

**Hidalgo County
Regional Mobility Authority
Board of Directors Meeting
11:00 a.m.
Friday, September 22, 2006**

Minutes

The Hidalgo County Regional Mobility Authority Board of Directors convened in a meeting at 11:00 a.m. on Friday, September 22, at the Conference Room of the Rio Grande Valley Partnership, 322 South Missouri, Weslaco, Texas to discuss the following agenda:

- I. Call to order and establish a quorum
- II. Approval of minutes of the August 24, 2006 meeting
- III. Receive disclosure by the chairman (no action required)
- IV. Receive presentation from the LRGVDC to provide administration services and take action as required.
- V. Receive presentations from the Central Texas RMA, Locke, Liddell & Sapp, LLP, and Vinson & Elkins, LLP. These presentations include the receiving of proposed by-laws and policies and open meetings training and ethics training. The board may take action as required.
- VI. Other Business
- VII. Public Comment
- VIII. Adjournment

Minutes are as follows:

Present: Dennis Burleson, Chairman; Rick Perez, Vice Chairman; Roberto Villarreal, Ruben Plata and Joe Olivarez

Absent: Ramiro E. Salazar and Ruben Serna

Others: Mario Jorge, District Engineer, and Melba R. Ramos, P.E., both with Texas Department of Transportation (TxDOT); Ken Jones, Director, LRGVDC; Mike Heilingenstein, Central Texas RMA; C. Brian Cassidy, Partner, Locke Lidell & Sapp, LLP; Xavier Peña and Barron F. Wallace, Vinson & Elkins, LLP, Attorneys at Law; and Steve F. Austin, CPA, Budget Control, County of Hidalgo

I. Welcome and opening remarks – After establishing a quorum, Chairman Dennis Burleson called the meeting to order at 11:16 a.m. He welcomed and thanked everyone present for attending the meeting.

II. Approval of Minutes – Chairman Burleson read the item containing minutes. After brief review of the minutes, Joe Olivarez made a motion, seconded by Rick Perez, to approve the Hidalgo County RMA Board minutes for the meeting of August 24, 2006. Motion carried.

III. Receive Disclosure by the Chairman – Chairman Burleson mentioned that due to his involvement in the securities industry, he had a duty to report to his employer, A.G. Edwards & Sons, about his involvement in the RMA. He stated that his employer must approve his involvement in “outside” activities and is requesting a letter from an attorney that represents RMA assuring that A.G. Edwards & Sons would not be precluded from continuing any existing business relationships or from

development new business with the entity as a result of the employees' involvement. Chairman Burleson said that this requirement was necessary because, although conflict of interests rules do vary widely from organization to organization, should a conflict of interest arise, then it would be viewed as a potential problem. He said that aside from this requirement, his employer will also impose other restrictions on him which will be in effect throughout his involvement with RMA. He asked the Board to produce such a letter so he would then forward it to his employers' Compliance Department. No action.

IV. Receive presentation from the Lower Rio Grande Valley Development Council to provide administration services - Chairman Burleson introduced Ken Jones, Executive Director of the Lower Rio Grande Valley Development Council (LRGVDC). Chairman Burleson said that the LRGVDC had agreed to temporarily assist with administration services for the RMA if approved by both Boards. Jones gave a brief power point presentation to the board to familiarize them with the organization focusing on the various agencies the LRGVDC assists. After the presentation, Chairman Burleson said that the LRGVDC's legal counsel, Jim Darling, had drafted a temporary Agreement for Administrative Services between the LRGVDC and the HCRMA. Chairman Burleson asked the board to review and consider the adoption of the agreement prior to the LRGVDC Board's ratification. Jones said he will include the agreement at his next board's meeting for action. Upon conclusion of discussion Ruben Plata made a motion, seconded by Roberto Villarreal, to adopt the Agreement for Administrative Services between the LRGVDC and the HCRMA. Motion carried. A copy of the agreement is made part of these minutes.

V. Receive presentation from the Central Texas RMA, Locke Liddell & Sapp, LLP, and Vinson & Elkins, LLP. These presentations include the receiving of proposed by-laws and policies and open meetings training and ethics training – Chairman Burleson introduced Mike Heiligenstein, Executive Director, with the Central Texas RMA. Heiligenstein began his presentation by emphasizing the importance of building relationships with county, city and state officials to get the message across on what is needed in Hidalgo County. He said that the RMA needs to get involved by visiting communities to hear their input and listen to their feelings on proposed road projects. Opposition will always be there, he said. He recommended that the RMA Board first visit communities prior to calling a public meeting. Heiligenstein informed the Board about available toll road systems and what may work in this area. The newest innovation is video toll ahead of cash toll buckets and toll tags. Heiligenstein stated that some issues will need to be considered prior to deciding if a toll road will be viable. Schematic studies, right of way acquisitions, and other hidden costs, were among the things to consider. Heiligenstein encouraged the board to visit toll roads when they travel to cities that have them. He also recommended that board members attend transportation conferences to learn more on toll roads.

Chairman Burleson called for a break of the meeting at 12:45 p.m.

The RMA Board reconvened the meeting at 1:00 p.m.

Chairman Burleson introduced C. Brian Cassidy, Partner with Locke Liddell & Sapp, LLP. Cassidy began his presentation by stating that effective January 1, 2006, directors of RMA's became subject to new training requirements regarding Texas open government laws. Training must be completed by October 23, 2006. Cassidy briefly informed the board about the legal requirements for the new RMA. He pointed out key elements necessary to run an RMA. Cassidy stated that the board should take into consideration that the RMA, as with any other new organization, must build and maintain credibility and be credit worthy. Cassidy briefly went through the list of services his firm is able to provide to the RMA. Among the things that need to be done quickly are the adoption of By-laws, the adoption of a fiscal year, the implementation of policies such as a Procurement Policy and Environmental Policy, to name a few. Cassidy mentioned that his firm had prepared draft set of by-laws for the board's consideration. He said that the RMA will also need to file its first disclosure statements by April 30, 2007. Regarding staff for RMA, Cassidy said that the authority needs to hire an executive director, a

financial advisor, and a bond counselor along with other administrative support staff as soon as possible. Chairman Burleson said that he would like to get started as soon as possible and he asked Jones if needed, could the LRGVDC provide an advance on the premium to secure the needed coverage? Jones stated he would seek Board approval if it is necessary. Cassidy provided the board with a packet titled "RMA Reference Materials" and urged the board to read it to learn more on RMAs. Chairman Burleson asked the board to review the draft by-laws provided by Locke Liddell & Sapp, LLP and suggested that the board consider the adoption of the draft by-laws at their next board meeting. No action.

Chairman Burleson introduced Barron F. Wallace and F. Xavier Peña with Vinson & Elkins, Attorneys at Law, LLP. Wallace mentioned that it was difficult to talk about the financial aspects of the authority when there are no projects available at this time. Once that is established, Wallace said, then his firm may assist in project financing at the federal and state level. Wallace said his firm is available as resource if the need arises.

VI. Other Business – None.

VII. Public Comment – None.

VIII. Adjournment – Ruben Plata made a motion, seconded by Villarreal to adjourn the meeting at 1:58 p.m. Motion carried.

MINUTES FOR THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY BOARD OF DIRECTORS MEETING HELD ON SEPTEMBER 22, 2006 WERE APPROVED ON THIS THE 12TH DAY OF OCTOBER, 2006.

Submitted by:

Ramiro E. Salazar
Secretary