEMENT OR THE DEPOSIT AGREEMENT APPLICABLE TO CUSTOMER'S ACCOUNT, EITHER CUSTOMER OR BANK MAY, WITHOUT THE OTHER'S CONSENT, ELECT TO SEEK BINDING ARBITRATION OF ANY DISPUTE, CONTROVERSY OR CLAIM ARISING OUT OF OR RELATING IN ANY WAY TO CUSTOMER'S ACCOUNT (INCLUDING WITHOUT LIMITATION ANY APPLICATION FOR OR APPROVAL OF CUSTOMER'S ACCOUNT), ANY SERVICE PROVIDED UNDER THIS AGREEMENT, THIS AGREEMENT OR ANY SERVICE AGREEMENT (THE "CLAIM" OR "CLAIMS"), BY WRITTEN REQUEST TO THE OTHER, PROVIDED THAT THE PARTY SEEKING ARBITRATION HAS NOT SUBSTANTIALLY INVOKED THE JUDICIAL PROCESS WITH RESPECT TO ANY SUCH CLAIM TO THE DETRIMENT OR PREJUDICE OF THE OTHER PARTY. IF SO ELECTED, ARBITRATION REPLACES THE RIGHT TO GO TO COURT. ALL SUCH CLAIMS ARE SUBJECT TO ARBITRATION, UNDER THE FAA, REGARDLESS OF THE THEORY THEY ARE BASED ON OR THE REMEDY SOUGHT, WITH THE EXCEPTION OF INTERPLEADER AND BANK'S RIGHTS SET FORTH IN THE "DISPUTED AUTHORITY; CONFLICTING CLAIMS" AND "FREEZING YOUR ACCOUNT" SECTIONS OF THE DEPOSIT AGREEMENT APPLICABLE TO CUSTOMER'S ACCOUNT, AND ANY CLAIM THAT IS WITHIN THE JURISDICTIONAL LIMITS OF AND IS FILED IN A SMALL CLAIMS COURT, AND PROCEEDS ON AN INDIVIDUAL BASIS. CUSTOMER UNDERSTANDS AND AGREES THAT IF EITHER PARTY TO THIS AGREEMENT REFUSES TO COMPLY WITH A TIMELY AND LAWFUL REQUEST PURSUANT TO THIS

AGREEMENT TO SUBMIT TO ARBITRATION, THE OTHER PARTY SHALL BE RESPONSIBLE FOR ALL COSTS AND EXPENSES, INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEY'S FEES AND COSTS, INCURRED BY THE PARTY REQUESTING ARBITRATION IN SUCCESSFULLY COMPELLING ARBITRATION. EXCEPT AS OTHERWISE MODIFIED HEREIN OR IN THE DEPOSIT AGREEMENT APPLICABLE TO CUSTOMER'S ACCOUNT, THE ARBITRATION WILL BE CONDUCTED AND ADMINISTERED BY THE AMERICAN ARBITRATION ASSOCIATION (THE "AAA") UNDER ITS COMMERCIAL ARBITRATION RULES AND THE FAA (TITLE 9 OF THE UNITED STATES CODE). THIS AGREEMENT WILL CONTROL AND GOVERN ANY CONFLICTS BETWEEN THE AAA COMMERCIAL ARBITRATION RULES AND THIS AGREEMENT. JUDGMENT ON ANY AWARD RENDERED BY THE ARBITRATORS MAY BE ENTERED IN ANY COURT HAVING JURISDICTION.

TO THE FULLEST EXTENT PERMITTED BY LAW, AND NOTWITHSTANDING ANY RULE TO THE CONTRARY, THE ARBITRATION WILL BE CONDUCTED AND WILL PROCEED ONLY AS AN INDIVIDUAL ACTION; THE ARBITRATORS SHALL HAVE NO POWER OR AUTHORITY TO ARBITRATE ANY CLAIM ON A CLASS-WIDE OR REPRESENTATIVE BASIS, OR TO CONSOLIDATE CLAIMS OR OTHER ACTIONS OR CAUSES ASSERTED BY DIFFERENT CLAIMANTS OR COUNTER-CLAIMANTS, WHETHER PRIVATE OR PUBLIC, OR TO AWARD ANY RELIEF ON A CLASS-WIDE OR REPRESENTATIVE BASIS. THIS ARBITRATION PROVISION EXPRESSLY APPLIES TO AND COVERS ANY CLAIM OR OTHER CAUSE OR ACTION BROUGHT OR MADE AND ANY REMEDIES SOUGHT AS PART OF ANY CLASS ACTION PROCEEDING OR REPRESENTATIVE ACTION (WHETHER BY PRIVATE ATTORNEY GENERAL OR OTHERWISE). THEREFORE, ANY CLAIM BETWEEN CUSTOMER AND BANK THAT IS RAISED OR OTHERWISE INCLUDED IN ANY CLASS ACTION LAWSUIT OR REPRESENTATIVE ACTION IS AND WILL BE SUBJECT TO AN INDIVIDUAL ARBITRATION CLAIM PURSUANT TO THIS ARBITRATION PROVISION SHOULD EITHER CUSTOMER OR BANK SO ELECT.

THE ARBITRATION AND ARBITRATION HEARINGS WILL BE HELD IN AND TAKE PLACE IN THE TEXAS CITY CLOSEST TO CUSTOMER'S PRIMARY PLACE OF BUSINESS IN TEXAS OR, IF CUSTOMER'S PRIMARY PLACE OF BUSINESS IS LOCATED OUTSIDE THE STATE OF TEXAS, IN DALLAS, TEXAS.

FOR CLAIMS OF MONETARY DAMAGES OF \$100,000.00 OR MORE, EXCLUSIVE OF ATTORNEY'S FEES AND COSTS, THE ARBITRATION SHALL BE CONDUCTED BEFORE A PANEL OF THREE (3) ARBITRATORS, SELECTED AND APPOINTED AS FOLLOWS. BANK AND CUSTOMER SHALL EACH APPOINT ONE (1) ARBITRATOR, AND THE THIRD ARBITRATOR WILL BE APPOINTED BY MUTUAL AGREEMENT OF THE PARTIES. TO BE ELIGIBLE FOR SELECTION AND APPOINTMENT, EACH OF SUCH THREE (3) ARBITRATORS MUST BE LISTED BY AAA ON ITS NATIONAL ROSTER OF ARBITRATORS AS OF THE TIME OF SELECTION AND APPOINTMENT IF THE PARTIES ARE UNABLE TO REACH AGREEMENT ON THE APPOINTMENT OF THE THIRD ARBITRATOR WITHIN A REASONABLE PERIOD OF TIME, BANK'S AND CUSTOMER'S APPOINTED ARBITRATORS SHALL JOINTLY SELECT THE THIRD ARBITRATOR FOR THE PANEL, PROVIDED THAT SUCH ARBITRATOR ALSO MUST BE LISTED BY AAA ON ITS NATIONAL ROSTER OF ARBITRATORS AS OF THE TIME OF SELECTION. FOR CLAIMS OF MONETARY DAMAGES TOTALING LESS THAN \$100,000.00 OR FOR INJUNCTIVE OR OTHER NON-MONETARY RELIEF, THE ARBITRATION SHALL BE CONDUCTED BY ONE (1) ARBITRATOR, SELECTED BY THE AMERICAN ARBITRATION ASSOCIATION PURSUANT TO ITS COMMERCIAL ARBITRATION RULES. YOU UNDERSTAND AND AGREE THAT NO COURT OR OTHER JUDICIAL BODY WILL HAVE ANY AUTHORITY TO APPOINT AN ARBITRATOR, OR OTHERWISE TO DETERMINE

WHETHER OR NOT ANY ARBITRATOR MAY BE SELECTED OR APPOINTED.

THE ARBITRATOR(S) WILL CONSIDER AND APPLY APPLICABLE SUBSTANTIVE LAW, INCLUDING WITHOUT LIMITATION THE APPLICABLE UNIFORM COMMERCIAL CODE AND ANY APPLICABLE STATUTE OF LIMITATIONS OR STATUTE OF REPOSE, INCLUDING WITHOUT LIMITATION ANY STATUTE OF LIMITATIONS OR STATUTE OF REPOSE SET FORTH IN THIS AGREEMENT AND/OR CONTRACTUAL CONDITION PRECEDENT, AND WILL HONOR ALL CLAIMS OF PRIVILEGE RECOGNIZED UNDER TEXAS LAW. EITHER CUSTOMER OR BANK MAY FILE A MOTION FOR DISPOSITIVE RELIEF OR FOR SUMMARY JUDGMENT IN THE ARBITRATION, SEEKING DISPOSITIVE OR SUMMARY JUDGMENT IN WHOLE OR IN PART, IDENTIFYING EACH CLAIM OR DEFENSE ON WHICH DISPOSITIVE RELIEF OR SUMMARY JUDGMENT IS SOUGHT. THE MOTION MAY BE SUPPORTED BY AFFIDAVIT(S) OR DECLARATION(S) MADE ON PERSONAL KNOWLEDGE, INCLUDING IN THE CAPACITY OF A RECORDS CUSTODIAN, AND SHOWING THAT THE AFFIANT OR DECLARANT IS COMPETENT TO TESTIFY ON THE MATTERS STATED. THE ARBITRATOR(S) SHALL GIVE FULL CONSIDERATION TO ANY SUCH MOTION, SHALL BE BOUND TO APPLY APPLICABLE LAW, AND SHALL GRANT DISPOSITIVE RELIEF OR SUMMARY JUDGMENT IF THE MOVANT SHOWS THAT THERE IS NO GENUINE DISPUTE AS TO ANY MATERIAL FACT AND THE MOVANT IS ENTITLED TO JUDGMENT UNDER APPLICABLE LAW. THE ARBITRATOR(S) SHALL HAVE NO AUTHORITY TO AWARD OR GRANT CONSEQUENTIAL, SPECIAL, INCIDENTAL, EXEMPLARY OR PUNITIVE DAMAGES OR ANY OTHER DAMAGES NOT MEASURED BY THE PREVAILING PARTY'S ACTUAL DAMAGES. THE ARBITRATOR'S OR ARBITRATION PANEL'S DECISION SHALL BE EXPRESSED IN A WRITTEN ARBITRATION AWARD SUPPORTED BY ANY FINDINGS MADE BY THE ARBITRATORS, WILL BE FINAL AND BINDING ON THE PARTIES, AND A JUDGMENT MAY BE ENTERED ON THE AWARD IN ANY COURT HAVING JURISDICTION. CUSTOMER UNDERSTANDS AND AGREES, HOWEVER, THAT THE ARBITRATORS' DECISION AND FINDINGS, AND ALL ARBITRATION SUBMISSIONS AND PROCEEDINGS SHALL REMAIN CONFIDENTIAL BETWEEN CUSTOMER AND BANK, EXCEPT TO THE EXTENT NECESSARY TO OBTAIN JUDICIAL REVIEW OR CONFIRMATION, FOR TAX OR ACCOUNTING PURPOSES, OR AS OTHERWISE REQUIRED BY LAW.

This agreement to arbitrate disputes will survive the closing of Customer's Account and the termination of this Agreement or any Service Agreement.

THIS PROVISION LIMITS CUSTOMER'S RIGHTS TO A JURY TRIAL. CUSTOMER SHOULD REVIEW THIS SECTION CAREFULLY. TO THE FULLEST EXTENT PERMITTED UNDER THE LAW OF THE STATE OF TEXAS, CUSTOMER KNOWINGLY, VOLUNTARILY, IRREVOCABLY AND UNCONDITIONALLY AGREES TO WAIVE CUSTOMER'S RIGHT TO A TRIAL BY JURY OF EACH AND EVERY ISSUE, CLAIM, COUNTERCLAIM, ACTION, CAUSE OR DISPUTE WITH BANK ARISING, IN WHOLE OR IN PART, FROM OR IN ANY WAY RELATING TO CUSTOMER'S ACCOUNT(S) OR THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ANY ADDENDA, SCHEDULES OR APPENDICES ATTACHED TO THIS AGREEMENT.

SUBJECT ONLY TO THE RIGHT OF ARBITRATION SET FORTH IN THIS SECTION, ANY AND ALL SUCH DISPUTES MAY BE TRIED BEFORE A JUDGE ONLY. TO THE FULLEST EXTENT PERMITTED UNDER THE LAWS OF THE STATE OF TEXAS, THIS WAIVER OF RIGHT TO TRIAL BY JURY IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH AND EVERY INSTANCE AND ISSUE AS TO WHICH THE RIGHT TO TRIAL BY JURY WOULD OTHERWISE ACCRUE.

### 23. Necessary Third Party Service Providers

**a. Third Party Networks.** Some Services are provided by Bank through access to a third party network, such as SWIFT, any applicable automated clearinghouse operating network and Fedwire. Such Services are dependent upon the availability of the third party network on conditions acceptable to Bank. Bank reserves the right to discontinue the Service or provide the Service through an alternative third party network. Bank does not warrant and shall not be responsible for Services received by Customer from any third party network chosen by the Customer.

**b. Third Party Vendors.** Some Services and/or computer equipment and software are provided to Customer by a third party vendor selected by Customer who is unaffiliated with Bank. In those cases, the third party vendor is acting as Customer's Agent rather than an agent of Bank, and Customer agrees to be bound by such third party's acts and omissions. Bank does not warrant and shall not be responsible for Services and/or computer equipment and software provided by unaffiliated third party vendors. Customer authorizes Bank to disclose to any third party vendor information concerning Customer to the extent required to deliver the requested Service.

### 24. Disclaimer of Warranties

NOTICE: BANK PROVIDES ALL SERVICES (INCLUDING, BUT NOT LIMITED TO INTERNET SERVICES) ON AN "AS IS," "AS AVAILABLE" BASIS AND MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND WITH RESPECT TO THE SERVICES. BANK DISCLAIMS ALL SUCH REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. WITHOUT LIMITING THE FOREGOING, BANK DOES NOT WARRANT THAT THE OPERATION OF ANY SERVICES OR WEBSITE WILL BE UNINTERRUPTED OR ERROR-FREE. CUSTOMER IS RESPONSIBLE FOR TAKING APPROPRIATE PRECAUTIONS AGAINST DAMAGE TO ITS OPERATIONS WHICH COULD BE CAUSED BY INTERRUPTIONS OR MALFUNCTIONS OF ANY SERVICES OR WEBSITE AND ASSUMES THE RISK OF SUCH OCCURRENCES.

### 25. Severability

To the extent possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision shall be held to be invalid, illegal or unenforceable, such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability, without rendering invalid, illegal or unenforceable the remainder of any such provision or the remaining provisions of this Agreement.

### 26. Waiver

A waiver by Bank or Customer of any term or provision shall not be construed as a waiver of such term or provision at any other time, or of any other term or provision.

### 27. Assignment

Except in the case of a merger or assignment arising under operation of law, neither party may assign or transfer its rights or obligations hereunder to any other person or entity without the other party's written consent, whose consent shall not be unreasonably withheld.

## B. Applicable Terms of All Internet and Mobile Based Services

### 1. Introduction

Bank offers a number of Services over the Internet and/or over mobile devices. If requested by Customer and agreed to by Bank, Bank will grant Customer access to one or more of Bank's Internet and/or mobile Services in the manner established by Bank. Customer agrees that its use of Services from time to time offered by Bank via the Internet and/or a mobile device (collectively, the "Internet Services") shall be governed by: (a) this Section and all other relevant sections of this Agreement, including, without limitation, sections governing the specific Treasury Management Services that are offered online; and (b) the applicable Terms of Use, as defined below.

## 2. Terms of Use

Bank may post terms or rules of use (“Terms of Use”) governing Customer’s use of the Internet Services on Bank’s website(s) for accessing such Services. Such Terms of Use shall supplement and amend the terms set forth in this Section. In the event of a conflict between the Terms of Use and the rules set forth in this Agreement, the Terms of Use shall govern. Customer’s initial use of an Internet Service shall constitute an acceptance of the Terms of Use posted on the website. Neither Bank nor Customer will contest the validity, enforceability, or admissibility of hard copy printouts of the Terms of Use for any website or notices of changes to such Terms of Use provided in accordance with this Section. Copies of such Terms of Use or notices, if introduced as evidence in tangible form in any judicial or administrative proceeding, will be admissible to the same extent and under the same conditions as other business records originated and maintained in documentary form.

## 3. Other Customer Responsibilities

**a. Equipment and Software.** Customer is responsible for obtaining (from Bank, in some instances), installing and maintaining the computer and communications equipment (including, without limitation, personal computers, modems and mobile devices), software, web browsers, Internet access and communications services necessary to access and use the Internet Services in accordance with this Agreement.

**b. Use of Internet Services.** Customer shall use its access to Internet Services, websites and mobile applications operated by or on behalf of Bank only to conduct its business with Bank and agrees to limit access to those agents who require access to Internet Services.

**c. Antivirus and Antimalware Protection.** Customer agrees to install and run antivirus and antimalware software before transmitting data to or through any website. Customer may use any commercially available, industry recognized antivirus and antimalware software of the type that detects and disinfects viruses and malicious code automatically, without the need for the Customer to execute virus and malware scanning for each file manually. Customer shall frequently update Customer’s computer and other device security software and update its antivirus and antimalware software regularly and as needed to ensure Customer’s antivirus and antimalware software is current and up to date.

## 4. Internet Disclaimer

The availability of Internet Services to Customer relies on the public Internet infrastructure and/or a mobile network. Bank does not and cannot control the flow of data to or from Bank’s network and other portions of the Internet or any mobile network. Such flow depends in large part on the performance of third parties. Actions or inactions of such third parties can impair or disrupt Customer’s connections to the Internet Services (or portions thereof). Bank disclaims any and all liability resulting from or related to such events and in no event shall Bank be liable for any damages (whether in contract or in tort) that are attributable to the public Internet infrastructure, any mobile network, Customer’s ability to connect to the Internet or any mobile network, or Bank’s ability to connect to the Internet or any mobile network on Customer’s behalf.

## C. Applicable Terms of Secure File Transfer System

### 1. Introduction

Bank offers a number of Services that may require the exchange of files containing payment batches or other information reporting. Files may be delivered to or from Bank through the secure file transfer protocol (FTPS). Customer agrees that its use of Services from time to time offered by Bank via FTPS shall be governed by: (a) this Section and all other relevant sections of this Agreement, including, without limitation, sections governing the specific Services including Service Documentation that are offered through FTPS; and (b) the applicable terms of all Internet Services.

### 2. SecureConnect

If Customer elects and Bank agrees to offer Services via FTPS, Customer agrees that Bank will provide Customer with user instructions and security codes. Customer will be responsible for providing data terminal(s) or any other means of access to such Services authorized by Bank. Customer agrees to use such Services (a) only for your own proper business use in accordance

with all applicable federal, state, and local laws and regulations; (b) in accordance with the conditions, rules and regulations which we may establish or specify from time to time; and (c) only to obtain the Services Bank provides, any communication elements of such Service being incidental to and an integral part of obtaining such Service. Bank reserves the right to take all actions, including termination of such Services, which we believe necessary to comply with applicable laws, policies, regulations, and tariffs.

## D. Applicable Terms for Information Systems

### 1. Introduction

Reporting of transaction and balance information may be provided by Bank to Customer through Internet Services or other applications or systems as may be introduced by Bank (“Information System(s)”). Information Systems may also be used by Customer to automate many of the Services offered by Bank and also may provide access to other Bank systems that initiate transactions. Customer agrees that such use of the Information Systems shall be governed by this Section and all other relevant sections of this Agreement. If requested by Customer and agreed to by Bank, Bank will grant access to Bank’s Information Systems in the manner agreed to by Bank. Customer agrees to be bound by any terms of use and license agreements associated with these Information Systems.

### 2. Information Reporting

Bank is authorized to store, process, transmit and make available information of Accounts designated by Customer (“Account Information”) through the Bank’s Information Systems. This authorization will extend to the Bank’s agencies and third party data processing providers (“Providers”). Bank or Providers will transmit or make available for access to Customer Account Information on a periodic basis. Customer may elect to receive data through one or more delivery mechanisms, including, without limitation, the Internet, telephonic delivery, facsimile, CD-ROM or unsecured e-mail. Customer’s election to receive or transmit Account Information through unsecured e-mail will require additional instructions and provisions that release the Bank from loss or damage, direct or indirect, resulting from unauthorized access. Information reporting for off balance sheet accounts, such as sweep accounts, held at other financial institutions may be made available by these financial institutions. Bank assumes no responsibility for the accuracy or timeliness of the Account Information supplied by other financial institutions.

### 3. Transaction Services

Customer may use Information Systems to access Services offered by Bank for which Customer has enrolled. Depending on the type of product offered by Bank, access to the Services may include, but not be limited to, ACH, positive pay, wire transfer payments, book transfers, stop payments, image access and system administration. Customer agrees that use of the Information Systems for Services shall be governed by this Section and all other sections of this Agreement that are applicable to the Service being accessed.

### 4. Customer Responsibilities

Customer will purchase (from Bank, in some cases) and provide all equipment and software necessary to use the applicable Information Systems in accordance with this Agreement. For equipment not provided by Bank, Bank shall have no responsibility and makes no warranties for such equipment or software. Customer agrees to use the Information Systems solely to conduct its business with Bank and agrees to limit access to those Authorized Signers or Authorized Users who require access to the System. Customer agrees that in addition to other limitations to Bank’s liability elsewhere in this Agreement, Bank shall not be liable for any loss or damage arising directly or indirectly from the following: (a) any inaccuracy or incompleteness in the input of an order or instruction from the Customer; (b) any failure by Customer to obtain a confirmation of an order or instruction; or (c) any cancellation or attempted cancellation by Customer of an order or instruction.

### 5. Accuracy and Timeliness of Information

Bank will use reasonable efforts to provide the information requested through the Services in a prompt fashion. Bank shall not be liable for any inaccurate or incomplete information with respect to transactions which have not been completely processed or posted to Bank’s system prior to being made available pursuant to the Services.

## E. ACH Services

### 1. Introduction

If requested by Customer and agreed to by Bank, Customer (or any Authorized Signer or Authorized User) may initiate credit or debit Automated Clearing House (“ACH”) transactions (each an “Entry” and collectively “Entries”) for payments (“Credit Entries”) and/or collections (“Debit Entries”) on Business Days to its accounts or the accounts of others (“Receivers”) in accordance with Bank’s security procedures, this Agreement, the Deposit Agreement and the NACHA Operating Rules and Guidelines (the “NACHA Rules”), as amended from time to time. The ACH system is a batch processing, store-and-forward system that is primarily governed by the NACHA Rules for interbank clearing of electronic payments for participating depository financial institutions. Customer acknowledges that Bank may provide ACH Services to Customer pursuant to Bank’s role as an Originating Depository Financial Institution (“ODFI”) or Receiving Depository Financial Institution (“RDFI”) as may be applicable with respect to ACH Entries under the NACHA Rules. If requested and authorized by Customer and agreed to by Bank in writing (an “Origination Agreement”), Bank will agree to provide ACH origination services to enable Customer to act as an originator (“Originator”) of ACH Entries. Bank may process Entries directly, through one or more clearinghouses, or through the mechanism selected by Bank. To the fullest extent permissible under the NACHA Rules and Texas law, Customer’s rights and obligations with respect to such Entries are governed by the laws of the State of Texas, the NACHA Rules, as published annually and amended from time to time, and this Agreement. Customer acknowledges that to the fullest extent permissible under the NACHA Rules and Texas law, it shall be bound by the NACHA Rules and the laws of the State of Texas, and agrees not to initiate any Entry in violation of the NACHA Rules, the laws of the United States or Texas law, or, to the extent applicable, other state or international law, regulation or clearinghouse rules, including, without limitation, Regulation E and Regulation CC of the Board of Governors of the Federal Reserve System, regulations promulgated by the Office of Foreign Assets Control (“OFAC”), Operating Circular 4 of the Federal Reserve Bank, and Article 4 and Article 4A of the Uniform Commercial Code as adopted in the State of Texas. Customer acknowledges and agrees that Bank may rely on all representations and warranties contained in the NACHA Rules, as amended from time to time, and may credit or debit Entries in accordance with such NACHA Rules and this Agreement as instructed by the Originator of the Credit Entry or Debit Entry. Customer understands that a copy of the NACHA Rules is available through NACHA at current NACHA prices, or by contacting the Bank.

**a. Authorization of Entries.** Customer understands and acknowledges that when acting as Originator, Customer must obtain authorization from the Receiver of and for any Entry either by written authorization agreement pursuant to the NACHA Rules, or in the form or method of authorization permitted by the NACHA Rules, before initiating the Entry to the Receiver’s account. Customer acknowledges and agrees that, as Originator, Customer must retain the original or a copy of each written authorization of a Receiver, or a readily and accurately reproducible record evidencing any other form of authorization, for two (2) years from the date of termination or revocation of the authorization, and, at Bank’s request, must provide the original, copy or other accurate record of authorization to Bank for Bank’s use in such time and manner as to enable Bank to deliver the authorization to any requesting RDFI within ten (10) Banking Days of the RDFI’s request. Customer further understands and agrees that, in addition to the other warranties stated in this Agreement, Customer warrants to Bank that Customer has obtained the appropriate authorization(s) from each Receiver each time Customer originates an Entry, and that all originated Entries conform to such authorization(s) and comply with the NACHA Rules.

**b. Audit Rights.** Customer understands and agrees that, to the fullest extent permitted under the NACHA Rules, following agreement to Customer’s request for ACH Services Bank may, from time to time and in its sole discretion, perform a remote or onsite audit or other operations credit and risk analysis of Customer’s systems, procedures, controls, files, records and/or ACH activity that Bank, in its sole and absolute discretion, deems necessary to assess the nature of Customer’s ACH activity and/or any risks it presents, or Customer’s capacity to perform its obligations in accordance with the

NACHA Rules or this Agreement. Customer agrees to cooperate with Bank in relation to any such audit or credit and risk analysis including, without limitation, providing financial or other documentation or records in a timely manner in response to Bank’s request, and implementing any ACH Entry origination procedure required by Bank in a timely manner.

### 2. Entry Origination/Processing Dates/Deadlines

Customer may initiate Entries in the manner and format agreed to by Bank. Bank will establish a Deadline for the receipt of Entries from Customer. Bank may establish different Deadlines for Entries depending on the method of delivery selected by Customer and all such Deadlines are subject to change. Bank must receive Customer’s Entries at or prior to the Deadline for the Entries to be processed on the Business Day of receipt (“Same-Day Entries”). Except for Same-Day Entries received prior to the applicable Deadline, all Debit Entries not received by the specified cutoff time at least one business day prior to the effective Entry date, and all Credit Entries not received by the specified cutoff time at least two business days prior to the effective Entry date, will be processed on the next Business Day. For timely processing, Customer understands and acknowledges that all Entries must be completed and submitted to Bank in conformity with the formatting and other requirements specified in the NACHA Rules and this Agreement.

### 3. Late Entry Deadline

Bank may allow, at Bank’s sole and absolute discretion, Customer to initiate Entries after the otherwise applicable cutoff time including after business hours, but prior to any after-hours deadline established by Bank. Customer understands and agrees that Entries are deemed to be delivered to Bank at the time when the applicable security procedure(s) with respect to a submission have been complied with and the submission of the Entry is fully completed on all information required by the NACHA Rules and Bank. Customer acknowledges that Bank may require additional Customer information in order to successfully process such late Entries as determined by Bank in its sole and absolute discretion. Bank may refuse to allow late Entries for any reason and at any time in its sole and absolute discretion, which refusal may result in the Entries being entered on the following Business Day or not at all. Customer understands and acknowledges that in no event shall Bank be liable for any loss of any nature arising from or relating to Customer’s initiation of a late Entry.

### 4. Content

In submitting any Entry, Customer shall be responsible for providing all information required by Bank. Customer bears sole and exclusive responsibility to verify that the information set forth in Entries submitted to Bank is authentic, accurate and conforms to the NACHA Rules and all applicable law. Customer shall retain data transmitted to Bank for ninety (90) days following the date of transmittal. The Services hereunder are only designed to respond to information provided by Customer. Accordingly, any inaccuracy in any information provided by Customer may result in unintended processing by Bank. Bank bears no responsibility for detecting or reporting any error in data supplied by Customer and shall not be liable to Customer for any information provided by Customer with respect to an Entry which is inaccurate, incomplete or otherwise incorrect.

### 5. Entry Limits and Payment

Customer shall at all times maintain a settlement account with Bank for the purpose of funding Customer’s Entries (“Settlement Account”). Bank will establish a daily limit of the total dollar amount of Entries initiated by Customer on a single day and including any Entries that remain unsettled in the ACH Network (the “Risk Limit”). The Risk Limit will be determined by Bank, in its sole and absolute discretion, based on the typical dollar amount of Entries initiated by Customer on a single day and may be adjusted based on underwriting criteria established by Bank. Bank may require from time to time, at its sole discretion, the pre-funding of the total dollar amount of Entries initiated by Customer. Pre-funding means that Customer must have good, collected funds in Customer’s settlement account not subject to recall or dispute. Establishment of a Risk Limit should not be interpreted or construed by Customer as a commitment or agreement to provide any credit or loans to a Customer and is subject to modification or termination at any time by Bank in its sole discretion. Customer agrees that it will not initiate Entries in excess of its Risk Limit without the written consent of Bank, and that such submission in excess of its Risk Limit will cause a delay in processing. Notwithstanding

the foregoing, Bank may, in its sole and absolute discretion and without obligation to do so, process Entries that exceed Customer's Risk Limit. Customer shall pay Bank for all Entries and authorizes Bank to charge its Settlement Account or any other account with Bank in the amount of such Entries. Bank shall have the right to reject Entries initiated by Customer if Bank has reason to believe that there will be insufficient available funds on the relevant settlement date. Bank shall notify Customer upon such rejection. Customer will receive funds for any Debit Entry on the ACH settlement date. Bank shall credit the Settlement Account in any amount payable to the Customer, subject to Bank's right to make adjustments in accordance with this Agreement. Bank may establish, monitor and periodically review Customer's Risk Limit and Customer's compliance thereof, and may cease processing Entries based on such review, after notifying Customer in writing.

#### 6. Data Breach Notification

Customer may have gathered personal or financial information of its customers for the purpose of initiating ACH transactions. Such information may include, without limitation, the customer's bank account number together with bank routing number, or the customer's name together with the customer's social security number or tax identification number. Customer agrees to immediately report to Bank any loss, theft or unauthorized access of such information ("Data Breach") by or from Customer or an Authorized Signer or Authorized User, if circumstances indicate that the misuse of such information has occurred or is reasonably possible. Customer acknowledges that Bank may have an obligation to report any Data Breaches to NACHA and other affected parties, and agrees to establish appropriate procedures to prevent, detect, investigate and report data breaches.

#### 7. File Confirmations; Security Procedures

Customer shall at all times comply with any applicable file confirmation procedures established by Bank and any security procedures established by Bank or Customer. Such procedures of Bank are solely for the purpose of verifying the origination of Entries by Customer or Bank's receipt of the ACH file and/or batch (but not for errors in transmission or content).

Bank shall provide Customer with a confirmation that Bank received Customer's ACH file and/or batch in a manner applicable to the Service through which Entries are made. After Customer receives the confirmation, Customer will compare the confirmation information to Customer's ACH transmission information. If the information does not match, Customer shall notify Bank before Bank's established deadline, failing which, Bank shall process Customer's ACH file and/or batch. Customer acknowledges that the confirmation is for the sole purpose of verifying Bank's receipt of the file and does not signify any validation of data. Customer bears sole responsibility for any inaccurate or incomplete information provided to Bank if Customer fails to notify Bank prior to Bank's processing of Customer's file.

Bank may but is not obligated to require verbal approval from an Authorized User or an Authorized Signer for Customer's ACH file and/or batch as part of fraud detection practices, which may cause a delay in processing.

Customer understands and agrees that each Non-Consumer Originator (as that term is defined in the NACHA Rules) must establish, implement, and update as appropriate, policies, procedures and systems with respect to initiation, processing and storage of Entries that are designed to: (a) protect the confidentiality and integrity of Protected Information (as that term is defined in the NACHA Rules); (b) protect against anticipated threats or hazards to the security or integrity of Protected Information until its destruction; and (c) protect against unauthorized use of Protected Information that could result in substantial harm to a natural person.

#### 8. Rejected and Returned Entries, Unauthorized Entries

Bank may reject any Entry that is not initiated in accordance with this Agreement or for any reason for which an Entry may be returned under the NACHA Rules. Customer understands and acknowledges that, pursuant to the NACHA Rules, Bank must accept returned Entries, including extended return Entries, that comply with the NACHA Rules. In the event that a previously initiated Entry is rejected, or returned by an ACH processor, RDFI or Bank, for any reason whatsoever, it shall be Customer's responsibility to reinitiate the Entry, within the time and to the extent permitted under NACHA Rules. Bank will give Customer or its designated Agent notice of any rejected

or returned Entry in the manner agreed to by the parties. Bank is authorized to debit/credit the Settlement Account for Entries that are returned to Bank. Unless the return is caused by Bank's failure to properly execute an Entry, Bank has no obligation to pay Customer interest on the amount of any returned Entry debited from the Settlement Account. A Receiver may, in some cases, have the right to have an unauthorized or erroneous Debit Entry credited to its account. Customer agrees that Bank may deduct the amount owing to the Receiver from Customer's Settlement Account upon Bank's receipt of proper notice from the RDFI. To the fullest extent permitted under the NACHA Rules and Texas law, Bank may charge back against Customer any Debit Entry that is returned or reversed by the RDFI, including, without limitation, any late-returned Entry. Closure of Settlement Account does not excuse Customer's obligation for returned Entries.

**a. Return Rate Monitoring and Reporting.** The NACHA Rules require that Bank, as an ODFI, monitor and under certain circumstances report to NACHA concerning the rate at which Customer's Debit Entries are returned (the "Return Rate"), dollar amounts and related information. Customer understands and acknowledges that the NACHA Rules provide that when Customer's Return Rate or levels exceed certain thresholds specified in the NACHA Rules and/or when directed to do so by NACHA, Bank is required to undertake certain actions within the times specified in the NACHA Rules to reduce and maintain the Return Rate or levels below the specified thresholds. Customer agrees to timely respond to all requests by Bank for information concerning Return Rates and related information, and to take all actions requested by Bank, within the times specified by Bank, to reduce Customer's Return Rate, volume, levels or dollar amounts, as determined by Bank in its sole and absolute discretion. Customer understands and agrees that any failure by Customer to timely comply with any such request by Bank shall be deemed a material breach of this Agreement and may result in Bank's immediate termination of the ACH Services.

#### 9. Notifications of Change

Bank shall provide Customer all information, as required by the NACHA Rules, with respect to each Notification of Change ("NOC") Entry or Corrected Notification of Change ("Corrected NOC") Entry received by Bank relating to Entries transmitted by Customer. Bank will provide such information to Customer within two (2) Business Days of the date in which final settlement of funds occurs as a result of an ACH entry (the "Settlement Date") of each NOC or Corrected NOC Entry. Customer shall ensure that changes requested by the NOC or Corrected NOC are made within six (6) Business Days of Customer's receipt of the NOC information from Bank or prior to initiating another Entry to the Receiver's account, whichever is later.

#### 10. Prenotification

Prior to initiation of the first Credit Entry or Debit Entry to a Receiver's account with an RDFI, Customer may send a prenotification to the RDFI that Customer intends to initiate an Entry to the Receiver's account in accordance with the procedures set forth in the NACHA Rules or by Bank. The prenotification can be returned or result in a Notification of Change ("NOC"). If the prenotification is returned within the times specified in the NACHA Rules, Customer shall research the problem and make any necessary corrections to remedy the reason for the return before transmitting another Entry. If the prenotification results in a NOC, Customer shall make the required change requested in the NOC prior to initiating another Entry.

#### 11. Amendment of Entries

Customer does not have the right to delete or amend any Entry after it has been received by Bank unless Bank has previously agreed in writing. If such rights are granted, Customer may initiate an amendment to ACH Entries after receipt by Bank; however, Bank shall have no liability to Customer if such requested deletion or amendment is not affected. Entries are distributed periodically to the ACH operator throughout the Business Day. Customer may initiate such amendments in accordance with the terms of this Agreement and all communications must be received by Bank prior to the established Deadlines and distribution times in order to be effective. Under certain circumstances as permitted by the NACHA Rules, Customer may seek to reverse or obtain return of a previously initiated duplicate Entry, an Entry ordering payment to or from a Receiver different from the intended Receiver or in a dollar amount different than intended, and certain prearranged payment and deposit Entries (collectively for purposes of this paragraph, an "Erroneous

Entry”), or a Credit Entry originated without the Customer’s authorization. Customer understands and acknowledges that reversal of Entries is governed by the NACHA Rules including, without limitation, timing requirements for reversing Entries and an RDFI’s right to refuse reversal or requested return. The Bank has limited avenues to recover previously initiated Erroneous Entries and unauthorized Credit Entries and, to the fullest extent permitted under the NACHA Rules, Customer shall be liable for any unintended credits to the Receiver.

## 12. Customer Representations and Warranties

Customer represents and warrants to Bank that each Entry complies with the terms of this Agreement and the NACHA Rules, does not breach any warranty of Customer or Bank contained in this Agreement and the NACHA Rules, complies with applicable state and federal laws, including, without limitation, the Electronic Funds Transfer Act, Regulation E and regulations promulgated by OFAC, is accurate, timely, and authorized by each Receiver, and that any debit entry is for a sum that on its settlement date is due and owing from the Receiver to Customer or is a correction of a previously transmitted erroneous credit entry. With respect to each Entry (regardless of Standard Entry Class Code) and each time Customer uses an ACH Service, Customer is deemed to make to Bank the same representations and warranties that Bank makes, under the NACHA Rules and applicable law, to any person, RDFI, or any other transferee. Receiver authorizations shall expressly authorize Bank to transmit corrective entries to Receiver’s accounts to correct a prior Entry and shall authorize Customer to release to Bank all information concerning its Receivers that is required by Bank to recover such Entries. Customer shall immediately cease initiating Entries upon receiving actual or constructive notice of the termination or revocation of the Receiver’s authorization. Customer will not initiate additional transactions to a Receiver where a transaction has been returned as unauthorized. Customer will retain each authorization received by Customer for such period of time as may be required by the NACHA Rules or applicable law and in all cases for a period not less than two (2) years after the date of expiry, and shall provide Bank with copies of such authorizations upon request. Bank shall not be liable for any and all fines, claims, demands, expenses, losses, liabilities, and damages, including reasonable attorney fees and court costs at trial or on appeal that arise directly or indirectly out of any Entry initiated by Customer in violation of this Agreement or applicable NACHA Rules or law.

## 13. Re-presented Check Entries

The NACHA Rules allow Customer to initiate an Entry to collect certain checks that have been returned unpaid for insufficient or uncollected funds (“RCK Entry”). In the event that Customer initiates an RCK Entry to Bank for check collection purposes, Customer agrees that such RCK Entry will comply with all provisions of this Agreement and applicable NACHA Rules, and, in addition to other warranties contained in the NACHA Rules, makes the following additional representations and warranties regardless of which entity initiates the RCK Entry on its behalf: (a) each check is eligible under the NACHA Rules to be collected via an RCK Entry; (b) Customer has good title to or otherwise is entitled to enforce the item; (c) all signatures on the returned item are authentic and authorized; (d) the item has not been altered; (e) the item is not subject to claims or defenses; (f) Customer has no knowledge of any insolvency of the drawer or maker of the item; (g) the item will not be presented to the RDFI subsequent to the origination of the RCK Entry; (h) the RCK Entry accurately reflects the item and any information encoded after issue in magnetic ink is correct (RCK Entries cannot be used for collection fees); (i) any restrictive endorsement placed on the item is void or ineffective; (j) Customer has provided clear and conspicuous notice of its electronic check representation policy in advance of receiving the item to which the RCK Entry relates; and (k) Customer will provide to Bank immediately upon request a copy of the front and back of the returned item, provided that the request is made within seven (7) years of the settlement date of the RCK Entry.

## 14. Internet-Initiated/Mobile Entries

The NACHA Rules allow Customer to initiate a Debit Entry to a consumer Receiver’s account pursuant to an authorization obtained from the Receiver via the Internet or a wireless network, or otherwise pursuant to an authorization where the Receiver’s instruction to initiate a Debit Entry is designed by the Customer to be communicated via a wireless network (“WEB Entry”). In the event that Customer initiates a WEB Entry to Bank, Customer agrees that such WEB Entry will comply with all provisions of this

Agreement and applicable NACHA Rules, and makes the following additional representations and warranties regardless of which entity initiates the WEB Entry on its behalf: (a) Customer has established and implemented a commercially reasonable fraudulent transaction detection system to screen each WEB Entry which includes account validation processes; (b) Customer has established and implemented commercially reasonable methods of authentication to verify the identity of the Receiver; (c) Customer has established and taken commercially reasonable procedures to verify that routing numbers utilized are valid; (d) Customer has established a secure, by commercially reasonable standards, Internet session prior to the key entry by the Receiver of any banking information and through the transmission of the data to Customer, including but not limited to the Receiver’s routing number, account number and PIN; and (e) Customer has and will conduct, or have conducted on its behalf, annual audits to ensure that the financial information that Customer obtains from Receivers is protected by security practices that include adequate levels of (i) physical security to protect against theft, tampering, or damage, (ii) personnel and access controls to protect against unauthorized access and use, and (iii) network security to ensure secure capture, storage and distribution of financial information. Customer will provide proof of Customer’s security audits to Bank upon request. Bank may cease processing Entries for Customer if Bank in its sole discretion determines that Customer’s security procedures are inadequate.

## 15. Telephone-Initiated Entries

The NACHA Rules allow Customer to initiate a Debit Entry to a consumer Receiver’s account pursuant to the Receiver’s oral authorization and banking information provided to the Customer via the telephone (“TEL Entry”). In the event that Customer initiates a TEL Entry to Bank, Customer agrees that such TEL Entry will comply with all provisions of this Agreement and applicable NACHA Rules, and makes the following additional representations and warranties regardless of which entity initiates the TEL Entry on its behalf:

**a. Receiver Authorization.** Customer has obtained the Receiver’s readily identifiable and clear authorization prior to initiating a single or recurring Debit Entry to the Receiver’s account. In the event that Customer obtains the Receiver’s authorization related to a single TEL Entry verbally, Customer will either make an audio recording of the Receiver’s oral authorization, or will provide, in advance of the settlement date of the Entry, written notice to the Receiver that confirms the oral authorization. Customer agrees that, at a minimum, the following specific information shall be included as part of the authorization of a single TEL Entry, and acknowledged by the Receiver during the telephone call: (i) the date on or after which the Receiver’s account will be debited; (ii) the amount of the Debit Entry to the Receiver’s account or a reference to the method of determining the amount of the transaction; (iii) the Receiver’s name or identity; (iv) the account to be debited; (v) a telephone number that is available to the Receiver and answered during normal business hours for customer inquiries; (vi) the date of the Receiver’s oral authorization; and (vii) a statement that the authorization obtained from the Receiver will be used to originate an ACH debit to the Receiver’s account. In the event Customer obtains the Receiver’s authorization in relation to recurring TEL Entries, Customer will obtain, as part of the Receiver’s authorization, all information required by the NACHA Rules for recurring TEL Entries. To the extent applicable, Customer shall retain either the original or a duplicate recording of the Receiver’s oral authorization or a copy of the written notice confirming the Receiver’s oral authorization for two years from the date of the authorization for single TEL Entries, or two years from the termination or revocation of a recurring TEL Entry, and shall immediately provide same to Bank upon request. For recurring TEL Entries, Customer shall also retain for two years from termination or revocation of the authorization evidence that a copy of the authorization was provided to the Receiver in compliance with Regulation E. If Customer chooses to provide the Receiver with written notice confirming the Receiver’s oral authorization, Customer will disclose to the Receiver during the telephone call the method by which such notice will be provided.

**b. Commercially Reasonable Security Procedures.** In addition to all other representations and warranties contained herein, Customer also represents and warrants the following each time it delivers a TEL Entry to Bank: it has (i) established and implemented commercially reasonable security procedures to verify the identity of the Receiver, including, without limitation, name, address and telephone number and (ii) established and implemented

commercially reasonable procedures to verify the accuracy and validity of the routing and transit number used in the TEL Entry.

#### 16. Accounts Receivable and Back Office Conversion Entries

The NACHA Rules allow Customer to utilize Entries to collect consumer check payments received via U.S. mail, delivery service, or at a drop box location (“ARC Entry”). The NACHA Rules also permit single Debit Entries by Customer to the account of a Receiver based on an “eligible source document” (as defined in the NACHA Rules, typically, a check) provided by the Receiver at the point of purchase or a manned bill payment location for subsequent conversion during back-office processing (a “BOC Entry”). In the event that Customer initiates an ARC or BOC Entry to Bank, Customer agrees that such ARC or BOC Entry will comply with all provisions of this Agreement and NACHA Rules, as applicable, and makes the following additional representations and warranties regardless of which entity initiates the ARC or BOC Entry on its behalf: (a) prior to the receipt of each eligible source document, Customer has provided clear and conspicuous notice to the Receiver, in conformity with the requirements of the NACHA Rules and provisions of Regulation E and the Electronic Funds Transfer Act to the extent applicable, without limitation, (i) that receipt of the check is authorization to process the payment as a check transaction or to make a one-time ACH Debit to the Receiver’s account, (ii) that funds may be withdrawn from the Receiver’s account the same day payment is made, (iii) that the Receiver will not receive the check back from the RDFI and (iv) of Customer’s phone number for inquiries regarding BOC Entries; (b) Customer has established reasonable policies and practices to enable a Receiver to opt-out of check conversion as a form of payment (c) each check is eligible as a source document under the NACHA Rules to be collected via an ARC or BOC Entry; (d) the amount of the entry, the routing number, the account number, and the check serial number are in accordance with the eligible source document; (e) the source document to which the ARC or BOC Entry relates will not be presented for payment; (f) Customer has established and implemented policies and procedures to destroy the source document as soon as is reasonable and shall use commercially reasonable methods to securely store the source document until such destruction; (g) Customer shall use commercially reasonable methods to securely store banking information relating to the ARC or BOC Entry; (h) Customer shall retain a reproducible and legible image, microfilm or copy of the front of the Receiver’s source document for two (2) years from the settlement date of each ARC or BOC Entry, and shall immediately provide same to Bank upon request, unless bank’s BOC service automatically retains such image; (i) for BOC Entries, Customer has established and implemented commercially reasonable procedures to verify the identity of each Receiver of BOC Entries; and (j) for BOC Entries, Customer has established and maintains a working telephone number that is answered during Customer’s normal business hours for Receiver inquiries regarding BOC transactions, and displays this telephone number on the notice required by the NACHA Rules.

#### 17. Point of Purchase (POP) Entries

The NACHA Rules allow Customer to initiate a single Debit Entry to a Receiver’s account for in-person purchases based on an “eligible source document” as defined in the NACHA Rules (typically, a check) provided at the point-of-purchase or manned bill payment location (“POP Entry”). In the event that Customer initiates a POP Entry to Bank, Customer agrees that such POP Entry will comply with all provisions of this Agreement and applicable NACHA Rules, and makes the following additional representations and warranties regardless of which entity initiates the POP Entry on its behalf: (a) Customer has posted a notice complying with the NACHA Rules in a prominent and conspicuous location at the point-of-purchase and provided Receiver with a written notice of same at the time of the transaction, including without limitation (i) that when a check is provided as payment, it is authorization to process the payment as a check transaction or for a one-time ACH debit to the Receiver’s account or to use the information from the check and (ii) that funds may be withdrawn from the Receiver’s account the same day payment is made; (b) each check is eligible under the NACHA Rules to be collected via a POP Entry and the Receiver has not opted out of check conversion; (c) Customer has returned the voided source document to the Receiver after capturing the necessary check information and the source document was not previously negotiated, voided, or provided by the Receiver for use in any prior POP Entry; (d) Customer has obtained the Receiver’s authorization and provided a copy of same to Receiver, which (i) is in writing

and signed or similarly authenticated by the Receiver, (ii) is readily identifiable as an ACH debit authorization, (iii) clearly and conspicuously states its terms and (iv) states that the check will not be processed; and (e) Customer has provided Receiver a receipt containing all information required by the NACHA Rules.

#### 18. Tax Payment Entries

If Customer elects and Bank agrees to offer tax payment Entries through Internet Services, Customer acknowledges responsibility for enrollment in the Electronic Federal Tax Payment System (“EFTPS”) through the Internal Revenue Service (IRS). Customer is also responsible for enrollment with any state taxing authorities for the purpose of making state tax payments using Internet Services. In both cases, it is the Customer’s responsibility to obtain, from the applicable taxing authority, the appropriate routing numbers and account numbers required for making such Entries. Bank will make available tax payment information through Internet Services for the purpose of assisting Customer with the payment of federal and state taxes. Bank reserves the right to update tax payment information from time to time and makes no warranty that specific tax payment information will be available.

**a. Requests for Payment.** Requests for payment to tax authorities must be made in accordance with forms which Bank shall provide Customer, which may be amended by Bank from time to time at its discretion and will be considered complete only if actually received by Bank. All tax payments must be initiated at least two (2) Business Days before the due date, otherwise payments may be subject to IRS or state penalties. Any request by Customer to make tax payments hereunder shall be submitted to Bank prior to the Deadline. Any such request received by Bank after its Deadline may be processed on the next Banking Day. In the event that an Entry is rejected or returned by an ACH processor for any reason whatsoever, it shall be Customer’s responsibility to reinitiate the Entry. Bank will give Customer notice of any rejected or returned Entry in the usual manner agreed to by the parties.

**b. Liability.** Bank shall not be liable for any penalties assessed by reason of failure of Customer to make any tax payments. Interruption of the Service or performance hereunder for any reason shall not relieve Customer of its obligation to make any required tax payments, and Bank shall not incur any liability to Customer for failure by Customer to make any such payment. If Customer elects to make a tax payment by any means other than through Bank, Bank shall not be liable for any penalties or interest arising from any error in due date or other calculations for payments made within the period in which such other payment was made.

#### 19. International (IAT) Entries

An IAT Entry is an ACH Entry that is part of a payment transaction involving a financial agency’s office that is not located within the territorial jurisdiction of the United States. As of the date of this Agreement, Bank does not permit Customer to initiate ACH Entries to a Receiver located in a country outside of the United States. Unless Bank agrees, in writing, that Customer may initiate IAT Entries, Customer understands and agrees that Customer’s failure to abide by such restriction may result in Bank’s decision to immediately suspend or terminate Customer’s ACH Services. If Bank agrees, in writing, that Customer may initiate such IAT Entries, Customer understands and agrees that any such IAT Entry will comply with all provisions of this Agreement and applicable NACHA Rules, and makes the following additional representations and warranties regardless of which entity initiates the IAT Entry on its behalf: (a) Customer is in compliance with, and the Entry complies with, all applicable laws, regulations and legal requirements of the United States including, without limitation, programs administered by the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) and the Financial Crimes Enforcement Network (FinCEN); (b) Customer is in compliance with, and the Entry complies with, the laws, regulations and payment system rules of the receiving country including, without limitation, any requirement to obtain the Receiver’s authorization whether oral, written or electronic; (c) Customer shall bear all risk that the laws, regulations or requirements of the receiving country may prohibit or otherwise preclude the processing, settlement, or transfer of the proceeds of the Entry, including without limitation, through blocking or other sequestration or seizure of funds; (d) Customer shall maintain either the original or a copy of any authorization required from the Receiver for the IAT Entry for the longest period of time

that Bank may be required to confirm or produce such authorization pursuant to any law, regulation or requirement of the United States, or law, regulation, payment system rule or requirement of the receiving country, and Customer shall make any such authorization available to Bank for inspection within a reasonable time from Bank's request, or the request of the Receiver; (e) Customer shall bear all risk and responsibility for any and all costs and losses, including without limitation reasonable attorney's fees, relating to foreign exchange conversion with respect to any IAT Entry; and (f) Customer's obligations and responsibilities with respect to IAT Entries, including without limitation as set forth in this Agreement and in the NACHA Rules, shall survive and continue in full force and effect following termination of Customer's ACH services or Customer's ability to generate IAT Entries with respect to any IAT Entry that Customer originates prior to the effective date of any such termination.

## 20. Third Party Vendors

If Customer initiates Entries through a third party vendor or processor ("Vendor"), Vendor is the agent of Customer and not of Bank. If Customer uses a Vendor, Customer shall be deemed to have authorized Bank to follow the instructions of such Vendor to the same extent and under the same conditions as would apply if the instructions came direct from Customer and Customer shall be responsible for ensuring that such Vendor fully complies with the NACHA Rules and this Agreement. Bank is not responsible for the acts or omissions of Vendor. For purposes of this Agreement, each Vendor shall be deemed an Authorized User.

## 21. Third Party Sender

If Customer is transmitting Entries as a third party vendor or processor on behalf of originators (each an "Originator" and collectively, the "Originators" as defined in the NACHA Rules)), Customer agrees to be bound by the applicable terms provided in this Section E and the NACHA Rules. Customer warrants to Bank that the Originator has agreed to assume the responsibilities of an Originator under the NACHA Rules and that ACH Entries shall not be initiated in violation of laws of the United States. Customer represents that it has executed an ACH agreement with each Originator and that the agreement binds the Originator to the NACHA Rules. Customer shall provide Bank with the list of Originators, copies of the agreements, and other information deemed reasonably necessary to identify the Originators within two (2) Banking Days of Bank's request. Bank reserves the right to review the list of Originators for which Customer is transmitting the Entries and to reject any in Bank's sole discretion. Customer, on behalf of the Originator, authorizes Bank to originate entries on behalf of the Originator to the Receivers' accounts. As Originator, Customer agrees that Bank shall not be liable for any and all claims, demands, expenses, losses, liabilities, and damages, including reasonable attorney fees and court costs at trial or on appeal that arise directly or indirectly from the failure of the Originator to perform its obligations as an Originator under the NACHA Rules. Customer further agrees to assume all applicable responsibilities, warranties and liabilities of the ODFI, as specified in the NACHA Rules. Customer shall cooperate fully and respond within five (5) Business Days to any inquiry from Bank relating to potential Rule inquiries or violations. Customer agrees that an annual NACHA Rules audit will be performed and available upon request by Bank within five (5) Business Days of request. For purposes of this Agreement, each Originator shall be deemed an Authorized User. Customer acknowledges that Bank is required to register all Third Party Senders to NACHA.

## F. Wire Transfer Services

### 1. Introduction

As used in this Agreement, a "wire transfer" or "funds transfer" means the series of transactions, beginning with the originator's payment order, made for the purpose of making payment to the beneficiary of the order, as those terms are defined in Article 4A of the Uniform Commercial Code ("UCC") as adopted in the State of Texas, and not governed by the Electronic Funds Transfer Act or Regulation E. As used in this Agreement, the terms wire transfer or funds transfer also do not include an electronic funds transfer or "EFT" as those terms are defined in Bank's Consumer Deposit Account Agreement and Services Disclosure. Bank sends outgoing and receives incoming wire transfers through Fedwire (the funds transfer system owned and operated by the Federal Reserve Banks) or other third party networks as Bank considers suitable. Our wire transfer services will be dependent upon the

availability of such third-party network on conditions acceptable to Bank, in its sole discretion. All funds transfers and funds transfer services made available pursuant to this Agreement are governed by this Agreement, Subpart B of Regulation J of the Federal Reserve Board, OFAC regulations, Article 4A of the UCC, and the rules of any funds transfer system through which the wire transfer is made, including, without limitation, Fedwire. Except as otherwise expressly stated therein, wire transfers and wire transfer services made available to Customer pursuant to any separate wire transfer services agreement or addendum, including without limitation any Commercial Deposit Account Agreement and Services Disclosure, or Consumer Deposit Account Agreement and Services Disclosure, will be governed by such separate agreement or addendum. With respect to wire transfers and wire transfer services made available to Customer pursuant to such separate wire transfer services agreement, addendum, Commercial Deposit Account Agreement and Services Disclosure, or Consumer Deposit Account Agreement and Services Disclosure, in the event of a conflict between the terms of any such document, as applicable, and the terms of this Agreement, the terms of such other applicable agreement will prevail unless this Agreement specifically states otherwise. Customer agrees not to initiate or receive a wire transfer payment order in violation of applicable federal, state or local law. Customer will designate Authorized Signers and/or Authorized Users by corporate resolution or in such format or medium as Bank may agree, who shall be authorized to act on Customer's behalf to initiate payment orders and select advice methods or confirmation methods, and to provide any or all authorizations and instructions that may be requested by Bank. The Authorized Signers may appoint Authorized Users, who may include Authorized Signers. Bank may rely on any such authorization until it has been revoked in writing by Customer, and Bank has had a reasonable time to process any such revocation received from Customer.

### 2. Routing/ Deadlines

Bank may use means of transmission and routes, and intermediary and correspondent banks, that Bank determines in its sole discretion are suitable for each outgoing wire transfer. Bank will establish Deadlines after which Bank will not accept an incoming payment order to be processed on the day of receipt. Bank may establish different Deadlines depending on the method of the payment order selected by Customer and all such Deadlines are subject to change at Bank's sole discretion. Wire transfer payment orders received after the Deadline or on non-Business Days will be processed on the next Business Day. A wire transfer payment order shall be considered accepted by Bank when executed by Bank.

### 3. Payment Orders

**a. Content of Payment Orders.** Customer will supply to Bank any information Bank may reasonably request regarding any payment order (as that term is defined in the UCC as adopted in the State of Texas) initiated by Customer, including, without limitation, money amounts, affected accounts, dates of transfer, the beneficiary's name and account number, the routing number or bank identifier code ("BIC") of the beneficiary's financial institution, such additional information as Bank may reasonably request and, in conjunction with our security procedures set forth below, if Bank finds it necessary in Bank's sole discretion, further evidence of authority of any Authorized Signer or Authorized User (or other agent) to transfer funds or to do any other act contemplated utilizing this Service. Customer agrees to hold Bank harmless from any loss that occurs if Customer's instructions are incomplete, ambiguous, or incorrect. Customer further understands and acknowledges that Bank is not required to detect any Customer error contained in any payment order, or to seek clarification from Customer regarding ambiguous instructions.

**b. Execution of Payment Orders.** Customer authorizes Bank to debit Customer's Account(s) with Bank for payment orders delivered to Bank in accordance with this Agreement. Bank has no obligation to execute a payment order if the Account to be debited has insufficient collected funds to cover the order.

**c. Processing Payment Orders.** The order in which Bank processes wire transfer payment orders is determined solely by Bank, in its discretion.

**d. Retraction or Revocation of Payment Orders.** Except as otherwise indicated below with respect to standing payment orders or as Bank may

separately notify Customer in writing, Customer does not have any right to reverse, adjust or revoke any payment order after it has been received by Bank; provided, however that Bank may, without obligation, make a reasonable effort to act on such a request by Customer. With respect to a payment order already transmitted to the beneficiary's financial institution, at Customer's request Bank may (but is not obligated to) use its best efforts to retract or recover a payment from the beneficiary financial institution. Customer understands and agrees that the receiving institution is under no legal obligation to comply with this request. **IN ADDITION TO ANY OTHER INDEMNITY PROVISIONS SET FORTH IN THIS AGREEMENT, CUSTOMER AGREES TO INDEMNIFY, DEFEND AND HOLD BANK, ITS OFFICERS, DIRECTORS, SHAREHOLDERS, AGENTS, EMPLOYEES, SUBSIDIARIES AND AFFILIATES, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS AND EMPLOYEES, HARMLESS FROM AND AGAINST ANY AND ALL LOSSES, COSTS, SUITS, DAMAGES, CLAIMS, LIABILITIES AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES) ARISING FROM OR RELATED IN ANY WAY TO ANY ATTEMPT BY BANK TO EFFECT SUCH RETRACTION OR RECOVER ANY SUCH PAYMENT.**

**e. Rejection of Payment Orders.** Bank may, but is not obligated to, reject any payment order from Customer, in whole or in part, if such payment order is not initiated in accordance with any applicable security procedure, if there is any inconsistency between a payment order and information previously supplied to Bank, if Bank is unable to obtain confirmation of such payment order satisfactory to Bank in Bank's sole discretion, if there are insufficient collected funds in Customer's account to fund the payment order, if the payment order involves funds subject to a hold, dispute or legal process preventing withdrawal of the funds, or if Bank has other reasonable grounds not to honor the payment order. Bank will notify Customer that it has rejected a payment order. Bank may also reject an incoming payment order if it has other reasonable grounds to do so.

**f. Standing Payment Orders.** If requested by Customer and agreed to by Bank, Customer may establish a standing payment order (a standing wire transfer request), which is one where the Customer provides specific and fixed payment instructions to the Bank for a payment order that is to be executed on a recurring frequency. Standing payment orders must have a currency amount, beneficiary, beneficiary's financial institution, and accounts to be debited and credited. Such information remains constant for subsequent payment orders. Customer shall provide Bank with the necessary information to execute the standing payment order, as Bank determines in its sole discretion, including, without limitation, the dollar amount to be transferred, the frequency of the order and the day of week or month when the payment order is to be executed. Customer may reverse, adjust or revoke a particular standing payment order prior to Bank's execution of the standing payment order, upon notice to Bank received by Bank at a time that provides reasonable opportunity to act upon such a request. Customer may terminate a standing payment order at any time upon receipt by Bank of a written notice, provided Bank is afforded a reasonable opportunity to act on such notice.

**g. PIN Wire Transfers.** If requested by Customer and agreed to by Bank, Customer may establish a PIN Wire Transfer Service, pursuant to a PIN Wire Transfer Authorization Form, or such other form as Bank may provide. The PIN Wire Transfer Service allows wire transfers to be conducted via telephone on or against Customer's account, with the use of an assigned PIN and caller identification. Customer shall provide Bank with the necessary information to execute a PIN Wire, as Bank may determine in its sole discretion.

#### **h. Batch Wire Transfers**

**(i) Service Specifications.** If requested by Customer and agreed to by Bank, Customer may initiate payment orders in batch form to Bank, subject to the provisions of this Agreement. Customer will comply with interface specifications established by Bank, including, without limitation, file formats and means of data transmission (the "Specifications"). Bank may furnish Customer with modifications to the Specifications and Customer shall implement such modifications as soon as reasonably practicable.

**(ii) Wire Transfer Software.** Customer shall be solely responsible for creating the computer programs to implement the Specifications ("Wire Transfer Software"). Customer shall implement passwords and other security devices commensurate with the highest level of security afforded by Customer to other computer programs and confidential information of Customer.

**i. Charge Backs and Returned Items.** Customer understands and agrees that Bank posts all non-cash items (such as checks) deposited to an account on a provisional credit basis subject to Bank's receipt of final payment by the payor bank on which the non-cash item is drawn, that Bank has no obligation or duty to verify that Customer has sufficient collected funds in Customer's account prior to Bank charging Customer's account for and sending any wire transfer requested by Customer, and that Bank can charge Customer or Customer's account for the amount of any deposited or cashed item if Bank does not receive final payment for the item or the item is returned unpaid or charged back to Bank for any reason.

#### **4. Confirmation of Outgoing Wire Transfers**

**a. Confirmation Method.** Unless waived by Customer, Customer and Bank shall agree in writing to the method of confirming payment orders received from Customer. Customer shall designate Authorized Users and/or Authorized Signers, as applicable, to initiate and verify payment orders. Bank strongly recommends that Customer institute dual control over initiation and verification of Customer's payment orders to confirm payment orders conducted through Internet Services. If Customer permits an Authorized User or Authorized Signer to both initiate and verify a payment order notwithstanding Bank's recommendation, Customer hereby authorizes Bank to process any wire initiated and verified by such Authorized User or Authorized Signer. Customer may add, change or delete the Authorized Users and Authorized Signers in accordance with this Agreement. In the event the designated Authorized Users or Authorized Signers with authority to verify are not available to verify a payment order, Customer agrees that Bank may, at its discretion, elect to process the payment order initiated by an Authorized User or Authorized Signers, as applicable. To the fullest extent permissible under applicable law, Customer agrees to be bound by any such payment order processed by Bank. In all instances, Bank may act on instructions that it believes in good faith were provided by an Authorized User or Authorized Signer.

**b. Waiver of Confirmation.** Bank recommends that Customer not waive confirmation of Customer's payment orders. If, however, Customer chooses to waive confirmation, Customer understands and agrees that Customer will be liable for all outgoing payment orders, whether or not authorized by Customer, to the fullest extent permissible under applicable law. Customer acknowledges that not using confirmation procedures substantially increases the Customer's risk of liability for an unauthorized wire transfer.

**c. Confirmation of Wire Transfers Initiated through Electronic Bank Applications.** Unless confirmation of payment orders is waived by Customer, the confirmation of payment orders initiated by Customer through Internet Services shall be verified and approved by Customer prior to their transmission to Bank. All payment orders shall be initiated and confirmed in accordance with the security procedures established for the relevant Service.

#### **5. Liability for Unauthorized Wire Transfers; Security Procedures**

Customer understands and agrees that Bank is not required to follow any instruction that violates this Agreement, or any security procedure agreed to between Customer and Bank, notice of which is not received at a time and in a manner affording Bank reasonable opportunity to act upon it prior to acceptance of a payment order.

**a. Security Procedure.** To the fullest extent permissible under Section 4A.202 of the UCC as adopted in the State of Texas, Bank and Customer agree that any security procedure selected will be deemed commercially reasonable if Customer chose the security procedure after Bank offered, and Customer refused, a security procedure that was commercially reasonable for the Customer under applicable law. If Customer adopts any security procedure other than as set forth in this Agreement, or any Treasury Services Form, addendum or separate wire transfer service agreement offered to Customer in conjunction with this Agreement or a Service, Customer will be deemed to have refused Bank's security procedure. Customer understands and

acknowledges that pursuant to this Agreement, Customer agrees to be bound by any payment order, whether or not authorized, issued in Customer's name and accepted by Bank in compliance with such security procedure chosen by Customer.

The following security procedure will apply to wire transfer requests processed pursuant to this Agreement. Before processing any such wire transfer request, Bank will:

(1) verify, from its records of Customer's account, that the individual in whose name the wire transfer request is made is identified as authorized to initiate an outgoing wire transfer for the subject account; and

(2) perform validation of the identity of the individual requesting the wire transfer:

(i) for wire transfers initiated in person through a banker, in addition to validation of identity pursuant to subsection (ii) below, by review of eligible identification documentation (Customer may contact Bank to confirm eligible identification documentation), and

(ii) for wire transfers initiated in person by telephone, electronic mail or facsimile transmission, and not governed by a separate security procedure under an applicable Treasury Management Services agreement, applicable Service Descriptions or Bank form agreed to in writing by Customer, Bank will complete a call back, using contact information for any Authorized Signer, Authorized User or signatory for Customer's account contained in our records of the account (in our sole discretion, to the Authorized Signer, Authorized User or signatory requesting the wire transfer or any other Authorized Signer, Authorized User or signatory on the account); provided,

(iii) that for standing payment orders or otherwise previously authorized, recurring wire transfers to the same beneficiary and beneficiary account number as included in prior wire transfer requests, Bank may not conduct a call back, in its sole discretion.

If Bank cannot reach an Authorized Signer, Authorized User or signatory on the account by telephone, processing of wire transfer request may be delayed.

Without limiting the foregoing, in addition to the foregoing security procedure, Bank reserves the right in its sole discretion to require additional authentication of individual wire transfer requests, including, without limitation, that the wire transfer request be submitted in writing bearing the signature of an Authorized Signatory, or Authorized User, or confirmed via a code sent by SMS message to a mobile device number associated with the account, and Bank further reserves the right to apply its confidential, proprietary system for analysis of certain transactions based on various characteristics.

Customer understands and agrees that Bank's security procedures are intended to verify authenticity of wire transfer requests made to Bank on Customer's behalf, and not to detect error in the transmission or content of the wire transfer request.

Customer further understands and agrees that it bears sole responsibility for establishing and implementing its own appropriate internal procedures and protocols to safeguard against unauthorized transmission of wire transfer requests and related instructions to Bank. Customer agrees to establish and implement appropriate internal procedures and protocols to safeguard against unauthorized disclosure of or access to Customer's systems and security-related information, such as user names, passwords, access credentials, and systems and equipment that access or interface with Bank and Bank's systems or equipment, and that Customer will take reasonable steps to maintain the confidentiality of its internal procedures, protocols, user names, passwords, PIN's, access credentials, other personally identifying information, codes, security devices and systems, and security-related information. Customer must immediately notify Bank of any loss or suspected compromise of any such information, systems or equipment. Customer agrees to confirm any such notification to Bank promptly in writing.

**b. Unenforceability of Certain Verified Payment Orders.** If a payment order is not an authorized order of the Customer but is effective pursuant to this Agreement or the security procedures in effect between Customer and Bank, Customer understands and agrees that Bank is entitled to enforce or retain payment of the order unless Customer proves that the order was not caused, directly or indirectly, by a person (i) entrusted at any time with duties to act for Customer or on its behalf with respect to payment orders or the security procedure(s), or (ii) who obtained access to Customer's transmitting facilities or who obtained, from a source controlled by Customer and without authority of the Bank, information (including, without limitation, any access device or computer software) facilitating breach of the security procedure, regardless of how the information was obtained or whether Customer was at fault.

**c. Duty to Notify Bank of Unauthorized Payment Orders.** Customer must exercise ordinary care and due diligence to determine whether a wire transfer to or from Customer's account was unauthorized or inaccurate. Customer will promptly report to Bank in writing any discrepancies between Customer's records and the notification of a payment order mailed, transmitted, or otherwise made available to Customer by Bank, including without limitation any unauthorized or inaccurate payment order. To the fullest extent permissible under applicable law, in no event will Bank be liable to pay Customer interest on any amount to be refunded in relation to an unauthorized payment order that is not effective under UCC Section 4A.202, or not enforceable in whole or in part under UCC Section 4.203, unless Customer notifies Bank in writing of the relevant facts within thirty (30) days after the date Customer receives any notification from Bank that the payment order was accepted or that Customer's account was debited with respect to the payment order. To the fullest extent permissible under applicable law, in no event will Bank be liable to Customer with respect to any subsequent unauthorized payment order submitted or requested by the same person(s) who submitted or requested the first such unauthorized payment order unless Customer notifies Bank in writing of the error or discrepancy in the subsequent payment order within thirty (30) days after the day that Bank mails, transmits or otherwise makes available notification to Customer that the subsequent payment order was accepted or that Customer's Account was debited with respect to the subsequent payment order.

## 6. Advices

**a. Advices by Mail.** Unless otherwise requested Bank will mail daily to Customer at the address provided to Bank notification(s) of all wire transfer(s) made. Customer will exercise ordinary care and diligence to determine whether a wire transfer to or from Customer's account was unauthorized or inaccurate.

**b. Advices by Facsimile and/or Email.** If Customer selects advices by facsimile ("fax") and/or email, Customer shall exercise extreme care in maintaining its own security in relation to the sending and receipt of fax and/or email advices. Customer acknowledges that the information to be sent or received by fax and/or email may include confidential information, including, without limitation, names, amounts, phone numbers, originating account information, and the text of incoming wires. Customer further acknowledges that it alone assumes full responsibility for maintenance of its internal security procedures to keep all such information confidential. To the fullest extent permissible under applicable law, Bank shall not be liable for any and all claims, demands, expenses, liabilities and damages, including attorney fees at trial and on any appeal or petition for review, incurred by Customer or Bank arising directly or indirectly from the transmission by fax and/or email of a wire transfer advice.

**c. Waiver of Advice.** Customer may waive its right under the UCC as adopted in the State of Texas from time to time to receive advices by so indicating on the applicable Implementation Documents or by submitting the request in writing to Bank.

## 7. International Wire Transfers

**a. General.** An "International Wire Transfer" means a wire transfer credited to an account located outside the borders of the United States, or that will be sent in currency other than U.S. Dollars.

International Wire Transfers across country borders are customarily completed by Bank through a correspondent. Unless otherwise agreed upon in writing, any fee, commission or charges assessed by the correspondent shall be passed on to the Customer or deducted from the wire transfer amount by the correspondent. Additionally, International Wire Transfers across country borders may incur additional fees or charges based on the routing of the wire through U.S. and foreign financial institutions. Payment to a foreign country is subject to the laws of the foreign country involved. Bank assumes no liability for delays, non-delivery or other events resulting from causes beyond Bank's control. In refunding unexecuted payment orders, Bank shall be liable to Customer only to the extent it receives payment from the correspondent financial institution processing the transfer. Cancellation of a wire transfer involving other than domestic currency is subject to any rate exchange loss as determined by Bank. Customer agrees to sell any canceled payment order to Bank at the then current applicable foreign currency buy rate.

**b. Automatic Conversion.** International Wire Transfers denominated or expressed in U.S. Dollars but instructed by Customer to be sent to an account denominated in foreign currency may, at Bank's sole discretion, be automatically converted by Bank or may be converted by an intermediary or correspondent bank, or by the receiving financial institution, at such entity's sole discretion, to the receiving financial institution's national currency prior to completion of transfer to such receiving financial institution, so long as the receiving financial institution is located in a country that, to Bank's then-current knowledge, readily accepts such previously converted funds. When such a currency conversion is made, Bank, intermediary or correspondent bank, or the receiving bank will determine, at such entity's sole discretion, the applicable currency conversion rate. Customer understands and agrees that Bank shall not have any liability to Customer for any loss or expense incurred by Customer arising from or relating to any such currency conversion. Customer must notify Bank prior to the transaction if the beneficiary of the International Wire Transfer requires that the payment be made in U.S. Dollars. If Customer has not so notified Bank, and should the receiving financial institution reject the incoming Wire Transfer due solely to Bank's automatic conversion to that financial institution's national currency, Bank shall reimburse Customer the actual amount of any fees assessed by such financial institution that are related solely to the rejection of the Wire Transfer due to Bank's automatic conversion.

**c. Currency Conversion Requests.** Customer understands and agrees that if Customer requests an International Wire Transfer be made in currency other than U.S. Dollars, Bank may convert the U.S. Dollar amount at Bank's applicable exchange rate in effect at the time of Bank's execution of the order for the specified foreign currency. Customer also understands and agrees that, should Bank not have an existing exchange rate in place for the specified foreign currency, then Bank will use reasonable efforts to convert the currency through reasonably available commercial or banking channels. Customer further understands and agrees that the exchange rate(s) used by Bank for such International Wire Transfers may vary from exchange rates established by governments or other financial institutions and may not be the lowest available rate available to Customer. If the financial institution designated by Customer to receive the International Wire Transfer does not pay the designated beneficiary or credit the beneficiary's account and the funds are returned to Bank, Bank shall not have any liability to Customer for any sum in excess of the amount of the payment order after Bank has converted the funds back from the foreign currency to U.S. Dollars using Bank's applicable rate of exchange in effect at the time Bank confirms the cancellation of the payment order to Customer. Bank shall not have any liability to Customer for any loss or expense incurred by Customer arising from or relating to any currency conversion requested by Customer.

## 8. Wire Transfer Numbers

Customer understands and agrees that Customer bears sole responsibility to correctly identify beneficiary information for all wire transfers. Customer's obligation to pay Bank the amount of the funds transfer is not excused in the event that the Fedwire message or otherwise the payment order or instruction does not identify the same account or financial institution of the intended recipient. When the intended recipient's identified name and account number is inconsistent, the payment may be made on the basis of the account number, as controlling, even if such account is not owned by the person or entity identified by name. With respect to incoming wire transfers that do not

indicate an account number recognizable to Bank, Bank may return the wire transfer to the sending financial institution without incurring any liability.

## 9. Reverse Wire Transfers

**a. Authorized Debits.** If requested by Customer and agreed to by Bank, Customer authorizes Bank to debit Customer's Account(s) upon receipt of a Fedwire drawdown request, and to send funds to the Requesting Bank. Each such transfer will be done on the Business Day Bank receives the incoming request from the Requesting Bank if the request is received within a reasonable time to determine whether Customer's Account has sufficient collected funds and to obtain access to the Federal Reserve network prior to the close of business.

**b. Reverse Wire Funding.** Customer agrees not to transmit any reverse wire request in excess of available collected balances on deposit in the designated Account(s). Bank may reject any reverse wire request in excess of the collected and available balance. Requesting Bank will be notified if the request is rejected by Bank.

**c. Authorizations.** Customer's authorization for reverse wire requests shall remain in effect until Customer gives written notice to Bank to the contrary. Bank will have a reasonable time to act on any written notice received from Customer.

**d. Limitation on Bank's Liability.** In consideration of Bank's compliance with this agreed authorization for reverse wire requests, Customer agrees that Bank's treatment of any debit for a reverse wire transfer, and Bank's rights with respect to it, shall be the same as if the entry were initiated personally by Customer. Bank shall have no liability if any such debit is dishonored.

**e. Request for Credit.** Bank may, at its sole and absolute discretion, submit a non-value, request for credit message (a "Drawdown") on behalf of Customer through Fedwire. Bank shall have no liability as to the results of any such Drawdown request.

**10. Provisional Credit.** Customer understands and agrees that when Customer's Account is credited for an incoming wire transfer, such credit shall be provisional until Bank receives final settlement for such wire transfer, and if final settlement is not received, Bank shall be entitled to a refund of the amount credited to Customer's account.

**11. Disclaimer of Warranties.** We do not and cannot warrant that our wire transfer services will operate without errors, or that any or all wire transfer services will be available and operational continuously and without interruption at all times. **WE PROVIDE WIRE TRANSFER SERVICES "AS IS" AND "AS AVAILABLE". IN ADDITION TO DISCLAIMERS OR WARRANTIES CONTAINED ELSEWHERE IN THIS AGREEMENT, WE MAKE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND WITH RESPECT TO THE WIRE TRANSFER SERVICES, WHETHER EXPRESS OR IMPLIED. TO THE FULLEST EXTENT PERMITTED BY LAW, WE EXPRESSLY DISCLAIM ANY AND ALL REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**

## G. Foreign Exchange Online (FXO) Service

### 1. Introduction

Bank may provide various client-initiated foreign exchange services (collectively, the "FXO Service") to Customer through Bank's Internet Services, for the purpose of purchase or sale of a stated amount of currency against a second currency in specified amounts at the current exchange rate available to Customer on a spot or cash basis ("FX Transactions"), initiated by Customer over the Internet, or by telephone. If requested by Customer and agreed to by Bank in writing, Bank may provide such FXO Service pursuant to the terms of this Agreement, any separate term document(s) for FX Transactions and any confirmations thereof, including without limitation all terms related to security procedures. Customer understands and agrees that the terms of any separate term documents for specific FX Transactions and related confirmations of the details of an FX Transaction are in addition to,

and not in place of, the terms set forth in this Agreement for the FXO Service; provided that, in the event of inconsistency between the term documents for specific FX Transactions and the terms of this FXO Service section, the terms of term documents for specific FX Transactions will prevail. Bank's FXO Service is only available to Customers who maintain a demand deposit account with Bank.

## 2. Customer's Authorized Users; Access

As a condition for using Bank's FXO Service, Customer shall complete and provide Bank's FXO Service documentation to Bank, including without limitation identification of all persons authorized by Customer to conduct FX Transactions, as Authorized Users. Once all documentation required by Bank has been provided, and Bank has granted Customer access to the FXO Service, Bank shall provide the administrator(s) designated by Customer the access device(s) required by Bank for Customer's access to the FXO Service. Customer understands and agrees, however, that all persons identified by Customer as Authorized Users in relation to the FXO Service shall be deemed authorized administrators, to administer Customer's use of the FXO Service including, without limitation, the authority to administer Customer's access to Bank's FXO Service web portal. Customer further understands and agrees that in all instances, Bank may act on instructions that it believes in good faith were provided by an Authorized User. Bank's FXO Service web portal shall be available only during normal business hours of Bank as established by Bank from time to time.

## 3. Procedures for Execution of FX Transactions

The following procedures apply to requests or instructions for the quotation, execution of and confirmation of FX Transactions, unless Bank and Customer have agreed otherwise in writing.

Customer, through its Authorized Users, may request, through Bank's FXO Service web portal or by telephone, and Bank in its sole discretion may (but is not obligated to) provide Customer by electronic means or by telephone, a quotation (a "Quote") at which Bank shall agree to execute an order for an FX Transaction. Any such Quote shall be deemed effective only upon acceptance confirmed by Customer to Bank within the time(s) and according to the means specified by Bank, at which time (and at no prior time) the parties shall be bound by the terms of the Quote, and Bank shall proceed to conduct the FX Transaction pursuant to the Quote. Customer understands and agrees that Customer shall have no right to cancel or reverse an FX Transaction once Customer has accepted the Quote. Bank may, in its sole discretion, cancel, reverse or amend an FX Transaction on Customer's request (in which event Customer shall reimburse Bank for all costs reasonably incurred by Bank in canceling, reversing or amending the FX Transaction). If not accepted by Customer within the time(s) and according to the means specified by Bank, the Quote shall terminate and shall be of no further force or effect. The time(s) specified by Bank including deadlines may vary depending upon the currencies involved and other factors in Bank's sole discretion. The terms of the Quote shall include (as applicable) the amounts of the currency or currencies to be purchased or sold by Bank and Customer, and the date specified by Bank on which delivery or payment is due from Customer to Bank and vice-versa under the FX Transaction (the "Value Date"). The Value Date generally will be within two (2) Business Days for most major currencies, subject to availability and currency cut-off times. Should the Value Date fall on a day that is not a Business Day, and therefore the FX Transaction is not reasonably able to be completed on such day, the Value Date may be the next Business Day. Except as otherwise set forth herein, Bank and Customer shall make their respective payment or delivery of currency on the Value Date, and in freely transferable funds. Should Customer direct Bank to settle an FX Transaction by debiting an Account held by Customer at Bank, Customer must maintain sufficient available funds in the Account to settle the FX Transaction at the time of the FX Transaction, and should sufficient funds not be available in the Account, Bank may, at its sole discretion and election and without liability, to the fullest extent permitted under applicable law, either cancel the FX Transaction or, without further notice of any kind, debit or withdraw funds from any Account of Customer held at Bank in an amount up to Customer's required payment or delivery obligation for the FX Transaction and apply such amount in satisfaction of Customer's payment or delivery obligation. In relation to the foregoing, should the currencies of Customer's Account to be debited and that of Customer's payment or delivery obligation under the FX Transaction be different, Bank may convert the

Account currency into the currency of the FX Transaction at the prevailing currency exchange rate as determined by Bank in good faith. Bank may in its sole discretion, but is not obligated to, issue a confirmation to Customer, directed to the person(s) identified to Bank in writing as the person(s) authorized to receive confirmations from Bank, for an executed FX Transaction.

## 4. Wire Transfers

Customer understands and agrees that Bank is authorized by Customer to execute and debit the designated Account(s) of Customer for wire transfer payment orders delivered to Bank via its web portal for FXO Service. Customer understands and agrees that any and all such wire transfer payment orders will be governed by the relevant sections of the Wire Transfer Services section of this Agreement, and any separate wire transfer terms and conditions issued by Bank and in effect at the time including without limitation all terms related to security procedures. Additional fees and costs that Bank separately discloses to Customer for related wire transfer and other services shall apply.

## 5. Representations, Warranties and Covenants

In addition to all other representations and warranties made in this Agreement (as applicable), Customer represents, warrants and covenants to Bank, to be deemed made and effective on the date of this Agreement and the date(s) on which Customer accepts any and all Quotes, that: (a) the person accepting the Quote on Customer's behalf or otherwise authorizing each FX Transaction on Customer's behalf is duly authorized by Customer to do so; (b) Customer intends and agrees that each FX Transaction made on a Quote accepted by Customer is binding and enforceable against Customer; (c) Customer is not entering into any FX Transaction for a speculative, trading or investment purpose; (d) Customer is acting as principal, and not as agent, with respect to each FX Transaction; and (e) Customer acknowledges and agrees that Bank shall not act as Customer's agent, advisor or fiduciary with respect to any FX Transaction; Customer is acting solely on its own assessment, or its independent advisor's assessment, of the FX Transaction.

## 6. Settlement Netting; Novation Netting

If on a given Value Date more than one delivery of the same currency would be due from Bank and Customer under two or more FX Transactions, then, at Bank's sole discretion and notice to Customer that Bank will proceed with Settlement Netting, Bank and Customer shall aggregate the amounts of such currency deliverable by them on the Value Date to arrive at a single currency obligation for each currency deliverable between the parties, and if one party's obligation in that currency on that Value Date would have been more than the obligation of the other party, then only the net difference between these aggregated amounts shall be delivered on the Value Date by the party owing the larger aggregate amount to the other party; if the aggregate amounts are equal, then no delivery of currency shall be made with respect to such FX Transactions. When proceeding with such Settlement Netting, Bank may calculate net payments on the day before or day of the Value Date, in Bank's sole discretion. Also, in Bank's sole discretion and notice to Customer that Bank will proceed with Novation Netting of FX Transactions having the same Value Date and same currencies, all such FX Transactions and their corresponding payment obligations shall be netted and combined into a single FX Transaction.

## 7. Default Events; Termination

Each of the following shall be deemed to be an event of default by Customer (a "Default Event") under these FXO Service terms:

- (i) the failure to pay or deliver (or Customer's available funds are insufficient to pay or deliver) to Bank when due any amount due under any FX Transaction in the currency and in the manner specified by Bank, if such failure is not cured in full by Customer immediately upon notice by Bank to Customer;
- (ii) Customer fails to perform or comply with any other obligation owed to Bank under any FX Transaction, if such failure is not cured in full by Customer within the time and in the manner specified by Bank to Customer;
- (iii) Customer makes any materially false representation to Bank under or in relation to these FXO Service terms or any FX Transaction;
- (iv) Customer commences or has commenced against it a bankruptcy, insolvency, receivership, liquidation, conservatorship, dissolution or winding-up proceeding;

- (v) Customer fails or is otherwise unable, in Bank's good faith determination and judgment, to pay Customer's debts or financial obligations as they become due;
- (vi) Customer repudiates or disclaims any FX Transaction; or
- (vii) any event or condition occurs which, in Bank's good faith determination and judgment, would allow the acceleration of any indebtedness owing by Customer to any person or entity.

On the occurrence of any Default Event, Bank, in its sole discretion, shall have the right to notify Customer of the Default Event, and either or both of the following: that Bank is terminating Customer's access to and right to use the FXO Service, and that all outstanding FX Transactions of Customer shall be terminated effective on any Business Day at least one (1) Business Day after and not more than ten (10) Business Days after the date of such notice. If Bank so notifies Customer that Customer's outstanding FX Transactions shall be terminated, Bank shall so terminate all outstanding FX Transactions of Customer on the date so designated, and shall calculate in good faith the net amount due and owing from or to Customer including the gains or losses of Customer as of such termination date in replacing or obtaining the equivalent of all such outstanding FX Transactions. In making any such calculation, Bank shall consider the pertinent terms of the terminated FX Transactions, and, as applicable, any loss, cost or gain incurred or received by Customer in the termination, liquidation or re-establishment of any hedge related to the terminated FX Transactions. All such net amounts due and owing from or to Customer shall be aggregated to net all such amounts to a single liquidated amount payable to or by Bank. Bank shall provide Customer with written notice of such aggregated amount, the date when such aggregated amount is due and payable, and, in reasonable detail, Bank's calculation of such aggregated amount.

#### 8. Setoff

In addition to all rights of setoff as set forth in Customer's Deposit Agreement or any other agreement in place between Customer and Bank, or at law, Customer understands and agrees that when any Default Event has occurred, Bank shall have a general right, at Bank's sole discretion without obligation, and without further notice to Customer, (i) to set off or apply funds in any of Customer's Accounts (other than an IRA Keogh plan, tax-deferred retirement account, Health Savings Account, or certain trust accounts) up to and including Customer's account balance(s) with respect to any obligation of Customer owing to Bank in relation to any FX Transaction, and (ii) to set off any obligation of Customer owing to Bank in relation to any FX Transaction against any obligation of Bank owing to Customer in relation to any FX Transaction. Following any such set off, Bank shall give Customer notice of any such set off. Nothing in this section shall be deemed to create a lien or other security interest or charge.

#### 9. Superseding Agreement and Required Reporting.

In the event that Bank and Customer hereafter enter into a foreign exchange master agreement including FX Transactions, or a standardized master agreement published by the International Swaps and Derivatives Association (collectively, a "Master Agreement"), then the terms of such Master Agreement shall supersede and replace these FXO Service terms, and shall govern FX Transactions between Customer and Bank. Notwithstanding any terms and conditions of this Section and Agreement, or any other agreement in place between Bank and Customer, Bank at all times shall be entitled to report information with respect to these FX Online Service terms and conditions and any and all FX Transactions as may be required by law or regulation, or as requested by any governmental authority, subpoena, or investigation.

### H. Positive Pay Services

#### 1. Introduction

Positive Pay Services are offered by Bank as the most effective way to minimize loss from fraudulent check issuance or payment. If Positive Pay Services are requested by Customer and agreed to by Bank, Customer and Bank agree that in the event of an inconsistency between this Agreement and applicable law, the provisions of this Agreement shall prevail to the extent permitted. Nothing in this Agreement is intended to limit Bank's right to return an item unpaid if there are insufficient available funds in the designated account.

#### 2. Format Specifications

Customer shall comply at all times with Bank's format and data transmission standards for the Positive Pay Service. Customer agrees to issue checks, drafts, warrants or other items (collectively, "Items") in accordance with Bank's specifications and will change the Item format when requested to do so by Bank. Bank shall not be responsible for correcting or resolving processing problems caused by substandard quality magnetic encoding. Customer may be required to supply Bank with sample Items for testing.

#### 3. Positive Pay

**a. Customer Responsibilities.** Customer shall designate to Bank all account(s) that are to be used with the Positive Pay Service ("Positive Pay Account(s)"). Customer will provide Bank with a file of all outstanding Items prior to activation of this Service although activation may not be withheld shall it be deemed necessary by Bank. On each day that an Item is written against the Positive Pay Account, Customer shall supply Bank with all required Item issue information prior to the Deadline established by Bank. Such information shall include, without limitation, the account number, the issue date, the Item number and the face amount. Customer shall be responsible for the accuracy and completeness of all information provided to Bank.

**b. Bank's Responsibilities.** In reliance on the information provided by Customer, Bank shall create a master issue file for each designated Positive Pay Account ("Issue File"). Excluding valid stop payment orders, all Items that match by serial number and amount to Bank's Issue File will be deemed properly payable and Bank is authorized to pay all such Items.

**c. Exception Items.** Each Business Day, Bank shall report to Customer any Items that do not match the Issue File ("Exception Items") and, if requested and available, provide the front and back images of those Items for that day's presentment; provided, however, no images shall be provided in the case of electronically converted Items. Customer agrees to review and make payment decisions on the Exception Items prior to Bank's established Deadline. If Customer's requested default setup is for Bank to pay all Exception Items, then Bank is authorized to finally pay any Exception Item unless Customer has instructed Bank to return the Exception Item prior to the established Deadline. If Customer's requested default setup is for Bank to return all Exception Items, then Bank is authorized to return any Exception Item unless Customer instructs bank to pay an Exception Item prior to the established Deadline. Bank may rely on any instructions received from Customer that Bank reasonably believes to be genuine. Bank shall have no responsibility for any liability, loss or damage resulting from: (i) payment in accordance with this Section of any Exception Item that is altered or unsigned or which bears the forged or unauthorized signature of Customer; (ii) the return of any Exception Item to the depository bank in accordance with this Section; or (iii) Customer's failure to meet Bank's established Deadlines. Customer may be required to place a stop payment order on any returned Exception Item, which shall be subject to Bank's customary stop payment fee. Bank's failure to report a discrepancy will not discharge Customer's obligation with regard to any Item and shall not obligate Bank to return any Item if it is otherwise properly payable.

**d. Teller Positive Pay.** All Positive Pay Accounts will interface with Bank's teller system unless otherwise agreed by Bank. Bank will compare Items presented for cash at a branch of Bank with Customer's Issue File if available. Customer agrees that Bank may refuse to cash any Item and such refusal will not be deemed to be a wrongful dishonor. In the event of dishonor, Bank will refer the presenter to Customer. Customer acknowledges that under some circumstances, issuance information submitted by Customer may not be reflected in Customer's Issue File until the opening of the following Business Day. Customer agrees to follow established procedures should it need to manually add an Item to the Issue File. Bank will make reasonable efforts to assist Customer, but Customer acknowledges that Bank may be unable to process such requests on a same day basis. In the event that Customer requests Bank not activate or temporarily deactivate teller positive pay, Customer agrees to assume all risk of loss for any Bank teller-cashed Item that would have been identified as an Exception Item prior to acceptance.

**e. Payee Positive Pay.** If Customer selects this option, Customer's Item stock shall first be tested to ensure it meets Bank's payee name readability

rate. Customer shall designate to Bank all Positive Pay Accounts that shall use Payee Positive Pay. In addition to the Item issue information provided by Customer for the positive pay service, Customer shall supply Bank with the payee name(s) for each Item issued by Customer. Customer shall be responsible for the accuracy and completeness of the payee information provided to Bank. In reliance on the payee information provided by Customer, Bank will compare the payee information on the Item with Customer's Issue File for Items presented in the back office and at the teller line. Customer acknowledges that Bank will not be able to validate payee information for electronically converted Items presented to Bank for payment. Bank may, in its sole discretion, impose variable parameters for which the payee information will not be reviewed for certain Items processed through the back office. If such parameters are imposed, Bank agrees to assume the risk of loss for an Item that would have been identified as an Exception Item solely on the basis of the payee information. Customer agrees to cooperate fully with Bank for the purpose of investigation and collection of such Item.

**f. Teller Payee Positive Pay.** If Customer selects this option, Customer shall designate to Bank all Positive Pay Accounts that shall use Teller Payee Positive Pay. In addition to the Item issue information provided by Customer for the positive pay service, Customer shall supply Bank with the payee name(s) for each Item issued by Customer. Customer shall be responsible for the accuracy and completeness of the payee information provided to Bank. In reliance on the payee information provided by Customer, Bank will compare the payee information on the Item presented for cash at a branch of Bank with Customer's Issue File. Customer agrees that Bank may refuse to cash any Item where the payee name is not an exact match and such refusal will not be deemed to be a wrongful dishonor. In the event of dishonor, Bank will refer the presenter to Customer. Customer acknowledges that under some circumstances, issuance information submitted by Customer may not be reflected in Customer's Issue File until the opening of the following Business Day.

#### 4. Reverse Positive Pay

**a. The Paid File.** Customer shall identify all accounts subject to Reverse Positive Pay. When an Item is presented for payment against an identified Positive Pay Account, Bank shall notify Customer prior to the designated time, and in no case later than the Business Day following the day of presentment, of the Account number, Item number and amount of the presented Item (the "Paid File") and, if requested and available, shall provide Customer with the front and back images of the Items. By electing Reverse Positive Pay, Customer assumes all fraudulent and other risks associated with teller-cashed Items unless Customer provides standing instructions to Bank to disallow encashment at the teller line.

**b. Payment Instructions.** Customer shall compare the information provided by Bank with Customer's Item issuance records. Customer shall notify Bank prior to the Deadline established by Bank of Customer's decision on any reported Items that should be dishonored. Bank may rely on any instructions received from Customer that it reasonably believes to be genuine. Bank is authorized to finally pay any Item listed on the Paid File unless the Customer instructs Bank to return the Item prior to the established Deadline. Bank shall have no responsibility for any liability, loss or damage resulting from (a) a payment in accordance with this Section of any Item that is altered or unsigned or which bears the forged or unauthorized signature of Customer or (b) return of any Item to the depository bank in accordance with this Section. Bank reserves the right to require Customer to place a stop payment order on any Item to be returned. Any such orders will be subject to Bank's customary stop payment fee. Customer shall notify Bank by the designated Deadline if the Paid File has not been received from Bank. Bank will make reasonable efforts to provide the Paid File to Customer and honor Customer's instructions. Bank's failure to provide a Paid File will not discharge Customer's obligation with regard to any Item that was otherwise properly payable at the time of presentment.

#### 5. Positive Pay – ACH Service

Positive Pay – ACH Service assists Customer in detecting fraud by electronically matching incoming ACH transactions to authorizations that Customer can create and manage online. If ACH Positive Pay Service is selected by Customer, Customer shall designate the account(s) maintained at Bank that are to be used with the ACH Positive Pay Service. Customer shall

create authorizations for incoming ACH Debit Entries that it desires to post to the Positive Pay Account. Customer shall be responsible for the accuracy and completeness of all information provided to Bank. Bank will allow incoming ACH Entries that match Customer's authorizations to post to Customer's Positive Pay Account. Incoming ACH transactions that do not match Customer's authorizations will be treated as Exception Items, and Customer agrees to monitor, review and make payment decisions on the Exception Items prior to Bank's established Deadline. If Customer's requested default setup is for Bank to pay all Exception Items, then such Exception Items shall remain paid unless Customer has instructed Bank to return one or more Exception Items prior to the established Deadline. If Customer's requested default setup is for Bank to return all Exception Items, then Bank is authorized to return all Exception Items unless Customer instructs bank to pay one or more Exception Items prior to the established Deadline. Bank shall have no responsibility for any liability, loss or damage resulting from: (a) payment in accordance with this Section of any exception item that is unauthorized; (b) the return of any exception item to the Originator in accordance with this Section; or (c) Customer's failure to meet Bank's established Deadlines. Bank's failure to report a discrepancy will not discharge Customer's obligation with regard to any item and shall not obligate Bank to return any item if it is otherwise authorized.

#### 6. Recommended Security Procedures

Bank considers its Positive Pay Services and ACH Block Maintenance Service described below to be included within Bank's security procedures for protection of fraudulent activity against Customer's Account(s). Customer acknowledges the availability of these Services and their effectiveness in controlling the risk of unauthorized Items and transactions. To the fullest extent permissible under applicable law, by waiving enrollment in Positive Pay Services and/or ACH Block Maintenance Service, or by choosing not to use or failing to use such Services in accordance with their applicable terms, Customer understands and agrees that Customer has assumed the risk of any losses that reasonably could have been prevented if Customer had used the Positive Pay Services and/or ACH Block Maintenance Service, as applicable, and that Bank has exercised ordinary care in the payment of Items or transactions drawn or paid against Customer's Account as provided by Articles 3, 4 or 4A of the Uniform Commercial Code as adopted in the State of Texas, or as otherwise provided in the NACHA Rules.

##### I. ACH Block Maintenance

If Customer elects and Bank agrees to offer the ACH Block Maintenance Service, Bank will return each ACH Debit Entry Bank receives for payment from Account(s) except for those Entries specifically authorized by Customer as indicated on the Service Documentation. Customer waives any claim of wrongful dishonor or return associated with any Entry that is so returned and agrees that Bank will not provide other notice of the receipt or return of any such Entry. Customer further requests Bank to allow only Entries indicated on applicable Service Documentation as it may be modified from time to time. Such modifications shall not be binding upon Bank until it has received the required written notice and has had a reasonable opportunity to act on such instructions.

##### J. Remote Deposit Services

###### 1. Introduction

Customer subscribes to, and Bank agrees to provide, as part of the Services, Remote Deposit Services. The Remote Deposit Service enables Customer to submit to Bank, for deposit to Customer's account(s), electronic check images and associated information ("Check Image(s)") in lieu of the original checks from which such Check Images were obtained.

###### 2. Laws, Rules and Regulations

Customer agrees to comply with all existing and future operating procedures used by Bank for processing of transactions. Customer further agrees to comply with, and to be bound by, all applicable state or federal laws, rules and regulations affecting the use Check Images, including but not limited to, rules and procedural guidelines established by the Texas Department of Banking, the Federal Deposit Insurance Corporation ("FDIC"), Federal Trade Commission ("FTC"), the Federal Reserve, National Check Exchange ("NCE"), Small Value Payments Company ("SVPCo"), Viewpointe, Endpoint Exchange, Electronic Check

Clearing House Organization (“ECCHO”) and any other clearinghouse or other organization in which Bank is a member or to which rules Bank has agreed to be bound or is bound by operation of law.

### 3. Equipment and Software

Bank is not responsible for and shall not be liable with respect to any loss or damage to Customer with respect to, any failure of the equipment, software or services or any failure in the transmission of any Check Image to Bank. Notwithstanding anything in this Agreement to the contrary, if Bank provides any software in connection with the Service, Customer may use that software on only one machine. The software may not be provided to an agent without Bank’s prior written consent, which may be conditioned upon the agent’s agreement to contractual terms that are acceptable to Bank. Bank is not responsible for any computer virus or related problems that may be associated with using electronic mail or the Internet to deliver Services. Bank is not responsible for any errors or failures resulting from defects in or malfunctions of Customer’s computer hardware or software. Bank advises Customer to scan its computer hardware and software on a regular basis using a reliable computer virus detection product in order to detect and remove computer viruses.

### 4. Images and Deposit Deadlines

Customer shall submit Check Images to Bank in such format, and with such associated check information, as Bank may specify from time to time. Check Images will be deemed to have been accepted by Bank for deposit on the date that the deposit is acknowledged by Bank’s systems. Unless otherwise specified, acknowledgement of deposits will be in the Central Time Zone. The Deadline for same day credit is communicated via the Service Documentation. Deposits made after the Deadline will be posted the following Business Day. Availability of deposits is based on Bank’s normal availability schedule as in effect from time to time unless Bank and the Customer have agreed on a different availability schedule. Bank reserves the right to reject any single Check Image or group of Check Images for any reason, before or after confirmation.

### 5. Transmission of Deposits

To ensure accuracy, Customer shall balance the deposit dollar amount to the sum of the Items (“Balanced Deposit”) prior to transmitting the Deposit in accordance with the procedures. Customer may send multiple deposits to Bank throughout the day unless otherwise specified by Bank. Bank may establish a daily limit of the total dollar amount of deposits transmitted by Customer on a single day (“Deposit Limit”). The Deposit Limit will be determined based on the typical dollar amount of deposits transmitted by Customer on a single day and may be adjusted based on underwriting criteria established by Bank. If the total dollar value of the deposit exceeds the Deposit Limit, Bank may, at its option, refuse to accept the deposit that exceeds the Deposit Limit, or Bank may accept and process the deposit. Customer agrees not to exceed the Deposit Limit. Bank reserves the right to change the Deposit Limit. These modifications are effective immediately and may be implemented prior to Customer’s receipt of the newly established Deposit Limit. Customer may contact Bank at any time to verify the current Deposit Limit.

### 6. Representations and Warranties

Customer warrants and represents, with respect to each Check Image submitted to Bank, that: (a) Customer is authorized to deposit each Check Image; (b) the Check Image accurately represents all of the information on the front and back of the original check, and that all such information is legible on the Check Image; (c) no person will receive presentment of the original check, a substitute check based on the original check, or a paper or electronic representation of the original check or a substitute check, such that that person will be asked to make a payment based on a check that it has already paid; (d) each Check Image meets the ANSI X9.37 standards for image quality (or such additional standard as may be adopted from time to time); (e) both the Customer and the clients with whom it does business are reputable and are not using Bank as a conduit for money laundering or other illicit purposes; and (f) transactions processed by Bank are not prohibited by any applicable law, regulation, rule, order or judgments.

### 7. Physical Check Retention and Internal Controls

Customer shall assume all responsibility for destroying the imaged physical

checks with a minimum retention of sixty (60) days after processing. Physical checks shall be stored in a secure manner during the retention period and shall be properly shredded in accordance with industry standards after the retention period has expired. Upon request, Customer shall allow Bank to review Customer’s controls with respect to the storage and destruction of the physical checks and adhere to Bank provided best practices and procedures. Customer shall provide written notice to Bank of any changes to the information provided by Customer to Bank, including but not limited to: additional locations, any change in business, any new business, the identity of principals and/or owners, the form of business organization, type of goods and services provided, and method of conducting sales. Such notice must be received by Bank within five (5) Business Days of the change. Further, upon Bank’s request, Customer shall provide updated information within five (5) days of such request. Bank retains the right to (a) review Customer’s Item and business activity from time to time to confirm Customer is conducting business as stated by Customer at the time of the execution of this Agreement, and (b) re-price or terminate Bank’s services based on changes to the facts previously stated by Customer.

### 8. Foreign Deposited Items

Customer shall not scan any foreign Items for deposit, even if they are in U.S. Dollars. Bank cannot allow any Item drawn on a foreign bank to be scanned and sent via electronic image. Examples of items that would not be accepted are those drawn on Banks in Canada, Mexico, or Europe, among others.

### 9. Endorsements

Customer is responsible for proper endorsement of checks and Check Images prior to submitting the same to Bank for deposit via Remote Deposit Services, including, without limitation, the inclusion of any restrictive endorsement language required by Bank. Customer understands and agrees that all items deposited by Customer via Remote Deposit Services must contain the restrictive endorsement “For mobile deposit at PlainsCapital Bank only” followed by the Customer’s account number and date of deposit. Customer further agrees to indemnify and hold harmless Bank, as set forth in and in addition to all matters addressed in Section A(10) of this Agreement, from and against any and all losses, costs, suits, damages, claims, liabilities and expenses (including reasonable attorney’s fees) arising from or relating to the deposit of the original check at any other financial institution or business. Additionally, Customer may request that Bank endorse checks electronically in lieu of physical endorsement if transmitted to Bank through Remote Deposit Services software. In such case that Customer directs Bank to make an electronic endorsement, Customer shall indemnify and hold Bank harmless for any endorsement made on Customer’s behalf.

### 10. Substitute Checks

Customer shall not scan any substitute checks for deposit. Substitute checks are printed representations of the original check that were converted to paper from an electronic image.

### 11. Contingency Plan

Customer agrees that in the event that Customer is not able to capture, balance, process, or otherwise transmit a deposit to Bank for any reason, including but not limited to communications, equipment or software outages, interruptions or failures, Customer will transport the physical checks and deposits to the closest office of Bank and deposit the original checks with Bank until such time that the outage or other interruption can be identified and resolved.

## K. Lockbox Services

### 1. Lockbox Service Requirements

Bank provides retail and wholesale lockbox services (“Lockbox Services”) in house or through third party vendors to assist Customers in expediting receipt of their remittances. As it relates to Lockbox Services, “Bank” shall have the meaning of Bank and / or third party vendor where applicable. Customer agrees to terms of this entire Agreement where applicable to third party vendors. Customer will have its customers forward their payments to the location designated by Bank (“Lockbox”). Prior to initiation of Lockbox Services, Customer must maintain a demand deposit account with Bank.

**2. Access to Mail**

Customer authorizes Bank to pick up mail at the appropriate postal facility, to have custody of the keys or combinations and unrestricted and exclusive access to such box, and to collect the mail therein to be processed by Bank as agreed by the parties. Bank shall process remittances in accordance with its standard procedures or in accordance with prior instructions received from Customer and agreed to by Bank. Upon termination of Customer's Lockbox Service, mail will be marked "Return to Sender" unless otherwise instructed by Customer.

**3. Proprietary Rights**

Bank possesses all proprietary rights to written material, including, without limitation, all computer programs written for Bank's Lockbox processing system, portable media, listings, and other documentation originated and prepared by Bank. Customer shall not duplicate, sell, or use in any manner such programs or documentation without the prior written consent of Bank.

**4. Collections/Availability**

Unless otherwise agreed, while Customer receives Lockbox Services, all collected funds held in the account shall be deemed to be Customer's funds for all purposes, including adjustment, attachment, execution, garnishment and other forms of legal process. The crediting and collection of items will be handled under the same agreement as applied to other commercial deposits and shall be subject to Bank's then current funds availability schedule.

**5. Transmission of Information**

Bank shall transmit to Customer remittance information or other information received at the lockbox ("Lockbox Information") via secure electronic transmission. Customer acknowledges that the Lockbox Information may include consumer information that is confidential and may be subject to privacy laws and regulations, including unauthorized access or breach notification regulations. Customer further acknowledges that Bank has a duty to protect Lockbox Information and ensure that it is safely delivered to Customer and that Bank has deemed secure electronic transmissions to be the safest mechanism for delivery. If Customer elects to receive the Lockbox Information using other delivery means including paper reports, CDs, DVDs, or other portable electronic media, Customer acknowledges that such delivery means are susceptible to risk and agrees that Bank shall not be liable for any obligations, liability or losses that results from the non-receipt, disclosure, dissemination, alteration or unauthorized access of the Lockbox Information.

**6. Retail Lockbox Processing**

Bank is authorized to open each envelope and remove the contents, disregarding all notations and other marks on the envelopes. Bank shall not examine checks or other items with respect to payee names, check dates and check signatures. Bank is not required to retain remittance envelopes or forward them to the Customer. Bank will disregard any restrictive notation on any check, including but not limited to "paid in full", whether preprinted or handwritten, and shall treat any such check as though such language did not appear thereon. Bank will process, endorse and deposit remittances in accordance with its standard procedures. If Bank is unable to determine the amount of a check, such check will be forwarded to Customer as non-processable. Bank will deliver miscellaneous enclosures, non-processable transactions and remittance data in accordance with the Implementation Documents. Payment coupons and envelopes submitted to Bank for processing must meet the specifications designated by Bank from time to time. All changes in coupon and return envelope design are subject to prior testing and approval by Bank. Bank may adjust the price for processing Customer's payments if changes are made to Customer's coupons and/or envelopes (including coupon scan line configuration) without such prior approval.

**7. Wholesale Lockbox Processing**

Bank is authorized to remove and examine the contents of each envelope in accordance with Bank's wholesale lockbox servicing guidelines and shall observe the following guidelines provided in this Section unless otherwise dictated by Customer in accordance with the Service Documentation. Bank shall capture, format and send remittance data to Customer via information reporting or data transmission in accordance with the Service Documentation. Customer shall not use any form of prepaid business reply mail envelopes for

its lockbox remittances and shall review any proposed envelope changes with Bank prior to use.

**a. Check Date.** Bank will not examine any checks or other items with respect to check dates.

**b. Check Amount.** If Bank is unable to determine the amount of a check, such check will be forwarded unprocessed to Customer as an exception.

**c. Payee.** Checks made payable to the acceptable payees listed in the Service Documentation or any reasonable derivation thereof are acceptable for deposit. Checks made payable to others will be returned by Bank as exceptions.

**d. Missing Signature.** In the absence of a signature, Bank will process the check.

**e. Exceptions.** If a check is treated as an exception, it will be forwarded by Bank to Customer with the remittance data, and not deposited or otherwise reflected in the account of Customer.

**f. Correspondence.** Any correspondence, invoices and miscellaneous enclosures which are included with a payment, as well as any envelope that does not contain a check, will be returned to Customer.

**g. Notation.** Customer agrees that Bank shall make reasonable efforts to act on Customer's instructions regarding checks containing "paid in full" or other restrictive notation, whether preprinted or handwritten. Customer further agrees that Bank shall not be liable for identifying or failing to identify such notations.

**8. Imaging Services**

If Customer elects and Bank agrees to provide imaging services for all Customer remittance, correspondence, and checks, Customer agrees that Bank shall destroy all original documentation in a period not to exceed thirty (30) days unless otherwise requested by Customer. Customer also agrees that if document retention services are requested beyond thirty (30) days, additional fees may apply.

**L. Controlled Disbursement Services****1. Disbursement Account**

If requested by Customer and agreed to by Bank, Customer will open and maintain a demand deposit account ("Disbursement Account") and a primary funding account ("Funding Account") in accordance with Bank's Deposit Agreement. Bank reserves the right to require customer to use Bank's positive pay service in conjunction with the use of Disbursement Account(s). Customer hereby authorizes and directs Bank to act on its behalf and as its agent, as Bank in its sole discretion deems necessary or advisable, in performing any of the Controlled Disbursement Services and related Services.

**2. Funding Procedures**

On each Business Day, Bank shall electronically provide Customer with a report of the total aggregate amount of all presented disbursement checks to the Disbursement Account (the "Total Clearings"). Customer agrees to maintain sufficient collected balances in the Funding Account by the established deadline to fund the Total Clearings. Bank is hereby authorized to debit the Funding Account in an amount equal to the actual or estimated Total Clearings and to transfer funds in said amount for credit to the Disbursement Account. Bank reserves the right to convert the Disbursement Account into a standard prepaid checking account at any time upon notice to Customer. If Customer elects and Bank agrees to allow ACH disbursements drawn on the Disbursement Account, Customer agrees to utilize Bank's primary Routing Number (111322994) for those ACH disbursements. Customer also acknowledges that the Total Clearings report will only reflect total disbursement checks drawn on the Disbursement Account and agrees to fund the entire amount of ACH disbursements in addition to Total Clearings.

**3. Special Circumstances**

Customer acknowledges that Bank, under some circumstances beyond its control, may at times be unable to provide a report of the total amount of its

Total Clearings early enough for Customer to make a complete and acceptable funding of the accounts. Customer nevertheless agrees to fund the Funding Account completely by using an estimate of the Total Clearings.

#### 4. Return of Items Unpaid

Bank reserves the right, with reasonable notification, to return unpaid any or all Items presented for payment against the Disbursement Account in the event that: (a) there are insufficient collected and available balances on deposit in the Funding Account by the established deadline to fund the Total Clearings; (b) debits cannot be posted because the Disbursement Account or Funding Account is frozen, blocked, closed or because of any other condition; or (c) any communications failure or other condition prevents Bank from monitoring Customer's Items presented for payment.

#### 5. Stop Payment Orders

Customer may issue stop payment orders on Items drawn on the Disbursement Account in accordance with Bank's procedures.

### M. Cash Vault Services

#### 1. U.S. Currency

The Terms "cash", "coin", "note", "check" and "currency" as used herein shall refer to coin and currency of the United States. Customer shall not deposit coin or currency of any other country.

#### 2. Account

All deposits of cash, currency, coin, notes and checks will be credited to, and all withdrawals of cash, currency, coin, notes and checks will be debited against, Customer's deposit account at Bank which Customer has designated as being covered by the Services described herein.

#### 3. Deposits

a. Customer shall supply and maintain clear, disposable, and tamper proof plastic bags for deposits. Plastic bags shall be sealed according to manufacturers' instructions. Customer will prepare deposits in good order as follows: (i) currency will be batched separately with each accompanied by a deposit ticket fully completed by Customer; (ii) currency will be banded with one hundred (100) notes of the same denomination whenever possible; (iii) deposits will be delivered by Customer's certified armored carrier to the secured facility specified by Bank; and (iv) to receive same date credit, deposits must be made prior to the daily cut-off time established by Bank from time to time; any deposits received by Bank after its daily cutoff time may be considered to have been received on the next Business Day.

b. Bank will process Customer's deposits as follows: (i) deposits will be receipted and conditional (subject to verification) credit assigned based on the amount identified on the deposit ticket; (ii) deposit tickets that are missing, blank or do not contain legible "declared balances are subject to delayed ledger credit of one Business Day; and (iii) coins and currency will be counted and Bank's count will be the valid and controlling count.

c. If there is a currency and coin variance from the declared amount on Customer's deposit ticket, Bank shall adjust Customer's currency and coin deposits through a separate debit or credit to Customer's account. Any such adjustment shall not be reflected on Customer's deposit ticket. Deposit tickets containing a declared total that includes check deposits, may require a separate and additional adjustment for any variances to Customer's check deposits. Bank will notify Customer by means deemed appropriate by Bank of any deposit for which Bank's count varies from Customer's count. Upon request, Bank will provide Customer with any available information which may assist Customer in reconciliation of the difference.

d. Deposited items will be deemed received on the day of delivery if Bank receives the deposit prior to Bank's established Deadline. Deposits will be processed in accordance with normal Bank procedure and any applicable availability schedules. All deposits made by Customer shall be subject to verification and adjustment by Bank. Bank's verification shall be deemed correct and binding upon Customer for all purposes, absent manifest error.

#### 4. Withdrawals

a. Bank may provide Customer with United States currency and coin in designated denominations from time to time as requested by Customer ("Change Orders"). All Change Orders will be charged to the account designated by Customer and must be picked up by Customer's agent. Only armored couriers may pick up Change Orders directly from a cash vault operated by Bank. Bank may release any Change Order to any individual that Bank reasonably believes to be Customer's agent. Customer shall be responsible for any Change Order after receipt thereof by the agent. Bank may specify a daily Change Order limit and Customer agrees that it will not initiate a Change Order in excess of the designated limit. In no event shall Customer initiate a Change Order in excess of the immediately available funds in the designated account.

b. Customer may order currency and coin from Bank as follows: (i) the preferred order for currency is in standard full strap quantities only; (ii) coin may be ordered in standard full box units (50 rolls), individual rolls or loose standard bags only; (iii) a charge for the face value of the monies ordered will be made to the Account on the day the order is processed by Bank; (iv) orders for coin and currency may be placed no later than the Deadline established by Bank from time to time for delivery on the next Business Day (depending on Customer's location, select cash vault sites may require a minimum two-day lead time for coin and currency orders); and (v) Bank must be notified of any discrepancies pertaining to currency or coin orders within two Business Days of receipt by Customer of such currency or coin. Customer must return documentation to back-up outages such as strap, coin, wrapper and/or box.

#### 5. Carrier Service

Any carrier service utilized to deliver or secure coin, currency or other property to or from Bank will act as the agent of Customer and not of Bank. Customer and carrier shall agree upon the delivery days and times. Customer will bear the entire risk of loss of coins, currency or other property of Customer when in the custody or control of Customer's carrier service.

#### 6. Representations

Customer represents and warrants to Bank that (a) all funds deposited with Bank will be the proceeds of, and all funds ordered and withdrawn from Bank will be intended for use in, Customer's lawful activities and (b) all of Customer's transactions hereunder will be conducted solely on Customer's behalf and not on behalf of any other person or entity.

#### 7. Regulatory Compliance

Customer shall provide Bank immediately upon request with any information, and otherwise shall cooperate with Bank in every way necessary in order to enable Bank to fulfill its obligations with respect to the reporting of transactions in coin and currency or any other regulatory requirement.

#### 8. Cash Vault Agents

Bank from time to time may use any third party or agent of Bank's choosing, at its sole discretion, to receive Customer's deposits, to deliver Customer's coin and currency orders, or to perform any other Cash Vault Services of Bank hereunder. Bank will provide Customer with all necessary instructions for contact with any such third party or agent. Except as otherwise specified herein, Bank's use of such a third party or agent shall not relieve Bank of its obligations or liabilities hereunder. Bank's ability to provide Cash Vault Services may depend upon its ability to provide or obtain access to a third party or agent, and in the event Bank determines, in its sole discretion, that it is unable to provide or obtain such access, Bank may discontinue the Cash Vault Services and shall have no liability to Customer for the unavailability of the Service.

In order to facilitate customer Change Order requests through a third party or agent, Bank may require a minimum lead time of one (1) Business Day, and in some cases longer, in order to fulfill the request. In all cases a customer's account will be debited the date the order is prepared, not the date of receipt.

Additionally, if cash vault deposits are accepted and processed through a third party or agent, funds will be made available one (1) Business Day after the third party or agent has reported the deposit. All deposits are subject to the accurate and timely reporting of the third party or agent.

## N. Collection Items

### 1. Introduction

If requested by Customer and agreed to by Bank, Customer may initiate and receive collection items regarding automobile drafts (“Automobile Drafts”), oil and gas lease drafts (“Lease Drafts”), insufficient funds checks (“NSF Checks”) and foreign dollar checks (“Foreign Checks”) (Automobile Drafts, Lease Drafts, NSF Checks and Foreign Checks are sometimes referred to herein individually as a “Collection Item” and collectively as “Collection Items”) through Bank, pursuant to the additional terms and conditions contained in this Section.

### 2. Compliance with Codes/Law

In addition to all other laws and regulations applicable to this Agreement, this Section is specifically and additionally subject to all applicable provisions of the Uniform Rules for Collections 522 (“URC 522”) (together with applicable provisions of the Uniform Commercial Code as adopted in the State of Texas, the “Codes”), the sanctions, laws, regulations and orders administered by Office of Foreign Assets Control, and all other applicable federal, state and local laws.

### 3. Preparation of Collection Items

**a. Incoming Collection Items.** Bank shall prepare all incoming Collection Items and related trust receipts.

**b. Outgoing Collection Items.** Customer shall prepare and deliver to Bank all outgoing Collection Items in accordance with the terms hereof, including the additional collection requirements set forth in the Service Documentation (the “Additional Collection Requirements”). Bank shall transmit outgoing Collection Items in accordance with the terms hereof, including the Additional Collection Requirements.

### 4. Processing and Settling Collection Items

Bank shall process and settle Collection Items in accordance with the terms hereof and the requirements of the Codes. Collection Items shall be deemed received by Bank when actually received at one of Bank’s collection locations (each, a “Collection Location” and collectively, the “Collection Locations”) set forth in the Additional Collection Requirements. Bank is under no requirement to process any Collection Item that does not conform to the terms of this Agreement. Bank shall notify Customer of the receipt of any nonconforming or returned Collection Item within one (1) Business Day of Bank’s receipt thereof; provided, however, that Bank shall have no obligation to resubmit a returned Collection Item.

### 5. Credit for Outgoing Collection Items

Customer may receive immediate ledger credit for deposited Automobile Drafts only, so long as Customer’s Account with Bank is subject to negative collected balance assessments. Credit to Customer for Collection Items other than those subject to the terms of the preceding sentence shall be given upon Bank’s receipt of funds from the collecting bank.

### 6. Payment for Collection Items

**a. Incoming Collection Items.** Customer shall pay all incoming Collection Items identified as “Site Collection” within three (3) Business Days of receipt thereof. Customer shall pay all other Collection Items within the time prescribed for each specific Collection Item. If payment from Customer for a Collection Item is not received by Bank on or before the Bank’s due date, Bank may either return such Collection Item to Customer or debit Customer’s Account for payment.

**b. Outgoing Collection Items.** Bank shall debit Customer’s Account (i) for any outgoing Collection Item for which Customer received credit and for which payment in full has not been received by Bank on or before thirty (30) calendar days from the date that such Collection Item was processed by Bank, and (ii) for any outgoing Collection Item that is returned to Bank without payment.

### 7. Customer Account

Bank may, without prior notice or demand, obtain payment of any amount due and payable to it under this Agreement by debiting Customer’s accounts

identified in the Collections Authorization Form to be provided by Bank upon request. Customer shall at all times maintain a balance of available funds in such accounts sufficient to cover its payment obligations under this Agreement. In the event that there are not sufficient available funds in such accounts to cover Customer’s obligations under this Agreement, Customer agrees that Bank may debit any Account maintained by Customer with Bank in order to obtain payment of Customer’s obligations under this Agreement. Upon request of Bank, Customer agrees to promptly provide to Bank such information pertaining to Customer’s financial condition as Bank may reasonably request.

### 8. Account Reconciliation

Collection Items processed by Bank or credited to Customer’s Account maintained with Bank will be reflected on Customer’s periodic statements issued by Bank with respect to the Account pursuant to the Deposit Agreement. Customer agrees to notify Bank promptly of any discrepancy between Customer’s records and the information shown on any periodic statement in accordance with the Deposit Agreement.

### 9. Data Retention

Customer acknowledges that it is bound by, and agrees to comply with, all applicable provisions of the Codes, and the State of Texas Retention Guide, with regard to Customer’s responsibilities to retain Collection Items and related source documents. Customer agrees to provide Bank with copies of any such documents upon request by Bank.

### 10. Exposure Limits

Customer agrees that the ability to deposit Collection Items is subject to and limited by Exposure Limits determined by Bank in its sole and absolute discretion, which Exposure Limits may be adjusted by Bank from time to time upon fifteen (15) days’ written notice to Customer. For purposes hereof, Exposure Limits are limits to the total deposited amount of Collection Items for which a corresponding Collection Item payment has yet to have been received.

### 11. Collection Authorized Users

**a.** Customer may designate authorized agents or individuals (each, a “Collection Authorized User” and collectively, “Collection Authorized Users”) by completing the Collections Authorization Form, to act on behalf of Customer with regard to Collection Items. Customer may change Collection Authorized Users at any time by completing and delivering to Bank a new Collections Authorization Form; provided, however, that any such changes will not be effective upon Bank until Bank’s Central Collection Department has received such Collections Authorization Form and has had a reasonable opportunity to act thereon.

**b.** If Customer believes or suspects any Collection Items to have been obtained from Bank by unauthorized persons, Customer agrees to immediately notify Bank. Notwithstanding the foregoing, no such notice shall affect the good faith Collection Services of Bank made prior to receipt of any such notification and Customer shall remain liable for the same.

**c.** Any Collection Item (or any request for cancellation, return or amendment of a Collection Item) received by Bank in good faith, which purports to have been authorized by Customer in accordance with the terms of this Agreement, shall be deemed a valid Collection Item or request and a valid obligation of Customer.

**d.** Bank may rely, and shall in no event incur any liability with respect to any action taken or omitted to be taken in reliance, upon any representation by an individual purporting to be a Collections Authorized User and having the reasonable appearance of one who is authorized to act as such pursuant to the Collections Authorization Form, and Bank shall not be responsible nor liable in any respect for any lack of actual authority of any such person.

### 12. Verbal Instructions

From time to time, Bank may choose, as an accommodation to Customer, to honor Customer’s request to give Bank verbal instructions regarding Collection Items. Customer agrees that Bank may, in good faith, rely on such verbal instructions that purport to come from Customer or its Collection Authorized Users and Customer shall hold Bank harmless from and against

any and all losses, claims, liabilities, damages, costs and expenses incurred or experienced as a result of Bank's reliance on such verbal instructions.

### 13. Rejection of Collection Items/Instructions

Bank is under no obligation to honor, either in whole or in part, and may reject, any Collection Item, or any instruction related thereto, which does not comply with the terms and conditions of this Agreement, or which violates any provision of the Codes or other federal, state or local law. Additionally, Bank may, at its sole and absolute discretion, reject any Collection Item that is not transmitted between financial institutions.

### 14. Cancellation or Amendment by Customer

Customer shall have no right to cancel or amend any Collection Item after its receipt by Bank. Notwithstanding the foregoing, Bank shall use reasonable efforts to act on a request by Customer for cancellation of or amendment to any Collection Item prior to Bank processing such item. Customer shall reimburse Bank for any expenses, losses, or damages Bank may incur in effecting or attempting to affect the cancellation or amendment of a Collection Item.

### 15. Responsibility for Content

In the performance of Bank's services with regard to Collection Items, Bank shall be entitled to rely solely upon the information, and the representations and warranties provided by Customer pursuant to this Agreement and shall not be responsible for the accuracy or completeness thereof. Customer shall at all times remain liable for the content and accuracy of each Collection Item.

## O. Cash Management Sweep Services

### 1. Definitions

For purposes of this Section, the following definitions shall apply: (a) "Sub Account" means Customer's Account that initiates Transactions for Zero Balance Sweep; (b) "Master Account" means Customer's Account that is affected by Sub Account Transactions; (c) "Available Funds" means the total of the collected funds in the Account as of the close of business on any Business Day, determined in accordance with the manner in which Bank generally provides credit for deposited checks and other Items; (d) "Credit" means any loan arrangement which is designated as a line of credit where Bank has agreed will be subject to the Services described herein; (e) "Credit Agreement" means any loan agreement, promissory note, guaranty or other agreement, instrument or document which evidences, secures or guarantees the Credit; (f) "Deficiency Amount" means the amount by which the Target Balance exceeds the amount of available funds as of the close of business on any Business Day; (g) "Excess Funds" means the amount of Available Funds as of the close of business on any Business Day which exceeds the Target Balance; (h) "Guarantor" means any guarantor, surety, accommodation party or joint obligor of the obligations of Customer under the Credit; (i) "Target Balance" means that amount of funds which Customer desires to maintain in the Account and which is mutually agreeable to Bank and Customer from time to time; and (j) "Transaction" means a Loan Transaction, Repayment Transaction, or Book Transfer between Account(s) at Bank.

### 2. Overdrafts

Bank may debit the Account(s) as set forth below, even though, subsequent to such debit, and as a result of additional transfers or withdrawals from the Account, the return of checks unpaid, or any other cause, the Account becomes overdrawn. In such event, Customer will be assessed Bank's then prevailing charges for overdrafts.

### 3. Zero Balance Sweep Option

a. As of the close of business on each Business Day, Bank will determine the amount of Excess Funds, if any. If Bank determines that there are Excess Funds, Bank will debit the Sub Account and credit the Master Account in an amount equal to the amount of Excess Funds.

b. As of the close of business on each Business Day, Bank will determine the Deficiency Amount, if any. If Bank determines that there is a Deficiency Amount, Bank will debit the Master Account in an amount equal to the amount by which such available balance is less than the Target Balance.

c. If Bank has agreed to provide any other service to Customer pursuant to which Bank is authorized to transfer Excess Funds from the Account, (i) these Terms and Conditions shall prevail over the terms and conditions of such other service, and (ii) Bank shall not be in default as to such other service solely by reason of not initiating the transfer of Excess Funds under such other service.

### 4. Credit Sweep Option

a. As of the close of business on each Business Day, Bank will determine the amount of Excess Funds, if any. If Bank determines that there are Excess Funds, Bank will debit the Account and credit the Credit in an amount equal to the lesser of (i) the amount of Excess Funds or (ii) the outstanding principal balance of the Credit (a "Repayment Transaction"); provided, however, that Bank will not be required to initiate any Repayment Transaction in an amount less than a minimum sum mutually agreeable to Bank and Customer. Customer grants Bank a security interest in and right of set-off with respect to the Account for purposes of effecting Repayment Transactions.

b. As of the close of business on each Business Day, Bank will determine the Deficiency Amount, if any. If Bank determines that there is a Deficiency Amount, Bank will charge the Credit in an amount equal to the lesser of (i) the amount by which such available balance is less than the Target Balance or (ii) the amount which is available to be borrowed under the Credit (the lesser of such amounts being referred to as the "Loan Amount"), plus the amount of any fees and charges under the Credit, and credit the Account in an amount equal to the Loan Amount (a "Loan Transaction"); provided, however, that Bank will not be required to initiate any Loan Transaction in an amount less than a minimum sum mutually established by Bank, and Bank will not be required to initiate any Loan Transaction if any default exists under any Credit Agreement or these Terms and Conditions or Bank is otherwise excused or prohibited under any Credit Agreement or applicable law from making an advance to Customer. In addition, Bank will not be required to initiate any Loan Transaction, and the Services hereunder shall immediately and automatically terminate without notice, if: (1) the Credit has matured or been terminated by Bank; (2) Customer has cancelled the Credit; or (3) Bank has demanded payment under the Credit.

c. If Bank has agreed to provide any other service to Customer pursuant to which Bank is authorized to transfer Excess Funds from the Account, (i) these Terms and Conditions shall prevail over the terms and conditions of such other service, (ii) Bank may initiate a Repayment Transaction or Loan Transaction under these Terms and Conditions in lieu of or prior to initiating the transfer of Excess Funds under such other service and (iii) Bank shall not be in default as to such other service solely by reason of not initiating the transfer of Excess Funds under such other service.

### 5. General Terms Applicable to All Investment Options

a. If an Investment Sweep Option has been requested and agreed to by Bank, Customer authorizes Bank to transfer funds on a manual or automated basis to and from the demand deposit account ("DDA") and investment device selected by Customer. Funds will be transferred between the accounts so that: (i) to the extent funds are available in either account, Customer's DDA maintains an average collected balance equal to a pre-established balance ("Peg Balance"); and (ii) any collected funds in the DDA that exceed the Peg Balance are invested by Bank as directed by Customer in accordance with this Agreement. Amounts invested in money market mutual funds, including investment income, will be liquidated and credited back to the DDA as needed so that the average collected balance of Customer's DDA equals the Peg Balance. Amounts invested in other investment options, including interest or other investment income, will be credited back to the Investment Option account. Bank may limit the amount of excess collected funds that it will invest on behalf of Customer on any particular Business Day. Bank may also impose a maximum redemption amount to bring the DDA to the Peg Balance on a particular Business Day. If Customer's Investment Option is not available on a given Business Day, then all excess funds will remain in the DDA until the next Business Day.

b. Bank is authorized to execute as Agent for Customer all certificates of ownership and other instruments required by law or by contract. Bank shall not be accountable for errors in judgment but only for gross negligence or willful misconduct. Bank shall not be required to comply with any direction

of Customer which in Bank's judgment, may subject it to liability or to defend or prosecute any suit or action unless indemnified in a manner and amount satisfactory to it.

c. Customer may, by written instrument executed by Customer and delivered to Bank, terminate this Service and withdraw from the account the principal and accumulated income upon paying all sums due to Bank and indemnifying Bank to its satisfaction against liabilities incurred in the administration of the account. (d) Bank will act as agent to invest on the order and for the benefit of Customer. The Services described herein are provided by Bank to Customer solely as bona fide treasury management services. Bank does not undertake any fiduciary obligation to Customer with respect to these services. Bank's duties to act for Customer hereunder are solely mechanical and administrative in nature.

#### **6. DDA Sweep**

a. **Terms.** If Customer chooses to invest excess funds in a DDA Sweep Account, Customer and Bank agree that such DDA Sweep Account shall be governed by the terms of the PlainsCapital Bank DDA Sweep Agreement, to be entered into by and between Customer and Bank.

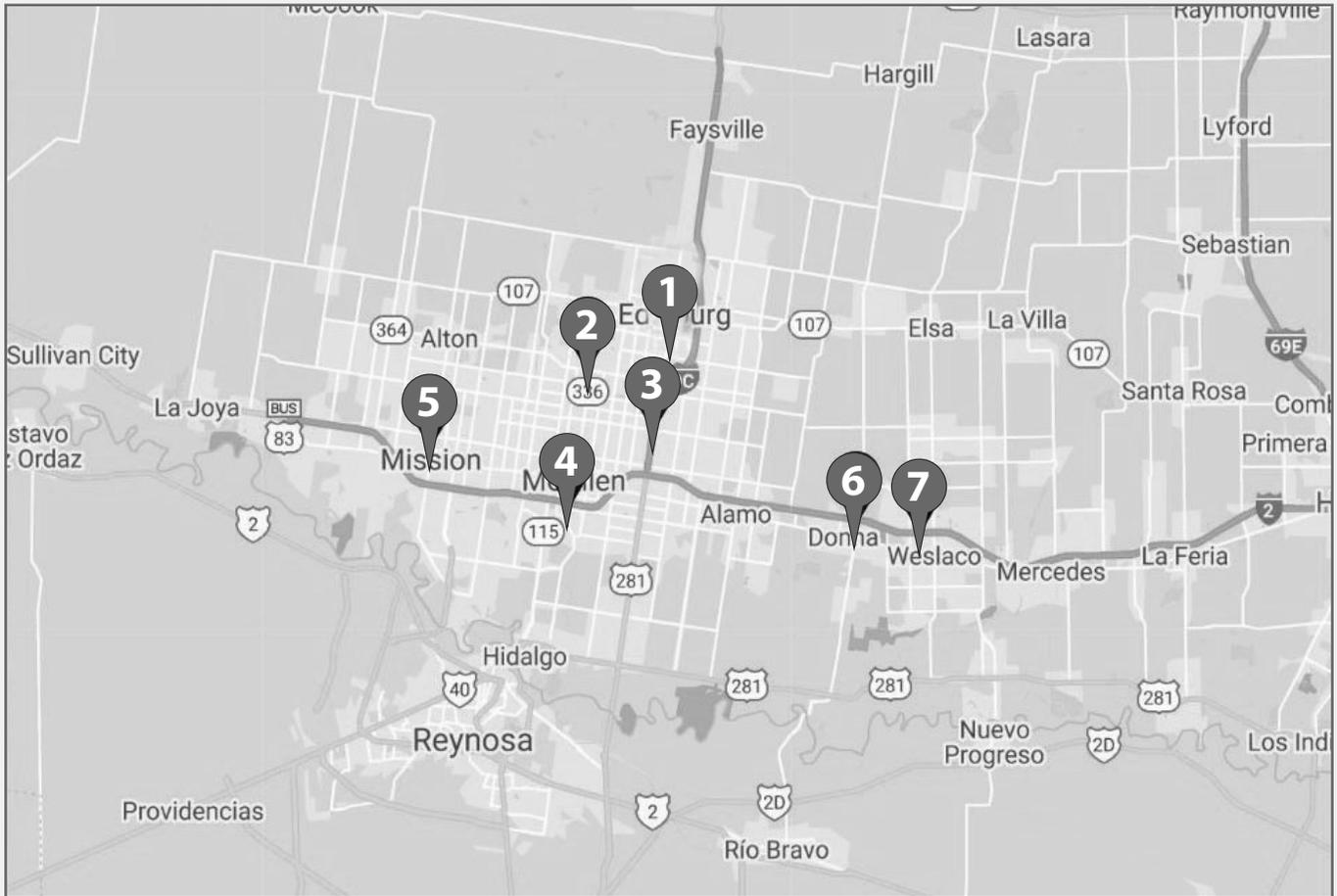
b. **IMPORTANT DISCLOSURES REGARDING DDA SWEEP ACCOUNTS.**  
**DEPOSITS IN DDA SWEEP ACCOUNTS ARE UNCONDITIONAL OBLIGATIONS AND DEPOSITS OF PLAINSCAPITAL BANK. DEPOSITS IN DDA SWEEP ACCOUNTS ARE INSURED BY THE FDIC UP TO APPLICABLE LIMITS.**

#### **7. Mutual Fund Sweep**

a. **Terms.** If Customer chooses the Mutual Fund sweep option, excess funds will be invested in the INVESCO fund offered for this service. INVESCO or related parties serve as investment advisor, custodian, transfer agent, and accounting services agent and receive compensation for such services as disclosed in the prospectus for the selected fund.

b. **IMPORTANT DISCLOSURES REGARDING MUTUAL FUND SWEEPS.**  
**FUNDS INVESTED IN THE MUTUAL FUND ARE NOT DEPOSITS, ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, ARE NOT OBLIGATIONS OF, OR GUARANTEED BY, THE UNITED STATES GOVERNMENT OR ANY AGENCY OR INSTRUMENTALITY THEREOF, PLAINSCAPITAL BANK, OR ANY OF ITS AFFILIATES, AND ARE SUBJECT TO INVESTMENT RISKS, INCLUDING LOSS OF PRINCIPAL OF THE AMOUNT INVESTED. IN ADDITION, AN INVESTMENT IN A MONEY MARKET MUTUAL FUND IS NEITHER INSURED NOR GUARANTEED BY THE U.S. GOVERNMENT AND THERE IS NO ASSURANCE THAT THE FUND WILL BE ABLE TO MAINTAIN A STABLE NET ASSET VALUE OF \$1.00 PER SHARE.**

c. **CUSTOMER ACKNOWLEDGMENTS.**  
**BY ACCEPTING THIS SERVICE, CUSTOMER HEREBY ACKNOWLEDGES THAT IT HAS RECEIVED A COPY OF THE PROSPECTUS OF ANY DESIGNATED FUND. PLAINSCAPITAL BANK IS NOT PROVIDING ANY INVESTMENT ADVICE HEREIN TO CUSTOMER AND MAKES NO REPRESENTATION OR WARRANTY AS TO THE SUITABILITY OR SAFETY OF THE INVESTMENTS IN ANY FUND OFFERED UNDER THIS SERVICE.**



**1 Cano**  
100 W. Cano St.  
Edinburg, TX 78539  
956.380.8530

**2 Trenton**  
7201 N. 10th St.  
McAllen, TX 78504  
956.664.4749

**3 Nolana**  
100 E. Nolana Loop  
Pharr, TX 78577  
956.283.2240

**4 S. 10th**  
1821 S. 10th St.  
McAllen, TX 78503  
956.928.3750

**5 Mission**  
1709 N. Conway Ave.  
Mission, TX 78572  
956.519.5999

**6 Donna**  
503 N. D. Salinas Blvd.  
Donna, TX 78537  
956.464.1510

**7 Weslaco**  
911 W. Expressway 83  
Weslaco, TX 78596  
956.973.3070

# PlainsCapital Bank Primary Contacts

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VP Public Funds Officer

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## Dina Garcia

Public Funds Specialist

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## Alvin Shenk

SVP Central and South Texas Sales Manager

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## Treasury Client Support

Phone Number: 214.252.4005  
Email: [tmsupport@plainscapital.com](mailto:tmsupport@plainscapital.com)

*\*Upon award of the Depository Contract, Bank will provide cell phone numbers for urgent matters and after hours assistance.*

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Item 3C

**HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY**

**AGENDA RECOMMENDATION FORM**

BOARD OF DIRECTORS	<u>    X    </u>	WORKSHOP ITEM	<u>    3C    </u>
PLANNING COMMITTEE	<u>          </u>	DATE SUBMITTED	<u>  03/19/2024  </u>
FINANCE COMMITTEE	<u>          </u>	MEETING DATE	<u>  03/26/2024  </u>
TECHNICAL COMMITTEE	<u>          </u>		

1. Agenda Item: **RESOLUTION 2024-23 – CONSIDERATION AND APPROVAL OF AWARD OF CONTRACT TO INTERTEK PSI AND MEG ENGINEERS FOR CONSTRUCTION MATERIALS TESTING LAB AND FORENSIC SERVICES FOR THE 365 TOLLWAY PROJECT.**
  
2. Nature of Request: (Brief Overview) Attachments:  Yes  No  
Consideration and approval of award of contract for CMT Lab and Forensic services for the 365 Tollway Project.
  
3. Policy Implication: Board Policy, Local Government Code, Texas Government Code, Texas Transportation Code, TxDOT Policy
  
4. Budgeted:  Yes  No  N/A
  
5. Staff Recommendation: **Motion to approve Resolution 2024-13 – Consideration and Approval of award of contract to Intertek PSI and MEG Engineers for Construction Materials Testing Lab and Forensic Services for the 365 Tollway Project, as presented, as presented.**
  
6. Program Manager’s Recommendation:  Approved  Disapproved  None
  
7. Planning Committee’s Recommendation:  Approved  Disapproved  None
  
8. Board Attorney’s Recommendation:  Approved  Disapproved  None
  
9. Chief Auditor’s Recommendation:  Approved  Disapproved  None
  
10. Chief Financial Officer’s Recommendation:  Approved  Disapproved  None
  
11. Chief Development Engineer’s Recommendation:  Approved  Disapproved  None
  
12. Chief Construction Engineer’s Recommendation:  Approved  Disapproved  None
  
13. Executive Director’s Recommendation:  Approved  Disapproved  None

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY  
BOARD RESOLUTION No. 2024 - 23

**CONSIDERATION AND APPROVAL OF AWARD OF CONTRACT TO INTERTEK  
PSI AND MEG ENGINEERS FOR CONSTRUCTION MATERIAL TESTING LAB  
AND FORENSIC SERVICES OF THE 365 TOLLWAY PROJECT**

THIS RESOLUTION is adopted this 26<sup>th</sup> day of March 2024 by the Board of Directors of the Hidalgo County Regional Mobility Authority.

WHEREAS, the Hidalgo County Regional Mobility Authority (the "Authority"), acting through its Board of Directors (the "Board"), is a regional mobility authority created pursuant to Chapter 370, Texas Transportation Code, as amended (the "Act"); and

WHEREAS, on November 17, 2005, the Texas Transportation Commission (the "Commission") created the Authority pursuant to (i) the Act; (ii) Title 43, Texas Administrative Code; (iii) a petition of the Hidalgo County Commissioners Court (the "County"); and (iv) findings by the Commission that the creation of the Authority would result in certain direct benefits to the State of Texas (the "State"), local governments, and the traveling public and would improve the State's transportation system; and

WHEREAS, the Act allows the Authority to construct transportation projects within the County, including the 365 Tollway Project (the "Project"); and

WHEREAS, the Authority issued a request for Statements of Qualifications for Construction Materials Testing Laboratory Services and Forensic Investigation and Evaluation of In-Place Construction Materials for the 365 Tollway Project (the "SOQ"); and

WHEREAS, the Authority received two (2) responses to the SOQ from Millennium Engineers Group and Intertek PSI.; and

WHEREAS, both respondents were determined to be qualified; and

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY THAT:

Section 1. The recital clauses are incorporated in the text of this Resolution as if fully restated.

Section 2. The Board authorizes the Executive Director to negotiation a professional service agreement with Millenium Engineers Group and Intertek PSI.

Section 3. Upon satisfactory negotiation of the terms, conditions and rates with the two firms, the Board authorizes the Executive Director to execute a professional service agreement with each firm.



PASSED AND APPROVED AS TO BE EFFECTIVE IMMEDIATELY BY THE BOARD OF DIRECTORS OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY AT A REGULAR MEETING on the 26<sup>th</sup> day of March, 2024, at which meeting a quorum was present.

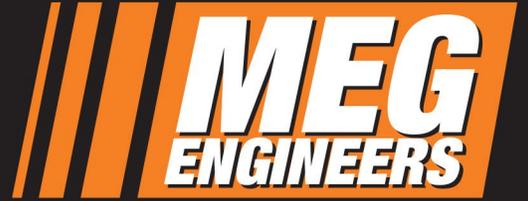
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S. David Deanda, Jr., Chairman

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Juan Carlos Del Ángel, Secretary/Treasurer

# Professional Geotechnical and Environmental Engineering Services



## Primary Contact

Sergio Tovar  
Director of Operations  
stovar@megengineers.com



## Contact Us



<https://megengineers.com/>



[apalma@megengineers.com](mailto:apalma@megengineers.com)



(956) 702-8500



## MEG ENGINEERS – PHARR



5804 N. Gumwood Ave.  
Pharr, Texas 78577





February 28, 2024  
 Hidalgo County Regional Mobility Authority  
 203 W. Newcombe Avenue  
 Pharr, TX 78577



Pharr  
 San Benito  
 Laredo  
 Austin  
 San Antonio  
 Odessa  
 Houston  
 Eagle Pass



**Request for Qualifications**  
*"Construction Materials Testing, Laboratory Services, and Forensic Investigation and Evaluation of In-place Construction Materials"*  
 RFQ# 2024-01

Dear Hidalgo County Regional Mobility Authority,

Hidalgo County Regional Mobility Authority is looking for the most qualified engineering firm to work various projects to provide CMT, Lab, and Forensic Services for Hidalgo County Regional Mobility Authority. Millennium Engineers Group, Inc. (MEG) is that firm. We believe that MEG is the right choice for Hidalgo County Regional Mobility Authority based on the following:

**History of Stability and Strong Texas Presence**

MEG is locally owned corporation that has never been sold, acquired, or merged with other entities. We are confident that the people and company you see in today will be the people and company you see for the life of your projects. Furthermore, Mr. Raul Palma, P.E. CEO and Project Manager of MEG has 39 years of engineering experience in the Texas and is the former TxDOT Pharr Materials Engineer. MEG has offices in Pharr, Laredo, San Benito, Odessa, Houston, San Antonio, and Austin Texas with fully functional and accredited testing labs. MEG is stable and we have invested in the future. We are consistent and we are not going anywhere. We believe MEG has placed together a team that is the most highly qualified to perform the services requested by Hidalgo County Regional Mobility Authority. Our firm is a certified Disadvantage Business Enterprise (DBE), Minority Business Enterprise (MBE) and Historically Underutilized Business (HUB).

**Experienced Project Manager**

As your project manager, I have spent over 39 years working on Texas projects including 21 years as the CEO and chief engineer of MEG completing various successful projects within all of Texas

**Pride in Execution**

MEG is acutely aware of the financial and management challenges facing most entities these days.

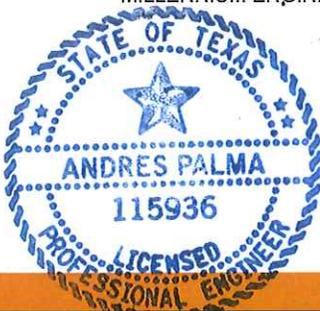
We are committed to:

- Working to identify and implement projects in the most cost-effective manner.
- Communicating closely with the client to meet your requirements and schedule
- Knowledge and geotechnical solutions for cost effective construction methods.
- Dedicated to quality: AASHTO and USACE accredited laboratory.
- The most AASHTO accreditations of any laboratory in Texas



Our team is thrilled about the opportunity to serve Hidalgo County Regional Mobility Authority and is ready to start immediately upon selection. If you have any questions or would like to discuss our approach or team capabilities in greater detail, please contact me at any time at apalma@megengineers.com. Thank you for your consideration.

Respectfully,  
 MILLENNIUM ENGINEERS GROUP, INC TBPELS Firm No.: F-3913





# ABOUT MEG ENGINEERS

Government and municipal agencies, educational institutions, architects, engineers, real estate developers, constructors, and private sector clients. Our strength is our people; combining their experience and collaborating as a unit enables us to quickly identify our roles and deliver accurate cost-effective deliverables. Whether defining a new working relationship or continuing to the next project our mission remains the same: to achieve yours.

## History

MEG was founded in 2001 by Mr. Raul Palma, P.E. on the principles of honesty, integrity, and service. The goal to provide innovative geotechnical and material testing services, continue to raise the level of quality in the local profession, and make a difference in the community. Today, MEG provides a full range of integrated geotechnical engineering and consulting services, construction material engineering and testing, environmental engineering, forensic testing, and consulting services. Our philosophy and practices have been positively reflected in both client and employee loyalty and contribute to a steady growth in a diversity of projects.

MEG is accredited by the American Association of State Highway and Transportation Officials (AASHTO) and the United States Army Corps of Engineers (USACE). MEG is audited by and independent AASHTO & USACE auditor, as part of our accreditation process.

MEG meets the requirements for ASTM E329 Standard of Recommended Practice for Inspection and Testing Agencies, and maintains yearly proficiency testing samples to AASHTO, USACE, TxDOT, and TxAPA.



MEG Corporate Headquarters – Pharr, Texas



# MEG COMPANY OBJECTIVE

MEG is a minority owned and operated business certified as:

- Historically Under-utilized Business (HUB)
- Small Business Enterprise (SBE)
- Minority Business Enterprise (MBE)
- Emerging Small Bus. Enterprise (ESBE)
- Hispanic American Bus. Enterprise (HABE)
- Disadvantaged Business Enterprise (DBE)

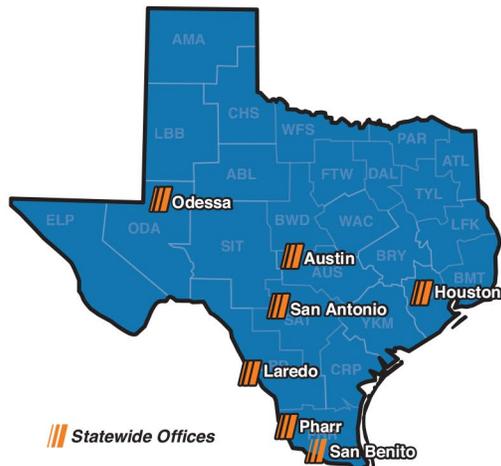
MEG has the most AASHTO accreditations of any laboratory in



## LABORATORY EQUIPMENT

MEG meets the requirements for ASTM E329 Standard of Recommended Practice for Inspection and Testing Agencies, and maintains yearly proficiency testing samples to AASHTO, USACE, TxDOT, and TxAPA.

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>■ Atterberg Limits</li> <li>■ 4-Sieve Analysis Shakers</li> <li>■ 3-Sample Splitters Moisture Contents</li> <li>■ Minus No.200 Sieve Analysis</li> <li>■ Dry Sieve Analysis</li> <li>■ Moisture Density Relationships</li> <li>■ Density Testing</li> <li>■ California Bearing Ratio (CBR)</li> <li>■ Optimum Cement or Lime Content for</li> <li>■ Stabilization of Soils</li> <li>■ Classification of Soils</li> <li>■ Hydrometer</li> <li>■ Consolidation</li> <li>■ Triaxial Testing</li> <li>■ Unconfined Compression</li> <li>■ Deleterious Material Determination</li> <li>■ Decantation of Aggregates</li> <li>■ Wet Ball Mill</li> <li>■ Ph Testing</li> <li>■ Aggregate Resistivity Testing</li> <li>■ Aggregate Soundness</li> </ul> | <ul style="list-style-type: none"> <li>■ Concrete Testing</li> <li>■ Asphalt Testing</li> <li>■ Mortar and Grout Testing</li> <li>■ Concrete Material Designs</li> <li>■ Hot Mix Asphaltic Concrete Designs</li> <li>■ 2-Concrete Compression Machines</li> <li>■ 1-Three Point Conc. Beam Compression</li> <li>■ 5-Ovens</li> <li>■ 6-Measuring Scales</li> <li>■ 1-Concrete Curing Room</li> <li>■ 2-Concrete Saws</li> <li>■ 1-Asphalt Ignition Oven</li> <li>■ 1-Asphalt Gyration Press</li> <li>■ 5-Manual Proctor Hammer</li> <li>■ 1-Automatic Proctor Hammer</li> <li>■ 1-Hveem Stability</li> <li>■ 1-Gilson 50 Gallon Sample Shaker</li> <li>■ 1-Sand Equivalent</li> <li>■ 2-Computerized One-Dimensional Consolidation Frames</li> <li>■ 1-Computerized Triaxial Load Frame</li> </ul> |
|--|--|



/// Statewide Offices

### Pharr Office

Point of Contact: Andres Palma, P.E.  
5804 N. Gumwood Ave  
Pharr, Texas 78577  
O 956-702-8500 F 956-702-4180  
E. apalma@megengineers.com

### San Benito Office

Point of Contact: Raul Palma, P.E.  
30745 E. Expressway 83  
San Benito, Texas 78586  
O 956-300-2500 F 956-702-4180  
E. rpalma@megengineers.com





## OUR PROJECT TEAM



Andres Palma, P.E. (bilingual)  
**President**  
 17 years with firm  
 Areas of Expertise:  
 Geotechnical Engineering &  
 Construction Materials Testing  
 Professional License: Registered  
 Professional Engineer,  
 17 years experience



Raul Palma, P.E. (bilingual) CGE  
**Geotechnical Engineer**  
 Principal, 21 years with firm  
 Areas of Expertise:  
 Geotechnical Engineering &  
 Construction Materials Testing  
 Professional License: Registered  
 Professional Engineer, 38 years  
 Experience



Joel Warriner P.E. Sr. (bilingual)  
**Geotechnical Engineer**  
 1 year with firm  
 Areas of Expertise: Construction  
 Materials Testing, Construction, Project  
 Inspection  
 Professional Licenses: Registered  
 40 year of experience, 8 years of  
 Experience in the Dallas-Fort Worth



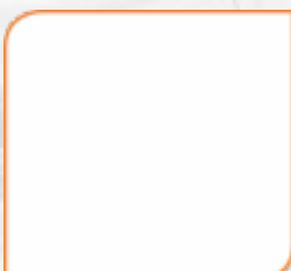
Amos Emerson, P.E (bilingual)  
**Geotechnical Engineer**  
 5 years with firm  
 Areas of Expertise:  
 Construction Materials Testing,  
 Geotechnical Engineering,  
 Construction, Project Inspection  
 Professional Licenses:  
 Engineer in Training License,  
 5 years experience



Juan Borjon, P.E. (bilingual)  
**Director of Engineering**  
 3 years with firm  
 Areas of Expertise:  
 Construction Materials Testing,  
 Geotechnical Engineering, Construction,  
 Project Inspection  
 Professional Licenses:  
 Registered Professional Engineer,  
 10 years experience, ACI



Dr. Thang Pham, Ph.D, P.E. Sr.  
**Geotechnical/CMT  
 Materials Engineer**  
 2 years with firm  
 Areas of Expertise:  
 Geotechnical Engineering & Construction  
 Materials Testing  
 Professional Licenses: Registered  
 Professional Engineer, 20 years exp.



Sergio Tovar  
**Director of Operations & Finance**  
 12 years with firm  
 Areas of Expertise: Pre-Construction  
 Documentation, Project Budget Analysis,  
 Technical Report Review, Project Billing  
 Professional Affiliations:  
 American Concrete Institute  
 • ACI Aggregate Testing Technician – Level I, ACI  
 Concrete Strength Testing Technician, ACI



Humberto Palma, NICET, CWI  
 (bilingual)  
**Materials Manager**  
 21 years with firm  
 Areas of Expertise:  
 Construction Materials Testing, Steel  
 Construction and Welding  
 Professional Licenses: Certified Welding  
 Inspector, CWI, TxHMAC Level 1 A&B,  
 NICET, 21 years experience



Robert Estrada  
**Business Development**  
 4 years with firm  
 Areas of Expertise:  
 Architectural Services Monitor expenditures,  
 Quality Control, Staff and Contractor  
 Coordination and Schedules  
 Professional Affiliations:  
 American Institute of Architects  
 Texas Society of Architects





# ANDRES PALMA P.E.

## AFFILIATIONS

American Society of Civil Engineers  
GEO Institute  
American Concrete Institute  
Deep Foundation Institute

## EDUCATION

Graduate of Edinburg High School,  
Edinburg, Texas – 2002  
Bachelors of Science in Civil  
Engineering  
University of Texas San Antonio, San  
Antonio–2006

## WORK HISTORY

MEG Engineers, Texas  
President, 2023  
MEG Engineers, Texas  
Managing Engineer, 2009-2022  
Professional Service Industries,  
San Antonio, Texas  
Staff Engineer, 2007-2009  
MEG Engineers, Pharr, Texas  
Engineering Staff, 2001-2006

## REGISTRATIONS

Texas Board of Professional Engineers:  
Registration Number 115936 is Current

## PRESIDENT

Phone 956-702-8500  
Email [apalma@megengineers.com](mailto:apalma@megengineers.com)

## PROFILE

Mr. Palma serves as office manager of MEG's Pharr, Texas office. He has over 17 years' experience in the engineering industry and vast knowledge in geotechnical engineering and construction materials testing in the Texas. Geotechnical projects that Mr. Palma has been involved with including mixed-use developments, urban mid-rise buildings, educational facilities, airport facilities, parking garages, commercial low-rise to mid-rise buildings, water and wastewater treatment facilities, elevated water towers, industrial facilities, multi-family developments, churches, residential subdivisions, and general retail centers. Pavement design projects that Mr. Palma has been involved with include highways, industrial parks, heavy-duty brick paving, freight centers and industrial applications.

As President, Mr. Palma's responsibilities include coordination of field personnel, communication with the client, generation of geotechnical engineering reports, evaluating laboratory soil testing, and scheduling and managing field personnel. Palma's responsibilities as a Construction Materials Engineer include coordination of field personnel, communication with the client, generation of daily logs and weekly status reports, training of technicians, evaluating laboratory and field construction materials testing data, and scheduling and managing field personnel.

## PROJECT EXPERIENCE – TEXAS

### EDUCATION

- Jaime Escalante Middle School, PSJA ISD – Pharr
- La Joya ISD Stadium Improvements, La Joya ISD - La Joya
- 6 Story Student Dorms, University of Incarnate Word, San Antonio
- 9 Story Parking Garage, University of Incarnate Word San Antonio
- Edinburg CISD Stadium Improvements – Edinburg

### HEAVY INDUSTRIAL

- Royal Technologies 320,000 sf – Mission
- Don Hugo Produce 270,000 sf – Edinburg
- Santana Textiles 500,000 sf combined Edinburg
- Loop Cold Storage Expansion – McAllen
- Brownsville Oil Storage Facility, Port of Brownsville, Brownsville

### PAVEMENTS

- SH 365 Hidalgo County Regional Mobility Authority Hidalgo County
- IBTC Corridor Hidalgo County Regional Mobility Authority Hidalgo County,
- Pharr Produce District Industrial Subdivision City of Pharr – Pharr
- McIntyre Streetscape Brick Paving, City of Edinburg Edinburg
- FedEx Freight Facility – Harlingen
- North Edinburg Industrial Park – Edinburg

### PUBLIC

- NAWSC Regional Water Treatment Plant, Weslaco
- City of Hidalgo WWTP Improvements – Hidalgo
- Hidalgo County Precinct No. 2 Office – Pharr
- San Antonio International Airport Parking Garage San Antonio
- Harlingen Water Works Elevated Water Storage Tank, Harlingen
- PSJA ISD Stadium Improvements – Pharr





# JUAN M. BORJON P.E.

## AFFILIATIONS

American Society of Civil Engineers  
Construction Institute  
American Concrete Institute  
Texas Society of Professional Engineers

## EDUCATION

Graduate of Edinburg High School  
Edinburg, Texas  
2005  
Bachelor of Science in Civil Engineering  
University of Texas at Austin,  
Austin  
2009

## WORK HISTORY

MEG Engineers, Texas  
Director of Engineering, 2023  
MEG Engineers, Pharr, Austin Texas  
Materials Engineer/CMT Technical  
Manager, 2018-2022  
Terracon Consultants, Pharr, Texas  
Senior Staff Engineer, 2014-2018  
Half Associates, McAllen, Texas  
Civil Engineer, 2012-2013  
SWG Engineering, Weslaco, Texas  
Project Engineer, 2010-2012

## REGISTRATIONS

Texas Board of Professional Engineers:  
Registration Number 121570 is Current

## DIRECTOR OF ENGINEERING

Phone 956-702-8500  
Email [jbordon@megengineers.com](mailto:jbordon@megengineers.com)

## PROFILE

Mr. Borjon serves as Director of Engineering of MEG's Pharr, Texas offices. He has over 13 years' experience in the engineering industry and vast knowledge in civil engineering and construction materials testing in the Texas area. Projects that Mr. Borjon has been involved with include mixed-use developments, urban mid-rise buildings, educational facilities, airport facilities, commercial low-rise to mid-rise buildings, water and wastewater treatment facilities, elevated water towers, industrial facilities, multi-family developments, churches, residential subdivisions, and general retail centers. Pavement projects that Mr. Borjon has been involved with include highways, industrial parks, heavy duty concrete/asphalt paving, freight centers, and industrial applications.

Mr. Borjon's responsibilities as a Director of Engineering include coordination of field personnel, communication with the client, generation of daily logs and weekly status reports, training of technicians, evaluating laboratory and field construction materials testing data, and scheduling and managing field personnel.

## PROJECT EXPERIENCE – TEXAS

### EDUCATION

- Carmen Anaya Elementary School Paving Improvements, PSJA ISD – Pharr, Texas
- Bulldog Drive Improvements, McAllen ISD - McAllen, Texas
- Robert Vela High School Performing Arts Center – ECISD – Edinburg, Texas

### PAVEMENTS

- Hidalgo County Regional Mobility Authority BSIF Connector – Hidalgo County, Texas
- Texas A&M University Kingsville Campus Pavements – Kleberg County, Texas

### AIRPORT

- Valley International Airport Improvements – Harlingen, Texas
- McAllen International Airport Concrete Cores – McAllen, Texas

### COMMERCIAL

- Love's Travel Stop – Donna, Texas
- Pharr Town Center – Pharr, Texas
- At Home Store – Pharr, Texas

### PUBLIC

- McAllen NWWTP Pump Station Improvements – McAllen, Texas
- Hidalgo County County-Wide Mechanic Shop – Pharr, Texas
- SWSC Elevated Water Storage Tank – Mission, Texas
- McAllen ISD Homer J. Morris Middle School Paving Improvements – McAllen, Texas
- McAllen ISD Ben Milam Elementary School Pavilion – McAllen, Texas
- South Texas/UTRGV Medical Academic Building – Edinburg, Texas
- Chick-fil-A – McAllen, Edinburg, Pharr, Texas
- Raising Cane's – Edinburg, Weslaco, Pharr, Harlingen, Texas





# RAUL PALMA P.E.

## CHIEF GEOTECHNICAL ENGINEER

Phone 956-300-2500  
 Email [rpalma@megengineers.com](mailto:rpalma@megengineers.com)

### AFFILIATIONS

American Society of Civil Engineers  
 GEO Institute  
 American Concrete Institute

### EDUCATION

Graduate of Edinburg High School  
 Edinburg, Texas  
 1978

Bachelors of Science in Civil  
 Engineering  
 Princeton University, Princeton, New  
 Jersey  
 1982, Cum Laude

### WORK HISTORY

MEG Engineers, Austin, Texas  
 President / Chief Geotechnical  
 Engineer  
 2001- Present

Texas Department of Transportation  
 Pharr, Texas  
 District Materials Engineer  
 1990-2001

Texas Department of Transportation  
 Pharr, Texas  
 Design Engineer  
 1983-1989

### REGISTRATIONS

Texas Board of Professional Engineers:  
 Registration Number 65656 is Current

## PROFILE

Mr. Palma is a licensed Professional Engineer with over 39 years of experience in geotechnical engineering, construction materials testing, management, and engineering design of highways, streets, and utilities. Mr. Palma has directed and completed a wide variety of geotechnical projects throughout the Central Texas region. As Chief Geotechnical Engineer of the San Benito, Texas office he is responsible for overall operations management of the San Benito Office.

As geotechnical project manager, he is responsible for coordination and completion of geotechnical engineering projects. His experience includes subsurface explorations, laboratory testing, foundation investigation and design; slope stability assessments and remediation design, pre-load fill design; geotechnical plans and specifications preparation; and construction monitoring. Client relationships have included city and county agencies; engineering and architectural firms; municipal and utility districts, as well as private developers and constructors.

During Mr. Palma's employment with the Texas Department of Transportation (TxDOT), Mr. Palma gained an extensive background in the area of geotechnical and materials engineering serving as the District Materials Engineer for a centralized laboratory for TxDOT in the Pharr District located in Pharr, Texas. As the District Materials Engineer he was responsible for overseeing the testing and approval of materials for all construction projects in the Cameron, Hidalgo Starr, Zapata, Jim Hogg, Brooks, Willacy and Kennedy counties. At the end of his tenure with TxDOT, the Pharr District had a construction program of approximately \$170 million dollars of construction per year. He oversaw all the geotechnical exploration and soil testing for all bridge and retaining wall structures in these same counties. Mr. Palma also served as the assistant to the State Concrete and Physical Testing Engineer at the Materials & Tests Division of TxDOT and during this period he gained extensive experience in concrete, concrete admixtures, reinforcing steel, and pre-stressed steel. Mr. Palma's extensive experience in the area of materials and geotechnical engineering gives our firm a unique ability to provide services of the highest professional caliber.

## PROJECT EXPERIENCE – TEXAS

### HIGHWAY AND BRIDGES

- US Highway 83 – FM 494 to Bus 83, Texas Department of Transportation – Mission, Texas
- US 83 Highway – FM 1426 to FM 493, Texas Department of Transportation – Alamo, Texas
- US Highway 83/77 Interchange, Texas Department of Transportation – Harlingen, Texas
- US Highway 77/83 – US 83 S. to LP 499, Texas Department of Transportation – Harlingen, Texas
- US Highway 77/83, Texas Department of Transportation – Brownsville, Texas

### HEAVY INDUSTRIAL

- North Edinburg Industrial Park Phase 1, Edinburg EDC – Edinburg, Texas
- North Edinburg Industrial Park Phase 2, Edinburg EDC – Edinburg, Texas
- Pharr Produce District Subdivision Industrial Park, City of Pharr – Pharr, Texas

- Weslaco Industrial Park, Weslaco EDC – Weslaco, Texas
- IBTC Corridor, Hidalgo County Regional Mobility Authority – Hidalgo County, Texas

### PUBLIC

- Edinburg Public Safety Building, City of Edinburg – Edinburg, Texas
- Daniel Sekula Memorial Library, City of Edinburg – Edinburg, Texas
- Pharr International Bridge Improvements, City of Pharr – Pharr, Texas
- Edinburg City Hall, City of Edinburg – Edinburg, Texas
- Hidalgo Wastewater Treatment Plant, City of Hidalgo – Hidalgo, Texas





## Recent TxDOT Projects

- 1. I-2/I69C Interchange Project  
Dragados-Pulice Joint Venture**  
3700 N. Cage Blvd.  
Pharr, TX 78577  
Nathan D. Rodriguez, P.E.  
956-566-7675  
[NatRodriguez@dragados-USA.com](mailto:NatRodriguez@dragados-USA.com)
- 2. US 77 (CSJ 0102-04-097)  
VRX, Inc**  
2500 Dallas Parkway, Suite 450  
Plano, TX 75093  
Juan Bosquez Jr  
469-867-9571  
[Juan.bosquez@vrxglobal.com](mailto:Juan.bosquez@vrxglobal.com)
- 3. City of Mission Taylor Road Project (SCS22-0432)  
Sam Construction Services**  
4801 Southwest Parkway  
Building 2, Suite 100  
Austin, TX 78735  
Sam Watson  
512-895-5172  
[sam.watson@sam-cs.biz](mailto:sam.watson@sam-cs.biz)
- 4. Rehabs 506, 800, & 1479 (SCS20-0316B)  
Sam Construction Services**  
4801 Southwest Parkway  
Building 2, Suite 100  
Austin, TX 78735  
Sam Watson  
512-895-5172  
[sam.watson@sam-cs.biz](mailto:sam.watson@sam-cs.biz)
- 5. Laredo District Asphalt Overlay (SCS20-0316A)  
Sam Construction Services**  
4801 Southwest Parkway  
Building 2, Suite 100  
Austin, TX 78735  
Sam Watson  
512-895-5172  
[sam.watson@sam-cs.biz](mailto:sam.watson@sam-cs.biz)
- 6. BMT SH99  
AECOM Technical Services, Inc**  
19219 Katy Freeway, Suite 100  
Houston, TX 77094  
Brent Patterson  
281-579-5376  
[brent.patterson@aecom.com](mailto:brent.patterson@aecom.com)
- 7. CEI ELIT IH Kendall Co  
AECOM Technical Services, Inc**  
19219 Katy Freeway, Suite 100  
Houston, TX 77094  
Brent Patterson  
281-579-5376  
[brent.patterson@aecom.com](mailto:brent.patterson@aecom.com)

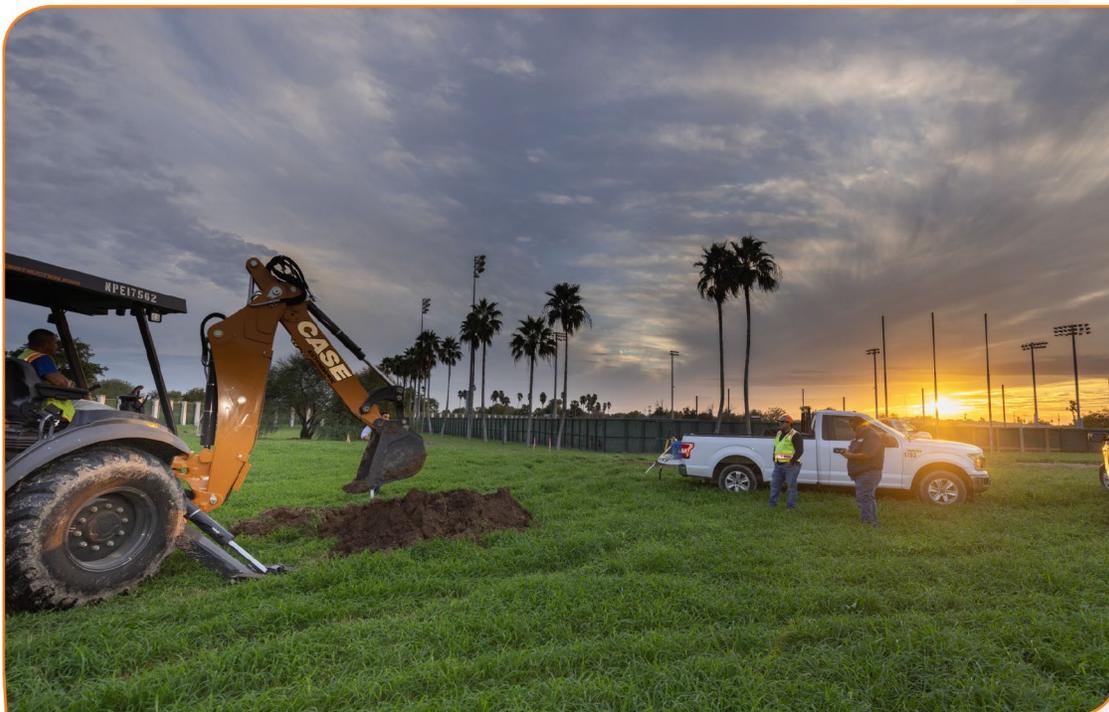
# WORKLOAD CAPACITY

The scope of work to be performed under this contract is the scope of work that MEG performs daily for our clients in Texas. MEG has the necessary capacity to meet Hidalgo County Regional Mobility Authority needs for Professional Services. MEG has the resources and experience to provide concurrent project construction services to an individual client for your detailed project scope of work. Our resources can be shifted for operations and our staff and inspectors are cross-trained for proper allocation of personnel for this specific reason.



Based on the current workload, resources, and staff of MEG it is estimated that current operations capacity is at 70%. There is currently no backlog with our testing Services. Our staffing plan is to never be above 85% capacity, so we are able to expedite services when needed to meet critical project schedules.

Based on current and future assignments, it is estimated that during the duration of the project Millennium Engineers Group, Inc. will be operating at 80% of capacity. Engineers, Staff, and Inspectors will be able to complete the daily anticipated project tasks for this project along with current projects tasks. MEG is proficient in completing daily project tasks and expediting the testing and inspection results to the project team for the projects benefit. The project team included in this submittal that will be allocated to this project will devote the necessary time to meet your schedule and often will be various percentages of their time based on your program needs. Inspectors that are assigned to this project will devote 100% of their time to this project when required and additional inspector resources will be available on an as needed basis for this project will be devoted 20% to 50% of their time for additional services as needed.





125 EAST 11TH STREET, AUSTIN, TEXAS 78701-2483 | 512.416.4700 | WWW.TXDOT.GOV

9/21/2023

Raul Palma  
Millennium Engineers Group Inc  
5804 N. Gumwood Street  
Pharr, TX 78577

Re: Annual Update Affidavit (AUA)  
Disadvantaged Business Enterprise (DBE)

Dear Raul Palma:

Upon review of the AUA and supporting documentation, TxDOT has determined that Millennium Engineers Group, Inc. continues to meet the eligibility requirements of the federal [DBE] program.

DBE certification does not expire, however, to remain certified it is incumbent on you to submit the AUA on or before your next certification anniversary date. A courtesy reminder will be sent from the Diversity Management System (DMS) in advance of the AUA due date.

Firms listed in the Texas Unified Certification Program (TUCP) directory located at <https://txdot.txdotcms.com> are currently certified DBE/ACDBEs. All DBEs certified pursuant to 49 CFR Part 26, are automatically certified in TxDOT's Small Business Enterprise (SBE) Program. TxDOT encourages you to utilize the TUCP directory as a marketing tool. In that respect you should periodically verify your firm's certification description and North American Industry Classification System (NAICS) code(s) closely describe the goods or services your firm provides.

Should your firm be awarded an opportunity to participate on a federally funded project, your firm must perform a commercially useful function (CUF). A DBE performs CUF when it is responsible for execution of the work of the contract and is carrying out its responsibilities by performing, managing, and supervising the work involved. To perform a CUF, 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.

For information on TxDOT's contracting and procurement opportunities visit <https://www.txdot.gov>.

Sincerely,

Michael D. Bryant  
Director  
Civil Rights Division

Cc: Monique Pettaway



## FINANCIAL REFERENCE

MEG has good financial standing and a relationship with the same financial institution for over 20 years.

Their contact information is as follows:

Mrs. Cristina Hinojosa  
Highway District 21 Federal Credit Union  
800 W. Ferguson Avenue  
Pharr, Texas 78577  
956/787-2701

## INSURANCE COVERAGE & LEGAL

MEG does not have any key terms of our errors and omissions insurance coverage.

MEG maintains the insurance policies needed for this contract as for all additional contracts listed below.

**2 million professional liability coverage**  
**1 million commercial general liability coverage**  
**1 million umbrella liability coverage**

MEG does not have any claims, judgments, and arbitration proceedings, suits pending or outstanding against itself or its officers. MEG audited financial statements are available upon request.

MEG meets the legal requirements of this request for qualifications as well as all the requirements required by the State of Texas and the Texas Board of Professional Engineers.

MEG is a professional engineering firm registered in the State of Texas that has complied with all of its obligations, certifications, accreditations, licenses, and procedures required to operate in the State of Texas and be accredited by USACE and AASHTO.

# WHAT WE DO? Our Services



Our services encompass all related services to the client including, but not limited to, the following:

- Conducting initial discussions with the Owner and Design team for specific project requirements, project schedule, design requirements, and any additional information that will be beneficial to the Owner.
- Conducting a review of local geology at the project location.
- Conducting field soil exploration and testing services.
- Conducting the geotechnical laboratory testing program to meet the project requirements.
- Discussion with the Owner and Design team prior to report preparation to include updated project changes, requirements, or additional geotechnical options.
- Prepare precise, innovative, cost-effective geotechnical engineering recommendations for all aspects of the project.
- Discussion after the geotechnical report submittal with the Owner and the Design team to support implementation of geotechnical recommendations that will be beneficial to the owner.

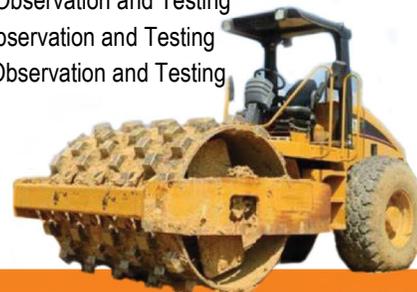


#### **MEG Engineers exceptional levels of service since 2001:**

- Material Inspection
- Forensics
- Analysis
- Design
- Quality Assurance
- Consulting
- Contract Management
- In-Depth Studies
- Investigations

#### **Construction Management services since 2020:**

- Soil On-Site Observation and Testing
- Concrete On-Site Observation and Testing
- Asphalt On-Site Observation and Testing
- Masonry On-Site Observation and Testing



“

MEG Engineers are a knowledgeable, professional and dependable team that has met all of our complex construction project needs.

– Marie Leal, PE, Brownsville PUB

”



# PROJECT COMMITMENT

MEG is committed to your projects, program, goals, and timelines for project schedule. We will provide the essential staff, equipment, and resources to be available and responsive daily to the Hidalgo County Regional Mobility Authority needs based on the district scope of services. Our offices are equipped and trained to provide the level of service and responsiveness required by Hidalgo County Regional Mobility Authority. MEG has extensive local resources and expertise to complete large project programs. The key personnel presented in this Statement of Qualifications are committed to the Hidalgo County Regional Mobility Authority projects and will be available throughout the life of the project.

## ■ Project Communication

Communication is the key to all successful projects. The management of the testing and inspection program for the project will begin with the introduction of the project team members. Upon notification of award, our engineers and staff will meet with members of the project team who have an active role in the project. This is a critical phase in to communicate project information, goals, timelines, or potential conflicts.

## ■ Review of Construction Schedule

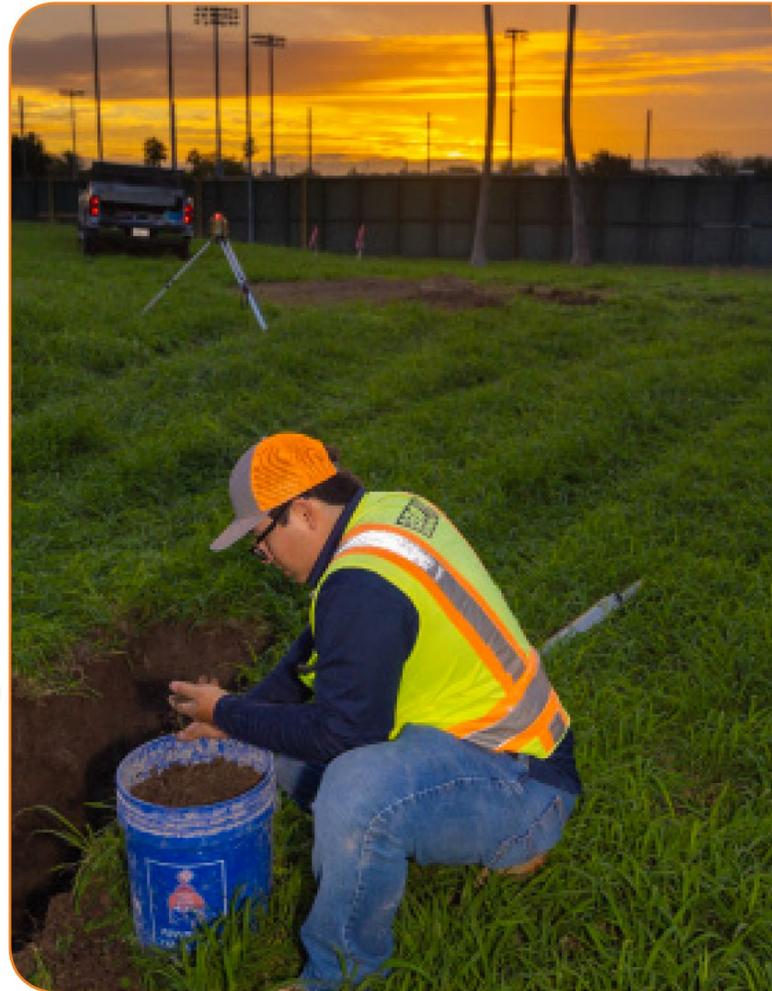
MEG will review the most up-to-date construction schedule by task after design documents are completed. The testing and inspection program can best support regulated testing and control final testing costs if we clearly understand the project testing requirements.

## ■ Construction Meetings

From the initiation of the project until the completion, we propose biweekly or monthly management meetings with the construction manager or his representative and other project team members. At these meetings it is necessary, to review and discuss testing results, project progress, and project schedule.

## ■ Daily Communication

MEG on site representative will maintain daily communication with the contractor's superintendent, and the designated project team members in order to schedule the required services and to communicate inspection and test results. Our project manager will communicate the results of critical off-site testing and inspections to the designated project team representatives the same day testing is performed.



“

MEG has been reliable and responsive to our testing needs.  
– Mr. Ariel Chávez II, PE/RPLS/ Director of Engineering Services

”



# QUALITY ASSURANCE / QUALITY CONTROL

## Internal Quality Management

Our firm follows a reporting structure that will best benefit our clients. Steps and processes are performed in every task of our services to give the client the best product possible. Our client first attitude, service approach, methodology of doing business, and internal quality control program allow us to continue providing services throughout the State of Texas building long term business relationships.

## Reporting Structure

Reporting Structure starts within our management team. MEG is called for the requested services and to make the necessary arrangements to initiate the project. Our dispatcher will dispatch one of our highly trained technicians to the requested project site. At this point the technician will perform the requested task(s) and then complete his/her field-testing report. Field Testing reports are turned in daily and our project managers review the testing reports. The testing reports are then turned into our administrative staff and are typed for second review of the project managers. The reports are then reviewed and signed by the office engineer before they are sent to the client. The testing reports provided by MEG include all the necessary data that is often requested by the Owner and members of the design team.

## Decision Making

Decision Making by MEG starts within our management team. The decisions made by our staff and key personnel come only after consulting with the principal engineer. Timing and scheduling are important factors of construction, and every decision made will consider the best interest of our client. Engineering Recommendations are only made by a Professional Engineer that is registered in the State of Texas.

## Quality Control Plans

Quality Control is monitored by MEG in every aspect of our work. Our office maintains a quality control program that has been approved by the American Association of State Highway and Transportation Officials (AASHTO) and the State of Texas, Department of State Health Services Radiation Control Program. Quality control is monitored and documented by our (QA/QC) Manager and Radiation Safety Officer.

## Reporting and Billing Quality Assurance

Quality assurance is maintained by MEG in every aspect of our administrative work. Our office maintains an internal quality control program that is used by our administrative staff to audit every process of our reporting and billing procedures. This quality assurance measure allows us to maintain the quality service that is essential to our client's business.



# PROJECT MANAGEMENT AND COORDINATION STATEMENTS

MEG utilizes a Management System, which facilitates the management of both the Construction Material Testing (CMT) and Geotechnical Engineering Testing (GEO) Departments. The system consolidates all aspects of the business workflow, from proposal to the final invoice. It allows an organization the ability to set up clients/projects, schedule work orders (dispatch requests), report and distribute pertinent data to clients via email or website, employ management tools for lab and field testing, and prepare invoices for each project that could be exported to the organization's accounting system. The system also gives the organization's clients the ability to retrieve reports from the customized reporting website.



Our team makes recommendation on the course of action to the Client when issues of potential delays or increased costs arise during the project. Close communication and coordination between the contractor, third parties involved in the project and our team will be a priority by our team for a successful project. Our team operate as a representative of Hidalgo County Regional Mobility Authority and oversee the day-to-day construction activities of the prime contract assigned. Our team has extensive experience in administering construction contracts and overall management. Our team has experience on multiple projects performing Construction Engineering, Inspection and Construction Materials Testing services for numerous clients in Texas. Our scope of services includes but not limited to:

- Construction Administration Procedures
- Field Reports
- Monthly Progress Reports
- Progress Photos
- Project Progress Meetings
- Schedule Review
- Change Order Review-
- Quality Control
- Safety and Health
- Submittal/ Shop Drawing Control
- Payment Application Review



“

Millennium Engineers has always provided great, professional, friendly service. I highly recommend them.

*Ramiro Gutierrez, P.E., R. Gutierrez Engineering Corp.*

”



# PROJECT MANAGEMENT AND COORDINATION STATEMENTS

**Construction Engineering and Management:** MEG ensures that the project is completed on time, and on budget and within scope. This will be accomplished through review and tracking of baseline schedules and monthly updates, monthly pay estimates, change orders, plan quantities and overall project costs. We provide timely processing of contractor submittals, shop drawings, and Request for Information (RFIs). We will also work with the Engineer of Record (EOR) as needed regarding RFI's, potential design changes, or plan errors and omissions. We conduct regular progress meetings to promote partnering between all parties. We conduct pre-construction meeting with the contractor, Client, and other stakeholders prior to the start of the project. During this meeting, an escalation ladder is established to provide guidelines for resolution of construction issues.

**Construction Administration and Inspection:** MEG performs all necessary inspection to verify work is completed in accordance with plans and specifications. Daily Work Reports (DWR's) or other required reports will be completed to document construction progress and inspection activities as well as quantities for payment. Our inspectors inspect all construction activities daily, determine daily need for construction materials testing of work in progress and materials in use, traffic control devices on a daily basis for compliance with Traffic Control Plan



and TMUTCD. SW3P inspections as per environmental requirements performed in accordance with subject guidelines.

**Construction Materials Testing:** MEG performs construction materials testing on all required construction activities and materials to ensure compliance with project plans and specifications in accordance with Hidalgo County Regional Mobility Authority guidelines for sampling and testing. If independent assurance testing is required coordination with the third-party testing agency is scheduled at appropriate schedules and frequency.

**Document Control:** MEG ensure that all project progress and financial reporting is completed in accordance with contract requirements. We log all project correspondence, submittals, change orders, RFI's, shop drawings, pay estimates, MOH, etc. We also verify that the contractor is complying with Disadvantaged Business Enterprise (DBE), Equal Employment (EEO) and Buy America guidelines. All DWR's, pay sheets and material test reports are reviewed for accuracy before submittal.

**Close Out Procedures:** Thorough and accurate records is maintained throughout. We generate a project specific close out checklist. The checklist is distributed to all parties at the beginning to resolve all discrepancies. The checklist allows for a guide during both construction and close out phases. Another part of quality program includes formal audits conducted at 30%, 60%, and 90% of construction completed.

Another tool that we use is performing thorough constructability reviews during the pre-construction phase. We review approved plans, specifications, general notes, TCP phasing, baseline schedule, etc. to identify potential plan errors, quantity discrepancies, utility conflicts, or potential maintenance issues. All findings during the constructability review are provided to Hidalgo County Regional Mobility Authority for review and further discussion.



# ARCHITECT-ENGINEER QUALIFICATIONS

## PART I - CONTRACT-SPECIFIC QUALIFICATIONS

### A. CONTRACT INFORMATION

1. TITLE AND LOCATION <i>(City and State)</i> Construction Materials Testing, Laboratory Services, and Forensic Investigation and Evaluation of In-Place Construction Materials, Pharr, TX		
2. PUBLIC NOTICE DATE N/A	3. SOLICITATION OR PROJECT NUMBER 2024-01	

### B. ARCHITECT-ENGINEER POINT OF CONTACT

4. NAME AND TITLE Andres Palma, P.E. / President		
5. NAME OF FIRM Millennium Engineers Group, Inc		
6. TELEPHONE NUMBER 956-702-8500	7. FAX NUMBER 956-702-4180	8. E-MAIL ADDRESS apalma@megengineers.com

### C. PROPOSED TEAM

*(Complete this section for the prime contractor and all key subcontractors.)*

	(Check)				9. FIRM NAME	10. ADDRESS	11. ROLE IN THIS CONTRACT
	PRIME	J-V	PARTNER	SUBCONTRACTOR			
a.	✓				Millennium Engineers Group, Inc  <input checked="" type="checkbox"/> CHECK IF BRANCH OFFICE	5804 N. Gumwood Ave. Pharr, TX 78577	Construction Materials Testing, Laboratory Services, and Forensic Investigation and Evaluation of In-Place Construction Materials
b.					<input type="checkbox"/> CHECK IF BRANCH OFFICE		
c.					<input type="checkbox"/> CHECK IF BRANCH OFFICE		
d.					<input type="checkbox"/> CHECK IF BRANCH OFFICE		
e.					<input type="checkbox"/> CHECK IF BRANCH OFFICE		
f.					<input type="checkbox"/> CHECK IF BRANCH OFFICE		

### D. ORGANIZATIONAL CHART OF PROPOSED TEAM

(Attached)

**E. RESUMES OF KEY PERSONNEL PROPOSED FOR THIS CONTRACT**

*(Complete one Section E for each key person.)*

12. NAME  Raul Palma	13. ROLE IN THIS CONTRACT  Chief Geotechnical Engineer	14. YEARS EXPERIENCE	
		a. TOTAL  39	b. WITH CURRENT FIRM  20

15. FIRM NAME AND LOCATION *(City and State)*

Millennium Engineers Group, Inc / Houston, Texas 77034

16. EDUCATION *(Degree and Specialization)*

Bachelor of Science in Civil Engineering  
Geotechnical Engineering and Construction Materials Testing

17. CURRENT PROFESSIONAL REGISTRATION *(State and Discipline)*

State of Texas  
Professional Engineer  
No. 65656

18. OTHER PROFESSIONAL QUALIFICATIONS *(Publications, Organizations, Training, Awards, etc.)*

American Society of Professional Engineers, American Concrete Institute, Texas Department of Transportation, Texas Hot Mix Asphalt Pavement Association, US Army Corps of Engineers Accreditation Program (160 test methods), AASHTO

**19. RELEVANT PROJECTS**

(1) TITLE AND LOCATION <i>(City and State)</i>	(2) YEAR COMPLETED	
	PROFESSIONAL SERVICES	CONSTRUCTION <i>(If applicable)</i>
a. EI Rancho Santa Cruz Subdivision Drainage Improvements DR-4223-TX HMGP/ McAllen, Texas (3) BRIEF DESCRIPTION <i>(Brief scope, size, cost, etc.)</i> AND SPECIFIC ROLE Construction of an overflow basin to increase storage capacity of drainage channel. Basin will tie into the existing system located on El Rancho road via storm infrastructure. Construction was funded by FEMA through the HMGP.	2017 - 2019	
b. Manor Independent School District / Manor, Texas (3) BRIEF DESCRIPTION <i>(Brief scope, size, cost, etc.)</i> AND SPECIFIC ROLE Service included Construction Material Testing, Laboratory evaluation of soils, field densities and moisture evaluation of soils, field observations and testing of concrete and field observations of reinforcing steel.	2021	2021
c. Alamo Expressway Drain / Edinburg, Texas (3) BRIEF DESCRIPTION <i>(Brief scope, size, cost, etc.)</i> AND SPECIFIC ROLE Services included Construction Material Testing, Laboratory evaluation of soils, field density and moisture evaluation of soils, field observations and concrete and field observations of reinforcing steel.	2023	
d. NAWSC Regional Water Treatment Plant / Weslaco, Texas (3) BRIEF DESCRIPTION <i>(Brief scope, size, cost, etc.)</i> AND SPECIFIC ROLE Provided field and / or laboratory construction material observations and testing during the duration of the project including pavement inspections, soils, concrete, and asphalt testing, masonry inspections, and structural steel inspections.	2019	
e. Public Works City Wide Projects / Laredo, Texas (3) BRIEF DESCRIPTION <i>(Brief scope, size, cost, etc.)</i> AND SPECIFIC ROLE Services provided were soil testing, concrete testing, and asphalt testing, providing field and / or laboratory construction material observation and testing during the duration of the project.	2020	2021

<b>F. EXAMPLE PROJECTS WHICH BEST ILLUSTRATE PROPOSED TEAM'S QUALIFICATIONS FOR THIS CONTRACT</b> <i>(Present as many projects as requested by the agency, or 10 projects, if not specified. Complete one Section F for each project.)</i>	20. EXAMPLE PROJECT KEY NUMBER 6
---	-------------------------------------

21. TITLE AND LOCATION <i>(City and State)</i>  Stadium & Dawson Drive Drainage Improvements / Edinburg, Texas	22. YEAR COMPLETED	
	PROFESSIONAL SERVICES 2020	CONSTRUCTION <i>(If applicable)</i> 2021

**23. PROJECT OWNER'S INFORMATION**

a. PROJECT OWNER City of Edinburg	b. POINT OF CONTACT NAME Mardoqueo Hinojosa	c. POINT OF CONTACT TELEPHONE NUMBER 956-388-8210
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24. BRIEF DESCRIPTION OF PROJECT AND RELEVANCE TO THIS CONTRACT *(Include scope, size, and cost)*

MEG's scope of services provided were sub-grade, flexible base, concrete and asphalt testing, laboratory evaluation of soils, field density and moisture evaluation of soils, field observation and testing of concrete and field observation and laboratory evaluation of Asphaltic Concrete Pavement using during Pavement Construction.

Size: consists of approximately 9 streets of asphalt paving and drainage improvements.

CMT Cost: \$89,141.68

**25. FIRMS FROM SECTION C INVOLVED WITH THIS PROJECT**

(1) FIRM NAME	(2) FIRM LOCATION <i>(City and State)</i>	(3) ROLE
a. Millennium Engineers Group, Inc	Houston, Texas	Construction Material Testing Services (CMT)
b. Millennium Engineers Group, Inc	Austin, Texas	Construction Material Testing Services (CMT)
c. Millennium Engineers Group, Inc	Pharr, Texas	Construction Material Testing Services (CMT)
d.		
e.		
f.		



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**H. ADDITIONAL INFORMATION**

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30. PROVIDE ANY ADDITIONAL INFORMATION REQUESTED BY THE AGENCY. ATTACH ADDITIONAL SHEETS AS NEEDED.

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**I. AUTHORIZED REPRESENTATIVE**

*The foregoing is a statement of facts.*

31. SIGNATURE



32. DATE

02/28/2024

33. NAME AND TITLE

Raul Palma / CEO





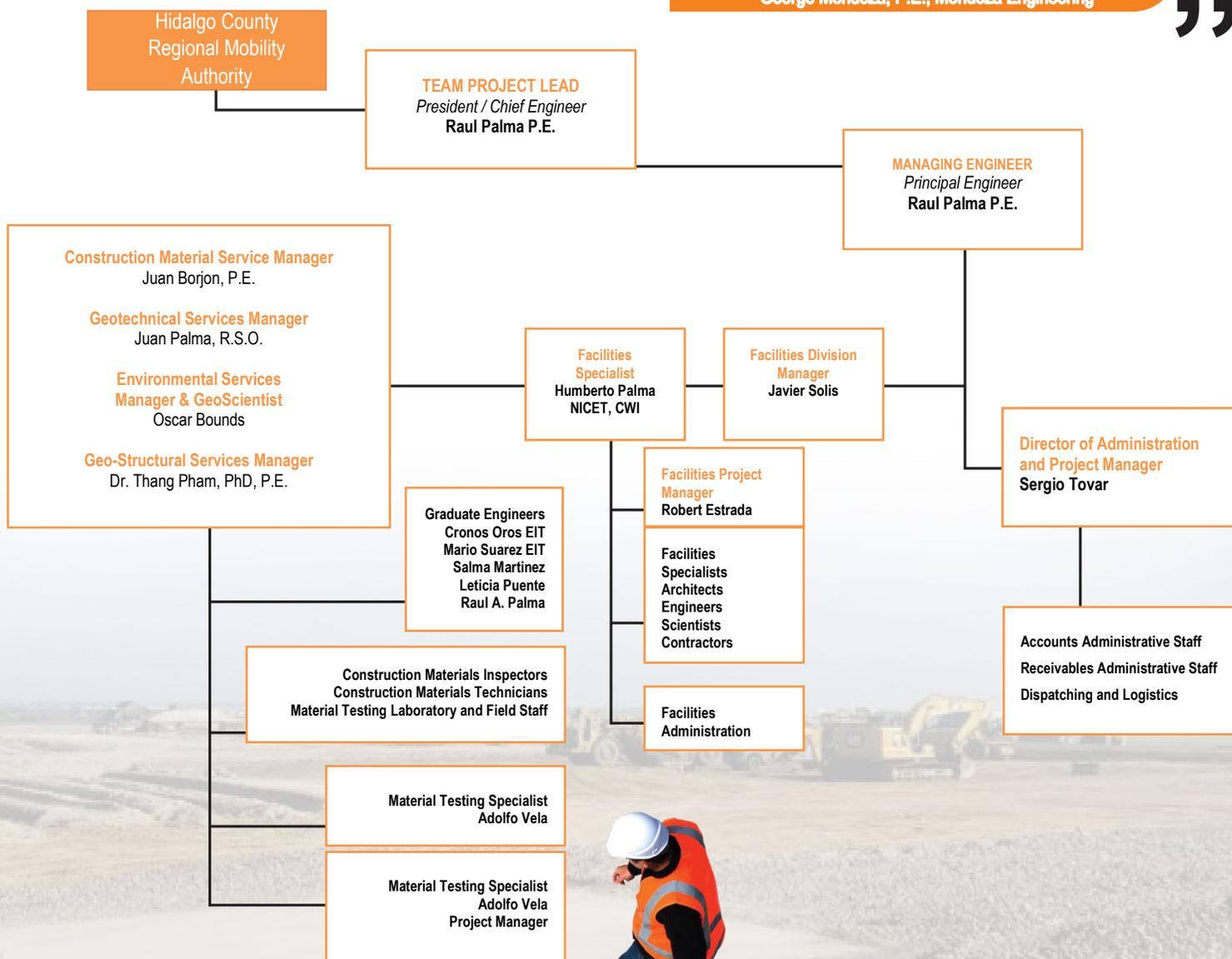
# Our Project Team

MEG proposes to utilize the latest measurement techniques to effectively perform the services of this agreement with our current staff as proposed in our organizational chart. We understand that we need to respond quickly to some service requests, and we are practiced in having staff available on short notice, if necessary. Our current and projected workloads are such that we are confident of our ability to Hidalgo County Regional Mobility Authority expectations in terms of having appropriate staff resources available when they are needed. The organization chart below reflects the staff we anticipate using for the proposed projects; however, we have additional personnel that can also be utilized if needed.



I count of the experience and expertise that Millennium Engineers provides- just as a good foundation is critical to a structure, a good geotechnical study is critical to a good foundation design.

George Mendoza, P.E., Mendoza Engineering



**CONFLICT OF INTEREST QUESTIONNAIRE**  
**For vendor doing business with local governmental entity**

**FORM CIQ**

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

**OFFICE USE ONLY**

Date Received

**1 Name of vendor who has a business relationship with local governmental entity.**

Millennium Engineers Group, Inc

**2**  Check this box if you are filing an update to a previously filed questionnaire. (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

**3 Name of local government officer about whom the information is being disclosed.**

N/A

Name of Officer

**4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.**

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

Yes  No

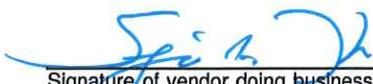
B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

Yes  No

**5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.**

N/A

**6**  Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

**7**  
  
\_\_\_\_\_  
Signature of vendor doing business with the governmental entity

02/28/2024

\_\_\_\_\_  
Date

## CONFLICT OF INTEREST QUESTIONNAIRE

### For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

**Local Government Code § 176.001(1-a):** "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

**Local Government Code § 176.003(a)(2)(A) and (B):**

(a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

\*\*\*

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that

- (i) a contract between the local governmental entity and vendor has been executed;
- or
- (ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:

- (i) a contract between the local governmental entity and vendor has been executed; or
- (ii) the local governmental entity is considering entering into a contract with the vendor.

**Local Government Code § 176.006(a) and (a-1)**

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

- (1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);
- (2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or
- (3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

- (A) begins discussions or negotiations to enter into a contract with the local governmental entity; or
- (B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

- (A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);
- (B) that the vendor has given one or more gifts described by Subsection (a); or
- (C) of a family relationship with a local government officer.



## Prohibition on Contracts with Companies Boycotting Israel

The undersigned affirms that he/she is duly authorized to provide this information by the person(s) or business entity making the proposal and the information provided below concerning companies that boycott Israel thoroughly reviewed and verified and is, therefore, current, true and accurate to the best of my knowledge.

Pursuant to the provisions of Subtitle F, Title 10, Texas Government Code, section 2270.001:

(1) "Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes, and

(2) "Company" means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or any limited liability company, including a wholly-owned subsidiary, a majority-owned subsidiary, parent company or affiliate of those entities or business associations that exist to make a profit.

Does not boycott Israel currently, and

Will not boycott Israel during the term of the contract with Hidalgo County Regional Mobility Authority.

Sergio Tovar

Printed Name

Signature

Director of Operations & Finance

Title

02/28/2024

Date



## Prohibition on Contracts with Foreign Terrorist Organizations

The undersigned affirms that he/she is duly authorized to provide this information by the person(s) or business entity making the proposal and the information provided below-concerning companies that do business with Iran, Sudan, or designated foreign terrorist organizations thoroughly reviewed and verified and is, therefore, current, true and accurate to the best of my knowledge.

Does not conduct business with Iran, Sudan, or designated foreign terrorist organizations currently, and

Will not conduct business with Iran, Sudan, or designated foreign terrorist organizations during the term of the contract with Hidalgo County Regional Mobility Authority.

Sergio Tovar

Printed Name

  
Signature

Director of Operations & Finance

Title

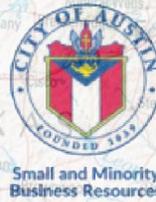
02/28/2024

Date



# Minority Certifications and Accreditations

MEG has minority certifications and accreditations from numerous organizations specific our company. Please click on the hyperlink below to view the detailed certification. If you have any questions, please contact: Andres Palma: [apalma@megengineers.com](mailto:apalma@megengineers.com)



**AASHTO**  
ACCREDITED

**Pharr, Texas, USA**

<http://s202091680.onlinehome.us/wp-content/uploads/2020/03/AASHTO-Accreditation-053119-1.pdf>



**AASHTO**  
ACCREDITED

**Austin, Texas, USA**

<http://s202091680.onlinehome.us/wp-content/uploads/2020/03/AASHTO-Accreditation-053119-1.pdf>



**US Army Corps of Engineers**  
Pharr, Texas



<http://s202091680.onlinehome.us/wp-content/uploads/2020/03/MEG-USACE-Validation-Certificate-1.pdf>



**Pharr, Texas**

<https://megengineers.com/index.php/teaming/>



**Odessa, Texas**

<https://megengineers.com/index.php/teaming/>



**Houston, Texas**

<https://megengineers.com/index.php/teaming/>



**Laredo, Texas**

<https://megengineers.com/index.php/teaming/>



Please print this page and cut out the certificate below.

NOTE: Print using **landscape mode** for best results.

[\(close page after printing\)](#)

Instructions on how to print in landscape vary based on your browser and your printer. We suggest clicking on your browser's "**File**" menu and selecting "**Print Preview**", then orienting the page to landscape by using the buttons on the top of the Preview page.





SOUTH CENTRAL TEXAS REGIONAL CERTIFICATION AGENCY

Your unified certification source  
[www.sctrca.org](http://www.sctrca.org)

June 2, 2023

Raul Palma  
Millennium Engineers Group, Inc.  
PO Box 4569  
Edinburg, TX 78540

Dear Raul Palma:

We are pleased to inform you that your application for certification in our Small, Minority, Woman and Veteran Business Enterprise (S/M/W/V) Program has been approved. Your firm met the requirements of the SCTRCA Policy and Procedure Manual and is currently certified as a:

**\*ESBE HABE MBE SBE**

Certification Number: **223066103**  
Certification Expiration: **June 2, 2025**

Providing the following products or services:  
NAICS 541330: CIVIL ENGINEERING SERVICES  
NAICS 541370: LAND SURVEYING SERVICES  
NAICS 541380: GEOTECHNICAL TESTING LABORATORIES OR SERVICES  
NAICS 541990: ALL OTHER PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES

On the two year anniversary date of your certification, you are required to provide a renewal application affirming that no changes have occurred affecting your certification status. The SCTRCA will send you a Certification Renewal reminder **sixty (60) days** prior to your expiration date. The SCTRCA will no longer include a certificate upon certification renewals. **Your expiration date is June 2, 2025.**

Please notify this office within **thirty (30) days** of any changes affecting the size, ownership, control requirements, or any material change in the information provided in the submission of the certification application. Thank you in advance.

Sincerely,

Sandra Ramos  
Executive Director

# Texas Historically Underutilized Business (HUB) Certificate



Certificate/VID Number: 1742996684300  
Approval Date: September 28, 2023  
Scheduled Expiration Date: September 28, 2027

The Texas Comptroller of Public Accounts (CPA), hereby certifies that

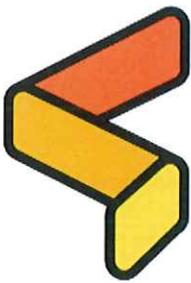
## Millennium Engineers Group Inc

has successfully met the established requirements of the State of Texas Historically Underutilized Business (HUB) Program to be recognized as a HUB. This certificate printed **September 28, 2023**, supersedes any registration and certificate previously issued by the HUB Program. If there are any changes regarding the information (i.e., business structure, ownership, day to day management, operational control, business location) provided in the submission of the business; application for registration/certification as a HUB, you must immediately (within 30 days of such changes) notify the HUB Program in writing. The CPA reserves the right to conduct a compliance review at any time to confirm HUB eligibility. HUB certification may be suspended or revoked upon findings of ineligibility.

---

*Statewide HUB Program  
Statewide Procurement Division*

Note: In order for State agencies and institutions of higher education (universities) to be credited for utilizing this business as a HUB, they must award payment under the Certificate/VID Number identified above. Agencies, universities and prime contractors are encouraged to verify the company's HUB certification prior to issuing a notice of award by accessing the Internet (<https://mycpa.cpa.state.tx.us/tpasscmb1search/index.jsp>) or by contacting the HUB Program at 512-463-5872 or toll-free in Texas at 1-888-863-5881.



**AASHTO**  
ACCREDITED

**CERTIFICATE OF  
ACCREDITATION**

AMERICAN ASSOCIATION  
OF STATE HIGHWAY AND  
TRANSPORTATION OFFICIALS

**AASHTO**

## **Millennium Engineers Group, Inc.**

in  
**Pharr, Texas, USA**

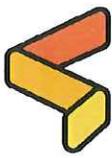
has demonstrated proficiency for the testing of construction materials and has conformed to the requirements established in AASHTO R 18 and the AASHTO Accreditation policies established by the AASHTO Committee on Materials and Pavements.

The scope of accreditation can be viewed on the Directory of AASHTO Accredited Laboratories ([aashtoresource.org](http://aashtoresource.org)).

  
Jim Tymon,  
AASHTO Executive Director

  
Moe Jamshidi,  
AASHTO COMP Chair

This certificate was generated on 01/05/2022 at 2:05 PM Eastern Time. Please confirm the current accreditation status of this laboratory at [aashtoresource.org/aap/accreditation-directory](http://aashtoresource.org/aap/accreditation-directory)



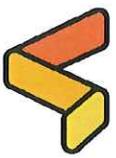
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# SCOPE OF AASHTO ACCREDITATION FOR:

Millennium Engineers Group, Inc.  
in Pharr, Texas, USA

## Quality Management System

Standard:	Accredited Since:
R18 Establishing and Implementing a Quality System for Construction Materials Testing Laboratories	03/18/2010
C1077 (Aggregate) Laboratories Testing Concrete and Concrete Aggregates	11/20/2018
C1077 (Concrete) Laboratories Testing Concrete and Concrete Aggregates	06/06/2018
D3666 (Aggregate) Minimum Requirements for Agencies Testing and Inspecting Road and Paving Materials	11/20/2018
D3666 (Asphalt Mixture) Minimum Requirements for Agencies Testing and Inspecting Road and Paving Materials	11/20/2018
D3740 (Soil) Minimum Requirements for Agencies Engaged in Testing and/or Inspection of Soil and Rock as Used in Engineering Design and Construction	11/20/2018
E329 (Aggregate) Standard Specification for Agencies Engaged in the Testing and/or Inspection of Materials Used in Construction	11/20/2018
E329 (Asphalt Mixture) Standard Specification for Agencies Engaged in the Testing and/or Inspection of Materials Used in Construction	11/20/2018
E329 (Concrete) Standard Specification for Agencies Engaged in the Testing and/or Inspection of Materials Used in Construction	07/28/2020
E329 (Soil) Standard Specification for Agencies Engaged in the Testing and/or Inspection of Materials Used in Construction	11/20/2018



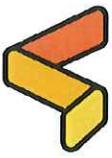
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# SCOPE OF AASHTO ACCREDITATION FOR:

Millennium Engineers Group, Inc.  
in Pharr, Texas, USA

## Asphalt Mixture

Standard:	Accredited Since:
R47 Reducing Samples of Hot-Mix Asphalt to Testing Size	11/20/2018
D979 Sampling Bituminous Paving Mixtures	11/20/2018
D2041 Maximum Specific Gravity of Hot Mix Asphalt Paving Mixtures	11/20/2018
D2726 Bulk Specific Gravity of Compacted Hot Mix Asphalt Using Saturated Surface-Dry Specimens	06/19/2014
D2950 Density of Bituminous Concrete In Place by Nuclear Methods	11/20/2018
D3203 Percent Air Voids in Compacted Dense and Open Bituminous Paving Mixtures	11/20/2018
D3549 Thickness or Height of Compacted Bituminous Paving Mixture Specimens	11/19/2021
D3665 Random Sampling of Construction Materials	11/19/2021
D5444 Mechanical Analysis of Extracted Aggregate	11/20/2018
D6307 Determining the Asphalt Content of Hot Mix Asphalt (HMA) by the Ignition Method	11/20/2018
D6926 Preparation of Asphalt Mixtures by Means of the Marshall Apparatus	11/20/2018
D6927 Resistance to Plastic Flow of Asphalt Mixtures Using Marshall Apparatus	11/20/2018
Tex-206-F Compacting Specimens Using the Texas Gyroatory Compactor (TGC)	06/19/2014
Tex-208-F Test for Stabilometer Value of Bituminous Mixtures	11/20/2018



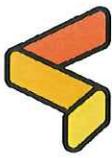
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# SCOPE OF AASHTO ACCREDITATION FOR:

Millennium Engineers Group, Inc.  
in Pharr, Texas, USA

## Soil

Standard:	Accredited Since:
T288 Minimum Soil Resistivity	11/20/2018
T289 pH of Soils for Corrosion Testing	11/20/2018
D421 Dry Preparation of Disturbed Soil and Soil Aggregate Samples for Test	11/20/2018
D422 Particle Size Analysis of Soils by Hydrometer	11/20/2018
D558 Moisture-Density Relations of Soil-Cement Mixtures	11/20/2018
D698 The Moisture-Density Relations of Soils Using a 5.5 lb [2.5 kg] Rammer and a 12 in. [305 mm] Drop	03/18/2010
D854 Specific Gravity of Soils	11/20/2018
D1140 Amount of Material in Soils Finer than the No. 200 (75-µm) Sieve	03/18/2010
D1556 Density of Soil In-Place by the Sand Cone Method	11/20/2018
D1557 Moisture-Density Relations of Soils Using a 10 lb [4.54 kg] Rammer and an 18 in. [457 mm] Drop	03/18/2010
D1883 The California Bearing Ratio	11/20/2018
D2166 Unconfined Compressive Strength of Cohesive Soil	11/20/2018
D2216 Laboratory Determination of Moisture Content of Soils	03/18/2010
D2434 Permeability of Granular Soils (Constant Head)	11/20/2018
D2435 One-Dimensional Consolidation Properties of Soils Using Incremental Loading	11/20/2018
D2487 Classification of Soils for Engineering Purposes (Unified Soil Classification System)	11/20/2018
D2488 Description and Identification of Soils (Visual-Manual Procedure)	11/20/2018
D2850 Unconsolidated, Undrained Compressive Strength of Cohesive Soils in Triaxial Compression	11/20/2018
D2937 Density of Soil in Place by the Drive-Cylinder Method	11/20/2018
D2974 Determination of Organic Content in Soils by Loss on Ignition	11/19/2021
D4318 Determining the Liquid Limit of Soils (Atterberg Limits)	03/18/2010
D4318 Plastic Limit of Soils (Atterberg Limits)	03/18/2010
D4546 One-Dimensional Swell or Settlement Potential of Cohesive Soils	11/20/2018



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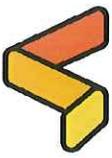
# SCOPE OF AASHTO ACCREDITATION FOR:

Millennium Engineers Group, Inc.

in Pharr, Texas, USA

## Soil (Continued)

Standard:	Accredited Since:
D4643 Determination of Water (Moisture) Content of Soil by Microwave Oven Heating	11/20/2018
D4718 Oversize Particle Correction	11/20/2018
D4767 Consolidated-Undrained Triaxial Compression Test on Cohesive Soils	11/20/2018
D4829 Expansion Index of Soils	11/20/2018
D4943 Shrinkage Factors of Soil by Wax Method	11/20/2018
D4972 pH Testing of Soils	11/20/2018
D5084 Hydraulic Conductivity of Saturated Porous Materials Using a Flexible Wall Permeameter	11/20/2018
D6913 Particle-Size Distribution (Gradation) of Soils Using Sieve Analysis	11/20/2018
D6938 In-Place Density and Moisture Content of Soil and Soil-Aggregate by Nuclear Methods (Shallow Depth)	11/20/2018
D7928 Particle-Size Distribution (Gradation) of Fine-Grained Soils Using the Sedimentation (Hydrometer) Analysis	11/20/2018
G51 Measuring pH for Corrosion Testing	11/20/2018
G57 Field Measurement of Soil Resistivity Using the Wenner Four-Electrode Method	11/20/2018
G-187 Soil Resistivity Using the Two-Electrode Soil Box	11/20/2018



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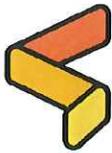
# SCOPE OF AASHTO ACCREDITATION FOR:

Millennium Engineers Group, Inc.

in Pharr, Texas, USA

## Aggregate

Standard:	Accredited Since:
C29 Bulk Density ("Unit Weight") and Voids in Aggregate	11/20/2018
C40 Organic Impurities in Fine Aggregates for Concrete	11/20/2018
C88 Soundness of Aggregate by Use of Sodium Sulfate or Magnesium Sulfate	11/20/2018
C117 Materials Finer Than 75-µm (No. 200) Sieve in Mineral Aggregates by Washing	02/14/2012
C127 Specific Gravity and Absorption of Coarse Aggregate	11/20/2018
C128 Specific Gravity (Relative Density) and Absorption of Fine Aggregate	11/20/2018
C136 Sieve Analysis of Fine and Coarse Aggregates	02/14/2012
C142 Clay Lumps and Friable Particles in Aggregate	11/20/2018
C566 Total Moisture Content of Aggregate by Drying	11/20/2018
C702 Reducing Samples of Aggregate to Testing Size	11/20/2018
D75 Sampling Aggregate	11/20/2018
D546 Sieve Analysis of Mineral Filler for Road and Paving Materials	11/20/2018
D2419 Plastic Fines in Graded Aggregates and Soils by Use of the Sand Equivalent Test	11/20/2018
D4791 Flat Particles, Elongated Particles, or Flat and Elongated Particles in Coarse Aggregate	11/20/2018
D5821 Determining the Percentage of Fractured Particles in Coarse Aggregate	11/20/2018



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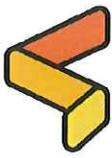
# SCOPE OF AASHTO ACCREDITATION FOR:

Millennium Engineers Group, Inc.

in Pharr, Texas, USA

## Concrete

Standard:		Accredited Since:
M201	Moist Cabinets, Moist Rooms, and Water Storage Tanks Used in the testing of Hydraulic Cements and Concretes	07/28/2020
R60	Sampling Freshly Mixed Concrete	07/28/2020
T22	Compressive Strength of Cylindrical Concrete Specimens	07/28/2020
T23	Making and Curing Concrete Test Specimens in the Field	07/28/2020
T24	Obtaining and Testing Drilled Cores and Sawed Beams of Concrete	07/28/2020
T97	Flexural Strength of Concrete (Using Simple Beam with Third-Point Loading)	07/28/2020
T119	Slump of Hydraulic Cement Concrete	07/28/2020
T121	Density (Unit Weight), Yield, and Air Content of Concrete	07/28/2020
T152	Air Content of Freshly Mixed Concrete by the Pressure Method	07/28/2020
T196	Air Content of Freshly Mixed Concrete by the Volumetric Method	07/28/2020
T231 (5000 psi and below)	Capping Cylindrical Concrete Specimens	07/28/2020
T309	Temperature of Freshly Mixed Portland Cement Concrete	07/28/2020
C31	Making and Curing Concrete Test Specimens in the Field	06/06/2018
C39	Compressive Strength of Cylindrical Concrete Specimens	06/06/2018
C42	Obtaining and Testing Drilled Cores and Sawed Beams of Concrete	06/06/2018
C78	Flexural Strength of Concrete (Using Simple Beam with Third-Point Loading)	07/28/2020
C138	Density (Unit Weight), Yield, and Air Content of Concrete	06/06/2018
C143	Slump of Hydraulic Cement Concrete	06/06/2018
C172	Sampling Freshly Mixed Concrete	06/06/2018
C173	Air Content of Freshly Mixed Concrete by the Volumetric Method	06/06/2018
C231	Air Content of Freshly Mixed Concrete by the Pressure Method	06/06/2018
C511	Moist Cabinets, Moist Rooms, and Water Storage Tanks Used in the testing of Hydraulic Cements and Concretes	06/06/2018
C617 (5000 psi and below)	Capping Cylindrical Concrete Specimens	06/06/2018



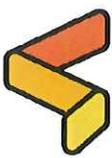
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# SCOPE OF AASHTO ACCREDITATION FOR:

Millennium Engineers Group, Inc.  
in Pharr, Texas, USA

## Concrete (Continued)

Standard:	Accredited Since:
C-1064 Temperature of Freshly Mixed Portland Cement Concrete	06/06/2018
C-1231 (7000 psi and below) Use of Unbonded Caps in Determination of Compressive Strength of Hardened Concrete Cylinders	06/06/2018
C-1542 Measuring Length of Concrete Cores	06/06/2018



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# SCOPE OF AASHTO ACCREDITATION FOR:

Millennium Engineers Group, Inc.  
in Pharr, Texas, USA

## Masonry

Standard:	Accredited Since:
M201 Moist Cabinets, Moist Rooms, and Water Storage Tanks Used in the testing of Hydraulic Cements and Concretes	07/28/2020
C511 Moist Cabinets, Moist Rooms, and Water Storage Tanks Used in the testing of Hydraulic Cements and Concretes	06/06/2018
C780 (Annex 1) Preconstruction and Construction Evaluation of Mortars for Plain and Reinforced Unit Masonry - Consistency by Cone Penetration	07/28/2020
C780 (Annex 6) Preconstruction and Construction Evaluation of Mortars for Plain and Reinforced Unit Masonry - Compressive Strength	06/06/2018
C1019 Sampling and Testing Grout	07/28/2020



USACE CERTIFICATE  
OF  
LABORATORY VALIDATION



**Millennium Engineers Group, Inc.**

5804 North Gumwood Avenue  
Pharr, TX, United States  
Andres Palma  
(956) 702-8500

has demonstrated, by abbreviated audit of its AASHTO accreditation, or by inspection of required records, equipment, procedures, facilities, and/or final reports, its proficiency to perform testing of construction materials, as established by the quality standards of AASHTO R 18 guidance and the requirements of the applicable ASTM standards.

**THIS USACE CERTIFICATE OF LABORATORY VALIDATION IS ACCURATE AS OF ITS DATE AND TIME OF GENERATION:**

**14 FEB 2023 AT 11:01 HOURS**

**ALL METHODS LISTED ON THIS CERTIFICATE OF VALIDATION WILL EXPIRE ON 02/13/2025**

PLEASE CONFIRM THE CURRENT VALIDATION STATUS OF THIS LABORATORY USING THE SEARCH FEATURE ON OUR PUBLIC WEBSITE: <https://mtc.erdcdren.mil>

Chad A. Gartrell, PE, Director  
USACE Materials Testing Center  
Vicksburg, Mississippi, USA

**AGGREGATE**

Aggregate - C 29 - Unit Weight and Voids in Aggregate  
Aggregate - C 40 - Organic Impurities  
Aggregate - D 75 - Sampling  
Aggregate - C 88 - Sulfate Soundness  
Aggregate - C 117 - Material Finer than 75  $\mu\text{m}$  (No. 200) Sieve  
Aggregate - C 127 - Specific Gravity & Absorption in Coarse Aggregate  
Aggregate - C 128 - Specific Gravity & Absorption in Fine Aggregate  
Aggregate - C 136 - Sieve Analysis of Aggregates  
Aggregate - C 142 - Clay Lumps  
Aggregate - E 329 - Standard Specification for Agencies Engaged in Construction Inspection, Testing, or Special Inspection  
Aggregate - C 566 - Total Moisture Content  
Aggregate - C 702 - Reducing Samples to Testing Size  
Aggregate - C 1077 - Concrete and Concrete Aggregate Testing Standards (Quality Standards)  
Aggregate - D 2419 - Sand Equivalent Value  
Aggregate - D 3666 - Minimum Requirements for Agencies Testing and Inspecting Road and Paving Materials  
Aggregate - D 4791 - Flat and Elongated Particles in Course Aggregate  
Aggregate - D 5821 - Percentage of Fractured Particles in Coarse Aggregate

**BITUMINOUS**

Bituminous - TEX 206 - TEXAS DOT - Compacting Asphalt with Texas Gyrotory Compactor  
Bituminous - Tex-F 208 - Test for Stabilometer Value of Bituminous Mixtures  
Bituminous - E 329 - Standard Specification for Agencies Engaged in Construction Inspection, Testing, or Special Inspection  
Bituminous - D 546 - Sieve Analysis of Mineral Filler  
Bituminous - D 979 - Sampling Bituminous Paving Mixtures  
Bituminous - D 2041 - Theoretical Maximum Specific Gravity & Density (Rice)  
Bituminous - D 2726 - Bulk Specific Gravity and Density  
Bituminous - D 2950 - Density of Bituminous Concrete in Place by Nuclear Methods  
Bituminous - D 3203 - Percent Air Voids

- Bituminous - D 3549 - Thickness or Height of Compacted Asphalt Mixture Specimens
- Bituminous - D 3666 - Minimum Requirements for Agencies Testing and Inspecting Road and Paving Materials
- Bituminous - D 5444 - Mechanical Size Analysis of Extracted Aggregate
- Bituminous - D 6307 - Asphalt Content of Hot-Mix Asphalt by Ignition Method
- Bituminous - D 6926 - Preparation of Bituminous Specimens using Marshall
- Bituminous - D 6927 - Marshall Stability and Flow of Bituminous Mixtures

## CONCRETE

- Concrete - C 31 - Making and Curing Test Specimens in the Field
- Concrete - C 39 - Compressive Strength of Cylindrical Specimens
- Concrete - C 42 - Drilled Cores and Sawed Beams
- Concrete - C 78 - Flexural Strength by Third Point Loading
- Concrete - C 138 - Unit Weight and Air Content by Gravimetric
- Concrete - C 143 - Slump
- Concrete - C 172 - Sampling
- Concrete - C 173 - Air Content by Volumetric \*\*\*required if C231 not performed\*\*\*
- Concrete - C 231 - Air Content by Pressure \*\*\*required if C173 not performed\*\*\*
- Concrete - C 511 - Moist Cabinets, Moist Rooms, Water Storage Tanks
- Concrete - C 617 - Capping Cylindrical Specimens
- Concrete - C 1064 - Temperature of Concrete
- Concrete - C 1077 - Concrete and Concrete Aggregate Testing Standards (Quality Standards)
- Concrete - C 1231 - Unbonded Caps
- Concrete - C 1542 - Measuring Length of Concrete Cores

## MASONRY

- Masonry - C 511 - Mixing Rooms, Moist Cabinets, Cure Tanks
- Masonry - C 780 - Evaluation of Mortars for Plain and Reinforced Unit Masonry
- Masonry - C 1019 - Sampling and Testing Grout

## SOILS

- Soils - G 51 - Measuring pH of Soil for Use in Corrosion Testing
- Soils - G 57 - Field Measurement of Soil Resistivity Using the Wenner Four-Electrode Method
- Soils - G 187 - Measurement of Soil Resistivity Using the Two-Electrode Soil Box Method
- Soils - E 329 - Standard Specification for Agencies Engaged in Construction Inspection, Testing, or Special Inspection
- Soils - D 421 - Dry Preparation for Particle Size Distribution & Soil Constants
- Soils - D 558 - Moisture-Density of Soil-Cement
- Soils - D 698 - Compaction Characteristics by Standard Effort
- Soils - D 854 - Specific Gravity of Soils
- Soils - D 1140 - Material Finer than 75  $\mu\text{m}$  (No. 200) Sieve
- Soils - D 1556 - Density & Unit Weight by Sand Cone
- Soils - D 1557 - Compaction Characteristics by Modified Effort
- Soils - D 1883 - CA Bearing Ratio (CBR)
- Soils - D 2166 - Unconfined Compressive Strength
- Soils - D 2216 - Water Content
- Soils - D 2434 - Permeability of Granular Soils (Constant Head Method) (Withdrawn 2015)
- Soils - D 2435 - One-Dimensional Consolidation Properties
- Soils - D 2487 - Classification of Soils
- Soils - D 2488 - Description & Identification of Soils (Visual-Manual Procedure)
- Soils - D 2850 - Unconsolidated, Undrained Strength in Triaxial Compression
- Soils - D 2937 - Density by Drive Cylinder Method
- Soils - D 3740 - Soil and Rock Testing Standards (Quality Standard)
- Soils - D 4318 - Liquid & Plastic Limits & Plasticity Index
- Soils - D 4546 - One-Dimensional Swell or Settlement Potential
- Soils - D 4643 - Determination of Water Content of Soil by Microwave Oven
- Soils - D 4718 - Correction of Unit Weight and Water Content for Soils Containing Oversize Particles
- Soils - D 4767 - Consolidated-Undrained Triaxial Compression
- Soils - D 4829 - Expansion Index of Soils
- Soils - D 4943 - Shrinkage Factors of Cohesive Soils by the Water Submersion Method
- Soils - D 4972 - pH of Soils
- Soils - D 5084 - Hydraulic Conductivity using a Flexible Wall Permeameter
- Soils - D 6913 - Particle-Size Distribution of Soils Using Sieve Analysis
- Soils - D 6938 - Density and Water Content by Shallow Depth Nuclear Method
- Soils - D 7928 - Fine Grain Distribution with Hydrometer



Geotechnical / Environmental / Forensic / Construction Materials Testing / Consulting / Geostructural / Facilities



**MEG Engineers – Pharr**

[www.megengineers.com](http://www.megengineers.com), 5804 N. Gumwood Ave.  
Pharr, Texas 78577

956-702-8500, [apalma@megengineers.com](mailto:apalma@megengineers.com)





STATEMENT OF QUALIFICATIONS TO PROVIDE

# CONSTRUCTION MATERIALS TESTING, LABORATORY AND FORENSIC SERVICES

FOR

**SOQ – CMT LAB AND FORENSIC SERVICES – 2024-01**



SUBMITTED TO

HIDALGO COUNTY REGIONAL  
MOBILITY AUTHORITY  
(HCRMA)

ATTN: MS. PILAR RODRIGUEZ, P.E.  
EXECUTIVE DIRECTOR  
203 W Newcombe Avenue,  
Pharr, Texas 78577

**MARCH 1, 2024**





March 1, 2024

Hidalgo County Regional Mobility Authority  
Pilar Rodriguez, P.E.  
Executive Director  
203 W Newcombe Ave  
Pharr, Texas 78577

Re.: Statement of Qualifications for Construction Materials Testing Laboratory Services and Forensic Investigation and Evaluation of In-Place Construction Materials 365 Tollway Project – 2024-01.

Dear Mr. Rodriguez,

Professional Service Industries, Inc. (PSI), an Intertek company, would like to express our interest in providing Materials Testing Laboratory and Forensic services to the Hidalgo County Regional Mobility Authority (HCRMA). PSI is a nationwide engineering and consulting firm distinguished as a leader in providing Geotechnical Engineering, Construction Materials Engineering and Testing Services, Environmental Consulting, Storm Water Consulting and Inspection, Roof Consulting and Facilities Engineering. PSI has solid credentials and brings the following benefits to your project:

**LOCAL EXPERIENCE**- The predecessor companies of PSI were established approximately 100 years ago. The Harlingen office of PSI was established in 1974 and currently has approximately 15 employees. PSI currently has 17 offices within the State of Texas and approximately 100 offices nationwide to service this project. PSI is uniquely qualified to perform the requested services for the HCRMA.

**NATIONAL EXPERTISE** - PSI has conducted geotechnical engineering, construction materials testing and inspection for numerous municipalities and counties throughout the U.S.

**APPROACH**- Quality is a process, not a destination, and we work to imitate our successes and overcome any shortcomings. Our goal for quality performance is to provide professional services of such quality that our clients receive superior value and our employees grow and share in our firm's success.

**FINANCIAL STABILITY**- PSI, with annual building and construction revenues of \$1.1 billion, is a leading independent engineering and testing firm and ranked #23 by ENR Top 500 Design Firms List.

We are confident that upon review of PSI's qualifications and experience, you will determine that we are exceptionally well-qualified to join your project team. We are committed to the success of our clients, not only in the successful completion of their projects, but also in continuing to develop strong working relationships, resulting in a teamwork environment. At the appropriate time, we would be pleased to further discuss our service capabilities for your project. If there are any questions, please contact our office.

Respectfully submitted,  
*Professional Service Industries, Inc.*  
Texas Firm Registration No. F-3307

Edward Pruske  
Business Development Manager

Raymundo G. Martinez, P.G.  
Branch Manager

S. Peter Gonzales, P.E.  
Project Manager CMT Services



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FIRM INFORMATION

**1. Firm name, including the addresses of all firm offices identifying in which office the work will be performed.**

Name: Professional Service Industries, Inc. (PSI)

**Local Office:**

2020 N. Loop 499, Suite 302  
 Harlingen, Texas 78550  
 Phone: 956.423.6826

Professional Service Industries was incorporated in Delaware, June 26, 1972. However, the name was not used in the marketplace until the 1980’s. The company was founded as A&H Materials Testing in 1961 in Champaign-Urbana, Illinois. An additional former name is Pittsburgh Testing Laboratories (1881- 1986).

In 2015 Professional Service Industries, Inc. was acquired by Intertek, but continues to do business as Professional Service Industries, Inc. (PSI). We still fill out our prequalification statements as Professional Service Industries, Inc. (PSI). PSI is headquartered at 545 E. Algonquin Road, Arlington Heights, IL 60005.

Professional Service Industries, Inc. (PSI) is a nationally recognized consulting engineering and testing firm providing integrated services in several disciplines, including environmental consulting, geotechnical engineering, construction materials testing and engineering. We are a leader among the nation’s independent testing organizations and rank among the country’s largest consulting engineering firms.

PSI has been providing industry businesses with accurate, objective and useful information for more than 100 years. Today, we employ approximately 1,800 skilled personnel in 100 offices nationwide. Our Harlingen Office has been active since 1974, and it has successfully managed numerous projects over the last 40 years. We have been team members with municipalities in Central/South Texas: City of Edinburg; City of Mercedes; City of Pharr; City of Harlingen, City of Cotulla, City of Austin, City of San Antonio, City of Round Rock, City of Cedar Park, City of Killeen, and the City of Harker Heights, just to name a few.

**Additional Office Locations**

PSI currently has 17 offices within the State of Texas and approximately 100 offices nationwide to service this project. All services will be performed from our local office in Harlingen. See below our additional Texas offices locations.

<b>Austin</b> 2600 McHale Court, Suite 125 Austin, TX 78758 P: 512.491.0200	<b>Elmendorf</b> 16015 Shady Falls Rd, Elmendorf, TX 78112 P: (210) 635-8100	<b>Harker Heights</b> 1200 South Amy Lane, Bldg. 4 Harker Heights, TX 76548 P: 254.699.1314	<b>Plano</b> 1909 10 <sup>th</sup> Street, Suite 100 Plano, TX 75074 P: 972.542.1447
<b>Clute</b> 7000 Lewis Street Clute, TX 7751 P: 979.265.2509	<b>El Paso</b> 4601 Ripley Drive El Paso, TX 79906 P: 915.584.1317	<b>Houston</b> 3730 Dacoma Street Houston, TX 77092 P: 713.224.2047	<b>San Antonio</b> 3 Burwood Lane San Antonio, TX 78216 P: 210.342.9377
<b>Corpus Christi</b> 810 South Padre Island Dr. Corpus Christi, TX 78416 P: 361.854.4801	<b>Fort Worth</b> 7550 Sand Street Fort Worth, TX 76118 P: 817.284.3783	<b>La Porte</b> 1413 W. Barbours Cut Blvd. La Porte, TX 77571 P: 281.471.2900	<b>Spring</b> 240 Spring Hills Dr, Ste 415 Spring, TX 77386 P: 281.209.1024
<b>Dallas</b> 4087 Schilling Way Dallas, TX 785237 P: 214.330.9211	<b>Grapevine</b> 1215 Mustang Drive Grapevine, TX 76051 P: 817.601.3853	<b>Odessa</b> 2700 West 42nd Street Odessa, TX 79764 P: 432.614.0688	<b>Victoria</b> 402 Stephenson Street Victoria, TX 77904 P: 361.575.0281



**2. Name, position, phone, email, and fax numbers of contact person.**

Raymundo G. Martinez, P.G  
 Branch Manager  
 raymundo.martinez@intertek.com  
 Mobile 956.254.6537  
 Office 956.423.6826  
 Fax 956 423 5735

**3. Names of principals in the firm; years firm has been in business.**

PSI and predecessor companies have a history of over 142 years of continuous operation (1881). PSI was incorporated in 1972 (52 years).

**Executive Team**

Name	Title	Location	Years with Intertek	Years of Experience in Industry
Carlos Velasco	President Latin America and Global B&C	200 Westlake Park Blvd. Houston, TX 77079	20	20
Ajay Agarwal	Chief Financial Officer B&C North America	545 Algonquin Road, Arlington Heights, IL 60005.	11	11
Todd Andrews	Secretary	545 Algonquin Road, Arlington Heights, IL 60005.	5	27
Amanda Bellgardt	VP Human Resources USA & Canada	4700 Broadmoor SE Kentwood, MI 49512	12	20
Julian Burge	Treasurer	200 Westlake Park Blvd. Houston, TX 77079	9	9

**4. Number of staff by discipline in the office that will be working on project, copies of their resumes and appointed project manager for proposed projects.**

Locally, the Harlingen branch has 15 full time employees.

Discipline	Number of Staff
Engineer and Graduate Engineer	2
Project Managers	4
Technicians	9

In addition, we have the distinct advantage of being able to draw resources, when necessary, from nearby offices. PSI has 17 offices in the State of Texas from which it can provide engineers, scientists, technicians and experts in the field to ensure that all jobs are completed to the satisfaction of our clients. This allows us to be able to handle virtually any size or combination of projects.

The project manager for the proposed projects will be S. Peter Gonzales, P.E. See below Resumes for the key personnel.



- **RAYMUNDO MARTINEZ, P.G.**

BRANCH MANAGER, HARLINGEN, TEXAS

STARTED WITH INTERTEK-PSI: 1998-2005, 2018 /YEARS IN INDUSTRY: 24

Education

B.S. in Geology, University of Texas, San Antonio, 2000

Certifications/Registrations/Technical Training

License Geoscientist (P.G.)

Professional Experience

Mr. Martinez currently serves as Branch Manager for the PSI Harlingen office and is responsible for leadership, administering and managing all geotechnical, environmental and construction material testing services for the PSI Gulf Coast Region. Mr. Martinez served as a project manager with PSI between 1998-2005. During that time, his background included scheduling and coordinating drilling, drilling equipment and procedures, logging, laboratory testing on soils, maintaining laboratory calibration on equipment, collaborating closely with clients and writing proposals and reports. He also has extensive experience in managing multiple projects involving exploration/production in oil and gas industries for the past 13 years. This includes being responsible for updating all projects to higher management and geoscientist; oversaw multiple drilling operations in the Powder River Basin and Wind River Basin in Wyoming; stayed abreast of changing local, state, and national environmental laws, and policies to ensure compliance and the utmost standards.

Representative Project Experience

- City of Pharr TxDOT WA 1, Contract No.36-01DP0011 Highway/Roadway
- CDBG-FILMORE STREET IMP, Construction Materials Testing, City of Harlingen
- 2022 ST IMP. PROGRAM PROJECT, Construction Materials Testing, City of Harlingen
- TXDOT LOOP 499 SIDEWALK PRJT, Construction Materials Testing, City of Harlingen
- Burns road street imp #2, Construction Materials Testing, Cameron County
- Primera road (City of Primera), Construction Materials Testing, Cameron County
- Scott Sloane Parking lot imp., Construction Materials Testing, Cameron County
- VARIOUS STREET IMP - CIP #1, Construction Materials Testing, City of Brownsville
- SOUTHMOST NATURE TRAIL - PH II, Construction Materials Testing, City of Brownsville
- IDEA Public Schools, Harlingen Academy/College Prep\_Ph1, - Harlingen, Tx
- Thrive School Addition– IDEA Toros, Edinburg, TX: Project consisted of a one-story 3,500 sq. ft. building addition which will be wood frame structure
- Burns Motor Jeep Dealership: Project consisted of a one-story 12,916 sq. ft. building with 45,684 sq. ft. of parking space area.
- Rayos Del Sol Solar Project, observed and tested on 435 axial and lateral pile load tests for a total of 36 solar array blocks. In addition, provided densities for all utilities trenches and access roads.
- USBP Remote Camera Surveillance Towers– Laredo, TX
- Eight Story La Quinta – Downtown San Antonio, TX
- Proposed Landfill Study – Los Fresnos, TX
- Calaveras Dam – San Antonio, TX
- Braunig Dam – San Antonio, TX
- El Paso Pipeline – San Antonio, TX

- **WILLIAM CIGGELAKIS, P.E.**

CHIEF ENGINEER – PRINCIPAL IN CHARGE

STARTED WITH INTERTEK-PSI: 1997 /YEARS IN INDUSTRY: 44

**Education**

B.S., Civil Engineering, Rutgers University, 1977

**Certifications/Registrations/Technical Training**

Professional Engineer, #52549, Texas, 1982

TxDOT Personnel Sequence, #000002723 A2LA ISO 17025

Examiner for Field Testing Technician (ACI), Grade I, Nationwide, 1985

Examiner for Flat Work Finishers (ACI), Nationwide, 1985

Examiner for Laboratory Technician (ACI), Nationwide, 1985

Asphalt Mix Designs, Asphalt Institute

Basics of Repair Materials, NRMCA

Certifications (NRMCA), Nationwide

Concrete Inspector (ACI), 318 Building Code

Certified Nuclear Density Gauge Operator, #18329, Texas, 1991

Repair & Rehabilitation of Concrete Structures, ACI

Repair of Parking Structures (NRMCA)

Repair of Slabs on Grade (ACI)

Structural Concrete Repair Methods (NRMCA)

Welding Inspections (AWS), 1980

**Memberships/Affiliations**

- American Society of Civil Engineers (ASCE)
- Texas Council of Engineering Laboratories (TCEL)
- American Concrete Institute (ACI)
- Committee C610 Member, Field Technician Certification
- Committee C620 Member, Laboratory Technician Certification
- Committee 228 Member, Nondestructive Examination Committee 543 Member, Concrete Piles and Auger Cast Piers

**Professional Experience**

Mr. Ciggelakis is the Chief Engineer for the SW United States Operations and has approximately 44 years of Engineering Experience. He is Pre-Certified with Texas Department Of Transportation in work category's 11.1.1-Roadway Construction Management And Inspection, 11.2.1-Major Bridge Construction Management And Inspection, 12.1.1 Asphaltic Concrete, 12.1.2- Portland Cement Concrete, 12.2.1 - Plant Inspection And Testing, 14.1.1-Soil Exploration, 14.2.1-Geotechnical Testing And 14.3.1-Transportation Foundation Studies. He is a national member of ACI and serves as a technical reviewer for the publication Concrete International. He is an examiner for the laboratory and field certification program for engineering technicians, as well as flat work finishers. He has been the testing services manager for many large and varied projects worldwide, including offshore oil terminal facilities, convention centers, high-rise buildings, international airport facilities and international corporate office headquarters. He has provided forensics and expert witness testimony for numerous concrete related issues.

**Representative Project Experience**

- City of Pharr TxDOT WA 1, Contract No.36-01DP0011 Highway/Roadway
- Precast / Prestressed Concrete Institute (2015)
- TXDOT- (2003-2013) Project Manager for the inspection and quality control of prefabricated products to include structural steel with critical weld analysis and pre-stressed concrete bridge elements.
- National Precast Concrete Association
- Post Tension Institute; Worldwide- Certification of plants manufacturing pre-stressed steel wire strand.
- City Creek Rising, Salt Lake City, UT, Quality Control Consultant
- Harris County: North Harris County, Texas – Project manager of several miles of road construction and two bridges jointly funded by VIA Metro and Harris County.
- Valero World Headquarters, San Antonio, TX,
- Off-site Structural Steel Fabrication Inspection for the U.S. Moscow Embassy, San Angelo, TX
- City of San Antonio, San Antonio International Airport; CIP Project 426.
- City of San Antonio, San Antonio International Airport; Reconstruction of Taxiway Hotel
- City of San Antonio, San Antonio International Airport; Overnight Parking and Approach Apron
- City of San Antonio, San Antonio International Airport; Reconstruction of Taxiway 'G'

- **S. PETER GONZALES, P.E.**

PROJECT MANAGER CONSTRUCTION MATERIAL TESTING SERVICES  
STARTED WITH INTERTEK-PSI: 2010 /YEARS IN INDUSTRY: 30

#### Education

B.S., Ocean Engineering, Texas A&M University, College Station, 1993  
M.S., Civil Engineering, Texas A&M, University, College Station, 1999

#### Certifications/Registrations/Technical Training

Registered Professional Engineer #97592, Texas  
City of San Antonio Special Inspector (No. 97592)

TxDOT Precertification:

- 12.1.3 Materials Engineering
- 14.1.1 Soil Exploration
- 14.2.1 Geotechnical Testing

#### Memberships/Affiliations

Board of Directors Bexar Chapter of Texas Society of Professional Engineers

#### Professional Experience

Mr. Gonzales has extensive knowledge in managing the Construction and Materials Engineering Testing department leading special inspectors, engineering technicians, and administrative staff to provide testing and inspection services for commercial, institutional, municipal, and federal clients. His experience includes estimating level of effort, sampling and testing quantities and defining inspection scopes of work. His work also includes reviewing testing reports, inspection reports, and utility installation testing reports; preparing and submitting reports of required special inspections to the Registered Design Professional in Responsible Charge; interpreting plans, specifications, and geotechnical reports and implement testing programs to meet project requirements; provides support to project teams to solve constructability issues; trains field and laboratory staff in the performance of ASTM, AASHTO and TxDOT Testing Methods. He serves as a mentor to project management staff in report writing, communications skills, and managing budgets.

Mr. Gonzales develops and maintains department quality system, oversees proficiency sample program and interact with ASSHTO re:source, CCRL, and USACE Materials Testing Center.

#### Representative Project Experience

- City of Pharr TxDOT WA 1, Contract No.36-01DP0011 Highway/Roadway
- CDBG-FILMORE STREET IMP, Construction Materials Testing, City of Harlingen
- 2022 ST IMP. PROGRAM PROJECT, Construction Materials Testing, City of Harlingen
- TXDOT LOOP 499 SIDEWALK PRJT, Construction Materials Testing, City of Harlingen
- Burns road street imp #2, Construction Materials Testing, Cameron County
- Primera road (City of Primera), Construction Materials Testing, Cameron County
- Scott Sloane Parking lot imp., Construction Materials Testing, Cameron County
- VARIOUS STREET IMP - CIP #1, Construction Materials Testing, City of Brownsville
- SOUTHMOST NATURE TRAIL - PH II, Construction Materials Testing, City of Brownsville
- Trinity University Science Building, San Antonio, Texas
- NEISD Krueger Middle School- Campus Replacement Phase II
- SWISD Legacy Highschool- Stadium Seating, HS Stadium Visitor Parking
- AJ Brewmeister Middle School- Additions and Renovations
- Seguin High School Stadium Concrete Flatwork Study
- Kerrville ISD Hal Peterson- Post Pad Installation

- **ERNESTO GOMEZ**

PROJECT MANAGER CONSTRUCTION MATERIALS TESTING  
STARTED WITH INTERTEK-PSI: 2010 /YEARS IN INDUSTRY: 36

#### Education

- High School Diploma- John Marshall High School

#### Certifications/Registrations/Technical Training

- Project Management Certification Program, PSI YEAR 2011
- Certified Moisture/Density Gauge Operator
- TXDOT SuperPave Certified Technician
- Asphalt Institute SuperPave Certified Technician
- TXDOT Level 1A Certified Asphalt Plant Specialist
- TXDOT Level 1B Certified Asphalt Roadway Specialist
- TXDOT Agg 101 Certified Aggregate Specialist
- TXDOT Level II Certified Asphalt Design Specialist

#### Professional Experience

Mr. Gomez has 13 years as a Project Lead in PSI and over 36 years of quality control experience in construction materials testing and inspection services. During that time, he has conducted reinforcing steel inspections, drilled pier shaft inspection, concrete testing, field density testing and extensive asphalt materials inspection and testing. His laboratory experience includes soil moisture-density relations, sieve analysis of soil, aggregate, and asphalt. Site experience includes City of San Antonio Street Renovation projects, hospitals, TXDOT and military projects, schools, residential and commercial projects. He serves as a Project Manager and as an Asphalt Supervising Laboratory and Field technician Supervisor for Intertek- PSI.

#### Representative Projects Experience

- TXDOT CONTRACT #36-01DP0011. Materials Testing performed and supervised all sampling, testing, inspection work and related services for Asphaltic and Concrete construction for the following project: CSJ: 2660-01-011, CSJ: 0483-01-056 and CSJ: 0037-09-033 for various locations in the Laredo District.
- Taxiway R. Rehabilitation & MSW Removal, San Antonio, Texas. City of San Antonio Aviation Department. Project Manager Materials Testing. Monitor project budget, Purchase Orders and invoice submission. Perform asphaltic lab testing.
- W. Commerce (Frio to Colorado St), San Antonio Texas. Project Manager Materials Testing. Monitor project budget, Purchase Orders and invoice submission. Perform asphaltic lab testing. Our services included field density observations and testing, asphalt observations and testing, asphalt coring, concrete observations and testing and Hamburg wheel test.
- Fire Station no. 24, San Antonio Texas. Project Manager Materials Testing. Monitor project budget, Purchase Orders and invoice submission. Perform asphaltic lab testing. Our services included lab and field testing of soil, field density observations and testing, reinforcing steel and concrete observations and testing.
- Wheatley Heights Sports Complex, San Antonio, Texas. Project Manager Materials Testing. Monitor project budget, Purchase Orders and invoice submission. Perform asphaltic lab testing. Our services included field density observations and testing, concrete observations and testing, reinforcing steel observations, structural steel observations.

## EXPERIENCE- PROJECT PROFILES

*5. List at least three related testing verification projects with TxDOT, USACE, Toll Authority/Regional Mobility Authority Projects of a transportation nature conducted within last five (5) years.*

**TR- 365 PROJECT MCALLEN, TX.**

Client/Owner:	Pulice
Contact Information:	Rocio de los Reyes Cadenas Corporate Quality Director 713-324-4120 rreyes@dragados-usa.com
Project Location:	McAllen TX
Performance Period:	12/04/2023 – (Ongoing)
Services Provided:	Construction Materials Testing
Description:	PSI has teamed up with Dragados-Pulice for the TR-365 Project to take place in Hidalgo County. PSI is in charge of sampling and testing of all concrete trial mix design, as well as all laboratory testing. PSI will provide experienced qualified technicians and engineers to assist Dragados for this project. In addition, PSI has also teamed up with Dragados-Pulice in construction materials testing for the IH2/IH69 interchanged project for City of Pharr.

**TXDOT WA 1, CONTRACT NO.36-01DP0011 Pharr District**

Client/Owner:	Texas Department of Transportation (TXDOT) Sergio Cantu, P.E. 956-702-6262 Sergio.Cantu@txdot.gov
Project Location:	Pharr District
Project Value:	\$457,499 (PSI fees)
Performance Period:	09/30/2021 – July 2025 (Ongoing)
Services Provided:	Construction Materials Testing
Description:	PSI is performing and supervising all sampling, testing, inspection work and asphaltic, soils/flexbase and concrete for the State on the highway projects for the Pharr District.

**TXDOT WA 2 CONTRACT NO. 36-0IDP0011 Laredo District.**

Client/Owner: Texas Department of Transportation (TXDOT)  
 Luis Castillo, P.E.  
 956-712-7750  
 Luis.Castillo@txdot.gov

Project Location: Pharr District

Project Value: \$699,631.1 (PSI fees)

Performance Period: 03/15/2023 – July 2025 (Ongoing)

Services Provided: Construction Materials Testing

Description: PSI is performing and supervising all sampling, testing, inspection work and related services for Asphaltic and Concrete construction for the following project: CSJ: 2660-01-011, CSJ: 0483-01-056 and CSJ: 0037-09-033 for various locations in the Laredo District.

**MILE 9 NORTH ROAD- STREET WIDENING IMPROVEMENTS, City of Weslaco**

Client/Owner: City of Weslaco  
 Albert J. Aldana  
 aaldana@weslacotx.gov

Project Location: City of Weslaco

Project Value: \$10,009 (PSI fees)

Performance Period: 03/20/2023- Ongoing

Services Provided: Construction Materials Testing

Description: PSI is performing Construction Materials Testing on Mile 9 Street Widening Project. Services includes: Concrete Testing, Asphalt Testing, Masonry Testing, Soils Testing and Compressive Strength Tests.

## CURRENT WORKLOAD

**6. Current workload of the staff and laboratory personnel that would be responsible for the project(s).**

Resources will be made available to the project manager from all support offices to ensure timely completion of any project or task assigned during the contract period. PSI has excess capacity available to perform the work described in the RFQ. PSI will ensure that all staff members with knowledge specific to the project area are available to complete the assigned work. By having senior leadership of Mr. Peter Gonzales, P.E., as the Project Manager for the HCRMA projects, we can guarantee a priority will be placed on activities relating to HCRMA projects during the contract period.

Presently the PSI Harlingen office has a moderate workload. PSI Harlingen can accommodate HCRMA projects with existing staff augmented by field and technical assistance from our adjacent San Antonio, Corpus Christi and Austin offices with occasional technician assistance, as required.

PSI can mobilize and start services twenty-four (24) hours after being awarded the project. Once awarded the project and negotiated a contract, PSI is prepared to start work at once. The PSI Team has, by history, shown a commitment to complete projects and tasks in a manner consistent with the client's needs and timing. Project scopes from simple investigations to multi-facility design and implementation have been completed in time frames meeting the client's desire as either on time or completed before the due dates. PSI's team approach to assuring timely completion of projects, including methods used for schedule recovery if necessary.

The nature of our consulting business rests in the management from different sources of many projects which must be prioritized and responded to in a limited timeframe. We have been doing this successfully for many years and the number of repeat assignments that we have received from our clients demonstrates our success in meeting their needs for responsive service. It is our philosophy that a commitment to meet the needs and expectations of a client must come not only from our senior management, but also from each and every member of a project team. We take commitments very seriously and will commit our local and national resources to provide the level of service every client should expect for their project. We will be available to HCRMA 24 hours a day and 7 days a week.

## SUBCONSULTANTS

**7. Names, disciplines, and firm profiles (with resumes listed under key personnel) for any sub-consultants (if any) proposed for the project.**

PSI has the capabilities to perform all required services for this contract with its own in-house team from our Harlingen, Texas office. All work will include engineering or scientific interpretation, field and laboratory services and reports as required by HCRMA. All tests will be conducted under the guidance and direction of a registered professional engineer or professional licensed to work in the State of Texas, as required by law.

**8. Disadvantaged Business Enterprise (DBE) and Affirmative Action status of firm and sub-consultants.**

Professional Service Industries, Inc. is not a DBE. At PSI, we are dedicated to collaborating with DBE, Small Woman Minority Business Enterprise (SWMBE) and Historically Underutilized Business (HUB) firms to achieve our goals and promote their growth and development. These firms are our valued teaming partners, and we always prioritize their resources and services for successful project execution.

PSI has a long-standing commitment to teaming objectives and the growth and development of DBE, Small Woman Minority Business Enterprise (SWMBE) and Historically Underutilized Business (HUB) firms. These firms are some of our most trusted teaming partners who we continually turn to first to provide resources and services for successful project execution.

PSI carefully selects DBE, SWMBE and HUB team members with the requisite expertise and geographical resource base to support PSI personnel in the field, providing the best possible value to our clients.

Our basis for selecting these DBE, SWMBE and HUB team members for a project includes:

- Established working relationships with Intertek-PSI, with compatible business philosophies in technical and management approaches.
- Proven performance with an ability to consistently enhance the identified services throughout contract execution.
- A strong safety record and program, and financial stability, minimizing performance risk on the projects to which they may be assigned.

LITIGATION DISCLOSURE

***9. Listing of all pending litigation against or involving the firm or its agents or employees with respect to any work performed.***

PSI, from time to time, has been involved in legal or administrative proceedings as a plaintiff or defendant. With annual fees exceeding \$250 million and with approximately 1,800 employees nationwide, we do not maintain a comprehensive historical listing of claims.

With assets exceeding \$300 million, no claim, individually or claims collectively could adversely affect your project.

LIABILITY INSURANCE COVERAGE

10. Amount of professional liability insurance coverage carried by your firm.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
09/28/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Willis Towers Watson Northeast, Inc. c/o 26 Century Blvd P.O. Box 305191 Nashville, TN 372305191 USA	CONTACT NAME: Willis Towers Watson Certificate Center	
	PHONE (A/C, No, Ext): 1-877-945-7378	FAX (A/C, No): 1-888-467-2378
E-MAIL ADDRESS: certificates@willis.com		
INSURER(S) AFFORDING COVERAGE		NAIC#
INSURER A: QBE Insurance Corporation		39217
INSURER B: Zurich American Insurance Company		16535
INSURER C: American Zurich Insurance Company		40142
INSURER D: QBE Specialty Insurance Company		11515
INSURER E: AIG Specialty Insurance Company		26883
INSURER F:		

COVERAGES CERTIFICATE NUMBER: W30379786 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			CGA 1407408	10/01/2023	10/01/2024	EACH OCCURRENCE \$ 5,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 5,000,000 GENERAL AGGREGATE \$ 10,000,000 PRODUCTS - COMP/OP AGG \$ Included
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			BAP 7296414-03	10/01/2023	10/01/2024	COMBINED SINGLE LIMIT (Ea accident) \$ 5,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 0			CGU 1407408	10/01/2023	10/01/2024	EACH OCCURRENCE \$ 6,000,000 AGGREGATE \$ 6,000,000 \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	No	WC 7296412-03 (AOS)	10/01/2023	10/01/2024	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 2,000,000 E.L. DISEASE - EA EMPLOYEE \$ 2,000,000 E.L. DISEASE - POLICY LIMIT \$ 2,000,000
B	Workers Compensation & Employers Liability Per Statute			WC 7296413-03 (MA/VT)	10/01/2023	10/01/2024	EL Each Accident \$2,000,000 EL Disease - EA Empl. \$2,000,000 EL Disease - Pol Lmt. \$2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
 Evidence of Coverage  
 See next page for additional information:  
 SEE ATTACHED

CERTIFICATE HOLDER  Professional Sevice Industries, Inc. and Additional Named Insureds 545 E. Algonquin Road Arlington Heights, IL 60005	CANCELLATION  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
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SOQ – CMT LAB & FORENSIC SERVICES-365 TOLLWAY PROJECT-2024-01  
 HCRMA

AGENCY CUSTOMER ID: \_\_\_\_\_  
 LOC #: \_\_\_\_\_



**ADDITIONAL REMARKS SCHEDULE**

Page 2 of 2

AGENCY Willis Towers Watson Northeast, Inc.		NAMED INSURED Professional Service Industries, Inc. 545 East Algonquin Road Arlington Heights, IL 60005	
POLICY NUMBER See Page 1		EFFECTIVE DATE: See Page 1	
CARRIER See Page 1	NAIC CODE See Page 1		

**ADDITIONAL REMARKS**

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,  
 FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

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Named Insured Includes:  
 Testing Holdings USA Inc.  
 Professional Service Industries, Inc.  
 dba Intertek-PSI  
 aka PSI  
 Professional Service Industries Holdings, Inc.  
 Professional Service Industries Engineerings, PLLC  
 Pittsburgh Testing Laboratory, Inc.  
 PSI Acquisitions, Inc.  
 Midwest Engineering Services, Inc.  
 Wilson Inspection X-Ray Services, Inc.

INSURER AFFORDING COVERAGE: QBE Specialty Insurance Company NAIC#: 11515  
 POLICY NUMBER: QPL3026198    EFF DATE: 09/30/2023    EXP DATE: 09/30/2024

TYPE OF INSURANCE:	LIMIT DESCRIPTION:	LIMIT AMOUNT:
Professional Liability	Each Claim/Aggregate	\$5,000,000
	SIR	\$1,250,000

INSURER AFFORDING COVERAGE: AIG Specialty Insurance Company NAIC#: 26883  
 POLICY NUMBER: CPO 16503597    EFF DATE: 10/01/2023    EXP DATE: 10/01/2024

TYPE OF INSURANCE:	LIMIT DESCRIPTION:	LIMIT AMOUNT:
Contractor's Pollution	Limit of Liability	See Below
	Deductible Each Loss	\$100,000

ADDITIONAL REMARKS:  
 Coverage A Each Loss \$5,000,000  
 Coverage B Each Loss \$5,000,000  
 Aggregate \$10,000,000

ACORD 101 (2008/01)

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SR ID: 24722555    BATCH: 3147206    CERT: W30379786



SOQ – CMT LAB & FORENSIC SERVICES-365 TOLLWAY PROJECT-2024-01  
 HCRMA

BANK REFERENCE

***11. Name and phone number of person to contact at the bank where the firm does business.***

Bank of America  
2690 W. Lucas Road  
Lucas, TX 75002  
Phone: 972-649-0209

Account Name: Professional Service Industries, Inc.  
Account #: 4427970188  
ABA for ACH: 111000012  
ABA for wires: 026009593

## ADDITIONAL INFORMATION

**12. Any other items which the consultant deems necessary.****Construction Material Testing/ Laboratory Services**

PSI maintains complete facilities and equipment for inspection and testing of soils and foundations, concrete, pavements, masonry, structural, metals, roofing, and specialty areas. In addition, PSI performs a full range of consulting engineering services: investigation and evaluation of materials failures and/or deterioration, forensic evaluation of all types of construction materials and/or structures, and establishment of QA/QC procedures for construction projects.

As an Independent Testing Laboratory, satisfying the requirement of ASTM E 329, PSI proposes to provide the QA/QC functions representing the owner. These services may include review and testing, pre-qualification of construction material submittals as well as field testing and construction surveillance. PSI is the largest single provider of construction materials testing in the nation. PSI offers a complete single source of testing services to include soils, concrete, asphalt, structural steel welded and bolted connections, masonry glazing, painting, roofing, and with national capabilities to address many unique and specialized services tailored to individual project needs.

PSI offers American Concrete Institute Certified technicians to monitor and test placement of fresh concrete. Field tests include slump, air content, temperature, unit weight, and molded specimens for compressive strength. PSI has certified AWS inspectors for the visual examination of welds and ASNT technicians for ultrasonic, radiographic, dye penetrant, and magnetic particle testing of welds. PSI has capabilities to field calibrate impact wrenches with a Schmidt-Wilhelm Calibration Block as well as calibrated torque wrenches to verify the tightness of bolted connections. We are also capable of providing specialty services such as forensic investigation of existing structures if requested.

**Quality Control/Quality Assurance**

PSI's Quality Control/Quality Assurance (QC/QA) process is outlined in PSI's Quality Assurance Manual QA- M-5, Revision 15, June 13, 2022. The objective of PSI's Quality Management System (QMS) is to establish controlled conditions to assure that the tests and inspections performed by PSI personnel are accurate, valid, documented and comply with applicable codes, project specifications, and regulatory requirements. PSI has standard operating procedures for all organizational levels and each individual within the organization.

PSI's QMS meets the requirements for both AASHTO R-18 and A2LA. PSI's policies and programs implement a comprehensive quality check system setting standards for all testing and laboratory compliance. Our project-specific QC/QA programs will define, establish, and implement a formal and comprehensive description of activities to ensure proper inspection protocols, testing and reporting. We address and document all construction quality acceptances and material testing for a project to verify that it is in conformance with the specified standards and contractual requirements. In order to achieve this PSI has developed a set of Quality Acceptance Procedures (QAP) which can be easily modified and adopted to specific projects. These QAP developed include inspection checklists to ensure a comprehensive inspection protocol in the field.

To provide documented quality, we adhere to the following objectives:

- Participation in recognized laboratory reference sample programs,
- Continual implementation of a personnel qualification and training program,
- Maintenance of a comprehensive measuring and testing equipment (M&TE) program traceable to NIST,
- Assure and maintain accreditation by nationally-recognized institution per ISO 17025 or AASHTO, and
- Equipment maintenance and calibration per manufacturer and nationally recognized standards.

The PSI QC/QA Program will outline our quality philosophy, organization of personnel, personnel training, M&TE program, facilities, test methods, documentation, and audit procedures. These guidelines will delineate the

operational procedures and sequence of activities to ensure the “competency” of all aspects of the field and laboratory operations.

#### TECHNICIAN CERTIFICATES

PSI certified technicians assigned to the (QMS) will apply testing and inspection work approved by the following professional groups:

- American Concrete Institute (ACI)
- Texas Department of Transportation (TXDOT)
- National Institute for Certification in Engineering Technologies (NICET)
- American Welding Society (AWS) Certification for Welding Inspectors (CWI)
- American Society for Non-Destructive Testing (ASNT) Technician Certification for Radiographic, Ultrasonic, Magnetic Particle and Penetrant Testing Personnel

#### LABORATORIES ACCREDITATION

PSI maintains and calibrates testing equipment in accordance with the American Society for Testing and Materials (ASTM) Publication E 329 and E 543. Project facilities will meet inspection standards for accreditation through the following groups:

- A2LA
- AMRL / CCRL
- AASHTO R-18 Standards and Certification
- Texas Department of Transportation (TXDOT)

Project Specific Laboratories will be established geographically to support the Projects.

#### STANDARDS AND SPECIAL INSPECTION

All field inspections will be performed in general accordance with the applicable standards or as dictated by the project specifications. Where no applicable standard is available, the testing performed in accordance with the geographically local industry standard of care.

#### ON-SITE PROJECT MANAGEMENT TEAM

As previously discussed, PSI proposes to accomplish the required CQAF on the projects by providing an inspection team coordinated by an on-site project team. Over the course of the project, some variation in the Project Management Team position(s) could occur with notification/approval by the client.

PSI Onsite project management team will be responsible for:

- Coordinating and Planning Field Inspections
- Assigning and Tracking Laboratory Test Programs
- Communicating Test Results to Appropriate Parties.
- Review of Field Reports and Preparation of Daily and Weekly Summary Reports.
- Maintaining a Project Log Detailing Unresolved Tests, Sampling Locations and Meeting Notes.

PSI proposes to staff the project with qualified field personnel whose principal duties will be to provide complete testing and visual observation to verify the quality of construction materials and processes used during the project. Our field technicians will have the necessary training and experience in concrete, soils and hot mix asphalt. Our technicians are ACI, NICET and TxDOT certified.

**Additional Professional Services:**

**PSI Environmental Overview**

PSI is at the forefront of environmental consulting with a forward-thinking program that can be tailored to provide a customized suite of expert consulting solutions. We prioritize practical answers to intricate challenges, ensuring efficiency in both time and resources. Distinct from other environmental firms, PSI stands out for its vast service range, deep resources, and widespread coverage.

Our in-depth environmental services aid clients in evaluating their environmental impact, mitigating risks, safeguarding employee health, developing management and remediation strategies, meeting all the applicable regulations, and more. In a landscape filled with over 10,000 pages of federal regulations, along with individual local and state stipulations, navigating the maze of compliance is daunting. Our expansive network of 100 plus offices countrywide guarantees that we can meet the requirements of any project and tackle any regulatory challenge.



Our engineering experts, equipped with the latest techniques and equipment, provide precise environmental evaluations and cost-effective remediation solutions that help guide your projects toward full compliance with any regulation or business objective.

**Our Service Portfolio**

**Environmental Due Diligence**

- ASTM E1527 Phase I Area
- Radon, Asbestos, and Lead-Based Paint
- Assessments
- Vapor Intrusion Screenings
- Wetlands Evaluations

**In-Depth Environmental Analysis**

- Contaminant Source Identification
- Site Character Evaluations
- Vapor Intrusion Evaluations
- Groundwater Tracking
- Wetlands Delineation and Licensing

**Remediation Planning and Execution**

- Designing Remedial Alternatives
- Feasibility Evaluations
- Innovative Treatment Methods

- Vapor Intrusion Mitigation Strategies
- Risk Evaluations

**Storage Tank Management**

- AST/UST Compliance
- AST/UST Removals
- UST Reimbursement Plans

**Water Protection**

- Stormwater Management
- Drinking Water Testing
- Aquifer Studies
- Biological Evaluations

**Regulatory Adherence**

- RCRA Compliance
- Waste Management
- Chemical Reporting
- PCB And Pesticide Assessments

**Geotechnical Engineering**

Where infrastructure improvements are concerned, conditions below grade are often as important as surface conditions. The most cost-effective way to ascertain subsurface conditions is by obtaining geotechnical services provided by the professionals at PSI.

Geotechnical conditions play a crucial role in proper construction of buildings, roads, runways, bridges, dams and other structures. A solid foundation is an essential prerequisite for any well-constructed improvement. A thorough subsurface exploration can result in a more cost-effective foundation design and reduce construction delays caused by unforeseen conditions.

Quality is an integral part of PSI’s approach to geotechnical work. Our Principal Consultants, professional engineers with years of demonstrated experience, are the crux of our quality assurance program. These principal consultants review all reports and documentation on each project to make certain that PSI’s methodologies and contractual agreements are strictly followed and that conclusions and recommendations are valid, effective and practical. In addition, field and laboratory personnel receive intensive training from seasoned veterans before they begin working in the field.

PSI is experienced. Tens of thousands of subsurface explorations have been performed by PSI personnel on a wide variety of projects. Our experience ranges from projects requiring a few soil borings to large projects requiring several hundred borings.

**Equipment and Facilities**

PSI maintains a large variety of land and marine subsurface exploration equipment, along with laboratory and office facilities. We have more than 100 fully equipped exploration crews with drill rigs mounted on all types of carriers to allow access to virtually any condition on land or water. The principal type of drilling equipment we maintain are CME and mobile auger rigs. Typically, the crews are supervised in the field by an engineer or graduate geologist. The variety of sizes and types of equipment and our crews’ broad experience permit flexibility in sampling and drilling techniques and in scheduling.

**Preliminary or General Studies**

- Site preparation specifications
- Early site selection
- Design of pond and landfill liners
- Preliminary soil and foundation evaluation
- Embankment settlement
- Foundations for structures
- Vibration studies
- Slope stability and design



**Geotechnical Engineering (continued)**

**Foundation/Specialty Analysis**

- Risk assessment
- Foundations/construction over compressible soils
- Subsoil modification
- Analysis of high-rise foundations
- Dewatering concepts
- Soil mechanics research
- Specialty foundations
- Retaining walls
- Interpretation of cone penetration test data
- Landfill foundation studies
- Earthen dam analysis
- Pile driving analyzer

**Environmental/Permitting**

- Environmental permits
- Groundwater studies
- Soil suitability analysis
- Effluent disposal evaluation
- Well and pollution source inventory
- Design of pond and landfill liners
- Water supply testing and permitting
- Septic tank design and permitting
- Drawdown effects on wetlands
- Sanitary landfill permitting

**Effluent Disposal**

- Percolation pond design, Rapid Infiltration Basins (RIBs)
- Wetland disposal assessment
- Development of groundwater monitoring plans

**Groundwater Monitoring Plans**

- Design and implementation of groundwater monitoring plans
- Installation of monitoring wells
- Sampling of groundwater from monitoring wells

**Roadway/Transportation Studies**

- Corridor study/fatal flaw analysis
- Bridge foundations (shallow and deep)
- Pavement design
- Field and Drilling Services
- Standard test borings
- Auger borings
- Rock coring
- Monitoring well installation
- Continuous sampling
- Environmental sampling
- Undisturbed thin-walled tubes
- Groundwater sampling
- Bulk disturbed samples
- Mineral exploration

**Laboratory Services**

- Soil classification
- Strength parameters
- Consolidation
- Compaction
- Permeability
- CBR
- Soil cement
- Triaxial
- Relative density

**Additional Services**

- Hydrology
- Earthquake geology and engineering
- Environmental geology
- Soil stabilization
- Geophysical investigations
- Soil/rock dynamics

STANDARD FORM 330

13. Executed Architect-Engineer Qualifications (Standard Form 330).

ARCHITECT – ENGINEER QUALIFICATIONS				1. SOLICITATION NUMBER (If any) NA		
<b>PART II – GENERAL QUALIFICATIONS</b> <i>(If a firm has branch offices, complete for each specific branch office seeking work.)</i>						
2a. FIRM (OR BRANCH OFFICE) NAME  Professional Service Industries, Inc. (PSI)			3. YEAR ESTABLISHED 1972	4. UNIQUE ENTITY IDENTIFIER KV8KJD9DTKS4		
2b. STREET 2020 N. Loop 499, Suite 302			5. OWNERSHIP			
2c. CITY Harlingen			2d. STATE TX	2e. ZIP CODE 78550-3609		
6a. POINT OF CONTACT NAME AND TITLE			7. NAME OF FIRM (If block 2a is a branch office) Professional Service Industries, Inc. (PSI)			
6b. TELEPHONE NUMBER 956-423-6826		6c. E-MAIL ADDRESS @intertek.com				
8a. FORMER FIRM NAME(S) (If any) NA			8b. YR ESTABLISHED NA	8c. UNIQUE ENTITY IDENTIFIER NA		
9. EMPLOYEES BY DISCIPLINE			10. PROFILE OF FIRM'S EXPERIENCE AND ANNUAL AVERAGE REVENUE FOR LAST 5 YEARS			
a. Function Code	b. Discipline	c. No. of Employees		a. Profile Code	b. Experience	c. Revenue Index Number (see below)
		(1) FIRM	(2) BRANCH			
02	Administrative	144	2	T02	Testing & Inspection Services	4
12	Civil Engineer	192		S05	Soils & Geologic Studies; Foundations	3
16	Construction Manager	153				
23	Environmental Engineer	64				
24	Environmental Scientist	32				
27	Foundation/Geotechnical Engineer	66	1			
30	Geologist	84				
36	Industrial Hygienist	46				
42	Mechanical Engineer	5				
48	Project Manager	91	2			
55	Soils Engineer	30				
57	Structural Engineer	6				
58	Technician/Analyst	923	9			
	Roofing Consultants	20				
	QA Engineering Specialist	5				
		Total	1,861	15		
11. ANNUAL AVERAGE PROFESSIONAL SERVICES REVENUES OF FIRM FOR LAST 3 YEARS <i>(Insert revenue index number shown at right)</i>			10. PROFESSIONAL SERVICES REVENUE INDEX NUMBER			
a. Federal Work	1	1. Less than \$100,000		6. \$2 million to less than \$5 million		
b. Non-Federal Work	5	2. \$100,000 to less than \$250,000		7. \$5 million to less than \$10 million		
c. Total Work	5	3. \$250,000 to less than \$500,000		8. \$10 million to less than \$25 million		
		4. \$500,000 to less than \$1 million		9. \$25 million to less than \$50 million		
		5. \$1 million to less than \$2 million		10. \$50 million or greater		
12. AUTHORIZED REPRESENTATIVE The foregoing is a statement of facts.						
a. SIGNATURE 			b. DATE April 18, 2022			
c. NAME AND TITLE						

AUTHORIZED FOR LOCAL REPRODUCTION



## FIRM'S ABILITY

**14. Describe the Prime Firm's proven ability to deliver quality testing on time and at the least cost to the Owner.**

Many companies make initial commitments to start significant projects such as this. However, not all companies can stay the course and finish projects successfully. PSI, on the other hand, has the equipment, the personnel, and the experience with a proven track record, and we have demonstrated time after time that we can start and finish projects while meeting or exceeding the expectations of our clients.

During peak workloads, PSI has the unique capability to pull additional staff and resources from other area offices with no additional cost realized to our clients. This ensures HCRMA that PSI will always have Texas- licensed staff available and on stand-by, ready to work on your project. Our ability to draw on resources for manpower, equipment and technical expertise enables us to overcome service problems associated with project schedules.

Our top-level managers and technicians are available to staff your projects as soon as the scope of work is finalized. During periods of peak construction activities, we anticipate occasional surges in manpower demands and are prepared to cover those demands on very short notice. Resources will be made available to the project manager from all support offices to ensure timely completion of any project or task assigned during the contract period. PSI has excess capacity available to perform work during the period. PSI will ensure that all staff members with knowledge specific to the project are available to complete the assigned work. We take our commitments very seriously and will commit our local and national resources to provide the level of service every client should expect for their project. We will be available to HCRMA 24 hours a day and 7 days a week.

PSI has a track record of performing projects within budget and on time. Construction materials testing projects are most often unit price base with a not to exceed limitation based on the contractor's schedule. We endeavor to provide a quality product on a timely basis for each and every project. We have found that developing relationships with the project team members and maintaining constant communication throughout the project is the best way to ensure excellent customer service.

**15. Describe Prime Firm's ability to maintain ethical standards and industry best practices as it pertains to perceived or actual conflicts of interest in assigning tasks to Prime or Subconsultant staff that have previously provided Geotech or CMT services on HCRMA Projects.**

Our responsibility is to conduct all business according to the highest professional and ethical standards and practices. PSI's work shall be carried out in an independent and impartial manner, using appropriate methods and procedures and in accordance with local and international laws. A conflict of interest arises when an employee's personal relationships, external interests or activities could interfere with their judgment, objectivity, independence or loyalty to PSI. We require employees to avoid conflicts of interest, or the appearance of one, at all times, to ensure the quality of our business decisions and the integrity of the person and Company.

We make our Code of Ethics available to our partners who include contractors, sub-contractors, correspondents, agents, intermediaries and suppliers so that they understand the principles with which we operate, and are transparent and responsive to our customers' requests for information to verify PSI's corporate, ethical and social responsibility credentials. We conduct due diligence on prospective partners, in accordance with PSI's due diligence policy when dealing with intermediaries, so that we appoint on merit, do not deal with those known to be involved in bribery and ensure that our relationship with them follows the principles of our Code of Ethics. All our business partners have access to our Code of Ethics.

CONFLICT OF INTEREST

16. Respondents are required to file form CIQ Conflicts of Interest Questionnaire for Vendor and Other Persons Doing Business with Local Governmental Entity, with their proposal.

<b>CONFLICT OF INTEREST QUESTIONNAIRE</b> For vendor doing business with local governmental entity		<b>FORM CIQ</b>
<p><b>This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.</b></p> <p>This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).</p> <p>By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.</p> <p>A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.</p>	<b>OFFICE USE ONLY</b>  Date Received	
<p><b>1 Name of vendor who has a business relationship with local governmental entity.</b></p> <p style="text-align: center;">Professional Service Industries, Inc.</p>		
<p><b>2</b> <input type="checkbox"/> <b>Check this box if you are filing an update to a previously filed questionnaire.</b> (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)</p>		
<p><b>3 Name of local government officer about whom the information is being disclosed.</b></p> <p style="text-align: center;">None _____ Name of Officer</p>		
<p><b>4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.</b></p> <p>A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?</p> <p style="text-align: center;"><input type="checkbox"/> Yes      <input checked="" type="checkbox"/> No</p> <p>B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?</p> <p style="text-align: center;"><input type="checkbox"/> Yes      <input checked="" type="checkbox"/> No</p>		
<p><b>5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.</b></p> <p style="text-align: center;">N/A</p>		
<p><b>6</b> <input type="checkbox"/> Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).</p>		
<p><b>7</b></p> <p style="text-align: center;"> <i>Edward Pruske</i>                      _____                      Signature of vendor doing business with the governmental entity                 </p> <p style="text-align: right;">                     02/28/2024                      _____                      Date                 </p>		

Form provided by Texas Ethics Commission

www.ethics.state.tx.us

Revised 1/1/2021



**CONFLICT OF INTEREST QUESTIONNAIRE  
For vendor doing business with local governmental entity**

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

**Local Government Code § 176.001(1-a):** "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

**Local Government Code § 176.003(a)(2)(A) and (B):**

(a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

\*\*\*

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that

- (i) a contract between the local governmental entity and vendor has been executed;
- or
- (ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:

- (i) a contract between the local governmental entity and vendor has been executed; or
- (ii) the local governmental entity is considering entering into a contract with the vendor.

**Local Government Code § 176.006(a) and (a-1)**

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

- (1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);
- (2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or
- (3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

- (1) the date that the vendor:
  - (A) begins discussions or negotiations to enter into a contract with the local governmental entity; or
  - (B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or
- (2) the date the vendor becomes aware:
  - (A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);
  - (B) that the vendor has given one or more gifts described by Subsection (a); or
  - (C) of a family relationship with a local government officer.

*17. HCRMA may not enter into a contract with a company for goods or services unless the contract contains a certification that the company does not boycott Israel and will not boycott Israel during the term of the contract.*

Professional Service Industries, Inc. does not boycott Israel and will not boycott Israel during the term of the contract.

*18. HCRMA may not enter into a contract with a company that is identified on the Texas Comptroller of Public Accounts' list of companies that do business with Iran, Sudan, or designated foreign terrorist organizations.*

Professional Service Industries does not and will not do business with Iran, Sudan, or designated foreign terrorist organizations.



ENVIRONMENTAL CONSULTING  
GEOTECHNICAL ENGINEERING  
CONSTRUCTION MATERIALS TESTING & INSPECTION  
INDUSTRIAL HYGIENE SERVICES  
BUILDING SCIENCE SOLUTIONS  
PAVEMENT EVALUATION SERVICES  
SPECIALTY ENGINEERING  
& TESTING SERVICES



Professional Service Industries Inc., (PSI)  
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Branch Manager  
2020 North Loop 499, Suite 302  
Harlingen, Tx 78550  
956 423 6826  
Raymundo.martinez@intertek.com  
[www.intertek.com/building](http://www.intertek.com/building)

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**TOTAL QUALITY. ASSURED.**



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Item 3D

**HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY**

**AGENDA RECOMMENDATION FORM**

BOARD OF DIRECTORS  
PLANNING COMMITTEE  
FINANCE COMMITTEE  
TECHNICAL COMMITTEE

  X    
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

WORKSHOP ITEM        3D    
DATE SUBMITTED     03/19/2024   
MEETING DATE       03/26/2024 

1. Agenda Item: **RESOLUTION 2024-08 – CONSIDERATION AND APPROVAL OF AWARD OF CONTRACT TO MITRES SERVICES, LLC, FOR THE GRANJENO WETLAND MITIGATION SITE PROJECT.**
  
2. Nature of Request: (Brief Overview) Attachments:   X   Yes       No  
  
Consideration and approval of award of contract to MitRes Services, LLC, for the Granjeno Wetland Mitigation Project.
  
3. Policy Implication: Board Policy, Local Government Code, Texas Government Code, Texas Transportation Code, TxDOT Policy
  
4. Budgeted:       Yes       No      X   N/A
  
5. Staff Recommendation: **Motion to approve Resolution 2024-08 – Consideration and Approval of Award of Contract to MitRes Services, LLC, for the Granjeno Wetland Mitigation Site Project, as presented.**
  
6. Program Manager’s Recommendation:    Approved       Disapproved      X   None
  
7. Planning Committee’s Recommendation:       Approved       Disapproved      X   None
  
8. Board Attorney’s Recommendation:    Approved       Disapproved      X   None
  
9. Chief Auditor’s Recommendation:    Approved       Disapproved      X   None
  
10. Chief Financial Officer’s Recommendation:    Approved       Disapproved      X   None
  
11. Chief Development Engineer’s Recommendation:    Approved       Disapproved      X   None
  
12. Chief Construction Engineer’s Recommendation:    Approved       Disapproved      X   None
  
13. Executive Director’s Recommendation:   X   Approved       Disapproved       None



# Memorandum

**To:** Pilar Rodriguez, PE, Executive Director  
**From:** Ramon Navarro IV, PE, Chief Construction Engineer  
**Date:** March 21, 2024  
**Re:** Consideration and Approval of Award of Contract to MitRes Services, LLC for the Granjeno Wetland Mitigation Project

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## Background

The Granjeno Wetland Mitigation Project consists of the restoration of 23.88 acres of land planned specifically for wetland restoration of 80.2 acres of HCRMA property dedicate to wetlands to compensate environmental justice for impacts resulting from the 365 Toll project. The remaining acres of restored wetland area at the mitigation site will be held in reserve for application toward future projects within the watershed. The project consists of grading and compaction of approximately 19 Acres to establish a wetland which includes placement of a clay liner and plant root zone soil strata. It also includes berm grading and compaction of approximately 6 Acres of upland area. Construction of an access driveway and road including maintenance and brush clearing/tree trimming, of a groundwater well with controls and approximately 3,000 linear feet of PVC pipe distribution, and a security fence for the groundwater well and associated equipment.

## History

December 6, 2023, a Bid Opening for subject project took place. We received two electronic bids via CivCast; however, due to plan errors all bids were rejected. Design was amended and letting process was re-initiated. The Engineer's Opinion of Probable Construction Cost for the project was \$2,630,000.

March 13, 2024, a Bid Opening for Project BID#2024-004, the Granjeno Wetland Mitigation Site (Granjeno) Project took place. We received one electronic bids via CivCast. The bids are as follows:

<b>Estimate</b>	<b>\$4,000,000.0</b>	<b>% Over/Under</b>	<b>Contractor</b>
Bidder 1	\$5,850,993.87	+ 46.3%	MitRes Services LLC Hallsville, TX

The Engineer's O pinion of Probable Construction Cost for the amended project was \$4,000,000. The low bidder is over the Engineer's estimate by \$1, 850, 993.87.

## Options

The Board of Directors may choose to not disclose bid, reject all bids and re-advertise the project; or, approve the award of contract,

## Recommendation

Based on review by this office, it is recommended to award the construction contract to the lowest, responsive and responsible bidder **MitRes Services, LLC.** for construction of the Project.

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY BOARD  
RESOLUTION 2024- 08

**CONSIDERATION AND APPROVAL OF AWARD OF CONTRACT TO MITRES SERVICES, LLC, FOR THE GRANJENO WETLAND MITIGATION SITE PROJECT**

THIS RESOLUTION is adopted this 26<sup>th</sup> day of March, 2024 by the Board of Directors of the Hidalgo County Regional Mobility Authority.

WHEREAS, the Hidalgo County Regional Mobility Authority (the "Authority"), acting through its Board of Directors (the "Board"), is a regional mobility authority created pursuant to Chapter 370, Texas Transportation Code, as amended (the "Act");

WHEREAS, the Authority is authorized by the Act to address mobility issues in and around Hidalgo County, including the development of the 365 Toll project (the "Project");

WHEREAS, the Project was environmentally cleared in 2015;

WHEREAS, the U.S. Army Corps of Engineers issued Individual Permit No. SWG-2013-00175 ( the "Permit") for the Project;

WHEREAS, the Permit requires the Authority to conduct a compensatory wetland mitigation (the "Mitigation Plan");

WHEREAS, the Permit additionally requires that the area on which the Mitigation Plan is to be conducted be covered by a conservation easement held by an approved wildlife conservation organization in perpetuity, which easement is to be recorded in the real property records of Hidalgo County, Texas (the "Conservation Easement");

WHEREAS, the Valley Land Fund Inc., a Texas non-profit corporation, is a wildlife conservation organization established to preserve, enhance, and expand the native wildlife habitat of the Rio Grande Valley;

WHEREAS, the governing body of the Valley Land Fund Inc. has or will approve its acceptance of the Conservation Easement; and

WHEREAS, the Board now finds it to be in the best interest of the Authority to provide the open space and environmental values described in the Conservation Easement;

WHEREAS, on August 24, 2021 the Board authorized Executive Director, to accept and execute the Conservation Easement, as approved by the Valley Land Fund Inc. in final form and have the same recorded in the real property records of Hidalgo County, Texas.

WHEREAS the Authority publicly advertised and conducted a mandatory attendance, Pre-bid Meeting on Tuesday, November 21, 2023; 2:00 P.M. C.S.T., at the Hidalgo County Regional Mobility Authority Offices; the HCRMA entertained Questions / RFI's via the project's CivCAST listing, and provided timely answers up and till 3:00 P.M. C.S.T. on Wednesday, November 29, 2023

WHEREAS, at 2:45PM on December 6, 2023 the Authority received two (2) formal sealed, electronic bids for the Project; and at 3:05 p.m., the Authority opened and read into the record two (2) formal sealed, electronic bids for the Project from: (i) JMJ Constructors, (ii) and MitRes Services, LLC. in amounts ranging from \$3,229,980.00 to \$5,117,103.16 for construction of the Project; and

WHEREAS, due to discovered plan error, and in the best interest of the Authority; HCRMA Staff and GEC (HDR) on January 29, 2024 rejected all bids;

WHEREAS, the Authority publicly re-advertised and conducted a mandatory attendance, Pre-bid Meeting on Tuesday, February 20, 2024; 2:00 P.M. C.S.T., at the Hidalgo County Regional Mobility Authority Offices, and via TEAMS [Meeting ID: 256 105 661 046] ; the HCRMA entertained Questions / RFI's via the project's CivCAST listing, and provided timely answers up and till 3:00 P.M. C.S.T. on Friday, March 8, 2024;

WHEREAS, at 1:39PM on March 13, 2024 the Authority received one (1) formal sealed, electronic bids for the Project; and at 3:05 p.m., the Authority opened and read into the record one (1) formal sealed, electronic bids for the Project from: (i) MitRes Services, LLC. in amount of \$5, 850,993.87 for construction of the Project; and

WHEREAS, pursuant to the Act the Board finds that awarding the construction contract to MitRes Services, LLC. in the amount of \$5,850,993.87 for construction of the Project is in the best interest of the Authority; HCRMA Staff and GEC (HDR) reviewed proposals;

NOW THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY THAT:

Section 1. The recital clauses are incorporated in the text of this Resolution as if fully restated.

Section 2. The Board hereby awards the Granjeno Wetland Mitigation Project to MitRes Services, LLC. and approves the Contract attached hereto as Exhibit A.

Section 3. The Board authorizes the Executive Director to execute the Contract.

\*\*\*

PASSED AND APPROVED AS TO BE EFFECTIVE IMMEDIATELY BY THE BOARD OF DIRECTORS OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY AT A REGULAR MEETING on the 26<sup>th</sup> day of March, 2024, at which meeting a quorum was present.

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S. David Deanda, Jr., Chairman

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Juan Carlos Del Ángel, Secretary/Treasurer

**ATTACH PROPOSAL**



A MITIGATION RESOURCES OF NORTH AMERICA COMPANY

Item No.	Description	\$
A-1	Mobilization and Demobilization	\$ 497,611.09
A-2	Well and Pump - 550GPM Capacity (including site pad, grading, building, new power connection, instrumentation, controls, and integration)	\$ 977,100.65
A-3	Planting (procurement, storage, delivery, installation, protection, maintenance)	\$ 102,974.50
A-4	Storm Water Pollution Prevention Plan (permitting, installation, maintenance, removal)	\$ 63,453.98
Total of All Lump Sum Bid Items		\$ 1,641,140.23

Item No.	Description	Unit	Estimated Quantity	Bid Unit Price	Bid Amount
B-1	6-inch PVC Waterline	LF	2,700	\$ 311.92	\$ 810,686.59
B-2	Excavation	CY	178,000	\$ 5.90	\$ 1,050,223.19
B-3	Embankment (Planting Soil)	CY	73,000	\$ 1.41	\$ 102,940.98
B-4	Embankment (Clay Liner)	CY	87,000	\$ 0.68	\$ 58,746.18
B-5	Embankment (Subbase)	CY	110,000	\$ 14.79	\$ 1,626,428.57
B-6	Clearing / Grubbing	AC	25	\$ 3,476.45	\$ 86,911.16
B-7	Grate Inlet	EA	1	\$ 31,500.00	\$ 31,500.00
B-8	18-inch RCP	LF	100	\$ 2,461.42	\$ 246,141.64
B-9	15-foot wide Access Road	SY	7,000	\$ 28.04	\$ 196,275.33
Total of All Unit Price Bid Items					\$ 4,209,853.64

Total Bid Price (Total of all Lump Sum and Unit Price Bids)	\$ 5,850,993.87
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March 13, 2024

Pilar Rodriguez, PE, Executive Director  
Hidalgo County Regional Mobility Authority  
203 W. Newcombe Ave  
Pharr, Texas 78577

Dear Mr. Rodriguez,

With great pride and excitement, we **submit** our response to the Hidalgo County Regional Mobility Authority (HCRMA) Request for Sealed Bids on behalf of MitRes Services, a wholly-owned subsidiary of Mitigation Resources of North America (MRNA).

We have carefully assembled a team of our own Texas-based employees that leverages engineering, permitting, and construction professionals with in-depth knowledge of the ecosystem and environment. Our team is nationally recognized for successfully delivering large-scale stream and wetland restoration. In addition, in September 2022, the Railroad Commission of Texas (RCT) selected us as its preferred vendor for large-scale abandoned mine land restoration work throughout the State of Texas. We recently completed a restoration project for RCT in Bastrop on time and budget. We believe this, along with our many successful projects listed below, demonstrates that our team is highly experienced, fully equipped and able to deliver the highest-quality results to HCRMA on time and budget.

Three key strengths frame our qualifications for this effort:

- The **experience** of our team, both locally and nationally
- **Certainty** and accountability
- A commitment to **client service**

First, **experience**: Our project team has a significant track record of delivering successful mitigation services to large-scale infrastructure projects, including restoring over 359,000 linear feet of streams and over 1,500 acres of wetlands. In Texas alone, we have planted 9.1 million trees and 18,300 acres of native grasses. Additionally, we have extensive local networks, relationships with key partners, and experience implementing best practices in community engagement that allow us to execute projects promptly and cost-effectively. Notably, we have foundational working relationships with the U.S. Army Corps of Engineers (USACE) and institutional knowledge that will aid in project efficiency and success.

Second, **certainty**: Providing certainty for our clients is a shared value across the MitRes Services team. We hold ourselves accountable for a fair, fixed-price commitment to full delivery. While we recognize the dynamic nature of mitigation work often creates uncertainty, our financial structure (parent company with over \$80 million in cash and minimal debt) ensures we can fully absorb project costs when unanticipated barriers to progress arise and remove mitigation liability from our clients. We pride ourselves on our ability to prevent budgetary bottlenecks from impeding timely progress and not burdening our clients with unexpected costs or delays.

Third, **client service**: We are committed to maximizing local labor to ensure our team is highly skilled, responsive, and “on call” to serve as an extension and steward of HCRMA. We recognize the value in employing those who know the landscape, people, and nuances of the area while being readily available at all times. Further, we view our clients as team members and institute these practices into all aspects of our workflow. We believe client service should not be added value but a critical component of project success. From detailed progress reports, consistent and proactive communication, and adequate systems to track milestones, we pride ourselves on fostering relationships with clients built on candor. You can expect consistency, transparency, and collaboration in decision-making, problem-solving, and project progression – without surprises or superfluous change orders.

We appreciate the opportunity to submit a response. After reviewing the digital design files, **our assessment suggests a deficiency of 110,000 cubic yards of available material needed to complete the project. Our bid includes hauling in suitable material from offsite. Our proposal assumes that this material consists of 59% Clay (Caliche) and 41% Planting Soil per the HCMRA’s engineer’s recommendation. If a mutual agreement is reached confirming that the required material is or will be on-site rather than needing to be hauled in, the total bid price could be decreased.**

As a deeply experienced, leading Texas-based restoration and mitigation deliverer, MitRes Services is well-positioned to provide the engineering, design, construction, monitoring, and day-to-day management to meet HCRMA’s needs.

Thank you for your time and consideration,



Eric Anderson  
President  
MitRes Services, LLC

## Workload and Staffing

### Project Delivery Team:

Position	Personnel Name	Years of Experience Performing Role	Years with Company
Project Executive/Principal-in-Charge	Eric Anderson	20	20
Project Manager (Design and Construction phases)	Drew Haley	15	11
Project Manager (Monitoring and Maintenance phases)	Drew Haley	15	11
Construction Superintendent	Jon Phillips	20	10
Safety Manager	Roman Quinn	9	5
QA/QC Manager	Drew Haley	11	11

MitRes Services has sufficient workforce capacity to perform the services and exceed expectations in service delivery and quality.

The MitRes team of 30 professionals with specialties in ecological restoration, project finance, project and construction management, and real estate – are all available to be involved in the project. The team has diverse and complementary skills to encompass all disciplines and aspects of restoration.

Additionally, the majority of our environmental professionals and construction personnel are located in Texas and will be readily available for this effort – supplying the local labor force who are equipped with advantageous knowledge of the Hidalgo County environment, ecosystem, and communities. MitRes Services and its affiliated companies include over 120 engineering and environmental professionals along with 20 Texas-based experienced earthwork supervisors to call upon for the execution of this project.

## General Company information.

### Contact Information:

<b>Company Name:</b>	Mitigation Resources of North America		
<b>Physical Address:</b>	209 Renaissance Drive		
<b>Mailing Address:</b>	209 Renaissance Drive		
<b>City:</b>	Hallsville	<b>State/Zip:</b>	TX 75650
<b>Telephone:</b>	(903) 660-7527	<b>Fax:</b>	N/A
<b>Primary Contact Name:</b>	Eric Anderson, President		
<b>Primary Contact Email:</b>	Eric.anderson@mitigate.pro		
<b>Secondary Contact Name:</b>	Leland Starks, Vice President of Mitigation Solutions		
<b>Secondary Contact Email:</b>	Leland.starks@mitigate.pro		

### Representative Projects:

Project Name	Owner Agency	Current Project Phase (designate as Design, Construction, or Monitoring)	Contract Value	Expected Completion Date	Description of Work
Tobaksákola Mitigation Project - PRM	Mississippi Lignite Mining Company	Complete	\$10,100,000	Construction: Fall 2022 Monitoring: 2028	Stream restoration and stream buffer enhancement
Tobaksákola Phase II Mitigation Project - PRM	Mississippi Lignite Mining Company	Complete	\$8,300,000	Construction: Fall 2022 Monitoring: 2028	Stream restoration and stream buffer enhancement

Yockanookany Mitigation Bank	Yockanookany Mitigation Resources, LLC	Construction	\$12,200,000	Construction: Winter 2020 Monitoring: 2031	Stream restoration, stream buffer enhancement, wetland enhancement, and wetland preservation
Lye Branch Mitigation Bank	Mitigate Alabama, LLC	Construction	\$5,400,000	Construction: Winter 2022 Monitoring: 2032	Stream restoration, stream buffer enhancement, and wetland enhancement
Smoky Run Mitigation Bank	Mitigate Tennessee, LLC	Complete	\$9,200,000	Construction: Winter 2020 Monitoring: 2031	Stream restoration, stream buffer enhancement, wetland enhancement, and wetland preservation
Cave Spring Mitigation Bank	Mitigate Tennessee, LLC	Complete	\$2,500,000	Construction: Winter 2022 Monitoring: 2032	Stream restoration, stream buffer enhancement, and wetland enhancement
Battle Ridge Mitigation Bank	Mitigate Tennessee, LLC	Design	\$15,200,000	Construction: Winter 2024 Monitoring: 2032	Stream restoration, stream buffer enhancement, and wetland enhancement
Buffalo Valley Mitigation Bank	Mitigate Tennessee, LLC	Design	\$8,100,000	Construction: Winter 2024 Monitoring: 2032	Stream restoration, stream buffer enhancement, and wetland enhancement
Whites Creek Mitigation Bank	Mitigate Texas, LLC	Design	\$13,000,000	Construction: Winter 2024 Monitoring: 2032	Stream restoration, stream buffer enhancement, and wetland enhancement
Pomona Mitigation Bank	Mitigate Florida, LLC	Design	\$13,200,000	Construction: Winter 2026 Monitoring: 2036	Wetland restoration and enhancement

### Invasive Species Management:

As per 4.2.2.2 of the Draft Mitigation Plan (plan), bermudagrass is currently established throughout the site and treatment with glyphosate is proposed. Additional invasives observed during the November 28, 2023, site visit includes buffelgrass (*Cenchrus ciliaris*), king ranch bluestem (*Bothriochloa ischaemum*) and salt cedar (*Tamarix ramosissima*). Similarly problematic aggressive native species included retama (*Parkinsonia aculeata*), honey mesquite (*Prosopis glandulosa*) and huisache (*Vachellia farnesiana*). Although native, these species establish very quickly in disturbed areas and often increase competition resulting in reduced diversity. Herbicide treatments alone for the bermudagrass, buffelgrass and KR bluestem alike have been proven ineffective in drastically reducing plant densities. These invasive and aggressive natives are considered undesirable when re-establishing a diverse native plant community. Accordingly, additional measures are proposed to control these species more effectively by reducing accumulated seedbank stores. This process of seedbank mining requires multiple treatments which in combination are more effective than herbicide alone.

The following sequence of treatment is proposed to reduce invasive seedbank stores prior to planting. For best results, this treatment is typically administered over a two-year period, however this process may be conducted in a single year if rainfall is adequate to stimulate seedbank germination before and after each treatment. If flood irrigation is practical, this measure may be used to promote seedbank germination and enhance results.

- (1) whole-field application of non-selective herbicide post emergence of seedbank (Mar-Apr)
- (2) summer prescribed burn of desiccated plant residues (Apr-May)
- (3) shallow disking ( $\leq 2$  inches) (Apr-May)
- (4) a secondary whole field application of non-selective herbicide (May-July)
- (5) individual plant treatment (IPT) of woody invasives & aggressive natives (May-July)
- (6) seeding with a no-till drill into standing plant stubble (Aug 15-Oct 15)

With adequate rainfall, undesired species are likely to re-establish quickly. Therefore, initial whole-field herbicide treatment (Step 1) may be possible 3 to 4 weeks following final grading. Seedbank stores will be allowed to develop adequate growth prior to Step 1 for (1) maximum kill results from herbicide treatment and (2) development of adequate fine fuel for prescribed summer burning. If inadequate fine fuel results from the initial growth and herbicide application, Step 2 will not be administered. Disking to promote seedbank development will be limited to the top 2 inches of topsoil. IPT of seedling woody species shall be performed as needed following Step 4. In addition to herbicide, disking and burning, the following planting methods will reduce potential of undesirable species establishment. Competition from planted desirable species will minimize establishment of undesired species. To maximize establishment of native permanent cover, annual forbs and cover crops will be excluded from initial planting mixes. Cover crops will be added to seed blends only if warranted due to seasonal planting limitations or increased erosion potential. Additionally, mulching will be avoided when practical to minimize the introduction of invasive plant materials. Seed will consist of locally adaptive species and fertilization will be avoided to minimize competition from

undesired species. Final seeding will be conducted using a no-till drill to minimize soil disturbance and potential seedbank stimulation. Table X below details the cost associated with the management of invasive species.

Table X Invasive Species Treatment Cost Estimate

Treatment Zone	Acres (approx.)	Treatment				
		Herbicide 1 <sup>1</sup>	Burn <sup>2</sup>	Disk <sup>3</sup>	Herbicide 2 <sup>4</sup>	IPT <sup>5</sup>
Upland, Scrub-shrub (PSS), Emergent (PEM)	29	\$4,495.00	\$0.00	\$3,195.00	\$4,205.00	\$4,495.00
Woodline <sup>6</sup>	5	\$775.00	\$0.00	\$400.00	\$725.00	\$775.00
	<b>34</b>	<b>\$5,270.00</b>	<b>\$0.00</b>	<b>\$3,595.00</b>	<b>\$4,930.00</b>	<b>\$5,270.00</b>

**Footnotes:**

1. Whole field application with (3%) 54% glyphosate at a rate of 20 gallons/acre (\$155/ac. includes mobilization)
2. Labor + Water truck + Tractor/disk & subsequent 2" disking (\$875 mobilization + \$80/ac. disking)
3. Seedbank stimulation 2" disking (\$875 mobilization + \$80/ac. disking)
4. Second herbicide application at a lighter rate (\$145/ac. includes mobilization)
5. Individual plant treatment of woody stems + mobilization if needed
6. Optional treatment area if berm structure needed (see mitigation work plan location map).

**Revegetation:**

**Seeding**

Seed blends will be derived from plant materials developed specifically for South Texas, and planting rates will follow recommendations by the NRCS for Texas Planting Zone 3 (see Table X below). Planting will be performed with a no-till drill with separated fluffy and slick seedboxes. As recommended by the Cesar Kleberg Wildlife Research Institute South Texas Native program, seeding will be conducted with a no-till drill as early as August 15 through October 15. Seeding will be administered directly into standing plant stubble to minimize potential seedbank stimulation. If needed, treated areas will be mowed prior to planting to ensure ideal seed-to-soil contact.

**Woody stocking**

As per the Plan, woody stocking will be restricted to a scrub-shrub planting zone along the wetland mitigation area fringe with a mix of species Table 4-3. Woody plant materials will be locally grown and planted at a minimum of 150 stems per acre. Plant materials will consist of a mix of both containerized and bareroot (plugs) plants, with no one species constituting more than 20 percent of the final mix. Irrigation will be used to ensure 70 percent survival by project completion. Woody stocking materials will be locally grown based on seasonal availability. Planting will be conducted during the dormant season from October 1 to March 31,

with targeted peak dormancy from Dec 1 – Feb 15. Woody stocking will be conducted in the immediate winter following final seeding.

Table X Proposed Seeding Cost Estimate

Planting Zone	Acres (approx.)	Native Seeding					
		Seeding (PLS lb./ac.)	Seed (\$/PLS lb.)	Seed (\$/ac.)	Seed (Total \$)	Labor <sup>5</sup> (Drill/ac.)	Total Labor
Upland <sup>1</sup>	11	12	\$40.00	\$480.00	\$5,280.00	\$312.00	\$3,432.00
Scrub-shrub (PSS) <sup>2</sup>	3	12	\$40.00	\$480.00	\$1,440.00	\$312.00	\$936.00
Emergent (PEM) <sup>3</sup>	15	12	\$60.00	\$720.00	\$10,800.00	\$312.00	\$4,680.00
Woodline <sup>4</sup>	5	12	\$40.00	\$480.00	\$2,400.00	\$312.00	\$1,560.00
					<b>\$19,920.00</b>		<b>\$10,608.00</b>

**Footnotes:**

1. Seeded with upland mix (Kings South Texas Native Grass Mix)
2. Seeded Douglas King custom blend per Table 4-2 + tree/shrub plugs (locally grown)
3. Seeded Douglas King custom blend per Table 4-2
4. Optional revegetation if berm structure needed (see mitigation work plan location map).
6. Labor cost includes mobilization

**Migratory Birds:**

During November 28, 2023, site inspection suitable nesting habitats for migratory birds were observed throughout the project area. In compliance with the Migratory Bird Treaty Act of 1918, the US Fish and Wildlife Service and Texas Parks and Wildlife recommend avoidance of clearing suitable nesting habitats during the peak nesting season of March 15 – September 15. Accordingly, clearing will be avoided when practicable during the peak nesting season. However, if clearing is required during peak nesting, MRNA shall perform a nest survey of suitable habitat at the cost of the client. Surveys will be conducted to document any active nest sites by a qualified biologist. Survey results will be provided to the client within 48 hours of completion. Survey results will be considered valid for one week (7 days) of active clearing. In the event that an active nest is found, a 150-foot buffer will be placed around the nest site until young birds have fledged from the nest. This may take 2 to 6 weeks, during which no work will be conducted within the buffer zone. Once all immature birds have fledged, a follow-up survey of the buffer zone will be conducted, and work in the area will resume. MRNA shall not be held accountable for work delays resulting from project scheduling conflicts and compliance with the Migratory Bird Treaty Act.



A MITIGATION RESOURCES OF NORTH AMERICA COMPANY

## **List of Potential Subcontractors**

### **Blackland Environmental, LLC**

8803 Timmerman Cove, Garden Ridge, Texas 78266

Jeremiah McKinney

210-834-4368

[jeremiah@bk-land.com](mailto:jeremiah@bk-land.com)

### **Cosby Mesquite Clearing**

908 N County Rd 101, Falfurrias

Joshua Cosby

361-474-3222

### **Engineering Resources, LLC**

P.O. Box 9155, Longview, Texas 75608

Dan Metcalf, P.E.

903-234-4570

[dmetcalf@engr-res.com](mailto:dmetcalf@engr-res.com)

### **Novus Electrical Systems, LLC**

2601 Arlington Road, Marshall, Texas 75672

Ronnie Holland

903-926-2557

[novuselectrical@gmail.com](mailto:novuselectrical@gmail.com)

### **J and S Water Wells**

1056 East First, Bellville, Texas 77418

Shaun Grell

979-865-2393

[monterichardson@me.com](mailto:monterichardson@me.com)

### **Soil Tech Advance, INC**

1100 East Hackberry, McAllen, Texas 78501

David Navarro

956-668-7645

STAINC.NET

MitRes Services, LLC  
209 Renaissance Dr  
Hallsville, TX 75650  
903.660.7527  
[mitigate.pro](http://mitigate.pro)





A MITIGATION RESOURCES OF NORTH AMERICA COMPANY

**Whitaker Plumbing, INC**  
601 W Wellington St, Carthage, TX 75633  
Mark Whitaker  
903-693-8866  
mark@whitakerplumb.com

MitRes Services, LLC  
209 Renaissance Dr  
Hallsville, TX 75650  
903.660.7527  
mitigate.pro





A MITIGATION RESOURCES OF NORTH AMERICA COMPANY

## **List of Potential Suppliers**

### **Soil Tech Advance, INC**

1100 East Hackberry, McAllen, Texas 78501

David Navarro

956-668-7645

[STAINC.NET](http://STAINC.NET)

### **Delta Fuels**

PO Box 737514, Dallas, Texas 75373

Sam Ferguson

(318) 757-7610

[Delta Fuel – Propane, Gas, Diesel & Lubricants](#)

### **Quintanilla Dirt Work**

PO Box 545, Sebastian, Texas 78594

(956) 746-7511

[Quintanilla's Dirt Work | Facebook](#)

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**Item 3E**

**HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY**

**AGENDA RECOMMENDATION FORM**

BOARD OF DIRECTORS  
PLANNING COMMITTEE  
FINANCE COMMITTEE  
TECHNICAL COMMITTEE

  X    
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

WORKSHOP ITEM   3E    
DATE SUBMITTED   03/19/2024    
MEETING DATE   03/26/2024  

1. Agenda Item: **RESOLUTION 2024-24 – CONSIDERATION AND APPROVAL OF CHANGE ORDER NUMBER 1 TO THE CONTRACT WITH SICE, INC. TO PROVIDE TOLL COLLECTION SYSTEM INSTALLATION, INTEGRATION, AND MAINTENANCE FOR THE 365 TOLLWAY PROJECT.**
  
2. Nature of Request: (Brief Overview) Attachments:   X   Yes    No  
  
Consideration and approval of CO No. 1 to the contract with SICE, Inc. for the 365 Tollway Project.
  
3. Policy Implication: Board Policy, Local Government Code, Texas Government Code, Texas Transportation Code, TxDOT Policy
  
4. Budgeted:    Yes    No   X   N/A
  
5. Staff Recommendation: **Motion to approve Resolution 2024-24 – Consideration and Approval of Change Order number 1 to the contract with SICE, Inc. to provide Toll Collection System Installation, Integration, and Maintenance for the 365 Tollway project, as presented.**
  
6. Program Manager’s Recommendation:    Approved    Disapproved   X   None
  
7. Planning Committee’s Recommendation:    Approved    Disapproved   X   None
  
8. Board Attorney’s Recommendation:    Approved    Disapproved   X   None
  
9. Chief Auditor’s Recommendation:    Approved    Disapproved   X   None
  
10. Chief Financial Officer’s Recommendation:    Approved    Disapproved   X   None
  
11. Chief Development Engineer’s Recommendation:    Approved    Disapproved   X   None
  
12. Chief Construction Engineer’s Recommendation:    Approved    Disapproved   X   None
  
13. Executive Director’s Recommendation:   X   Approved    Disapproved    None



Contractor \_\_\_\_\_

## CONSTRUCTION CONTRACT AMENDMENT SUMMARY

RESOLUTION 2024-24

Original Contract Amount \$ 13,980,669

Change Order No. 1

Amount \$ 645,171.17

### Approved Amendments

Resolution No.	Description	Amount
2023-22	AOC - Toll Collection System	\$ 13,980,669.00

**Subtotal from Cont. Page** \$ 0.00

**Contract Amount** \$ 13,980,669.00

### Proposed Amendment

2024-24	single-gantry structures and veh. class system	\$ 645,171.17
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### Goals & Options:

Approval of Change Order No. 1 introducing at each location a single-gantry (monogantry) structure and system of classifying vehicles based on axles and height to provide a net capital cost savings, increased revenue and maintain system accuracy.

**Staff is recommending approval of this request in the amount of \$ 645,171.17  
for a Revised Contract Amount of \$ 14,625,840.17**

Ramon Navarro, Const.

Requested by:

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY  
BOARD RESOLUTION No. 2024 - 24

CONSIDERATION AND APPROVAL OF CHANGE ORDER  
NUMBER 1 TO THE CONTRACT WITH SICE, INC. TO PROVIDE  
TOLL COLLECTION SYSTEM INSTALLATION, INTEGRATION  
AND MAINTENANCE FOR THE 365 TOLLWAY

THIS RESOLUTION is adopted this 26<sup>th</sup> day of March, 2024 by the Board of Directors of the Hidalgo County Regional Mobility Authority.

WHEREAS, the Hidalgo County Regional Mobility Authority (the “Authority”), acting through its Board of Directors (the “Board”), is a regional mobility authority created pursuant to Chapter 370, Texas Transportation Code, as amended (the “Act”); and

WHEREAS, on November 17, 2005, the Texas Transportation Commission (the “Commission”) created the Authority pursuant to (i) the Act; (ii) Title 43, Texas Administrative Code; (iii) a petition of the Hidalgo County Commissioners Court (the “County”); and (iv) findings by the Commission that the creation of the Authority would result in certain direct benefits to the State of Texas (the “State”), local governments, and the traveling public and would improve the State’s transportation system; and

WHEREAS, the Act allows the Authority to construct transportation projects within the County, including the 365 Tollway Project (the “Project”); and

WHEREAS, the Authority issued a competitive, best value procurement, RFP 2022-02: Toll Collection System Installation, Integration, and Maintenance for the Project (the “RFP”); and

WHEREAS, the Authority received five qualified responses to the RFP;

WHEREAS, on March 14, 2023, the evaluation committee recommended SICE as the best value respondent and the Board authorized the Authority to enter into negotiations with SICE Inc.; and

WHEREAS, a contract was negotiated with SICE Inc. for Toll Collection System Installation, Integration, and Maintenance for the Project (the “Contract”);

WHEREAS, on April 25, 2023, the Authority approved Resolution 2023-22 Award of Contract for the 365 Tollway Toll Collection System Installation, Integration and Maintenance Contract to SICE Inc.; and

WHEREAS, the Authority finds it necessary to approved Resolution 2024-24 – Consideration and Approval of Change Order number 1 to the Contract with SICE, Inc. to provide Toll Collection System Installation, Integration and Maintenance for the 365 Tollway Project.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY THAT:

Section 1. The recital clauses are incorporated in the text of this Resolution as if fully restated.

Section 2. The Board hereby approves Change Order number 1 to the contract with SICE, Inc. for the 365 Tollway Toll Collection System Installation, Integration and Maintenance, attached hereto as Exhibit A.

Section 3. The Board authorizes the Executive Director to execute Change Order number 1.

\*\*\*\*\*

PASSED AND APPROVED AS TO BE EFFECTIVE IMMEDIATELY BY THE BOARD OF DIRECTORS OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY AT A REGULAR MEETING on the 26<sup>th</sup> day of March, 2024, at which meeting a quorum was present.

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S. David Deanda, Jr., Chairman

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Juan Carlos Del Ángel, Secretary/Treasurer

**Exhibit A**

Change Order Number 1  
to the Contract with  
SICE, INC.  
for Toll Collection System  
Installation, Integration and  
Maintenance for the 365  
Tollway Project

## 365 TOLLWAY PROJECT

### TOLL COLLECTION SYSTEM INSTALLATION, INTEGRATION, AND MAINTENANCE

#### CHANGE ORDER NO. 1

<b>Project Information</b>	<b>ISSUANCE DATE: M A R C H 2 6 , 2 0 2 4</b>
Project	365 Tollway Project, TCS Installation, Integration, and Maintenance
CONTRACT NO.	2022-002
Owner	Hidalgo County Regional Mobility Authority (HCRMA)
<b>Description and Reason for the Change Order</b>	

This change order is the result of the conditional contract award requiring:

1. Change from a Dual Gantry RSS to a Mono gantry Design covering the following components.
  - Mono gantry Design and Documentation
  - Bracket Design
  - Additional Hardware required to implement a Mono gantry solution.
2. Implementation of Large Truck Classification System based on Height and Width using Lidar (SICK unit)
  - Roadside System and Transactional Back Office System Software Changes to support the functionality.
  - RSE and TBOS Software Changes

**Purpose and Intent.** By using a monogantry design instead of a traditional dual-gantry model, the overall footprint of the gantry is reduced – resulting in better accessibility and easier maintenance of gantry equipment. It also removed most of the in-pavement equipment. However, to accommodate this change, larger and additional brackets will be necessary to mount the equipment and additional overhead equipment is needed.

Through this solution, the HCRMA benefits from:

- Lower net capital costs;
- The same system reliability, accuracy, and redundancy;
- Additional height/width data for identifying commercial vehicles;
- Additional revenue from higher toll rates for tall commercial vehicles; and
- Improved pavement integrity and reliability due to removed in-pavement equipment.

**Costs.** As part of this change order, SICE will be paid in the amount of **\$645,171.17** for this Change Order in accordance with the payment schedule documented in the change order proposal.

**365 TOLL PROJECT, TCS  
CHANGE ORDER NO. 1**

For TxDOT/HCRMA/FHWA use only:	
Days FHWA Non-Participating Co Portion FHWA Non-Participating	N/A \$0.00
<b>Project Schedule</b>	
Substantial Completion Date: Final Acceptance Date:	TBD TBD
<b>Signatures</b>	
ACCEPTED: SICE	Signature: _____ Salvador Castromil – Vice President  Date: <u>03/28/2024</u>
ACCEPTED: HCRMA	Signature: _____ Pilar Rodriguez, Executive Director  Date: <u>03/28/2024</u>

# Memo

Date: Tuesday, March 26, 2024  
 Project: HCRMA 365 TCS  
 To: HCRMA  
 From: HDR



**Subject: HCRMA 365 TCS Change Order: Monogantry & Revised Classification**

### Introduction

HCRMA staff are requesting approval by the board for a change order of \$645,170 for the Toll System Integrator to modify their design. The original design included two-gantries (dual-gantry) and an axle-based solution to classify vehicles and determine toll rates. However, HDR found that a single-gantry (monogantry) structure and classifying vehicles based on axles and height would provide a net capital cost savings, increased revenue, and maintained system accuracy.

### Gantry & Classification Design

By using a monogantry design instead of a traditional dual-gantry model, the overall footprint of the gantry is reduced – resulting in better accessibility and easier maintenance of gantry equipment. It also removed most of the in-pavement equipment. However, to accommodate this change, larger and additional brackets will be necessary to mount the equipment and additional overhead equipment is needed. Through this solution, the HCRMA benefits from:

- Lower net capital costs;
- The same system reliability, accuracy, and redundancy;
- Additional height/width data for identifying commercial vehicles;
- Additional revenue from higher toll rates for tall commercial vehicles; and
- Improved pavement integrity and reliability due to removed in-pavement equipment.

### Capital Cost Savings:

The revised design results in the capital cost savings for the gantry structures and pavement, but requires additional hardware and equipment on the gantry. It results in an estimated net savings of \$549,610, subject to negotiating the reduced cost of the gantry structures with Pulice.

Capital Cost Savings	
Infrastructure Savings (Estimated)	\$ 1,194,780
Hardware & Software Costs	\$ ( 645,170)
<b>Net Capital Cost Savings</b>	<b>\$ 549,610</b>

### Additional Revenue:

The new equipment’s ability to detect height and width allows HCRMA to use this data to identify commercial vehicles (particularly 2-axle box trucks) and charge them a higher rate. This results in approximately 3 percent in additional revenue as estimated by C&M Associates.

Year	Forecast Revenue (\$ Thousands)		
	Axle Based (Original)	Axle + Height (Proposed)	Additional Revenue
2026	\$ 2,894	\$ 2,989	\$ 95
2027	\$ 4,014	\$ 4,160	\$146
2028	\$ 5,373	\$ 5,522	\$149
2029	\$ 6,918	\$ 7,108	\$190
2030	\$ 8,686	\$ 8,946	\$260
2031	\$10,144	\$10,436	\$292
2032	\$10,735	\$11,061	\$326
2033	\$11,373	\$11,691	\$318
2034	\$12,004	\$12,359	\$355
2035	\$12,687	\$13,049	\$362
2036	\$13,349	\$13,734	\$385
<b>10 Year Total</b>	<b>\$98,177</b>	<b>\$101,055</b>	<b>\$2,878</b>
<b>% Increase</b>		<b>3%</b>	

### Conclusion:

This modified design results in an estimated net capital cost savings of \$549,610 and additional revenue capture of \$2.9M over 10 years. HCRMA staff recommend the Board approve the Change Order with SICE for \$645,170. The infrastructure cost savings is being negotiated with the Civil Contractor.



**Board of Directors**

**S. David Deanda, Jr., Chairman**  
**Ezequiel Reyna, Jr., Vice Chairman**  
**Juan Carlos Del Ángel, Secretary/Treasurer**  
**Gabriel Kamel, Director**  
**Francisco “Frank” Pardo, Director**  
**Sergio Saenz, Director**  
**Michael J. Williamson, Director**

February 29, 2024

Salvador Castromil  
Project Principal  
SICE, Inc.  
3610 Willowbend Blvd – Suite 1026  
Houston, TX 77054

**RE: HCRMA 365 Tollway, Change Order Acceptance for Monogantry & Classification System**

Mr. Castromil,

The Hidalgo County Regional Mobility Authority (HCRMA) sincerely appreciates your cooperation in proposing the revised Mono Gantry Tolling Solution with improved vehicle classification based on height and width using Lidar. The HCRMA 365 Tollway Team has reviewed the submitted proposal and accepts the revised design and cost.

In summary, the scope of this proposed change order includes:

1. Change from a Dual Gantry RSS to a Mono gantry Design covering the following components.
  - a. Mono gantry Design and Documentation
  - b. Bracket Design
  - c. The Additional Hardware required to implement a Mono gantry solution.
2. Large Truck Classification based on Height and Width using Lidar (SICK unit)
  - d. Roadside System and Transactional Back Office System Software Changes to support the functionality.
  - e. RSE and TBOS Software Changes

As part of this change order, SICE will be paid in the amount of **\$645,171.17** for this Change Order in accordance with the payment schedule documented in the change order proposal. Please consider this letter a formal approval of your Change Order proposal titled MONOGANTRY & LARGE TRUCK CLASSIFICATION (365Toll-COR-000) V2. The HCRMA is eager to move forward with this solution and appreciates your efforts to develop a more efficient and featureful design.

Page 2

Change Order Acceptance for Monogantry & Classification System

Salvador Castromil

February 29, 2024

If you should have any questions or require additional information, please feel free to contact me at 956-402-4762 or at [prodriguez@hcrma.net](mailto:prodriguez@hcrma.net).

Sincerely,

**Hidalgo County Regional Mobility Authority**



Pilar Rodriguez, PE

Executive Director

203 W Newcombe Avenue

PO Box 1766

Pharr, Texas 78577

Enclosure:

Change Order Proposal - MONOGANTRY & LARGE TRUCK CLASSIFICATION (365Toll-COR-000) V2

cc: Álvaro Rincon – SICE  
Ramon Navarro, PE, Chief Construction Engineer – HCRMA  
Celia Gaona, CIA, Chief Auditor/Compliance Officer – HCRMA  
Jose Castillo, Chief Financial Officer – HCRMA  
Sam Saldivar, PE, Project Manager – HDR  
Andrew Cadmus, PE, Tolling Practice Lead – HDR  
Navdeep Virk, PMP, Senior Tolling Project Manager - HDR



HCRMA-365 TCS

**MONOGRANTRY & LARGE TRUCK CLASSIFICATION  
(365Toll-COR-000) V2**



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# 1 PURPOSE

The purpose of this document is to present a proposal for HCRMA as part of the 365 Tolling Project to design and install a monogantry tolling solution and to develop, test implement, operate and maintain a classification solution that allows the system to differentiate vehicles by height and width in addition to axle count in order to charge taller vehicles at a different rate.

# 2 MONOGANTRY TOLLING SOLUTION

## 2.1 ASSUMPTIONS USED IN THE DEVELOPMENT OF THE PROPOSAL

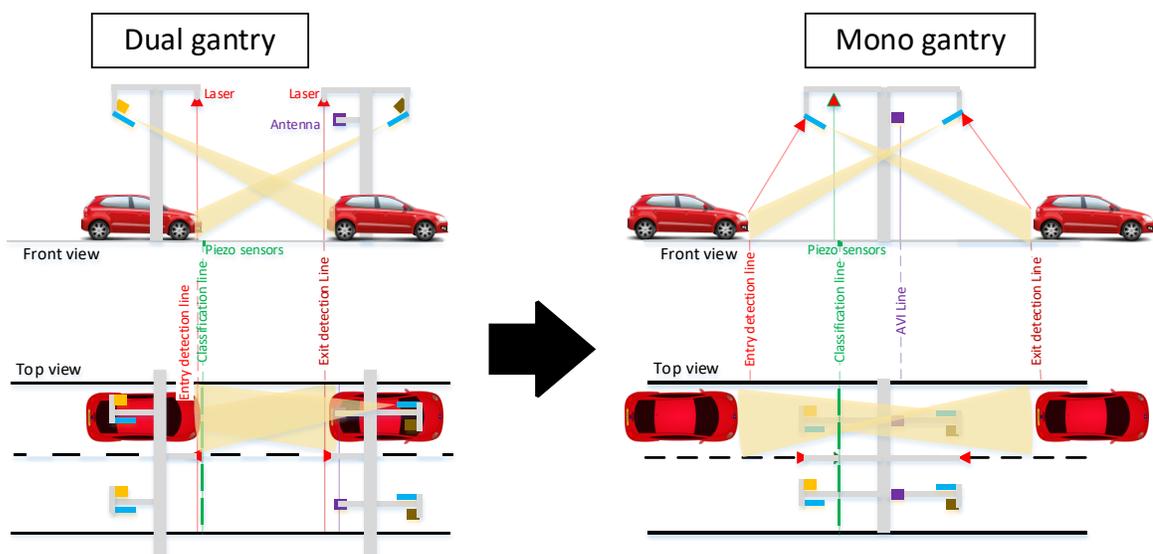
For developing the proposal, SICE has taken into account the following considerations:

- 1) Toll sites will be reduced from dual gantry to monogantry
- 2) Monogantry structure will be identical as previously design structures
- 3) Monogantry structure design and installation remains out of the scope of this change order
- 4) Project documentation will need to be updated with new design
- 5) The implementation of this proposal shall not cause any increment on the operation and maintenance rates. No other costs or change orders will be needed to incorporate these modifications into the project
- 6) The monogantry solution shall meet all SLA and KPI requirements as stated in the pertinent section of the RFP and contract documents.

## 2.2 SOLUTION DESIGN

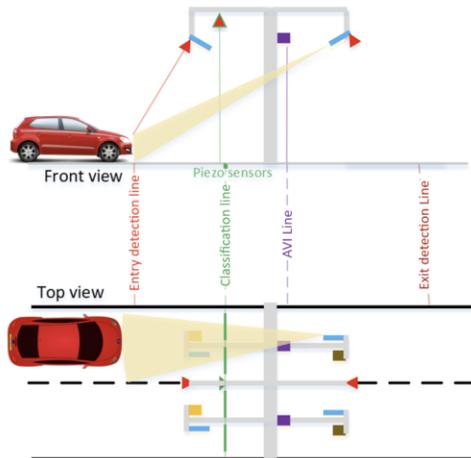
The monogantry solution requires that the device brackets extend away from the structure to obtain the images in the correct angle. The vehicle classification requires a perpendicular-to-the-road laser installed over the piezo sensor in order to assign to each vehicle the correct number of axles.

The schematic below provides a comparison of what was proposed vs what is now the revised proposal from a Gantry Solution perspective



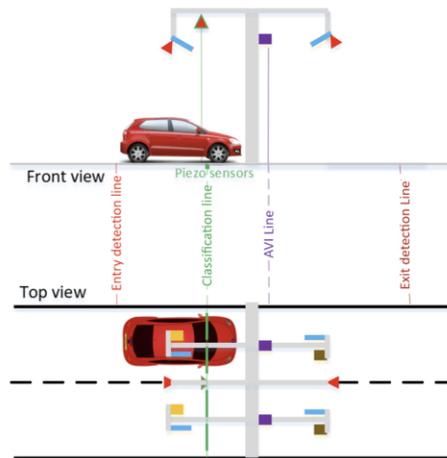
## Entry events

- AVD: vehicle detection + LPIC trigger
- LPIC: front image capture



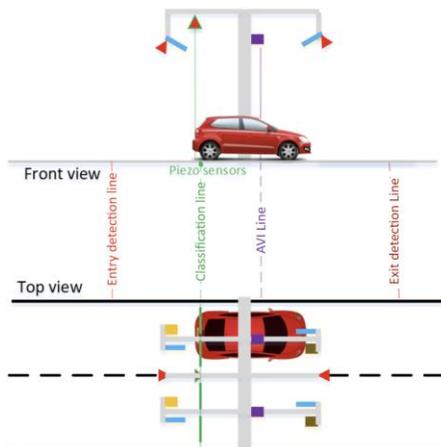
## Classification

- AVC: vehicle classification
  - Axle count
  - Vehicle measurements



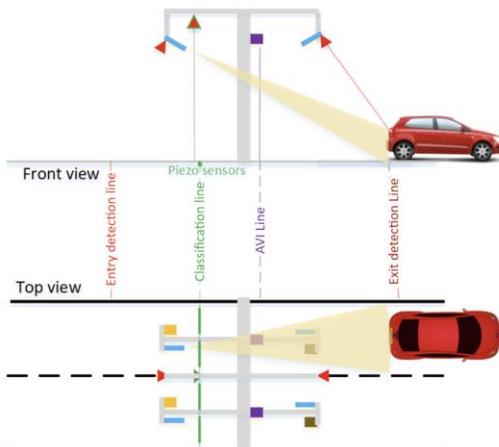
## Tag Read

- AVI: transponder detection



## Exit events

- AVD: vehicle detection + LPIC trigger
- LPIC: rear image capture



### 2.3 SCHEDULE OF PAYMENT

The following table shows SICE proposal for the design, procurement, and installation of a monogantry tolling solution:

Economic Proposal				Sale prices	
ID	ITEM	Unit	Qtys.	Unit price	Item price total
<b>Monogantry design and documentation review</b>					
1	Monogantry design and documentation review	Hours	1	\$ 36,312.50	\$ 36,312.50
2	Bracket design (PE services)	Hours	1	\$ 18,666.67	\$ 18,666.67
3	Additional Hardware Required for Monogantry	LS	1	\$ 316,472.00	\$ 316,472.00

LS-> Lump Sum

#### Item 3 Additional hardware breakdown

		Additional Hardware		
#	Hardware Component	Add. Brackets (AVC laser)	Brackets modification (adapted for monogantry)	AVD lasers (1 per direction)
<b>Hardware</b>				
1	TP - MGT #1 (Lanes 2 - Shoulders 2) - HW Installation	2	26	2
2	TP - RGT #1 (Lanes 1 - Shoulders 1) - HW Installation	1	13	1
3	TP - RGT #2 (Lanes 1 - Shoulders 1) - HW Installation	1	13	1
4	TP - RGT #3 (Lanes 1 - Shoulders 1) - HW Installation	1	13	1
5	TP - MGT #2 (Lanes 4 - Shoulders 2) - HW Installation	2	38	2
6	TP - RGT #4 (Lanes 1 - Shoulders 1) - HW Installation	1	13	1
7	TP - RGT #5 (Lanes 1 - Shoulders 1) - HW Installation	1	13	1
8	TP - MGT #3 (Lanes 4 - Shoulders 2) - HW Installation	2	38	2
9	TP - MGT #4 (Lanes 4 - Shoulders 2) - HW Installation	2	38	2
Count		13	205	13
Price per item		\$ 884.00	\$ 884.00	\$ 9,520.00
Total price		\$ 11,492.00	\$ 181,220.00	\$ 123,760.00

The total amount of this scope of works is **\$371,451.17**

Payment for this work will be as follows:

- 25% on approval of this Change Order
- 60% on installation of the equipment on site
- 15% on SAT completion

### 3 LARGE TRUCK CLASSIFICATION BASED OF VEHICLE HEIGHT & WIDTH

#### 3.1 ASSUMPTIONS USED IN THE DEVELOPMENT OF THE PROPOSAL

For developing the proposal, SICE has taken into account the next considerations:

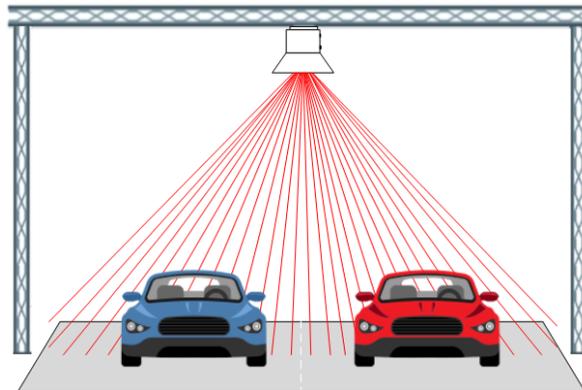
- 1) Solution will be incorporated into the monogantry design
- 2) Classification threshold will be provided by HCRMA. SICE will develop a translation table at RSE (Roadside Equipment) level to facilitate fine tuning of these thresholds if needed
- 3) Project documentation will need to be updated with new classification
- 4) The implementation of this proposal shall not cause any increment on the operation and maintenance rates. No other costs or change orders will be needed to incorporate these modifications into the project

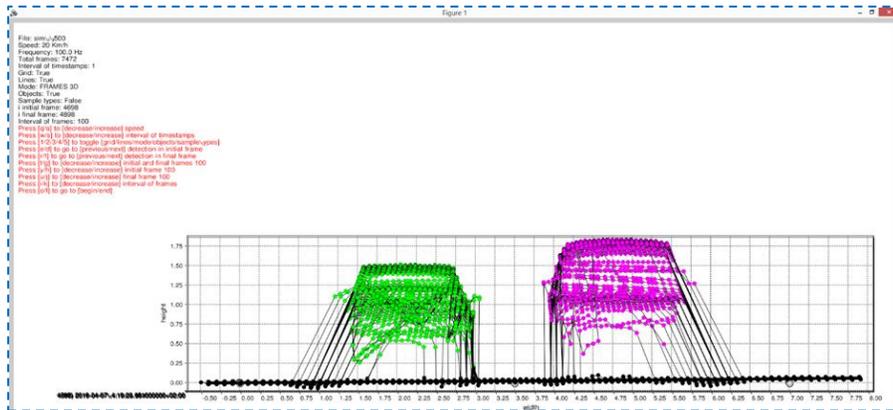
#### 3.2 SOLUTION DESIGN

The solution will require changes at RSE and TBOS (Transactional Back Office System) level. The RSE will obtain the approximated physical height and width of the vehicles and assign the appropriate vehicle class. An additional TBOS module will be deployed that generates and maintain historical information of all vehicles detected. This table will be used to analyze RSE information and, following the project business rules, to send the transaction to image review or to modify/complete RSE information.

RSE level:

The Lidar unit installed for classification purposed is able to provide reliable vehicle mapping for the vehicles travelling on the nearby lanes. This laser will be used to determine height and width measurements for all vehicles travelling on the tolling lanes.

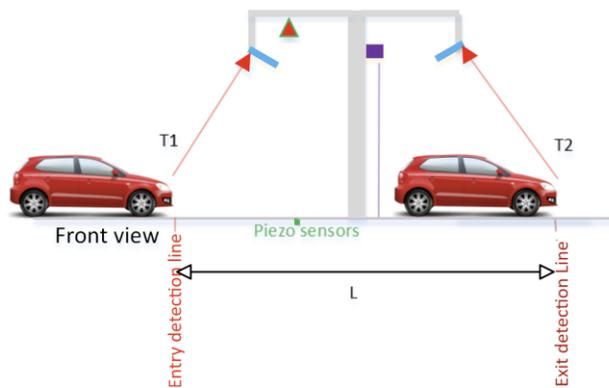




For sites with 2 lanes + shoulder (MTG#2, MTG#3, and MTG#4), measurement of vehicles travelling in the shoulder would have a lower reliability what could lead to a lower classification success rate. Please note that this refers only to the volumetric/large trucks classification performance. Axle-base classification performance on shoulders will not be affected on these sites.

For these sites, a second Lidar unit could be installed to improve large truck classification in shoulder. At the time of this proposal, HCRMA has decided not to proceed with these additional Lidar units laser but will reevaluate its necessity at a later stage, if required.

Information about vehicle speed and length will also be obtained. Vehicle speed is calculated using entry and exit laser detections as  $L/(T2-T1)$ . The accuracy of this calculation depends on the vehicle travelling at constant speed within the detection area. Speed values obtained will be less accurate if vehicle speed is not constant. The accuracy of the vehicle speed calculation will directly impact the vehicle length calculation accuracy as it is calculated using the time the vehicle was detected by the classification laser. Therefore, vehicle length will be recorded and part of the transaction record, but not used for volumetric classification purposes.



The accuracy of the new classification system at RSE level cannot be projected with high precision at this point and will be revisited as the project proceeds.

**TBOS level:**

To support the new RSE classification system an additional TBOS module will be deployed. This module generates and maintains a historical table for all vehicles (LPNs) detected across the project.

- Table is created using RSE information and Image Review as well as any information provided on TVL from CBOS.
- New functionality that will be implemented:
  - Complete transaction data if LPN, Class, or TAG information is missing or not reliable
  - Send to Image Review first detection of new vehicles to validate RSE information
  - Modify transaction data if RSE information doesn't match with historical data
  - Send transaction to Image Review if RSE doesn't match historical data

The system business rules will be configured to validate the classification method, so the first transaction of each vehicle will be processed as image-based transaction, this way an operator will review and verify the vehicle class. This event will be registered in our historical tables for future reference and class validation.

### 3.3 SCHEDULE OF PAYMENT

The following table shows SICE proposal for the design, development, testing and deployment of the large commercial vehicle classification system at RSE and TBOS level.

Economic Proposal				Sale prices	
ID	ITEM	Unit	Qtys.	Unit price	Item price total
<b>Large Truck Classification</b>					
1	RSE and TBOS software changes to calculate and store vehicle measurements, and assign new classification type for large trucks using historical tables	LS	1	\$ 309,912.00	\$ 309,912.00
2	Special Discount	LS	1	\$ (36,192.00)	\$ (36,192.00)
	TOTAL	LS	1		\$ 273,720.00

*LS-> Lump Sum*

Payment of this works will be as follows:

- 25% on approval of this Change Order
- 40% on completion of FAT
- 20% on completion of SAT
- 15% upon two months after go-live

## 4 DELIVERY SCHEDULE

This proposal assumes that the developments will be implemented together with the rest of the developments of the Project and therefore only minor adjustments are required to the overall project scheduled.

At the time of this proposal, it is expected that the implementation of this change order will affect the RSS and TBOS development cycle as well as the procurement for the first site installation. The scheduled dates for the formal execution of RSS FAT and TBOS FAT will be adjusted on the master project schedule.

No further master plan changes are expected and the RSS continuous deployment phase and TCS Go-Live date shouldn't be affected by this design change.

The master project schedule is currently under review, and it will be presented to HCRMA for its approval.