



**AGENDA**  
**DRAINAGE DISTRICT**  
**BOARD OF DIRECTORS**  
**November 15, 2016**  
**9:00 A.M.**

**NOTICE is hereby given in accordance with Chapter 551, Texas Government Code, that a SPECIAL MEETING of the Drainage District #1 Board of Directors will be held in the Commissioners' Courtroom of the Administration Building, 100 E. Cano, 1st floor, Edinburg, Hidalgo County, Texas. Discussion and possible action relating to the following business will be transacted:**

1. **Roll Call**
2. **Prayer**
3. **Open Forum**
4. **Approval of Consent Agenda**
5. Discussion on Hidalgo County Drainage District No. 1 Drainage projects, maintenance and operations
6. **AI -57319** Presentation and acceptance of Independent Audit Report for the year ending December 31, 2015.
7. **AI -57301** A. Requesting approval of final negotiated Agreement for Professional Surveying Services with Quintanilla, Headley, & Associates, Inc., as it relates to services for on call- on as needed basis to the Hidalgo County Drainage District No.1 projects. Approved for negotiations by the HCDD1 Board of Directors on October 25, 2016 (AI#57010). (Contract# C-HCDD1-16-056A-11-15)  
B. Requesting approval of final negotiated Agreement for Professional Surveying Services with Civil Design Services, Inc., dba CDS Muery, as it relates to services for on call- on as needed basis to the Hidalgo County Drainage District No.1 projects. Approved for negotiations by the HCDD1 Board of Directors on October 25, 2016 (AI#57010). (Contract# C-HCDD1-16-056B-11-15)

8. **AI -57323** Request approval of Budget Amendment from the District's General Fund into heavy equipment in the amount of \$ 402,346.27 for the purchase of a Doosan DX 490LC Excavator. This purchase is for a replacement of one of the District's Excavator which was a claim to Texas Municipal League and has been partially reimbursed.
9. **AI -57332** Requesting Approval of a Drainage Easement Acquisition from Edinburg Consolidated Independent School District, Being A 2.54 Acre Tract of Land out of Lot 2, R.B. Curry Survey No. 3, Hidalgo County
10. **AI -57328** A. Request approval to create one (1) Right of Way and Utility Coordinator position for the Maintenance and Operation Budget and set salary at \$ 45,923.  
B. Approval of Revised Salary Schedule and Budget Amendment to fund New Position as noted in Item A in the amount of \$9,500.00 to fund through the remainder of 2016.
11. **AI -57321** Request approval for payment of Claim in the amount of \$1,397.50 to Terracon Consultants, Inc. for concrete material testing for the Mile 17 1/2 and Ware Rd Project.
12. **AI -57331** Requesting approval of closing documents as they relate to Pct. 2 Fee Simple Right of Way Project - Parcel - 14.
13. **AI -57296** Authority to publish and approval of qualifications, requirements and scope of services for the engagement of legal counsel to pursue all remedies available to the Hidalgo County Drainage District #1 in connection with the agreement between Hidalgo County Drainage District #1 and Integ Corporation as outlined/contained in the final Lee Law Firm Report
14. **Closed Session:**  
Board of Directors may go into Closed Session pursuant to Chapter 551, Texas Government Code, Sections 551.071 & 551.072 to discuss the following:
  - A. **Real Estate Acquisition**
  - B. **Pending and/or Potential Litigation**
  - C. **AI -57298** Review of Attorney-Client Privileged Investigative Analysis Report with respect to potential litigation - Integ Corporation

15. **Open Session:**
  - A. **Real Estate Acquisition**
  - B. **Pending and/or Potential Litigation**
  - C. **AI -57299** Review of Attorney-Client Privileged Investigative Analysis Report with respect to potential litigation - Integ Corporation
  
16. **Closed Session:**

Board of Directors may reconvene into Closed Session for the discussion regarding the agenda items listed
  
17. **Open Session:**

Board of Directors may reconvene into Open Session for the discussion regarding the agenda items listed
  
18. **Adjourn**

**AI -57319**

**6.**

**DRAINAGE DISTRICT**

Meeting Date: 11/15/2016

Submitted By: Lora Briones, DRAINAGE  
DISTRICT

Department: DRAINAGE DISTRICT

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Information

CAPTION

Presentation and acceptance of Independent Audit Report for the year ending  
December 31, 2015.

BACKGROUND

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Fiscal Impact

Attachments

HDDD1 2015 Financial Audit Report

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**Form Review**

<b>Inbox</b>	<b>Reviewed By</b>	<b>Date</b>
Final Approval	Monica Badillo	11/10/2016 02:14 PM
Form Started By: Lora Briones		Started On: 11/10/2016 08:15 AM
Final Approval Date: 11/10/2016		

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**

**FINANCIAL STATEMENTS**

**AND**

**INDEPENDENT AUDITORS' REPORT**

**December 31, 2015**

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2015**

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**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2015**

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\* This schedule is omitted since information is provided in the notes to the financial statements.

\*\* This schedule is omitted because no temporary investments were held at year-end. See note B in the notes to the financial statements.

## **INTRODUCTORY SECTION**



**HIDALGO COUNTY  
DRAINAGE  
DISTRICT No. 1**

**RAUL E. SESIN, PE, CFM**  
General Manager  
Floodplain Administrator

902 N. Doolittle Road  
Edinburg, Texas 78542  
Off 956 292.7080  
Fax 956 292.7089

**BOARD OF DIRECTORS**

**RAMON GARCIA**  
Chairman of the Board

**A.C. CUELLAR, JR.**  
Board Member

**EDUARDO "EDDIE" CANTU**  
Board Member

**JOE M. FLORES**  
Board Member

**JOSEPH PALACIOS**  
Board Member

October 21, 2016

The Honorable Ramon Garcia, Chairman of the Board  
The Honorable A.C. Cuellar, Jr., Board Member  
The Honorable Eduardo "Eddie" Cantu, Board Member  
The Honorable Joe M. Flores, Board Member  
The Honorable Joseph Palacios, Board Member

Dear Board of Directors:

The Hidalgo County Drainage District No.1 (District) Annual Financial Report for the year ended December 31, 2015, is submitted herewith.

Prior to 2004, the District's financial and accounting functions were provided by Hidalgo County. In 2004, as directed by the Board, the District took steps to become independent of Hidalgo County in all financial and accounting functions. During that period, District personnel assumed responsibility for maintaining the District's general ledger and accounts payable functions. In 2005, the District completed its revised organizational chart and prepared job descriptions for each accounting staff position needed. For items that do not prove to be cost effective for the District, an inter-local agreement still exists with Hidalgo County.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to obtain the maximum understanding of the District's financial affairs have been included.

In 2002, the District initiated the implementation of Governmental Accounting Standards Board Statement Number 34 (GASB 34), *Basic Financial Statements – And Management's Discussion and Analysis – For State and Local Governments*. GASB Statement 34, labeled by GASB as "the most significant change in the history of government financial reporting," amends the financial reporting model to include supplementary information about an entity and fiscal health including the status of public infrastructure. This report for 2015 was prepared in accordance with this statement and is presented in the following three sections:

- The Introductory Section, which includes this Transmittal Letter
- The Financial Section, which includes the Independent Auditors' Report, Management's Discussion and Analysis (MD&A), the basic statements, and combining statements and schedules.

- Supplementary information, as required by Texas Commission on Environmental Quality (TCEQ), and statistical information that is generally presented on a multi-year basis.

Burton, McCumber & Cortez, LLP, an independent certified public accounting firm, has audited the District's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the year ended December 31, 2015, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based on the independent audit performed by our external auditors, they concluded that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for year ended December 31, 2015, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The Independent Auditors' Report is presented as the first component of the Financial Section of this report.

Generally accepted accounting principles require that management provide a narrative overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction therewith. The District's MD&A can be found immediately following the report of the independent auditors.

The five members of the Board of Directors for the District are the same members as the Hidalgo County Commissioners Court. One member is the county judge who is elected to a four-year term. The other four members are county commissioners, each elected from a road and bridge precinct to a four-year term.

Among its duties and responsibilities, the five-member board has exclusive authority over a wide range of areas in the operation of the District. These duties and responsibilities include the approval of the District's operating budget and budgetary amendments, setting advalorem property tax rates, auditing, and directing settlement of all claims against the District. The board also determines when propositions to issue bonds will be submitted to voters.

#### **Internal Controls**

Management of the District is responsible for the establishment and maintenance of internal accounting controls that have been designed to ensure assets are safeguarded and financial transactions are properly recorded and adequately documented. Such internal controls require estimates and judgments from management that, in attaining reasonable assurance as to the adequacy of such controls, the cost does not exceed the benefit obtained.

#### **Budget and Fiscal Policy**

As a sound financial management practice and under the advice of the District's Financial Advisors, management strives to maintain fifty percent or more of the unassigned fund balance levels of the main operating fund – General fund, to meet obligations of payroll and operating costs, thus assisting in maintaining financial stability for retaining or enhancing the District's bond ratings. The District also

emphasizes to maintain significant amounts to fund the repairs of structures in the event of excessive rainfalls, hurricanes or disasters that may occur during the year.

### **Cash Management**

The District invests its funds in investments authorized by Texas laws in accordance with investment policies approved by the Board of Directors. Under Texas Law, the District is required to invest its funds to primarily emphasize safety of principal and liquidity. Interest income in 2015 totaled \$277,365 an increase of \$78,239 from the prior year total of \$199,126. Interest income has increased due to changes in the length and type of investments from the sale of the 2013 Bonds.

### **Capital Assets**

These financial statements include the capital assets of the District. Accounting for capital assets is discussed in the MD&A that is part of the basic financial statements. More detailed information about the capital assets can be found in the notes to the financial statements.

### **Risk Management and Insurance**

The District provides for a risk manager, who is primarily responsible for identifying and assessing the District's exposure to all types of risk and recommending the safest and most cost effective methods to eliminate or reduce the identified risks. The District, through its risk management policies, assumes substantially all risks associated with general tort claims that parties may file against the District and liability claims against the District due to conditions of property or equipment. Additional information on the District's risk management activity can be found in the notes to the financial statements.

### **Economic Conditions and Outlook**

Hidalgo County, in which the District operates, is an attractive place in which to live and do business. With an estimated population of 842,304 people, Hidalgo County is the eighth largest out of 254 Texas counties. Population from 2010-2015 grew by 8.7%. According to Fitch Ratings, "the district has added to the reserves in five of the past six years due to sound financial management. Also, the traditional agricultural and international based economy has increasingly diversified with education, health services, and government sector employment. Ecotourism has seen a recent growth in Hidalgo County attracting new travelers to this area for birding due to the prime location of the county along transcontinental migratory flight paths. Also seeing growth is the healthcare field, with the commitment of the University of Texas establishing a new university and medical school in the county. This will help in further diversifying in adding highly skilled employment to the economy in Hidalgo County.

According to the McAllen Economic Development Corp, the City of McAllen MSA (metropolitan statistical area) remains among the fastest growing regions in the nation due to low cost labor and proximity to Mexico. McAllen, which is the largest city in the County, has a current population of 140,717, according to the 2012 U.S. Census. Edinburg has an estimated population of 84,497 and is considered the educational and technological capital of the Texas-Mexico border region. The unemployment rate as of December 2015 was 7.8%.

Hidalgo County provides factors which are considered to be an excellent quality of life, high-tech medical facilities, comprehensive financial services community, a

demonstrated logistics advantage necessary to reach existing and new markets, and bicultural/bilingual population. The median household income for this area in 2014, according to U.S. Census Bureau, averaged \$34,952.

### **Current Developments and Programs**

The District is validating the drainage improvements outlined in the 2007 Bond Referendum. In addition, in 2012 a bond referendum for \$184 million was approved with a 76% favorable support by the District's taxpayers. This referendum had over 25 project specific initiatives to be undertaken by the District. The District began the implementation in mid-2013 of said program with the sale of the first 84 million, the 2013 Bond series. Among those projects are:

#### Raymondville Main Drain Project

The Raymondville Drain Project currently exists as an authorized federal project with the US Army Corps of Engineers-Galveston District (USACE) as the Project for Flood Control, Lower Rio Grande Basin, Texas under Title IV, Section 401 of WRDA 1986, as amended by the Water Resources Development Act (WRDA) 2007. Major flooding problems exist in the areas drained by the Raymondville Drain because of significant urban growth. The project will implement flood control improvements along an approximate 60-mile long channel alignment, including 12 miles of new ditch, major detention ponds, in-line detention, retention, hydraulic control structures, bridges, culverts and utility crossings. The District is the lead sponsor for the project working in partnership with the US Army Corps of Engineers. The District has a current agreement with the USACE, invoking provisions of general WRDS Section 211, whereby the District has taken over the USACE's portion of the project, anticipating reimbursement at the time of construction for the federal cost share of the project. Concurrently, the District is pursuing congressional designation for the project to be a demonstration project under Section 211 (f), to ensure reimbursement of the federal cost share could occur intermittently, as the planning documents-studies progress prior to construction. The project was recently ranked as the No. 1 project for the Lower Rio Grande Valley Regional Drainage Plan. It is anticipated the project will get environmental clearance in 2017; portions of construction are also anticipated to occur in 2017-2020.

#### Lateral Projects

Based on a regional drainage study completed in 1997 and Hidalgo County Drainage Committee's recommendation, improvements to existing lateral drain ditches are being implemented. This plan is presently being strategically implemented through construction development agreements with numerous agencies, communities and developers in addition to District capital funds when available. Proposed improvements involve ditch widening, bridges, culverts, utility crossings, control structures and rural drainage improvements. Bond proceeds will provide funding for the 25 Bond projects listed and rural drainage improvements.

#### Mission Inlet Detention and FEMA Levee Certification

Previous construction improvements to the Mission Inlet were based on a 1999 study, which consisted of several roadway culvert improvements and excavation of the bypass inlet channel. Due to the City of McAllen no longer proposing a parallel runway at this time, a recertification process was approved under the 2012 Bond Referendum for the Mission Inlet System. The District has retained a firm to develop such plans, specification and construction documents as required by FEMA to make such improvements and release excess right-of-way properties.

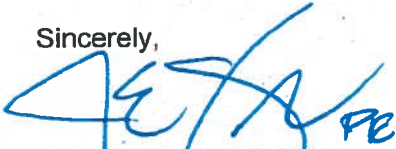
Precinct Rural Drainage Development

From the 2013 bond series, 15 out of 84 million was designated to assist in rural drainage. Funds were divided into the four precincts, and each Commissioner was allowed to determine what areas within their precinct required the most assistance. A clearer discussion of projects that have been completed and are in progress can be found in the District's website.

**Acknowledgements**

The preparation of this report would not have been possible without the professional services provided by our independent auditors, Burton McCumber & Cortez, LLP. I would like to express our appreciation to the District's accounting staff and the various departments of Hidalgo County who assisted and contributed to the preparation of this report. I wish to express my thanks to the Board of Directors for their unfailing support for maintaining the highest standards of professionalism in managing the District's financial affairs.

Sincerely,



Raul E. Sestin, PE, CFM  
District Manager  
Flood Plain Administrator



Lora Briones,  
District's Chief Financial Officer

**INDEPENDENT AUDITORS' REPORT**



**Burton McCumber & Cortez, L.L.P.**  
Certified Public Accountants & Management Consultants

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McAllen  
Matamoros

**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Hidalgo County Drainage District No. 1  
Edinburg, Texas

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hidalgo County Drainage District No. 1 (the District) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

**Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of December 31, 2015, and the respective changes in financial position and, the respective budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 15 and 21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section and supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

**Burton McCall & Co., LLP**

McAllen, Texas  
October 21, 2016

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(MD&A)**

**Hidalgo County Drainage District No. 1  
Management's Discussion and Analysis  
December 31, 2015**

Management's Discussion and Analysis (MD&A) of Hidalgo County Drainage District No. 1, Edinburg, Texas (the District) is intended to provide an overview of the District's financial position and results of operations for the fiscal year ended December 31, 2015. Please read it in conjunction with the letter of transmittal on page 5 and the District's financial statements, which begin on page 23.

The MD&A is one of the elements of the reporting model required by the Governmental Accounting Standards Board (GASB) Statement No. 34; Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments issued in June 1999. As part of the MD&A, certain comparative information between the current year and the prior year is required to be presented for financial analysis.

**FINANCIAL HIGHLIGHTS**

**General Fund**

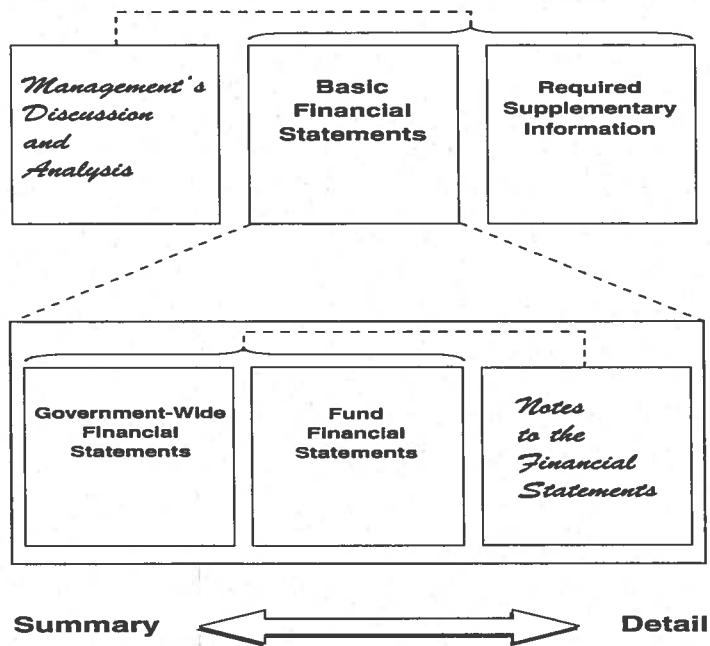
- At fiscal year-end, the unassigned fund balance in the general fund totaled \$21,850,044 which represents a \$5,081,006 increase from fiscal year 2014.
- General fund revenues increased by \$7,444,496 to \$19,987,262, an increase of 59.4 percent over fiscal year 2014. The District received a grant from the Texas Water Development Board for \$5,599,008 in 2015.
- General fund expenditures increased by \$4,102,417 to \$14,760,105, an increase of 38.5 percent over fiscal year 2014.

**Government-Wide**

- The District's governmental activities reported expenses of \$13,045,239, net of program revenues totaling \$5,660,598. General revenues and transfers totaled \$29,798,213 resulting in an increase in net position of \$16,752,974.
- At fiscal year-end, the District's governmental activities reported combined total net position of \$61,490,713. A significant portion of net position is invested in capital assets or is restricted for specific purposes.

## USING THIS ANNUAL REPORT

The following illustration is provided to facilitate the understanding of the GASB 34 reporting format and its components:



## OVERVIEW OF THE FINANCIAL STATEMENTS

The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

- The Statement of Net Position and the Statement of Activities are government-wide financial statements that provide information about the activities of the District as a whole and present a long-term view of the District's finances.
- Fund financial statements provide information as to how services are financed in the short-term, as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds or "major" funds rather than fund types.
- The accompanying notes provide essential information about certain accounts disclosed on the face of the financial statements. Consequently, the notes form an integral part of the basic financial statements.

The following summarizes the major features of the District's financial statements:

	<b>Government-Wide</b>	<b>Governmental Funds</b>
Scope	Entire District government	The activities of the District
Required financial statements	◆ Statement of Net Position	◆ Balance Sheet
	◆ Statement of Activities	◆ Statement of Revenues, Expenditures and Changes in Fund Balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

### **Government-Wide Financial Statements**

The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities that is helpful in determining whether the District's position has improved or deteriorated as a result of the current year activities. Both statements are prepared using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The Statement of Net Position includes all assets, liabilities, both short and long-term and deferred inflows of resources. The Statement of Activities reports all of the current year revenues and expenses regardless of when cash is received or paid.

The two government-wide statements report the District's net position and changes in them. Net position (the difference between assets, liabilities and deferred inflows of resources) are one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating. Other non-financial factors, however, such as changes in the District's property tax base and the condition of the District's drainage facilities, should also be considered in assessing the overall health of the District.

The Statement of Net Position and the Statement of Activities operate as governmental activities. The District's services consist primarily of drainage flood control and administration. Property taxes, bond proceeds, interest earnings, and miscellaneous revenue finance most of these activities.

## Fund Financial Statements

The fund financial statements provide a detailed short-term view of the District's operations, focusing on its most significant or "major" funds. Certain funds are required by state law and by bond covenants. Other funds are established to ensure and demonstrate compliance with finance related legal requirements and prudent fiscal management. The District has only governmental fund types.

- *Governmental funds* – all of the District's basic services are reported in governmental funds. The measurement focus and basis of accounting continues to be the modified accrual basis, which measures inflows and outflows of current financial resources and the balances left at year-end that are available for spending. The District's major governmental funds are the General Fund, 2013 Bond Series Capital Projects Fund, 2008 Bonds Debt Service Fund and 2013 Bonds Debt Service Fund. The reconciliations of the fund financial statements to the government-wide statements explain the differences between the governmental fund statements and the government-wide statements.

### Statement of Net Position (Government-Wide)

The following comparative analysis table summarizes the District's net position as of December 31,:

	2015	2014
<b>Assets:</b>		
Current and other assets	\$ 109,264,009	\$ 111,642,411
Capital assets, net	133,659,529	122,447,867
Total assets	242,923,538	234,090,278
<b>Deferred Outflows of Resources:</b>		
Deferred charges on refunding	585,578	634,376
Deferred resources for pension	140,502	-
Total deferred outflows of resources	726,080	634,376
<b>Liabilities:</b>		
Long-term liabilities	148,675,533	156,180,090
Other liabilities	14,510,218	15,478,804
Total liabilities	163,185,751	171,658,894
<b>Deferred Inflows of Resources:</b>		
Unavailable revenue	18,924,072	18,328,021
Deferred resources for pension	49,082	-
Total deferred inflows of resources	18,973,154	18,328,021
<b>Net position:</b>		
Net investment in capital assets	97,975,178	91,597,072
Restricted	10,091,337	5,204,351
Unrestricted	( 46,575,802)	( 52,063,684)
Total net position	\$ 61,490,713	\$ 44,737,739

At the close of the current fiscal year, \$97,975,178 represents the portion the District has invested in capital assets (i.e., land, infrastructure, buildings, machinery and equipment), net of accumulated depreciation less any outstanding debt used to construct or acquire those assets. The District uses these capital assets to provide services to citizens; consequently, these are not available for future spending. At the end of the fiscal year, the District reported a positive balance of \$10,091,337 for the District's restricted net position that may be used to meet the ongoing obligations to citizens and creditors. The District's unrestricted net position increased to \$(46,575,802) in connection with the District's governmental activities related to the debt associated with Rural Drainage Development Projects, Control Structures, and Weir Rehabilitation. The ownership and maintenance of the levees was transferred to IBWC.

### Statement of Activities (Government-Wide)

The following table summarizes the change in the District's net position from its activities for the fiscal years ended December 31,:

	<u>2015</u>	<u>2014</u>
<b>Revenues:</b>		
Program revenues:		
Operating grants and contributions	\$ 5,599,008	\$ -
Charges for services	61,590	48,000
Total program revenues	<u>5,660,598</u>	<u>48,000</u>
General revenues:		
Property taxes	27,956,826	25,725,175
Interest income	277,365	199,126
Tax penalties and interest	795,286	769,180
Gain on sale of capital assets	-	30,046
Other	768,736	-
Total general revenues	<u>29,798,213</u>	<u>26,723,527</u>
Total revenues	35,458,811	26,771,527
<b>Expenses:</b>		
General governmental	( 2,867,683)	( 2,453,673)
Drainage flood control	( 9,228,802)	( 8,824,915)
Interest on long-term debt	<u>( 6,609,352)</u>	<u>( 8,228,021)</u>
Total expenses	<u>( 18,705,837)</u>	<u>( 19,506,609)</u>
Transfers	<u>-</u>	<u>1,024,261</u>
Increase in net position	<u>\$ 16,752,974</u>	<u>\$ 8,289,179</u>

The District's general revenues totaled \$29,798,213. Property taxes contributed \$27,956,826, or 93.8 percent of total general revenues. The remaining 6.2 percent of general revenues was derived from interest, tax penalties and other sources. The total expenses for services totaled \$18,705,837. Expenditures necessary for the maintenance and operations of drainage facilities accounted for 49.3 percent of expenses. General governmental activities and interest on long-term debt expenses accounted for 15.3 percent and 35.3 percent of the total expenses, respectively.

## **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Financial information is presented separately in the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds for the District's major funds: General Fund, 2013 Bond Series Capital Projects Fund, and 2008 and 2013 Bonds Debt Service Funds. Financial information for the non-major governmental funds is presented in single columns by fund type.

### **General Fund**

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the fund balance of the General Fund totaled \$21,850,236 which represents a \$5,081,198 increase from fiscal year 2014.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the Board revised the District's budget. These budget amendments fall into three categories. The first category includes the appropriation of the prior year's remaining balance for new projects the Board took action on during 2015. The second category includes line item transfers within the department to cover underfunded line items. Finally, the Board approved budget amendments to certain line items (including: engineering, rentals, insurance, and other heavy equipment) to record expenditures that were necessary for maintenance and operations of the drainage systems.

The District experienced a negative variance for general government and drainage flood control budgets that netted a negative variance of \$3,722,239. Most of the variance came from the drainage flood control budget from the reclassification of the Raymondville Drain expenditures that were originally accounted for under the Special Revenue Fund. The Grant received from the Texas Water Development Board in the amount of \$5,599,008 did not require a Special Revenue Fund so this amount was reclassified to the District's General Fund.

Resources available totaled \$7,099,908 over the final budget amount of \$12,887,354. Property tax collections, miscellaneous revenues, which include royalties and reimbursement from governments, and interest accounted for all of the increase in estimated revenues. Charges for services were less than the estimated amounts. Additionally, the District received a grant in the amount of \$5,599,008 from the Texas Water Development Board.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2015, the District had \$133,659,529 invested in capital assets, including land and easements, infrastructure, construction in progress, buildings and renovations, and machinery and equipment. Land, easements and construction in progress are not depreciated. Additional information on the District's capital assets can be found in the notes to the financial statements.

Capital assets at year-end (Net of depreciation)		
	2015	2014
Land and easements	\$ 23,373,310	\$ 21,619,401
Infrastructure	60,551,153	51,271,872
Construction in progress	42,698,572	43,429,261
Buildings and renovations	445,406	475,636
Machinery and equipment	6,591,088	5,651,697
Total	<u>\$ 133,659,529</u>	<u>\$ 122,447,867</u>

### Debt

At year-end, the District's outstanding long-term liabilities for the 2007 Bond Series, 2008 Bond Series, 2013 Bond Series, 2014 Bond Series and compensated absences totaled \$12,555,000, \$57,050,000, \$73,175,000, \$7,665,000 and \$236,201, respectively.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The 2016 Levy experienced over two billion dollar increase in the appraised valuation from prior years, due in part to the growth of the economy. The District will continue maintenance and expansion of its facilities as well as new projects as Hidalgo County's population and infrastructure needs continue to grow.

The Board of Directors considered these factors when setting the budget requirements for fiscal year 2016. Budgeted expenditures for 2016 total \$16,010,189 exceeding the budgeted revenues of \$14,286,354 available for appropriation in the General Fund budget. The District will utilize some of the reserves that have accumulated over the years to fund a new administration building in the amount of \$1,600,000 and purchase of new equipment. The District passed a tax rate of .0951 per \$100 valuation for the 2016 budget year. The 2016 budget year includes employee pay increases. Other operational expenditures were evaluated and adjusted, including items that have been affected by economic trends and other item used for emergencies. Capital improvements are in the future plans of the District for the 2016 fiscal year.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Additional financial information can be requested at:

Hidalgo County Drainage District No. 1  
902 North Doolittle  
Edinburg, Texas 78542  
956-292-7080

## **BASIC FINANCIAL STATEMENTS**

# HIDALGO COUNTY DRAINAGE DISTRICT NO. 1

## STATEMENT OF NET POSITION

December 31, 2015

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 30,069,870
Investments, including accrued interest	58,437,074
Receivables, net	
Property taxes	18,925,230
Other accounts	1,661
Due from other governments	1,829,982
Prepaid services	192
Capital assets, net	
Land and easements	23,373,310
Infrastructure	60,551,153
Construction in progress	42,698,572
Buildings and renovations	445,406
Machinery and equipment	6,591,088
Total capital assets, net	<u>133,659,529</u>
Total assets	<u>242,923,538</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charges on refunding	585,578
Deferred resources for pension	140,502
Total deferred outflows of resources	<u>726,080</u>
<b>LIABILITIES</b>	
Accounts payable	2,936,193
Salaries and benefits payable	503,736
Retainage payable	184,709
Unearned revenue	24,538
Accrued interest	2,137,175
Other post employment benefits	130,496
Long-term liabilities:	
Due within one year	
Note payable	125,774
Bond Series 2007	1,345,000
Bond Series 2008	3,398,925
Bond Series 2013	3,635,565
Bond Series 2014	88,107
Due in more than one year	
Bond Series 2007	11,210,000
Bond Series 2008	53,892,359
Bond Series 2013	73,995,341
Bond Series 2014	8,475,352
Net pension	866,280
Compensated absences	236,201
Total liabilities	<u>163,185,751</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenue - property taxes	18,924,072
Deferred resources for pension	49,082
Total deferred inflows of resources	<u>18,973,154</u>
<b>NET POSITION</b>	
Net investment in capital assets	97,975,178
Restricted for:	
Debt service	10,090,911
Grants	426
Unrestricted	<u>( 46,575,802)</u>
Total net position	<u>\$ 61,490,713</u>

The accompanying notes are an integral part of this statement.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**

**STATEMENT OF ACTIVITIES**

**Year Ended December 31, 2015**

Functions\ Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities:</b>				
General government	\$( 2,867,683)	\$ -	\$ -	\$( 2,867,683)
Drainage flood control	( 9,228,802)	61,590	5,599,008	( 3,568,204)
Interest on long-term debt	( 6,609,352)	-	-	( 6,609,352)
<b>Total Governmental Activities</b>	<b>\$( 18,705,837)</b>	<b>\$ 61,590</b>	<b>\$ 5,599,008</b>	<b>( 13,045,239)</b>
<b>General Revenues:</b>				
Property taxes				27,956,826
Interest income				277,365
Tax penalties and interest				795,286
Gain on sale of capital assets				-
Miscellaneous				768,736
Transfers				-
<b>Total General Revenues and Transfers</b>				<b>29,798,213</b>
<b>Change in Net Position</b>				<b>16,752,974</b>
<b>Net Position - Beginning</b>				<b>45,262,810</b>
<b>Prior period adjustment</b>				<b>( 525,071)</b>
<b>Net Position - Ending</b>				<b>\$ 61,490,713</b>

The accompanying notes are an integral part of this statement.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**

**December 31, 2015**

	<u>General Fund</u>	<u>2013 Bond Series Capital Projects Fund</u>	<u>2008 Bonds Debt Service Fund</u>	<u>2013 Bonds Debt Service Fund</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 14,521,770	\$ 14,092,406	\$ 95,863	\$ 526,748
Investments, including accrued interest	22,024,660	29,434,210	40,174	1,073
Receivables, net				
Property taxes	10,439,945	-	3,485,396	3,716,621
Other accounts	1,661	-	-	-
Due from other governments	2,148,876	-	-	-
Due from other funds	-	1,904,417	2,980,658	3,373,320
Prepaid services	192	-	-	-
	<u>\$ 49,137,104</u>	<u>\$ 45,431,033</u>	<u>\$ 6,602,091</u>	<u>\$ 7,617,762</u>
<b>Total Assets</b>				
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 949,366	\$ 1,348,541	\$ -	\$ -
Salaries and benefits payable	505,197	-	-	-
Retainage payable	67,702	105,945	-	-
Due to other governments	-	-	-	-
Due to other funds	9,841,948	-	-	-
Unearned revenue	10,014,202	-	3,442,082	4,119,589
	<u>21,378,415</u>	<u>1,454,486</u>	<u>3,442,082</u>	<u>4,119,589</u>
<b>Total Liabilities</b>				
<b>Deferred inflows of resources:</b>				
Unavailable revenue- property taxes	5,908,453	-	2,230,238	2,669,589
	<u>5,908,453</u>	<u>-</u>	<u>2,230,238</u>	<u>2,669,589</u>
<b>Total Deferred Inflows of Resources</b>				
<b>Fund Balances:</b>				
<b>Non-spendable:</b>				
Prepaid services	192	-	-	-
<b>Restricted:</b>				
Debt Service	-	-	929,771	828,584
Committed	-	-	-	-
Assigned	-	43,976,547	-	-
Unassigned	21,850,044	-	-	-
	<u>21,850,236</u>	<u>43,976,547</u>	<u>929,771</u>	<u>828,584</u>
<b>Total Fund Balances</b>				
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 49,137,104</u>	<u>\$ 45,431,033</u>	<u>\$ 6,602,091</u>	<u>\$ 7,617,762</u>

The accompanying notes are an integral part of this statement.

<u>Non-Major Capital Projects Fund</u>	<u>Non-Major Debt Service Fund</u>	<u>Non-Major Special Revenue Fund</u>	<u>Total Governmental Funds</u>
\$ 683,626	\$ 143,344	\$ 6,114	\$ 30,069,871
6,629,256	55,750	251,957	58,437,080
-	1,283,268	-	18,925,230
-	-	-	1,661
-	-	-	2,148,876
141,249	1,442,302	100,847	9,942,793
-	-	-	192
<u>\$ 7,454,131</u>	<u>\$ 2,924,664</u>	<u>\$ 358,918</u>	<u>\$ 119,525,703</u>
\$ 621,771	\$ -	\$ 15,060	\$ 2,934,738
-	-	-	505,197
11,063	-	-	184,710
-	-	318,894	318,894
100,845	-	-	9,942,793
-	1,348,199	24,538	18,948,610
<u>733,679</u>	<u>1,348,199</u>	<u>358,492</u>	<u>32,834,942</u>
-	873,505	-	11,681,785
-	873,505	-	11,681,785
-	-	-	192
-	702,960	-	2,461,315
-	-	-	-
6,720,452	-	426	50,697,425
-	-	-	21,850,044
<u>6,720,452</u>	<u>702,960</u>	<u>426</u>	<u>75,008,976</u>
<u>\$ 7,454,131</u>	<u>\$ 2,924,664</u>	<u>\$ 358,918</u>	<u>\$ 119,525,703</u>

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**

**December 31, 2015**

Total fund balance - balance sheet governmental funds \$ 75,008,976

Amounts reported for governmental activities in the statement of net position is different because:

1. Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Those assets consist of:

Land and easements	23,373,310	
Infrastructure	60,551,153	
Buildings and renovations	445,406	
Machinery and equipment	6,591,088	
Construction in progress	<u>42,698,572</u>	133,659,529

2. Deferred outflows of resources represent a consumption of net position that applies to future periods, therefore, they are not recognized as an outflow until then. For refunding debt the amount is amortized over the shorter of the life of refunded or refunding debt.

585,578

3. Some of the District's taxes collected during the year are not available to pay for the current period's expenditures and, therefore, are reported as unavailable revenue in the funds.

11,681,785

4. Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities (both current and long-term), are reported in the statement of net position.

Bond Series 2007- face value	( 12,555,000)	
Bond Series 2007 unamortized premium	-	
Bond Series 2008 - face value	( 57,050,000)	
Bond Series 2008 unamortized premium	( 241,283)	
Bond Series 2013 - face value	( 73,175,000)	
Bond Series 2013 unamortized premium	( 4,455,906)	
Bond Series 2014 - face value	( 7,665,000)	
Bond Series 2014 - unamortized premium	( 898,460)	
Notes payable	( 125,774)	
Accrued interest	( 2,137,175)	
Other post employment benefits	( 130,496)	
Pension	( 774,860)	
Compensated absences	<u>( 236,201)</u>	<u>( 159,445,155)</u>

Net position of governmental activities

\$ 61,490,713

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Year ended December 31, 2015**

	<u>General Fund</u>	<u>2013 Bond Series Capital Projects Fund</u>	<u>2008 Bonds Debt Service Fund</u>	<u>2013 Bonds Debt Service Fund</u>
<b>REVENUES</b>				
Property taxes	\$ 13,470,638	\$ -	\$ 6,134,349	\$ 5,803,646
Operating grants and contributions	5,599,008	-	-	-
Charges for services	61,590	-	-	-
Interest	87,290	170,693	2,127	1,713
Miscellaneous	768,736	-	-	-
Total revenues	<u>19,987,262</u>	<u>170,693</u>	<u>6,136,476</u>	<u>5,805,359</u>
<b>EXPENDITURES</b>				
General government	2,089,049	16,569	-	-
Drainage flood control	12,671,056	8,997,509	6,010,588	5,981,420
Total expenditures	<u>14,760,105</u>	<u>9,014,078</u>	<u>6,010,588</u>	<u>5,981,420</u>
(Deficiency) excess of revenues (under) over expenditures	5,227,157	( 8,843,385)	125,888	( 176,061)
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	( 145,959)	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources	<u>( 145,959)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	5,081,198	( 8,843,385)	125,888	( 176,061)
Fund balances at beginning of year	<u>16,769,038</u>	<u>52,819,932</u>	<u>803,883</u>	<u>1,004,645</u>
Fund balances at the end of year	<u>\$ 21,850,236</u>	<u>\$ 43,976,547</u>	<u>\$ 929,771</u>	<u>\$ 828,584</u>

The accompanying notes are an integral part of this statement.

<u>Non-Major Capital Projects Funds</u>	<u>Non-Major Debt Service Funds</u>	<u>Non-Major Special Revenue Fund</u>	<u>Total Governmental Funds</u>
\$ -	\$ 2,255,317	\$ -	\$27,663,950
-	-	-	5,599,008
-	-	-	61,590
12,963	1,475	426	276,687
-	-	-	768,736
<u>12,963</u>	<u>2,256,792</u>	<u>426</u>	<u>34,369,971</u>
-	-	-	2,105,618
196,401	2,007,844	-	35,864,818
<u>196,401</u>	<u>2,007,844</u>	<u>-</u>	<u>37,970,436</u>
( 183,438)	248,948	426	( 3,600,465)
-	145,959	-	145,959
-	-	-	( 145,959)
-	-	-	-
<u>-</u>	<u>145,959</u>	<u>-</u>	<u>-</u>
( 183,438)	394,907	426	( 3,600,465)
6,903,890	308,053	-	78,609,441
<u>\$ 6,720,452</u>	<u>\$ 702,960</u>	<u>\$ 426</u>	<u>\$75,008,976</u>

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**

**Year ended December 31, 2015**

Net change in fund balances - total governmental funds		\$( 3,600,465)
Amounts reported for governmental activities in the statement of activities is different because:		
1. Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	15,162,020	
Depreciation	<u>( 3,950,363)</u>	11,211,657
2. Certain property tax revenues reported in the funds are unavailable in the statement of activities. This is the change in these amounts this year.		
Related to prior years	( 10,593,623)	
Earned but unavailable	<u>11,681,785</u>	1,088,162
3. Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis; expenses and liabilities are reported regardless of when financial resources are available.		
Amortization of debt premiums	1,190,741	
Amortization of deferred charge on refunding	( 48,798)	
Change in accrued interest on bonds	112,425	
Change in compensated absences	( 82,894)	
Other post employment benefits	( 82,869)	
Net pension obligation	<u>( 426,167)</u>	662,438
4. Debt proceeds are reported as financing sources in governmental funds and thus contribute to changes in fund balances. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of position.		
Repayments on debt		<u>7,391,179</u>
Changes in net position of governmental activities - statement of activities		<u><u>\$ 16,752,971</u></u>

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**

**GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE**

**Year ended December 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 12,767,354	\$ 12,767,354	\$ 13,470,638	\$ 703,284
Operating grants and contributions	-	-	5,599,008	5,599,008
Charges for services	65,000	65,000	61,590	( 3,410)
Interest	20,000	20,000	87,290	67,290
Miscellaneous	35,000	35,000	768,736	733,736
Total revenues	<u>12,887,354</u>	<u>12,887,354</u>	<u>19,987,262</u>	<u>7,099,908</u>
<b>EXPENDITURES</b>				
General government	1,951,926	1,951,926	2,089,049	( 137,123)
Drainage flood control	9,085,940	9,085,940	12,671,056	( 3,585,116)
Total expenditures	<u>11,037,866</u>	<u>11,037,866</u>	<u>14,760,105</u>	<u>( 3,722,239)</u>
Excess of revenues over expenditures	1,849,488	1,849,488	5,227,157	3,377,669
Operating transfers in	-	-	-	-
Operating transfers out	( 1,180,000)	( 1,180,000)	( 145,959)	1,034,041
Sale of capital assets	-	-	-	-
Note proceeds	-	-	-	-
Total other financing (uses) sources	<u>( 1,180,000)</u>	<u>( 1,180,000)</u>	<u>( 145,959)</u>	<u>1,034,041</u>
Net change in fund balance	669,488	669,488	5,081,198	4,411,710
Fund balance at beginning of year	-	-	16,769,038	16,769,038
Fund balance at the end of year	<u>\$ 669,488</u>	<u>\$ 669,488</u>	<u>\$ 21,850,236</u>	<u>\$ 21,180,748</u>

The accompanying notes are an integral part of this statement.

# HIDALGO COUNTY DRAINAGE DISTRICT NO. 1

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

### NOTE A – GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### General Statement

Hidalgo County Drainage District No. 1 (the District) was created on April 9, 1908, by order of the Commissioners' Court of Hidalgo County, Texas (the County), pursuant to an election held within the territory affected. Originally organized under provisions of Article III, Section 52 of the Texas Constitution, the District was later converted into a Conservation and Reclamation district under the provisions of Article XVI, Section 59 of the Texas Constitution, and has continued to exercise all of the powers and functions of such a district. The District operates under Chapter 56 of the Texas Water Code.

#### Summary of Significant Accounting Policies

The accounting and reporting policies of the District, as reflected in the accompanying financial statements, conform to generally accepted accounting principles (GAAP) in the United States of America applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

In fiscal year 2013, the District implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The implementation of this statement amends the financial statement element classification of certain items previously reported as assets and liabilities to be consistent with the definition in Concepts Statement 4. The Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of major fund calculations and limiting the use of the term deferred in the financial statement presentation.

In 2015, the District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. GASB Statement No. 68 replaces GASB Statement No. 27 and with the objective of improving accounting and financial reporting by state and local governments for pensions. This statement is effective for financial statements with periods beginning after June 15, 2014. The effect of implementing this statement required a restatement of prior year net position of the government-wide financial statement of activities.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS - Continued**

**December 31, 2015**

**NOTE A – GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES - Continued**

The following significant accounting policies were applied in the preparation of the accompanying basic financial statements.

1. Reporting Entity

GASB Statement No. 14, "The Financial Reporting Entity", as amended by GASB No. 61, provides guidance for determining which governmental organizations should be included within the reporting entity. GASB Statement No. 61 sets forth financial accountability as the basic criterion for inclusion of a governmental unit in a governmental reporting entity. Financial accountability is defined as appointment of a voting majority of the component unit's board and either the ability to impose its will by the primary government or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. The District is a legal separate entity; however, because of the primary government's ability to impose its will on the District, the District is included as a blended component unit within the County's Comprehensive Annual Financial Report and is an integral part thereof.

On June 22, 1976, the District and the Willacy County Drainage District No. 1 entered into an agreement for the use of an outfall drainage ditch to be constructed, owned, and operated by the District in Willacy County. An advisory committee composed of two members for each district determined the type of maintenance needed and to be performed. The District has no oversight responsibility over Willacy County Drainage District No. 1; therefore, the financial activity for Willacy County Drainage District No. 1 is not included in this report.

2. Basis of Presentation

*Government-Wide Financial Statements* consist of a Statement of Net Position and a Statement of Activities. The purpose of these statements is to present the financial position and the operating results of the District as a whole. The District's activities are categorized as "governmental activities" because it is financed primarily through property taxes, intergovernmental revenues, and other transactions. Eliminations have been made to minimize the double counting of internal activities.

The Statement of Net Position focuses on the net position of the District, where the net position equals the assets and deferred outflows less the liabilities and deferred inflows of resources.

The Statement of Activities presents a comparison between direct expenses and program revenues of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges for services and (b) operating grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all property taxes, are presented as general revenues.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS - Continued**

**December 31, 2015**

**NOTE A – GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Governmental Fund Financial Statements* provide information about the District's governmental funds. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources, fund balance, and revenues and expenditures, as appropriate.

The District reports the following major governmental funds:

**General Fund** – This fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in other funds.

**2013 Bond Series Capital Projects Fund** – The bonds were issued to pay (1) construction costs for drainage improvements, (2) acquisition of right of way, and (3) costs of issuance of the bonds.

**2008 Bonds Debt Service Fund** – This fund is used to account for the accumulation of resources for, and the payment of, bonds long-term debt principal, interest and related costs.

**2013 Bonds Debt Service Fund** – This fund is used to account for the accumulation of resources for, and the payment of, bonds long-term debt principal, interest and related costs.

**3. Basis of Accounting**

*Government-Wide Financial Statements.* The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements.* Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be measurable when the amount of the transaction can be determined and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers collections within 60 days of the end of the current fiscal period to be revenues. Expenditures generally are recorded when a liability is incurred, similar to accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS - Continued**  
**December 31, 2015**

**NOTE A – GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

3. Basis of Accounting - Continued

Unearned revenue arises when potential revenues do not meet both the measurable and available test for recognition in the current period and when resources are received by the District before the District is legally entitled to them. In succeeding periods when both revenue recognition criteria are met or when the District has legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

4. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

5. Cash and Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, demand deposits, certificates of deposit and negotiable order of withdrawal (NOW) accounts. Investments are stated at fair market value. It is the District's intent to hold all investments to maturity.

6. Receivables and Payables

All trade and property taxes receivable are shown net of an allowance for uncollectible accounts. Property taxes are levied October 1<sup>st</sup> and become delinquent on February 1<sup>st</sup>, at which time penalties and interest are assessed.

Activities between funds that are representative of lending/borrowing arrangements outstanding at year-end are referred to as "due to/from other funds".

7. Capital Assets

Capital assets, which include property, equipment, and infrastructure, are reported in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their fair market value at the date of donation. When no historical records are available, capital assets are valued at estimated fair market value on the date received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Capital assets of the District are depreciated using the straight-line method over their estimated useful lives. Standard capitalization thresholds have been established for each major class of assets.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS - Continued**

December 31, 2015

**NOTE A – GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**7. Capital Assets - Continued**

The following lists the thresholds and useful lives by class:

<u>Asset Class</u>	<u>Capitalization Threshold</u>	<u>Useful Lives in Months</u>
Land/land improvement	Capitalize all	N/A
Easements	Capitalize all	N/A
Infrastructure	\$ 100,000	420
Buildings and renovations	\$ 50,000	480
Machinery and equipment	\$ 1,000	15-180

**8. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expenses / expenditures) until then. For the year ended December 31, 2015, the District had deferred outflows of resources for refunding bonds and pension in the amount of \$585,578 and \$140,502, respectively.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has one type of item, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, *unavailable revenue*, is reported in the governmental funds balance sheet and will also apply to Government-wide. The governmental funds report unavailable revenues from property taxes in the amount of \$18,924,072. Additionally, the District has deferred resources for pension of \$49,082. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**9. Fund Balance**

GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS - Continued**

**December 31, 2015**

**NOTE A – GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**9. Fund Balance - Continued**

Non-spendable fund balance – amounts that are not in spendable form or are required to be maintained intact. As such, the prepaid items have been properly classified as non-spendable in the Governmental Funds Balance Sheet.

Restricted fund balance – amounts that can be spent only for specific purposes because of local, state, or federal laws, or externally imposed conditions by grantors or creditors.

Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e. Board of Directors). To be reported as committed, amounts cannot be used for any other purposes unless the District takes the same highest level of action to remove or change the constraint. The 2007, 2008 and 2013 Bonds Debt Service Funds fund balance have been committed to pay for debt principal, interest, and related costs based on the allocation of the tax rate between debt service and maintenance and operations costs.

Assigned fund balance – amounts the District intends to use for a specific purpose. Intent can be expressed by the District or by an official body to which the Board of Directors delegates the authority. The District has assigned the 2008 Bond Series Capital Projects Fund balance to pay for projects for drainage improvements as indicated in the bond agreement. The District has also assigned the non-major capital projects fund balance to pay for individual board approved drainage projects.

Unassigned fund balance – amounts that are available for any purpose.

For purpose of fund balance classifications, expenditures are to be spent from restricted fund balance first and then unrestricted. Expenditures incurred in the unrestricted fund balances shall be reduced first from the committed fund balance, then from the assigned fund balance, and lastly, the unassigned fund balance.

**10. Encumbrance Accounting**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is utilized as an extension of formal budgetary integration in governmental funds.

Although appropriations lapse at year-end for annually budgeted funds, the District honors encumbrances outstanding at year-end. Outstanding encumbrances do not constitute expenditures or liabilities since the commitments will be honored during the subsequent year. The District has active construction projects as of December 31, 2015. At year-end, the District's remaining commitments totaled \$13,838,275; therefore, this amount is encumbered.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS - Continued**

**December 31, 2015**

**NOTE A – GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**11. Budgets**

The District's budget is adopted after public hearings have been held. Any revisions must be approved by the Board of Directors of the District.

Formal budgetary integration is utilized as a management control device during the year for the General and Debt Service Funds. Budgets for the General and Debt Service Funds are adopted on a basis consistent with GAAP. Appropriations for annually budgeted funds lapse at year-end. Budgetary integration is not employed for capital projects funds because they include projects which extend over a period of several years.

**12. Compensated Absences**

Regular full-time employees accumulate vacation leave at varying rates depending on their years of service with the District. They are as follows:

<u>Number of Years of Service</u>	<u>Vacation Leave Hours Earned Per Year</u>
0 to 5 years	96
5 to 10 years	108
Over 10 years	120

Vacation leave may be accumulated up to a maximum of 160 hours (20 days) for employees with less than 10 years of continuous service. Employees with more than 10 years but less than 15 years of continuous service may accumulate 240 hours (30 days). Employees with more than 15 years may maintain an accrued leave of 320 hours (40 days). Employees lose, without pay, unused vacation leave which exceed set limits. Regular part-time employees accumulate vacation leave of 48 hours regardless of years of service. As of December 31, 2015, the District's total liability for vested vacation leave totaled \$236,201. Vested vacation benefits are expected to be liquidated with expendable and available financial resources and are reported as an expense and a long-term liability in the government-wide statement of net position.

Each regular full-time employee earns sick leave at the rate of 12 working days per year and may accumulate a maximum sick leave balance of 45 working days. Permanent part-time employees earn 6 days per year and may accumulate a maximum of 45 working days. Outstanding sick leave balances are cancelled, without recompense, upon termination, resignation, retirement or death. In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences," no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS - Continued**

**December 31, 2015**

**NOTE A – GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**12. Compensated Absences - Continued**

The accrued liability for accumulated compensated absences reported in the government-wide financial statements consists of unpaid accumulated vacation leave, compensatory time, and holiday leave balances. Budgets for vested benefits for vacation or sick leave are not legally adopted in the District's operating budget. The accrued amount for the current year is as follows:

Vacation leave	\$	190,848
Compensatory time		40,984
Holiday leave		4,369
Total	\$	236,201

**13. Rounding Adjustments**

Throughout this report, dollar amounts are rounded, thereby creating differences between the detail and the totals.

**NOTE B – DEPOSITS AND INVESTMENTS**

The District's Depository Agreement requires its designated financial institution to secure by collateral valued at fair value, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance, deposits and accrued interest thereon by 105%. At December 31, 2015, the District's deposits were entirely covered by FDIC insurance pursuant to the Depository Agreement. At December 31, 2015, the carrying amount of the District's deposits totaled \$30,168,031 and was entirely covered by federal deposit insurance or secured by collateral held by the pledging financial institutions agent in the District's name.

Investments of the District are pooled for investment purposes in each of the District's fund types. Earnings on pooled investments are allocated to the funds having equity in the pool on the basis of their relative contribution to the pool.

The District had investments in Texas CLASS, carried at fair value, totaling \$43,354,403 and time deposits with an original maturity of two years totaling \$15,082,671 at December 31, 2015.

The District's investments are categorized into the following three categories of credit risk:

- Category A – Insured or registered, or securities held by the District or its agent in the District's name.
- Category B – Uninsured and unregistered, with the securities held by the counterparty's trust department or agent in the District's name.
- Category C – Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the District's name.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS - Continued**  
**December 31, 2015**

**NOTE B – DEPOSITS AND INVESTMENTS – Continued**

The following schedule classifies the investments of the District as of December 31, 2015, into the above noted categories:

	Risk Category			Carrying Value	Market Value
	A	B	C		
Texas CLASS	\$ 43,354,403	\$ -	\$ -	\$43,354,403	\$43,354,403
Time Deposits	15,082,671	-	-	15,082,671	15,082,671
Total Investments	<u>\$ 58,437,074</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$58,437,074</u>	<u>\$58,437,074</u>

*Interest rate risk.* In accordance with its investment policy, the District manages its exposure to decreases in fair value by utilizing controlled disbursement, cash flow analysis, and portfolio analysis or similar cash management techniques and limiting the weighted average maturity of its investment portfolio to one year or less.

*Credit risk.* The Public Funds Investment Act (Government Code Chapter 2256) limits authorized investments to obligations of, or guaranteed by, governmental entities, certificates of deposit and share certificates, repurchase agreements, securities lending program, banker's acceptances, commercial paper, mutual funds, guaranteed investment contracts, and investment pools. The District's investment policy further limits investments to obligations of, or guaranteed by, governmental entities, certificates of deposit, repurchase agreements, banker's acceptances, AAA rated mutual funds, and investment pools.

*Concentration of credit risk.* To limit the concentration of credit risk, the District's investment policy does not allow investment in banker's acceptances to exceed 10 percent of the District's total investments. Additionally, the District's investment policy prohibits funds held for debt service to be invested in mutual funds and prohibits the District from investing in the aggregate more than eighty percent of its monthly average fund balance, excluding funds held for debt service, in AAA rated money market mutual funds.

*Custodial credit risk – deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's depository agreement requires its designated depository financial institution to secure the District's uninsured deposits by 105% with securities held in the District's name at a third party financial institution.

*Custodial credit risk – investments.* For an investment, this is the risk that in the event of a failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy reduces the District's exposure to custodial credit risk by limiting investments to securities that are backed by the full faith and credit of the State of Texas, the United States, or their respective agencies and instrumentalities. The District's investment policy strictly prohibits riskier-type investments such as commercial paper.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS - Continued**

**December 31, 2015**

**NOTE C – TAXES RECEIVABLE**

A summary of the taxes receivable by fund is as follows at December 31, 2015:

	<u>General Fund</u>	<u>Bonds Debt Service Fund</u>	<u>Total</u>
Taxes receivable - current	\$ 8,766,628	8,135,583	\$ 16,902,211
Taxes receivable - delinquent	2,706,215	813,164	3,519,379
Allowance for uncollectibles	<u>( 1,032,898)</u>	<u>( 463,462)</u>	<u>( 1,496,360)</u>
Taxes receivable, net of allowance for uncollectibles	<u>\$ 10,439,945</u>	<u>\$ 8,485,285</u>	<u>\$ 18,925,230</u>

Property taxes attach as an enforceable lien on property as of January 1. The taxes are levied on or about October 1, based on the assessed value listed as of the date the enforceable lien attaches. Appraised values are established by the Hidalgo County Appraisal District, assessed at 100% of appraised value, and certified by the Appraisal Review Board. The County Tax Assessor-Collector (CTAC) bills and collects taxes for the District. CTAC billed the District \$296,611 in fees during 2015.

Taxes are due from October 1 of the year in which levied until January 31 of the following year without interest or penalty. No discounts are offered. On February 1, these taxes become delinquent, at which time penalty and interest charges are applicable. Collections on the levy for October 1, 2015, as well as the balances due on all taxes receivable related thereto, are reflected as deferred inflows of resources because they are not available to finance 2015 operations.

**NOTE D – INTERFUND RECEIVABLES AND TRANSFERS**

Balances of due to/from other funds consisted of the following at December 31, 2015:

Due to Special Revenue Fund from Non-Major Capital Projects Fund	\$ 100,847
Due to Debt Service Fund from General Fund	145,959
Due to 2007 Bonds Debt Service Fund from General Fund	1,296,343
Due to 2008 Bonds Debt Service Fund from General Fund	2,980,657
Due to 2013 Bonds Debt Service Fund from General Fund	3,373,321
Due to Non-Major Capital Projects Fund from General Fund	141,249
Due to Major Capital Projects Fund from General Fund	<u>1,904,417</u>
Total due to/from other funds	<u>\$ 9,942,793</u>

These balances resulted from the time lag between the dates that (1) inter-fund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS - Continued**

**December 31, 2015**

**NOTE D – INTERFUND RECEIVABLES AND TRANSFERS – Continued**

The General Fund owes the Debt Service Fund \$145,959, 2007 Bonds Debt Service Fund \$1,296,343, 2008 Bonds Debt Service Fund \$2,980,657, and 2013 Bonds Debt Service Fund \$3,373,321 for 2015 taxes collected during the last three months of 2015. Additionally the General Fund owes Non-Major Capital Projects Fund \$141,249 and Major Capital Projects Fund \$1,904,417 for the Raymondville Drain. The Non-Major Capital Projects Fund owes the Special Revenue Fund \$100,847 for the District's portion according to the Memorandum of Agreement with Customs and Border Patrol and the City of Hidalgo.

Transfers are used to (1) move revenues from the fund that statute or budget requires (2) move funds restricted to debt service for debt service payments, and (3) use unrestricted revenues collected in the general fund to finance various projects accounted for in other funds in accordance with budgetary authorizations. Inter-fund transfers consisted of the following for the year ended December 31, 2015:

Transfers In:	Transfers Out:			Total
	General Fund	Capital Projects Fund	Debt Service Fund	
Debt Service Fund	\$ 145,960	\$ -	\$ -	\$ 145,960
Capital Projects Fund	-	-	-	-
Special Revenue Fund	-	-	-	-
<b>Total inter-fund transfers</b>	<b>\$ 145,960</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 145,960</b>

**NOTE E – DUE FROM OTHER GOVERNMENTS**

Due from other governments consisted of the following at December 31, 2015:

Fund	Due From	Purpose	Amount
General Fund	County of Hidalgo	Distribution of taxes, net of interlocal agreement	\$ 1,734,374
General Fund	Hidalgo County Precinct #1	Inter-local agreement project	20,174
General Fund	Hidalgo County Precinct #2	Inter-local agreement project	371,576
General Fund	Willacy County Drainage District No. 1	Inter-local agreement project	22,752
	<b>Total due from other governments</b>		<b>\$ 2,148,876</b>

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS - Continued**  
**December 31, 2015**

**NOTE F – CAPITAL ASSETS**

The following is a summary of changes in capital assets for the year ended December 31, 2015:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land and easements	\$ 21,619,401	\$ 1,753,909	\$ -	\$ 23,373,310
Construction in progress	43,429,261	12,117,500	( 12,848,189)	42,698,572
Total capital assets not being depreciated	<u>65,048,662</u>	<u>13,871,409</u>	<u>( 12,848,189)</u>	<u>66,071,882</u>
Capital assets being depreciated:				
Infrastructure	89,836,671	11,889,480	-	101,726,151
Building and renovations	837,964	-	-	837,964
Machinery and equipment	13,943,955	2,249,324	-	16,193,279
Total capital assets being depreciated	<u>104,618,590</u>	<u>14,138,804</u>	<u>-</u>	<u>118,757,394</u>
Less accumulated depreciation for:				
Infrastructure	( 38,564,798)	( 2,610,200)	-	( 41,174,998)
Building and renovations	( 362,328)	( 30,230)	-	( 392,558)
Machinery and equipment	( 8,292,258)	( 1,309,933)	-	( 9,602,191)
Total accumulated depreciation	<u>( 47,219,384)</u>	<u>( 3,950,363)</u>	<u>-</u>	<u>( 51,169,747)</u>
Total capital assets being depreciated, net	<u>57,399,206</u>	<u>10,188,441</u>	<u>-</u>	<u>67,587,647</u>
<b>Governmental activities capital assets, net</b>	<u><u>\$ 122,447,868</u></u>	<u><u>\$24,059,850</u></u>	<u><u>\$( 12,848,189)</u></u>	<u><u>\$ 133,659,529</u></u>

Depreciation expense totaling \$3,950,363 was charged to the drainage flood control function under governmental activities for the year ended December 31, 2015.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS - Continued**

**December 31, 2015**

**NOTE G – LONG-TERM LIABILITIES**

The District issues unlimited tax improvement bonds to provide for the resources for construction of capital assets. The beginning balances of the unlimited tax improvement bonds issued in 2007, 2008 and 2013 were \$28,000,000, \$72,000,000 and \$77,130,000, respectively. The unlimited improvement bonds are direct obligations of the District, payable from the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property located within the District in an amount sufficient to provide payment of principal and interest.

The Unlimited Tax Improvement Bond Series 2007, 2008 and 2013, respectively, have a call option for bonds maturing on or after August 15, 2017, September 1, 2019 and September 1, 2024 prior to stated maturity, in multiples of \$5,000, in whole or in part, on August 15, 2016, September 1, 2018 and September 1, 2023, or any date thereafter, at par plus accrued interest.

On December 1, 2014, the District issued Unlimited Tax Refunding Bonds Series 2014 in the amount of \$7,810,000 to advance refund a portion of Unlimited Tax Improvement Bonds, Series 2007. Bond proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt resulting in an economic gain of \$634,376, which will be amortized over the term of the bonds. Deferred charges on refunding at December 31, 2015 totaled \$585,578.

The following is the total of refunded bonds:

<u>Description</u>	<u>Refunded Bonds</u>	<u>Maturity</u>
Unlimited Tax Improvement Bonds, Series 2007	\$ 8,015,000	2024-2027

The District has issued a fixed rate note from Plains Capital Bank, payable from operating funds of the District.

<u>Purpose</u>	<u>Interest Rate</u>	<u>Issued</u>	<u>Maturity</u>	<u>Original</u>	<u>Outstanding</u>
Governmental Activities	3.75%	2014	2016	\$ 406,980	\$ 125,774

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS - Continued**  
**December 31, 2015**

**NOTE G – LONG-TERM LIABILITIES - Continued**

Annual debt service requirements to maturity for unlimited improvement tax bonds are as follows:

Year(s) Ending December 31,	Governmental Activities		Total
	Principal	Interest	
2016	\$ 7,395,000	\$ 6,761,762	\$ 14,156,762
2017	7,730,000	6,425,562	14,155,562
2018	8,080,000	6,074,012	14,154,012
2019	8,435,000	5,721,212	14,156,212
2020	8,805,000	5,352,812	14,157,812
2021-2025	50,505,000	19,440,970	69,945,970
2026-2030	43,655,000	6,679,858	50,334,858
2031-2033	15,840,000	1,040,652	16,880,652
Total	<u>\$ 150,445,000</u>	<u>\$ 57,496,840</u>	<u>\$ 207,941,840</u>

The following is a summary of changes in long-term liabilities for the year ended December 31, 2015:

	Balance January 1, 2015	Additional Obligations and Net Increases	Payments and Net Decreases	Balance December 31, 2015	Amounts Due Within One Year
Bond Series 2007	\$ 13,835,000	\$ -	\$( 1,280,000)	\$ 12,555,000	\$ 1,345,000
Bond Series 2008	60,265,000	-	( 3,215,000)	57,050,000	3,355,000
Bond Series 2013	75,790,000	-	( 2,615,000)	73,175,000	2,695,000
Bond Series 2014	7,810,000	-	( 145,000)	7,665,000	-
Bond Premiums	6,786,390	-	( 1,190,741)	5,595,649	1,072,597
Compensated absences	153,307	82,894	-	236,201	-
Totals	<u>\$164,639,697</u>	<u>\$ 82,894</u>	<u>\$( 8,445,741)</u>	<u>\$156,276,850</u>	<u>\$ 8,467,597</u>

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS - Continued**  
**December 31, 2015**

**NOTE H – OTHER POST- EMPLOYMENT BENEFITS (OPEB)**

**1. Plan Description**

The District does not have a formal post-employment benefits plan; however, the District allows retired employees to participate in the County's Health Benefits Program by purchasing health care benefits at the same group rate as provided to current active employees at the time they end their service to the District. Members may retire upon attaining one of the following: (1) age 60 and above with 8 or more years of service, (2) 20 years of service regardless of age, or (3) when the sum of their age and years of service equals 80 or more. Spouses and dependents are eligible to continue insurance under COBRA for 36 months after the retiree dies. If a dependent is not yet 26 years of age at the time of the members' death, the same rule applies. Once the dependent attains the age of 26, Blue Cross Blue Shield will terminated coverage automatically.

A cost sharing premium is a blended rate that takes into account the cost of medical benefits for active employees as well as retirees. Medical costs are generally higher for retirees than for active employees of the same age. A retiree who is paying 100% of the cost sharing premium is most likely not paying 100% of the true cost of the medical benefits. This situation is known as an "implicit rate subsidy". GASB Statement No. 45, *Accounting and Financial Reporting by Employer for Postemployment Benefits other than Pensions*, is applicable to the District due to the implicit rate subsidy. This "plan" is not a standalone plan and therefore, does not issue its own financial statements. As of December 31, 2015, there were 131 active employees, and 1 retired employee.

**2. Funding Policy**

The District collects insurance premiums from the participating retirees each month and deposits them in the County's Group Insurance Fund. The District then pays the health insurance premiums for the retirees at the blended rate to the County's self-funded Health Benefits Program. The required contribution to the program includes the employer's pay-as-you-go amount and the amount paid by retirees. The District has elected not to prefund the actuarially determined future cost but will accrue the liability as of December 31, 2015 to reflect proper treatment and will disclose the Health Care Benefits for Retired Employees in accordance with GASB No. 45. Monthly medical contributions required by the retiree for medical and prescriptions are as follows:

Basic PPO Plan		
	Under 65	65 & Over
Employee only	\$ 494	\$ 250
Employee & spouse	726	482
Employee & child/children	596	352
Employee & family	828	584

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS - Continued**

**December 31, 2015**

**NOTE H – OTHER POST- EMPLOYMENT BENEFITS (OPEB) – Continued**

**2. Funding Policy - Continued**

Several changes in retiree benefits were made by the District, effective December 1, 2014. Significant changes are as follows:

- Retirees are eligible for benefits for their lifetime as long as they enroll in Medicare Parts A and B at age 65. Previously, coverage terminated at age 65 for employees that retired on or after February 1, 2011.
- The retiree contribution rate structure was changed so that rates decrease at age 65, as opposed to remaining level.
- The buy-up plan is no longer available for retirees. Retirees can continue under the basic plan only.
- Surviving covered dependents are now allowed to continue benefits upon the death of retiree.
- Retired, rehired retirees are now eligible to continue coverage upon a subsequent retirement.

**3. Annual OPEB Cost and Net OPEB Obligation**

The District OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded accrued actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed, and changes in the net OPEB obligation.

Annual required contribution	\$ 88,394
Interest on prior year net OPEB obligation	1,667
Adjustment to ARC	<u>( 2,502)</u>
Annual OPEB cost	87,559
Contribution made	<u>( 4,690)</u>
Increase in net OPEB obligation	<u>82,869</u>
Net OPEB obligation - beginning of year	<u>47,627</u>
Net OPEB obligation - end of year	<u><u>\$ 130,496</u></u>

At December 31, 2015, four years of comparative data is available. The District's annual OPEB cost, the percentage of annual OPEB cost contribution, and the net OPEB obligation are as follows:

<u>Fiscal Year Ended</u>	<u>Discount Rate</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
12/31/2015	3.5%	\$ 87,559	5.4%	\$ 130,496
12/31/2014	3.5%	\$ 28,267	-81.1%	\$ 47,627
12/31/2013	3.5%	\$ 27,747	184.5%	\$( 3,151)
12/31/2012	4.0%	\$ 25,782	449.0%	\$ 20,289

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS - Continued**  
**December 31, 2015**

**NOTE H – OTHER POST- EMPLOYMENT BENEFITS (OPEB) – Continued**

**4. Schedule of Funding Progress**

As of December 31, 2015, the plan was 0.0% funded for the District. The actuarial accrued liability was \$567,269 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$567,269 for the District. The covered payroll (annual payroll of active employees covered by the plan) was \$3,850,488, and the ratio of the UAAL to the covered payroll was 14.7%.

Actuarial valuation date	<u>12/31/2015</u>	<u>12/31/2013</u>	<u>12/31/2011</u>
Actuarial valuation of assets	\$ -	\$ -	\$ -
Discount rate	3.5%	3.5%	3.5%
Actuarial accrued liabilities (AAL)	567,269	154,330	189,384
Unfunded actuarial accrued liability (UAAL)	567,269	154,330	189,384
Funded ratio	0.0%	0.0%	0.0%
Covered payroll	3,850,488	3,666,660	3,222,346
UAAL as a % of covered payroll	14.7%	4.2%	5.9%

The schedule of funding progress presents three years of information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The most recent actuarial valuation was performed in 2015 and is valid for two years.

**5. Actuarial Method and Assumptions**

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revisions as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on values which the District's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of expected future costs. Deviation in any of several factors, such as future interest rates, medical inflation, and changes in marital status could result in actual costs being greater than or less than estimated.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS - Continued**  
**December 31, 2015**

**NOTE H – OTHER POST- EMPLOYMENT BENEFITS (OPEB) – Continued**

**5. Actuarial Method and Assumptions – Continued**

Projections of benefits for financial reporting purposes are based on the plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefits cost between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspectives of the calculations.

Year	2013	2014	2015
Actuarial valuation date	12/31/2013	12/31/2013	1/1/2015
Actuarial cost method	Projected credit unit	Projected credit unit	Projected credit unit
Amortization method	Level dollar, closed	Level dollar, closed	Level dollar, closed
Amortization period in years	26	26	30
Actuarial assumptions:			
Inflation rate	3.0%	3.0%	3.0%
Discount rate	3.5%	3.5%	3.5%
Health cost trend	6.9%	6.9%	8.0%
Spouse coverage	10.0%	10.0%	15.0%
Spouse age	Females assumed be 3 years younger	Females assumed be 2 years younger	Females assumed be 3 years younger
Electing coverage	20.0%	20.0%	20.0%

**NOTE I – EMPLOYEE RETIREMENT BENEFITS**

**1. Plan Description**

The District provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 624 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at PO Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the District within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at age 60 and above with 10 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of services equals 80 or more. Members are vested after 10 years of service but must leave their accumulated contributions in the plan to receive any employer financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the employer.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS - Continued**  
**December 31, 2015**

**NOTE I – EMPLOYEE RETIREMENT BENEFITS – Continued**

**1. Plan Description – Continued**

Benefit amounts are determined by the sum of the employee’s contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the District within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the District’s commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee’s accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

The employees covered by the plan at December 31, 2015 are as follows:

Inactive employees or beneficiaries currently receiving benefits	48
Inactive employees entitled to but not yet receiving benefits	19
Active employees	128
	195

**2. Funding Policy**

The District has elected the annually determined contribution rate (ADCR) plan provision of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the District is actuarially determined annually. Contributions were made using the actuarially determined rate of 12.6% for calendar year 2015 for calendar year 2015. The contribution rate payable by the employee member is 7% as adopted by the governing body of the District. The employee contribution rate and the employer contribution rate may be changed by the governing body of the District within the options available in the TCDRS Act.

**3. Net Pension Liability**

Governmental Accounting Standards Board issued Statement No. 68 for public pension plans and participating employers which address specifics of reporting public pension plan obligations for employers. Net pension liability (NPL) for the District was measured as of December 31, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS - Continued**  
**December 31, 2015**

**NOTE I – EMPLOYEE RETIREMENT BENEFITS – Continued**

**3. Net Pension Liability - Continued**

Actuarial assumptions used to determine the total pension liability as of the valuation date, December 31, 2014 are as follows.

Inflation	3.00%
Salary increases	General wage inflation component of 3.5% and merit, promotion and longevity component that on average approximates 1.4% per year for career employees.
Investment rate of return	8.10%
Cost of living adjustments	Cost of living for the District is not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations and funding valuation.

Mortality rates for depositing members, service retirees, beneficiaries and non-depositing members, and disabled retirees are based on RP-2000 Mortality Tables for males and females, as appropriate, with adjustments to the projection Scale AA.

The actuarial assumptions that determined the total pension liability as of December 31, 2014 were based on the results of actuarial experience study for the period January 1, 2009 to December 31, 2012, except where required to be different by GASB 68.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant Cliffwater LLC. The numbers shown are based on January 2015 information for a 7-10 year time horizon.

The valuation assumption for long-term expected return is reassessed at a minimum of four years, and is based on a 30-year time horizon; the most recent analysis was performed in 2013.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS - Continued**  
**December 31, 2015**

**NOTE I – EMPLOYEE RETIREMENT BENEFITS – Continued**

**3. Net Pension Liability– Continued**

The target asset allocation and geometric real rates of return are shown below:

Asset Class	Benchmark	Target Allocation*	Geometric Real Rate of Return (Expected Minus Inflation)**
US Equities	Dow Jones U.S. Total Stock Market Index	16.50%	5.35%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	12.00%	8.35%
Global Equities	MSCI World (net) Index	1.50%	5.65%
International Equities - Developed	50% MSCI World Ex USA (net) + 50% MSCI World ex USA 100% Hedged to USD (net) Index	11.00%	5.35%
International Equities - Emerging	50% MSCI EM Standard (net) Index + 50% MSCI EM 100% Hedged to USD (net) Index	9.00%	6.35%
Investment-Grade Bonds	Barclays Capital Aggregate Bond Index	3.00%	0.55%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	3.75%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	5.00%	5.54%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	2.00%	5.80%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.00%	6.75%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	2.00%	4.00%
Commodities	Bloomberg Commodities Index	2.00%	-0.20%
Master Limited Partnership (MLPs)	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	3.00%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.00%	5.15%

\*Target asset allocation adopted at the April 2015 TCDRS Board meeting.

\*\*Geometric real rates of return in addition to assumed inflation of 1.7%, per Cliffwater's 2015 capital market assumptions.

The discount rate used to measure the total pension liability was 8.1% at December 31, 2014. Cash flow projections used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the contributions will be made at a rate equal to the difference between the actuarially determined contribution rates and the employee's contribution rate. Based on that, the projected fiduciary net position is determined to be sufficient to make projected benefit payments in future years. Therefore, the discount rate for calculating the total pension liability is equal to the long term expected rate of return.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS - Continued**

**December 31, 2015**

**NOTE I – EMPLOYEE RETIREMENT BENEFITS – Continued**

**3. Net Pension Liability – Continued**

Changes in Net Pension Liability were as follows:

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balance as of December 31, 2013	\$ 12,036,947	\$ 11,194,380	\$ 842,567
Changes for the year:			
Service cost	629,877		629,877
Interest on total pension liability	980,158		980,158
Effect of plan changes	-		-
Effect of economic/demographic gains or losses	( 58,898)		( 58,898)
Effect of assumptions changes or inputs	-		-
Refund of contributions	( 55,942)	( 55,942)	-
Benefit payments	( 443,873)	( 443,873)	-
Administrative expenses		( 9,031)	9,031
Member contributions		274,156	( 274,156)
Net investment income		751,128	( 751,128)
Employer contributions		493,873	( 493,873)
Other		17,296	( 17,296)
	\$ 13,088,269	\$ 12,221,987	\$ 866,282 **

\*\*The District's TCDRS actuarial report with a measurement valuation date of December 31, 2015, to be used for audit periods ending January 1, 2016 to December 31, 2016, shows a net pension liability of \$2,025,323.

The following represents the net pension liability of the District, calculated using the discount rate of 8.10%, as well as what District's net pension liability would be if it were calculated using a discount rate that 1 percentage point lower (7.10%) or 1 percentage point higher (9.10%) than the current rate.

	1% Decrease 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
Total pension liability	\$ 14,691,618	\$ 13,088,269	\$ 11,745,441
Fiduciary net position	12,221,987	12,221,987	12,221,987
Net pension liability/ (asset)	\$ 2,469,631	\$ 866,282	\$( 476,546)

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS - Continued**  
**December 31, 2015**

**NOTE I – EMPLOYEE RETIREMENT BENEFITS – Continued**

**3. Net Pension Liability – Continued**

	January 1, 2014 to December 31, 2014
Pension expense/ (income)	
Service cost	\$ 629,876
Interest on total pension liability	980,158
Effect of plan changes	-
Administrative expenses	9,031
Member contributions	( 274,156)
Expected investment return net of investment expenses	( 926,756)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	( 9,816)
Recognition of assumption changes or inputs	-
Recognition of investment gains or losses	35,126
Other	( 17,296)
	\$ 426,167

**NOTE J – DEFERRED INFLOWS/OUTFLOWS OF RESOURCES AND UNEARNED REVENUE**

Deferred inflows/outflows of resources related to implementation of GASB 68 related to pension plans are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 49,082
Changes in assumptions	\$ -	\$ -
Net difference between projected and actual earnings	\$ 140,502	\$ -
Contributions made subsequent to measurement date	\$ 523,193	\$ -

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

Year ended December 31,:		
2016	\$	25,309
2017		25,309
2018		25,309
2019		25,309
2020		(9,816)
Thereafter		-

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS - Continued**  
**December 31, 2015**

**NOTE J – DEFERRED INFLOWS/OUTFLOWS OF RESOURCES AND UNEARNED REVENUE - Continued**

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds report unearned revenue for resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned and unavailable revenue reported in the governmental funds were as follows:

	Deferred inflows of resources	Unearned revenue	Total
Property taxes (General Fund)	\$ 5,908,453	\$ 10,014,202	\$ 15,922,655
Property taxes (Debt Service Funds)	5,773,332	8,909,870	14,683,202
Grant revenue (Special Revenue Fund)	-	24,538	24,538
<b>Total</b>	<b>\$ 11,681,785</b>	<b>\$ 18,948,610</b>	<b>\$ 30,630,395</b>

**NOTE K – RISK MANAGEMENT**

The District is exposed to various risks of loss relating to torts; theft of, damage to, and destruction of property; errors and omissions; injuries to employees; and natural disasters. The District covers such risks by participating in a public entity risk pool. The District has not experienced significant reduction of insurance coverage in the last 4 years.

The District participates in the Texas Municipal League Intergovernmental Risk Pool (the Pool) for coverage in the following areas: general liability, errors and omissions, auto physical damage, auto liability, real and personal property, and workers compensation. Limits on insurance coverage are as provided in Texas State Statutes Civil Practices and Remedies Code Chapter 101.023. The District paid premiums totaling \$266,783 in 2015.

Annual aggregate limits and deductibles are as follows at December 31, 2015:

	Deductible	Annual Aggregate Limits
General liability	\$ 5,000	\$ 10,000,000
Errors and omissions liability	\$ 25,000	\$ 4,000,000
Auto physical damage	\$ 10,000	N/A
Auto liability	\$ 1,000	N/A
Real and personal property	\$ 10,000	N/A
Workers compensation	N/A	Fully Funded

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS - Continued**  
**December 31, 2015**

**NOTE K – RISK MANAGEMENT – Continued**

In February 2005, the District changed its employee health benefits from purchased commercial insurance to a self-funded insurance fund. The District participates in the Hidalgo County Health Insurance Fund (Fund) and makes payments to the Fund based on the number of participants. The Fund provides coverage for up to a maximum of \$150,000 per individual per year. Claims in excess of \$150,000 and up to \$1,000,000 per individual per occurrence are covered by commercial insurance purchased by the Fund. The Fund's health insurance provider is Blue Cross-Blue Shield. Payments to the fund totaled \$696,514 in 2015.

**NOTE L – RELATED PARTY**

The District contracts with Integ, Inc. (Integ), a Texas corporation, to perform the duties of the manager of the District. The contract expired on February 16, 2010, and was renewed on that date for an additional three-year period, plus an additional year at the option of the District. In 2013, the District exercised its option for an additional two years. The District pays Integ \$15,000 per month. The new agreement also states that the District will pay Integ one and a half percent of the actual construction costs, excluding land acquisition costs of the Hidalgo County Master Drainage System Phase II, as calculated by the Financial Officer of the District. In 2015, the District contracted an attorney to review the contract between the District and Integ. Management fees, vehicle, and phone allowance expensed by the District totaled \$22,500 in 2015. Effective February 2015, this contract has expired.

**NOTE M – LITIGATION**

The District is currently involved in potential claims and litigation involving civil and contractual matters. In the opinion of District management, the potential claims against the District not covered by insurance resulting from litigation will not materially affect the financial position of the District.

**NOTE N – SUBSEQUENT EVENTS**

The District has evaluated all events or transactions that occurred after December 31, 2015 through October 21, 2016, the date these financial statements were available to be issued.

The Bond Series 2016 was issued to refund \$11,210,000 of Unlimited Tax Improvement Bonds Series 2007 and \$46,555,000 of Unlimited Tax Improvement Bonds Series 2008 in February 2016.

**SUPPLEMENTAL INFORMATION**

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**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**

**SCHEDULE OF SERVICES AND RATES**

**Year ended December 31, 2015**

1. Services provided by the District:

<input type="checkbox"/> Retail Water	<input type="checkbox"/> Wholesale Water	<input checked="" type="checkbox"/> Drainage
<input type="checkbox"/> Retail Wastewater	<input type="checkbox"/> Wholesale Wastewater	<input type="checkbox"/> Irrigation
<input type="checkbox"/> Parks/Recreation	<input type="checkbox"/> Fire Protection	<input type="checkbox"/> Security
<input type="checkbox"/> Solid Waste/Garbage	<input checked="" type="checkbox"/> Flood Control	<input type="checkbox"/> Roads
<input type="checkbox"/> Participates in joint venture, regional systems and/or wastewater service (other than interconnect)		
<input type="checkbox"/> Other (specify):		

2. Retail rates based on 5/8" meter:  Retail rates not applicable

3. Retail service providers: N/A

4. Total water consumption (in thousands) during the fiscal year: N/A

5. Standby fees: Does the District assess standby fees?  Yes  No

6. Anticipated sources of funds to be used for debt service payments in the District following fiscal year: None

7. Location of District:

County(ies) in which the District is located: Hidalgo County

Is the District located entirely with in one county?  Yes  No

Is the District located in a city?  Entirely  Partly  Not at all

City(ies) in which the District is located: Alton, Edcouch, Edinburg, Elsa, Granejo, Hidalgo, La Joya, La Villa, Mercedes, Mission, Palmview, Penitas, Progreso, Pharr, San Juan, Sullivan City, Weslaco

Is the general membership of the Board appointed by an office outside the District?  Yes  No If yes, by whom? \_\_\_\_\_

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**SCHEDULE OF GENERAL FUND EXPENDITURES**  
**Year ended December 31, 2015**

Personnel Expenditures (including benefits) *	\$ 6,074,927
Professional Fees:	
Auditing	90,000
Legal	82,459
Engineering	589,756
Contracted Services:	
General manager	22,500
Appraisal district	288,690
Other contracted services	3,500
Utilities	48,568
Repairs and Maintenance	1,031,982
Administrative Expenditures:	
Office supplies	101,399
Insurance	91,936
Other administrative expenditures	371,266
Capital Outlay:	
Acquisition of fixed assets	5,169,356
Aid to other governments	-
Other Expenditures	<u>793,766</u>
<b>TOTAL EXPENDITURES</b>	<b><u><u>\$ 14,760,105</u></u></b>

\* Number of full-time persons employed by the District: 129 .

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**ANALYSIS OF TAXES LEVIED AND RECEIVABLE**  
**Year ended December 31, 2015**

	Maintenance Taxes	Debt Service Taxes
Property taxes receivable, beginning of year	\$ 1,720,829	\$ 1,653,346
2014 original tax levy (less abatements)	13,582,702	13,050,047
Adjustments for 2014 original tax levy modifications	218,999	210,411
Adjustments for rollbacks and refunds	( 50,848)	( 48,854)
Total to be accounted for	15,471,682	14,864,950
Tax collections:		
Current	12,057,759	13,251,940
Prior years	759,120	799,845
Total collections	12,816,879	14,051,785
Property taxes receivable, end of year	\$ 2,654,803	* \$ 813,165 *
Property taxes receivable by years		
2014	\$ 982,429	\$ 85,488
2013	296,035	334,934
2012	218,048	142,163
2011 and prior	1,158,291	250,580
Property taxes receivable, end of year	\$ 2,654,803	* \$ 813,165 *

\* This balance excludes \$11,681,785 applicable to the 2015 tax levy. Collections on the 2015 tax levy will be recognized as fiscal year 2016 tax revenues.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**ANALYSIS OF TAXES LEVIED AND RECEIVABLE – CONTINUED**  
**Year ended December 31, 2015**

	Tax Levy			
	2014	2013	2012	2011
Property Valuations:				
Land and improvements	\$ 29,494,456,171	\$ 28,671,228,849	\$ 28,084,137,569	\$ 26,698,869,956
Minerals	2,602,412,309	2,586,241,450	2,570,672,103	2,600,336,767
Personal property	3,126,311,610	3,054,067,881	2,852,120,641	3,667,893,545
 Total property valuations	 <u>\$ 35,223,180,090</u>	 <u>\$ 34,311,538,180</u>	 <u>\$ 33,506,930,313</u>	 <u>\$ 32,967,100,268</u>
 Tax Rates Per \$100 Valuation:				
Debt service tax rates	\$ 0.0470	\$ 0.0508	\$ 0.0296	\$ 0.0292
Maintenance tax rates	0.0481	0.0449	0.0454	0.0441
 Total tax rates per \$100 valuation	 <u>\$ 0.0951</u>	 <u>\$ 0.0957</u>	 <u>\$ 0.0750</u>	 <u>\$ 0.0733</u>
 Original tax levy	 <u>\$ 28,458,055</u>	 <u>\$ 25,985,271</u>	 <u>\$ 19,853,462</u>	 <u>\$ 19,093,999</u>
 Percent of taxes collected to tax levied at December 31, 2014:	 <u>96%</u>	 <u>96%</u>	 <u>95%</u>	 <u>97%</u>

Tax rate for any other special district which (a) encompasses less than a county, (b) provides water, wastewater collection, and drainage or roads to property in the District and, (c) taxes property in the District.

Name of Special District (s)	Service Provided	Tax Rate
NONE		\$ -
Total Rate(s) of Special District (s)		<u>\$ -</u>

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**ANALYSIS OF TAXES LEVIED AND RECEIVABLE – CONTINUED**  
**Year ended December 31, 2015**

The following represents the 2015 tax levy rates for all overlapping jurisdictions. The table includes any taxing entities which overlap 10% or more of the District.

	<u>Taxing Jurisdiction</u>	<u>Tax Rate</u>
a. County:	<u>Hidalgo County</u>	\$ .5900
b. Cities:	<u>Average of 18 cities within Drainage District</u>	.6250
c. School district(s):	<u>Average of 15 school districts within Drainage District</u>	1.3116
d. Special district(s) not included above:		
	<u>South Texas College</u>	.1850
	<u>South Texas I.S.D.</u>	.0492
e. Total District:		<u>.0951</u>
	Total Overlapping Tax Rate	<u><u>\$ 2.8559</u></u>

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**

**ANALYSIS OF CHANGES IN CAPITAL ASSETS**

**Year ended December 31, 2015**

	Balance at Beginning of Year	Additions (Capital Outlay Expenditures)	Other Additions, Deletions and Reclassifications	Balance at End of Year
<b>Physical Facilities</b>				
Drainage system	\$ 89,836,673	\$ -	\$ 11,889,478	\$ 101,726,151
Land and easements	21,619,402	795,197	958,711	23,373,310
Buildings	837,964	-	-	837,964
Machinery and equipment	13,943,955	2,249,324	-	16,193,279
Construction in progress	43,429,261	12,117,500	( 12,848,189)	42,698,572
<b>Total physical facilities</b>	<u>169,667,255</u>	<u>15,162,021</u>	<u>-</u>	<u>184,829,276</u>
<b>Organizational costs</b>				
Interest	-	-	-	-
Fiscal agent fees	-	-	-	-
Legal fees	-	-	-	-
Operations during:				
Construction period	-	-	-	-
Creation cost	-	-	-	-
Interest on temporary investment	-	-	-	-
Other costs	-	-	-	-
<b>Total organizational costs</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total capital assets</b>	<u>\$ 169,667,255</u>	<u>\$ 15,162,021</u>	<u>\$ -</u>	<u>\$ 184,829,276</u>
<b>Amount provided by:</b>				
Capital Projects Funds				
Bond proceeds	\$ -	\$ -	\$ -	\$ -
Revenues	-	-	-	-
Debt Service Fund				
Revenues	-	-	-	-
General Fund				
Revenues	-	-	-	-
Developer contributions	-	-	-	-
<b>Total amount provided*</b>	<u>\$ 169,667,255</u>	<u>\$ 15,162,021</u>	<u>\$ -</u>	<u>\$ 184,829,276</u>

\* The breakdown of amounts provided by funds is not available from the District's general fixed assets records. If needed, please contact the District.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**UNLIMITED TAX IMPROVEMENT BONDS, SERIES 2007**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS UNTIL MATURITY**

<u>Date of Payment</u>	<u>Coupon Rate</u>	<u>Principal Requirements</u>	<u>Interest Requirements</u>	<u>Total Annual Requirements</u>
3/1/2016			441,122	
9/1/2016	5.000%	1,345,000	441,122	2,227,244
3/1/2017			407,497	
9/1/2017	5.000%	1,410,000	407,497	2,224,994
3/1/2018			372,247	
9/1/2018	4.000%	1,475,000	372,247	2,219,494
3/1/2019			342,747	
9/1/2019	4.000%	1,535,000	342,747	2,220,494
3/1/2020			312,047	
9/1/2020	4.000%	1,595,000	312,047	2,219,094
3/1/2021			280,147	
9/1/2021	4.000%	1,660,000	280,147	2,220,294
3/1/2022			246,947	
9/1/2022	4.000%	1,730,000	246,947	2,223,894
3/1/2023			212,347	
9/1/2023	4.125%	1,805,000	212,347	2,229,694
		<u>\$ 12,555,000</u>	<u>\$ 5,230,202</u>	<u>\$ 17,785,202</u>

DATE: March 15, 2007  
ISSUED: \$ 28,399,221  
PAYABLE: U.S. Bank  
CALL OPTION: Bonds maturing on or after August 15, 2017 prior to stated maturity, in multiples of \$5,000, in whole or in part, on August 15, 2016, or any date thereafter, at par plus accrued interest.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**UNLIMITED TAX IMPROVEMENT BONDS, SERIES 2008**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS UNTIL MATURITY**

<u>Date of Payment</u>	<u>Coupon Rate</u>	<u>Principal Requirements</u>	<u>Interest Requirements</u>	<u>Total Annual Requirements</u>
3/1/2016			1,333,494	
9/1/2016	4.000%	3,355,000	1,333,494	6,021,988
3/1/2017			1,266,394	
9/1/2017	4.000%	3,495,000	1,266,394	6,027,788
3/1/2018			1,196,494	
9/1/2018	4.000%	3,645,000	1,196,494	6,037,988
3/1/2019			1,123,594	
9/1/2019	4.000%	3,800,000	1,123,594	6,047,188
3/1/2020			1,047,594	
9/1/2020	4.250%	3,955,000	1,047,594	6,050,188
3/1/2021			963,550	
9/1/2021	5.000%	4,125,000	963,550	6,052,100
3/1/2022			860,425	
9/1/2022	5.000%	4,300,000	860,425	6,020,850
3/1/2023			752,925	
9/1/2023	5.000%	4,490,000	752,925	5,995,850
3/1/2024			640,675	
9/1/2024	5.000%	4,695,000	640,675	5,976,350
3/1/2025			523,300	
9/1/2025	5.000%	4,920,000	523,300	5,966,600
3/1/2026			400,300	
9/1/2026	4.750%	5,160,000	400,300	5,960,600
3/1/2027			277,750	
9/1/2027	5.000%	5,420,000	277,750	5,975,500
3/1/2028			142,250	
9/1/2028	5.000%	5,690,000	142,250	5,974,500
		<u>\$ 57,050,000</u>	<u>\$ 21,057,490</u>	<u>\$ 78,107,490</u>

DATE: May 6, 2008  
ISSUED: \$ 73,480,022  
PAYABLE: Wells Fargo Bank  
CALL OPTION: Bonds maturing on or after September 1, 2019 prior to stated maturity, in multiples of \$5,000, in whole or in part, on September 1, 2018, or any date thereafter, at par plus accrued interest.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**UNLIMITED TAX IMPROVEMENT BONDS, SERIES 2013**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS UNTIL MATURITY**

<u>Date of Payment</u>	<u>Coupon Rate</u>	<u>Principal Requirements</u>	<u>Interest Requirements</u>	<u>Total Annual Requirements</u>
3/1/2016			1,457,584	
9/1/2016	5.000%	2,695,000	1,457,584	5,610,168
3/1/2017			1,390,209	
9/1/2017	5.000%	2,825,000	1,390,209	5,605,418
3/1/2018			1,319,584	
9/1/2018	5.000%	2,960,000	1,319,584	5,599,168
3/1/2019			1,245,584	
9/1/2019	5.000%	3,100,000	1,245,584	5,591,168
3/1/2020			1,168,084	
9/1/2020	5.000%	3,255,000	1,168,084	5,591,168
3/1/2021			1,086,709	
9/1/2021	5.000%	3,410,000	1,086,709	5,583,418
3/1/2022			1,001,459	
9/1/2022	5.000%	3,610,000	1,001,459	5,612,918
3/1/2023			911,209	
9/1/2023	5.000%	3,810,000	911,209	5,632,418
3/1/2024			815,959	
9/1/2024	5.000%	4,020,000	815,959	5,651,918
3/1/2025			715,459	
9/1/2025	5.000%	4,235,000	715,459	5,665,918
3/1/2026			609,584	
9/1/2026	2.500%	4,455,000	609,584	5,674,168
3/1/2027			553,897	
9/1/2027	3.000%	4,555,000	553,897	5,662,794
3/1/2028			485,572	
9/1/2028	3.125%	4,655,000	485,572	5,626,144
3/1/2029			412,838	
9/1/2029	3.125%	4,800,000	412,838	5,625,676
3/1/2030			337,838	
9/1/2030	3.250%	4,950,000	337,838	5,625,676
3/1/2031			257,400	
9/1/2031	3.250%	5,110,000	257,400	5,624,800
3/1/2032			174,363	
9/1/2032	3.250%	5,280,000	174,363	5,628,726
3/1/2033			88,563	
9/1/2033	3.250%	5,450,000	88,563	5,627,126
		<u>\$ 73,175,000</u>	<u>\$ 28,063,790</u>	<u>\$ 101,238,790</u>

DATE: April 2, 2013  
ISSUED: \$ 84,545,831  
PAYABLE: U.S. Bank  
CALL OPTION: Bonds maturing on or after September 1, 2024 prior to stated maturity, in multiples of \$5,000, in whole or in part, on September 1, 2023, or any date thereafter, at par plus accrued interest.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**UNLIMITED TAX REFUNDING BONDS, SERIES 2014**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS UNTIL MATURITY**

<u>Date of Payment</u>	<u>Coupon Rate</u>	<u>Principal Requirements</u>	<u>Interest Requirements</u>	<u>Total Annual Requirements</u>
3/1/2016			148,681	
9/1/2016			148,681	297,362
3/1/2017			148,681	
9/1/2017			148,681	297,362
3/1/2018			148,681	
9/1/2018			148,681	297,362
3/1/2019			148,681	
9/1/2019			148,681	297,362
3/1/2020			148,681	
9/1/2020			148,681	297,362
3/1/2021			148,681	
9/1/2021			148,681	297,362
3/1/2022			148,681	
9/1/2022			148,681	297,362
3/1/2023			148,681	
9/1/2023			148,681	297,362
3/1/2024			148,681	
9/1/2024	3.750%	1,815,000	148,681	2,112,362
3/1/2025			114,650	
9/1/2025	3.750%	1,880,000	114,650	2,109,300
3/1/2026			79,400	
9/1/2026	4.000%	1,945,000	79,400	2,103,800
3/1/2027			40,500	
9/1/2027	4.000%	2,025,000	40,500	2,106,000
		<u>\$ 7,665,000</u>	<u>\$ 3,145,358</u>	<u>\$ 10,810,358</u>

DATE: December 30, 2014  
ISSUED: \$ 7,810,000  
PAYABLE: U.S. Bank  
CALL OPTION: Bonds maturing on or after September 1, 2025 prior to stated maturity, in multiples of \$5,000, in whole or in part, on September 1, 2024, or any date thereafter, at par plus accrued interest.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**

**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES – GENERAL FUND  
AND DEBT SERVICE FUND**

**Five years ended December 31,**

	AMOUNTS				
	2015	2014	2013	2012	2011
<b>GENERAL FUND</b>					
<b>REVENUES</b>					
Property taxes	\$ 13,470,638	\$ 12,452,851	\$ 12,348,783	\$ 11,847,604	\$ 11,912,357
Operating grants and contributions	5,599,008	-	-	-	-
Charges for services	61,590	48,000	37,250	48,750	39,750
Interest	87,290	41,915	25,442	46,147	28,420
Miscellaneous	768,736	-	741,693	400,646	951,760
<b>Total revenues</b>	<b>19,987,262</b>	<b>12,542,766</b>	<b>13,153,168</b>	<b>12,343,147</b>	<b>12,932,287</b>
<b>EXPENDITURES</b>					
Professional fees	762,215	306,782	169,523	1,033,805	600,698
Contracted services	314,690	459,823	521,616	418,241	502,702
Payroll	6,074,927	5,513,415	5,179,593	4,602,209	4,426,749
Utilities	48,568	41,071	36,910	35,804	37,639
Materials and supplies	472,665	396,496	348,766	296,146	300,278
Repairs and maintenance	1,031,982	802,859	3,710,523	731,937	937,027
Aid to other governments	-	-	147,008	137,790	-
Other expenditures	885,702	1,111,906	831,923	894,891	1,010,858
Capital outlay	5,169,356	2,025,336	3,136,628	2,785,069	834,452
<b>Total expenditures</b>	<b>14,760,105</b>	<b>10,657,688</b>	<b>14,082,490</b>	<b>10,935,892</b>	<b>8,650,403</b>
Excess (deficiency) revenues over (under) expenditures	5,227,157	1,885,078	( 929,322)	1,407,255	4,281,884
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of capital assets	-	47,996	22,216	37,250	1,218
Capital lease proceeds	-	-	-	-	-
Note proceeds	-	406,980	-	-	-
Equipment purchase agreement proceeds	-	-	-	-	-
Interfund transfers in	-	-	-	-	-
Interfund transfers out	( 145,959)	( 145,959)	-	-	( 1,308,640)
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ 5,081,198	\$ 2,194,095	\$( 907,106)	\$ 1,444,505	\$ 2,974,462
<b>DEBT SERVICE FUND</b>					
<b>REVENUES:</b>					
Property taxes	\$ 14,193,312	\$ 14,072,131	\$ 7,783,922	\$ 7,615,564	\$ 7,615,564
Penalty, interest and other	-	-	267,269	263,835	259,974
Interest	5,315	-	2,933	4,511	4,511
<b>Total revenues</b>	<b>14,198,627</b>	<b>14,072,131</b>	<b>8,054,124</b>	<b>7,883,910</b>	<b>7,880,049</b>
<b>EXPENDITURES:</b>					
Debt services, interest and principal	13,999,852	14,153,361	7,956,631	7,631,581	8,535,947
<b>Total expenditures</b>	<b>13,999,852</b>	<b>14,153,361</b>	<b>7,956,631</b>	<b>7,631,581</b>	<b>8,535,947</b>
Excess (deficiency) revenues over (under) expenditures	198,775	( 81,230)	97,493	252,329	( 655,898)
<b>OTHER FINANCING SOURCES</b>					
Interfund transfers	145,959	294,700	-	-	1,284,227
Excess of revenues over expenditures and other financing sources	\$ 344,734	\$ 213,470	\$ 97,493	\$ 252,329	\$ 628,329
<b>TOTAL ACTIVE RETAIL, WATER AND/OR WASTEWATER CONNECTIONS</b>					
	\$ -	\$ -	\$ -	\$ -	\$ -

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES – GENERAL FUND**  
**AND DEBT SERVICE FUND – CONTINUED**

**Five years ended December 31,**

PERCENT OF FUND TOTAL REVENUES				
2015	2014	2013	2012	2011
67.40	99.28	93.88	95.99	92.11
28.01	-	-	-	-
0.31	0.38	0.28	0.39	0.31
0.44	0.33	0.19	0.37	0.22
3.85	-	5.64	3.25	7.36
<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>
3.81	2.45	1.29	8.38	4.64
1.57	3.67	3.97	3.39	3.89
30.39	43.96	39.38	37.29	34.23
0.24	0.33	0.28	0.29	0.29
2.36	3.16	2.65	2.40	2.32
5.16	6.40	28.21	5.93	7.25
-	-	1.12	1.12	-
4.43	8.86	6.32	7.25	7.82
25.86	16.15	23.85	22.56	6.45
<u>73.85</u>	<u>84.97</u>	<u>107.07</u>	<u>88.60</u>	<u>66.89</u>
26.15	15.03	( 7.07)	11.40	33.11
-	0.38	0.17	0.30	0.01
-	-	-	-	-
-	3.24	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>( 0.73)</u>	<u>( 1.16)</u>	<u>-</u>	<u>-</u>	<u>( 10.12)</u>
<u>25.42</u>	<u>17.49</u>	<u>( 6.90)</u>	<u>11.70</u>	<u>23.00</u>
99.96	100.00	96.65	96.60	96.64
-	-	3.32	3.35	3.30
.04	-	0.04	0.06	0.06
<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>
98.60	100.58	98.79	96.80	108.32
<u>98.60</u>	<u>100.58</u>	<u>98.79</u>	<u>96.80</u>	<u>108.32</u>
1.40	( 0.58)	1.21	3.20	( 8.32)
1.03	2.09	-	-	16.30
<u>2.43</u>	<u>1.52</u>	<u>1.21</u>	<u>3.20</u>	<u>7.97</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**LAST TEN FISCAL YEARS**

**December 31, 2015**

	2014	2013 (1)	2012 (1)	2011 (1)	2010 (1)	2009 (1)	2008 (1)	2007 (1)	2006 (1)	2005 (1)
<b>Total Pension Liability</b>										
Service cost	\$ 629,877	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	980,158	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or input	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect on economic/demographic (gains) or losses	( 58,898)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	( 499,815)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total pension liability	1,051,322	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning	12,036,947	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, ending (a)	\$ 13,088,269	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Fiduciary Net Position</b>										
Employer contributions	\$ 493,873	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Member contributions	274,156	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investment income net of investment expenses	751,128	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	( 499,815)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative expenses	( 9,031)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other	17,296	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in fiduciary net position	1027607	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, beginning	11,194,380	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, ending (b)	\$ 12,221,987	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Net pension liability/ (asset), ending = (a)-(b)</b>	\$ 866,282	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position as a % of total pension liability	93.38%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pensionable covered payroll	\$ 3,916,520	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a % of covered payroll	22.12%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) This schedule is presented to illustrate the requirement to show information of 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS**

December 31, 2015

Year Ending December 31,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll (1)	Actual Contribution as a % of Covered Payroll
2005	Not Available	Not Available	Not Available	Not Available	Not Available
2006	\$ 238,384	\$ 238,384	-	\$ 2,417,688	9.9%
2007	252,545	252,545	-	2,463,852	10.3%
2008	260,382	260,382	-	2,622,170	9.9%
2009	295,936	295,936	-	3,001,377	9.9%
2010	358,213	358,213	-	3,316,783	10.8%
2011	358,109	358,109	-	3,282,439	10.9%
2012	374,800	374,800	-	3,328,623	11.3%
2013	459,716	459,716	-	3,799,318	12.1%
2014	493,873	493,873	-	3,916,520	12.6%

(1) Payroll is calculated based on contributions as reported to TDCRS.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**NOTES TO THE SCHEDULE OF EMPLOYER CONTRIBUTIONS**

**December 31, 2015**

**Valuation Date:** Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.

**Methods and assumptions used to determine contributions:**

Actuarial Cost Method	Entry Age Normal
Amortization Period in Years	20
Assets Valuation Method	5 years smooth value
Inflation	3.00%
Salary Increase	4.90%, average, including inflation
Investment Rate of Return	8.00%, net of pension plan investment expense
Cost-of-Living Adjustments	No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Members eligible for service retirement are assumed to retire at the rates shown in TDCRS' Table 3 Annual Rate of Service Retirement
Mortality	Mortality rates for depositing members, service retirees, beneficiaries and non-depositing members, and disabled retirees are based on RP-2000 Mortality Tables for males and females, as appropriate, with adjustments to the projection Scale AA.

The above table includes information for the District according to the agent multiple-employer defined benefits pension plan administered by TDCRS.

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**

**INSURANCE COVERAGE**

**Year ended December 31, 2015**

<u>Type of Coverage</u>	<u>Amount of Coverage</u>	<u>Insurer</u>		
		<u>Name</u>	<u>Type of Corporation Stock/Mutual</u>	<u>Policy Clause: Co-Insurance</u>
<u>Property Insurance</u>				
Real and Personal Property	\$ 15,613,631	Texas Municipal League Intergovernmental Risk Pool	N/A	No
Boiler and machinery	3,143,790	Texas Municipal League Intergovernmental Risk Pool	N/A	No
Mobile equipment	9,581,487	Texas Municipal League Intergovernmental Risk Pool	N/A	No
Transit	1,000,000	Texas Municipal League Intergovernmental Risk Pool	N/A	No
Newly acquired property	1,000,000	Texas Municipal League Intergovernmental Risk Pool	N/A	No
Loss of revenues, extra expense and rents	600,000	Texas Municipal League Intergovernmental Risk Pool	N/A	No
<u>Liability</u>				
General liability (per occurrence)	5,000,000	Texas Municipal League Intergovernmental Risk Pool	N/A	No
Automobile liability (per occurrence)	500,000	Texas Municipal League Intergovernmental Risk Pool	N/A	No
Sudden events involving pollution (per occurrence)	2,000,000	Texas Municipal League Intergovernmental Risk Pool	N/A	No
<u>Errors and Omissions Liability</u>				
Limit of liability (each wrongful act)	2,000,000	Texas Municipal League Intergovernmental Risk Pool	N/A	No

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS**  
**Year ended December 31, 2015**

Complete District Mailing Address: 902 N. Doolittle Road, Edinburg, Texas 78542

District Business Telephone Number: (956) 292-7080

<u>Name and Address</u>		<u>Fees 12/31/15</u>	<u>Expense Reimbursements FYE 12/31/15</u>	<u>Title at Year End</u>	<u>Resident of District</u>
<b>Board Members:</b>					
Ramon Garcia 302 W. University Dr. Edinburg, TX 78539	(Elected) 11/09/10	\$ -	\$ 1,800	Chairman	Yes
A.C. Cuellar, Jr. 1902 Joe Stephens Ave. Weslaco, TX 78599	(Elected) 11/10/10	\$ -	\$ 1,800	Director	Yes
Eduardo "Eddie" Cantu 300 W. Hall Acres Pharr, TX 78577	(Elected) 01/01/15	\$ -	\$ 1,800	Director	Yes
Joe M. Flores 724 North Breyfogle Mission, TX 78574	(Elected) 01/01/01	\$ -	\$ 1,800	Director	Yes
Joseph Palacios 1051 N. Doolittle Road Edinburg, TX 78542	(Elected) 01/01/11	\$ -	\$ 1,800	Director	Yes

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**  
**BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS – CONTINUED**  
**Year ended December 31, 2015**

Complete District Mailing Address: 902 N. Doolittle Road, Edinburg, Texas 78542

District Business Telephone Number: (956) 292-7080

<u>Name and Address</u>		<u>Fees 12/31/15</u>	<u>Expense Reimbursements FYE 12/31/15</u>	<u>Title at Year End</u>
<b>Key Personnel:</b>				
<b>Consultants:</b>				
Godfrey Garza* Integ, Inc. R.R. 13 Box 715 Edinburg, TX 78539 * resigned February 2015	10/03/00	\$ 22,500	\$ -	Management Consultant
Raymundo Eufrazio, C.P.A. Hidalgo County Auditor's Office 2808 S. Business Highway 281 Edinburg, TX 78539	(Appointed) 01/01/05	\$ -	\$ -	County Auditor
Pablo "Paul" Villarreal Jr. PO Box 178 Edinburg, TX 78539	(Elected) 01/01/13	\$ 296,611	\$ -	County Tax Assessor/ Collector
Atlas Hall & Rodriguez, L.L.P. PO Box 3725 McAllen, TX 78502	March 1966	\$ 44,214	\$ -	Attorneys
Lee Firm 615 N Upper Broadway Corpus Christi, TX 78401	May 2015	\$ 29,244	\$ -	Attorneys
Burton McCumber & Cortez, L.L.P. 205 Pecan Boulevard McAllen, TX 78501	01/14/04	\$ 90,000	\$ -	Independent Auditors
Hidalgo County Appraisal District 4405 Professional Drive Edinburg, TX 78539	-	\$ 288,690	\$ -	Appraisal Services
<b>Investment Officer:</b>				
Norma G. Garcia 2810 S. Business Highway 281 Edinburg, TX 78539	(Elected) 01/01/95	\$ -	\$ -	County Treasurer

**OTHER REPORTING REQUIRED BY GOVERNMENTAL AUDITING STANDARDS**



**Burton McCumber & Cortez, L.L.P.**  
Certified Public Accountants & Management Consultants

205 Pecan Boulevard  
McAllen, Texas 78501-2354  
Telephone 956/618-2300  
Facsimile 956/618-2333  
www.bmctexas.com

Offices In:  
Brownsville  
McAllen  
Matamoros

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Hidalgo County Drainage District No. 1  
Edinburg, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hidalgo County Drainage District No. 1 (the District), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 21, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in a separate letter dated October 21, 2016.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **District's Response to Findings**

The District's response to the findings identified in our audit is included in a separate letter dated October 21, 2016. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**Burton McCallister & Co., LLP**

McAllen, Texas  
October 21, 2016

**AI -57301**

7.

**DRAINAGE DISTRICT**

Meeting Date: 11/15/2016

Submitted For: Jaime Salazar

Submitted By: Moises Salazar, DRAINAGE DISTRICT

Department: DRAINAGE DISTRICT

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Information

CAPTION

- A. Requesting approval of final negotiated Agreement for Professional Surveying Services with Quintanilla, Headley, & Associates, Inc., as it relates to services for on call- on as needed basis to the Hidalgo County Drainage District No.1 projects. Approved for negotiations by the HCDD1 Board of Directors on October 25, 2016 (AI#57010). (Contract# C-HCDD1-16-056A-11-15)
- B. Requesting approval of final negotiated Agreement for Professional Surveying Services with Civil Design Services, Inc., dba CDS Muery, as it relates to services for on call- on as needed basis to the Hidalgo County Drainage District No.1 projects. Approved for negotiations by the HCDD1 Board of Directors on October 25, 2016 (AI#57010). (Contract# C-HCDD1-16-056B-11-15)

BACKGROUND

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Fiscal Impact

Attachments

- AI#57010 -Approval to Negotiate an Agreement
  - QHA On-Call Surveying Agreement
  - CDS Muery On-Call Surveying Agreement
- 

**Form Review**

<b>Inbox</b>	<b>Reviewed By</b>	<b>Date</b>
Final Approval	Monica Badillo	11/10/2016 02:14 PM
Form Started By: Moises Salazar		Started On: 11/09/2016 02:37 PM
Final Approval Date: 11/10/2016		

- 15. AI -57024** Requesting approval of Work Authorization No. 3 from Halff Associates, Inc. in the amount of \$69,540.00, for the excavation and disposal of additional lead impacted soil. Agreement: Preliminary Site Characterization Abandoned Rifle / Handgun Firing Range located at the Hidalgo County Drainage District No.1 Yard.

On motion by BOARD MEMBER PCT. 1, A.C. CUELLAR, JR., seconded by BOARD MEMBER PCT. 3, JOE M. FLORES, the Board made a UNANIMOUS vote of approval.

**Vote:** 5 - 0 - Unanimously

- 16. AI -56772** Authority to advertise and approval of plans and specifications developed by project engineer, Javier Hinojosa, P.E., for: Hidalgo County Drainage District No. 1 -"Mission Lateral Control Gate Structure Improvements" -RFB No. HCDD1-16-050-11-16, including the re-advertising of projects in the event no Bid responses are received and/or are rejected and project is still required.

On motion by BOARD MEMBER PCT. 1, A.C. CUELLAR, JR., seconded by BOARD MEMBER PCT. 3, JOE M. FLORES, the Board made a UNANIMOUS vote of approval.

**Vote:** 5 - 0 - Unanimously

- 17. AI -57010** A.) Requesting exemption from competitive bidding requirements under Texas Local Government Code 262.024(a)(4) for Professional Surveying Services.

On motion by BOARD MEMBER PCT. 1, A.C. CUELLAR, JR., seconded by BOARD MEMBER PCT. 4, JOSEPH PALACIOS, the Board made a UNANIMOUS vote of approval.

**Vote:** 5 - 0 - Unanimously

B.) Presentation of scoring grid of three (3) sets of firms graded through the District's "Pool" of pre-qualified Professional Surveyors for the purpose of ranking by HCDD1 Board of Directors in connection with On-Call Professional Surveying Services required for Hidalgo County Drainage District Projects on an as needed basis.

(SET 1)		
FIRM NAME:	SCORE:	RANK:
Quintanilla, Headly & Associates, Inc	98	1
R. Gutierrez Engineering, Corp.	95	3

Dannenbaum Engineering Co.	97	2
(SET 2)		
FIRM NAME:	SCORE:	RANK:
CDS Muery	98	1
Ambiotec Civil Engineering Group, Inc.	97	2
R.E. Garcia & Associates	96	3
(SET 3)		
FIRM NAME:	SCORE:	RANK:
ROW Surveying Services, LLC	98	1
CVQ Land Surveyorsm, LLC	97	2
R.E. Garcia & Associates	96	3

On motion by BOARD MEMBER PCT. 3, JOE M. FLORES, seconded by COMMISSIONER PCT. 4, JOSEPH PALACIOS, the Court made a UNANIMOUS vote of approval.

**Vote:** 5 - 0 - Unanimously

C.) Pursuant to the Boards approval, requesting authority for the Hidalgo County Drainage District No.1 to negotiate Professional Surveying Services Agreements with each of the number one (1) ranked firms presented:  
 (set 1) **Quintanilla, Headly, & Associates, Inc.** (set 2) **CDS Murey**, and (set 3) **ROW Surveying Services, LLC.** for the provisions of On-Call Professional Surveying Services for Hidalgo County Drainage District Projects (on as needed basis).

On motion by BOARD MEMBER PCT. 3, JOE M. FLORES, seconded by BOARD MEMBER PCT. 2, EDUARDO "EDDIE" CANTU, the Board made a UNANIMOUS vote of approval.

**Vote:** 5 - 0 - Unanimously

THE STATE OF TEXAS     §  
  §  
COUNTY OF HIDALGO     §

**PROFESSIONAL SERVICES AGREEMENT**  
**C-HCDD1-16-056A-11-15**

**THIS AGREEMENT** is made effective the **15<sup>th</sup>** day of **November, 2016**, by and between the **Hidalgo County Drainage District No. 1** ("District") and **Quintanilla, Headley & Associates, Inc.** ("Surveyor").

**W I T N E S S E T H:**

**WHEREAS**, the District requires "**Surveying Services**" (**on call on as needed basis**) for Drainage District Projects located within Hidalgo County.

**WHEREAS**, the District solicited Request for Qualifications (RFQ) for the development and establishment of a yearly pool for "Professional Surveying Services",

**WHEREAS**, from which "Professional Surveyor" has been selected from the "Pool" of pre-qualified Surveyors from response to the Request for Qualifications (RFQ),

**WHEREAS**, the District has determined that the services of "Professional Surveyor" are sometimes necessary to carry out the required Surveying activities;

**WHEREAS**, pursuant to Texas Government Code Section 2254.002, "The Professional Services Procurement Act," the District requested proposals from professional Surveyors to assist the District by providing Surveying services; and

**WHEREAS**, the District has selected the Surveyor to provide Surveying services within Hidalgo County, in accordance to Exhibit "A-1", Request for Qualifications (RFQ) Procurement Packet and through its procured approved pool of Surveyors.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements herein contained, County and Surveyor do mutually agree as follows:

**1. Scope of Services.** Surveyor agrees to provide to District "Surveying Services" (on call on as needed basis) **for Drainage District projects** located within **Hidalgo County** as shown in Exhibit "A" attached hereto and entitled "Services to be Provided by the Surveyor". ***In the event the Surveyor does not provide the Scope of Services prior to the date specified on the purchase order, the Purchase Order will become NULL and VOID. If such Purchase Order becomes NULL and VOID and the Scope of Services is secured from another firm, Surveyor will be responsible for any additional charges or expenses incurred by the District.***

***Further, in the event that it is demonstrated by Surveyor that Hidalgo County Drainage District No. 1 has caused or delayed thus preventing the Surveyor from meeting the specified agreed upon deadline to provided the Scope of Services ordered, Surveyor must advise in written notice to authorize and to secure additional time to comply.***

**2. Term.** This Agreement shall commence upon approval of this agreement for a term of **one (1) year**, effective **November 15, 2016** – expiring **November 14, 2017** or unless sooner terminated as provided herein. The Surveyor will not begin work or incur costs until authorized in writing by the District for each "**Purchase Order**".

The District assumes no liability or obligation for payment to the Surveyor for work performed or costs incurred by the Surveyor prior to the date authorized by the District for the Surveyor to begin work, during periods when work is suspended, or subsequent to the Termination Date.

**3. Non-Exclusive Services of Surveyor.** Hidalgo County Drainage District No. 1 reserves the right to request these services from other sources other than the Surveyor and shall not be in violation of any terms or conditions of this Agreement.

**4. Compensation.** As consideration for rendering the Services provided for in this

Agreement, the District agrees to pay the Surveyor the amounts specified in Exhibit "B" attached hereto payable against written invoice submitted by Surveyor. The Surveyor is authorized to submit periodic requests for payment within thirty days after completion of each work order. The request for payment shall be made using forms acceptable to the District and shall show the total amount earned to the date of submission and the amount due and payable as of the date of the current billing. Upon receipt of said request for payment, District shall submit a requisition for payment of said services in the customary manner provided for payments utilized by Hidalgo County, Texas. Surveyor agrees to separately account for the receipt and/or expenditure of funds received pursuant to this Agreement and to keep adequate books and records of all such receipts and/or expenditures.

All payments to Surveyor shall be mailed to the address shown in numbered paragraph 20, hereof.

**5. Progress.** Upon acceptance of a work order, the Surveyor shall undertake and complete the authorized work. The District or the Surveyor can request conferences to be provided at the Surveyor's office, the office of the District or at other agreed upon locations.

**6. Inspection of Work.** The District has the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed hereunder and the premises in which it is being performed. If any inspection or evaluation is made on the premises of the Surveyor, or a subcontractor, the Surveyor shall provide and require its subcontractor to provide all reasonable facilities and assistance for the safety and convenience of the inspectors in the performance of their duties. All inspections and evaluations shall be performed in such a manner as will not unduly delay the work.

**7. Amendments.** If it becomes necessary at any time during the agreement period to change the scope of work, the agreement period, the maximum amount payable, the complexity, or the character of this agreement, an amendment must be prepared and executed within the agreement period. The District retains the right to reject any such amendment proposed by the Surveyor unless the District finds the proposed amendment necessary to complete the work

authorized herein. Any such amendments be made in writing agreed to by all parties hereto and duly executed before the end of the agreement period as specified.

If the District finds it necessary to require changes in completed work because of errors made by the Surveyor, the District shall require the Surveyor to correct the work at no cost to the District and without amendment to the agreement. If the changes are made at the request of the District and are not due to errors of the Surveyor, the District will reimburse the Surveyor for the additional work at the same rate of pay established in Exhibit "B", "Basis for Payment". If payment for the additional work will cause the maximum amount payable to be exceeded, an amendment shall be executed in accordance with the terms of this provision.

**8. Reporting.** The Surveyor shall promptly advise the District in writing of events which have a significant impact upon the agreement, including:

- a.** Problems, delays, or adverse conditions which will materially affect the ability to meet time schedules and goals, or preclude the attainment of project work units by established time periods. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any District or, if Federal funds are involved, Federal assistance needed to resolve the situation.
- b.** Favorable developments or events which enable meeting time schedules and goals sooner than anticipated or producing more work units than originally projected.

**9. Ownership of Documents.** Upon completion or termination of this agreement, all documents prepared by the Surveyor or furnished to the Surveyor by the District shall be delivered to and become the property of the District. All sketches, photographs, calculations, and other data prepared under this agreement shall be made available, upon request, to the District without restriction or limitation on their further use. The Surveyor may, at its own expense, have copies made of the documents or any other data furnished the District under this agreement.

**10. Independent Contractor.** Surveyor must comply with all applicable Hidalgo County Drainage District No. 1 policies and with any applicable federal, state or local laws, regulations, orders or ordinances applicable to the services provided by Surveyor under this

Agreement. Notwithstanding the foregoing sentence, Surveyor represents and maintains that it is an independent contractor and is not an employee of Hidalgo County Drainage District No. 1 or any agency thereof, and represents and warrants that it does not desire or request any fringe benefits provided to employees of Hidalgo County Drainage District No. 1 and/or any agency thereof, including, but not limited to benefits associated with Hidalgo County's civil service program. Surveyor agrees to be responsible for any federal income tax, withholding or social security tax liability that might arise from payments received hereunder.

**11. Voluntary Termination.** The District may terminate this Agreement at any time for any reason or no reason at all upon the giving of thirty (30) days prior written notice to the other party.

**12. Insurance.** Surveyor agrees to provide liability insurance covering its activities in providing the services for District in an amount not less than the minimum amounts prescribed by the Texas Tort Claims Act, ' 100.001, et seq., Texas Civil Practices and Remedies Code, and shall furnish department a certificate of insurance, Exhibit "C", issued by the insurer that such insurance is in full force and effect.

**13. No Assignment.** Except as otherwise herein provided, Surveyor, may not assign the obligations or rights under this agreement to any person without the prior written consent of District.

**14. Conflict.** Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of this Agreement and any present or future law, ordinance or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to agreement, the latter shall prevail, but in such event the affected provision or provisions of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists.

**15. No Waiver.** No waiver by District of any breach of any provision of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

**16. Entire Agreement.** This Agreement contains the entire agreement between the parties hereto, and each party acknowledges that neither has made (either directly or through any agent or representative) any representations or agreements in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by District and Surveyor, and not otherwise.

**17. Venue.** This Agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Hidalgo County, Texas. The parties hereby consent to personal jurisdiction in Hidalgo County, Texas.

**18. Hold Harmless.** In the event Surveyor should cause, either directly or indirectly, damage, loss, destruction, liability, or claims against the other party as a result of intentional conduct, negligence or otherwise, Surveyor shall hold harmless and indemnify District from any and all obligations, liabilities, causes of action, lawsuits, damages, and assessments, including legal fees, etc., that result from the Surveyor=s intentional actions or negligence. This indemnification clause shall survive this Agreement and be enforceable as a separate agreement in the event its survival and enforcement becomes necessary.

**19. Attorney's Fees.** In the unlikely event that a dispute occurs which is litigated or arbitrated, or a cause of action in law or equity is filed concerning the operation, construction, interpretation, or enforcement of this Agreement, the losing party shall bear the cost of the attorney=s fees incurred by the prevailing party and any and all costs applicable thereto, including, but not limited to, court costs, deposition fees, expert witness fees, out-of-pocket expenses and travel expenses which are incurred by the prevailing party.

**20. Notices.** Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests or communications required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to District: Hidalgo County Drainage District No. 1  
Attention: Jaime J. Salazar  
902 N. Doolittle Rd.  
Edinburg, Texas 78542

If to Surveyor: **Quintanilla, Headley & Associates, Inc.**  
Attn: Alfonso Quintanilla, PE, R.P.L.S.  
124 E. Stubbs  
Edinburg, Texas 78539

Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addressee or, if mailed, at such time as it is deposited in the United States mail.

**21. Execution of Documents.** The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.

**22. Binding Agreement.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this agreement.

**23. Gender.** All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate.

**24. Authority.** The execution and performance of this Agreement by County and

Surveyor have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of District and Surveyor in accordance with its terms.

**25. Commitment of Current Revenues.** In the event that, during any term hereof, the District does not appropriate sufficient funds to meet to the obligations of this Agreement, the District may terminate this Agreement upon thirty (30) days written notice to the Surveyor. The District agrees, however, to use reasonable efforts to secure funds necessary for the continued performance of this Agreement. The parties intend this provision to be a continuing right to terminate this Agreement at the expiration of each budget period of the District pursuant to the provisions of Tex. Loc. Govt. Code Ann. ' 271.903 (Vernon Supp. 1995).

**26. Immunities.** Nothing in this Agreement is intended to and District does not hereby waive, release or relinquish any right to assert any of the defenses District enjoys by virtue of the state or federal constitution, laws, rules or regulations, and any sovereign, official or qualified immunity available to District as to any claim or action of any person, entity, or individual against District.

**WITNESS WHEREOF**, the **Surveyor** and the **Owner** have caused this **Agreement for Professional Services** to be effective as of the \_\_\_ day of \_\_\_\_\_, **2016**.

**SURVEYOR:**  
**QUINTANILLA, HEADLEY & ASSOCIATES, INC.**

**BY:** \_\_\_\_\_  
Alfonso Quintanilla, P.E./R.P.L.S.

**OWNER:**  
**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**

**BY:** \_\_\_\_\_  
Ramon Garcia, Chairman of the Board

**APPROVED AS TO FORM:**  
Atlas, Hall & Rodriguez, L.L.P.

By: \_\_\_\_\_  
Stephen L. Crain, Attorney

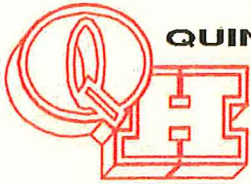
**ATTACHMENTS:**

- EXHIBIT A-1** -Request for Qualifications (RFQ) Procurement Packet
- EXHIBIT A** -Scope of Services to be provided by the Surveyor
- EXHIBIT B** -Surveying Rate Schedule
- EXHIBIT C** -Certificate of Insurance (*Hidalgo County Drainage District No. 1*)

# **EXHIBIT "A-1"**

Request for Qualifications (RFQ) Procurement Packet





**QUINTANILLA, HEADLEY AND ASSOCIATES, INC.**

**Consulting Engineers ★ Land Surveyors**

Alfonso Quintanilla, P.E. # 95534 R.P.L.S #4856 Eulalio Ramirez, P.E. # 77062  
Engineering Firm Registration No. F-1513  
Surveying Firm Registration No. 100411-00  
Municipal & County Projects ★ Subdivisions ★ Surveys

February 24, 2016

Jaime J. Salazar, Operations Manager  
Hidalgo County Drainage District No. 1  
902 N. Doolittle Rd.  
Edinburg, TX 78542

**RE: RFQ - Professional Surveying Services-  
No. HCDD1-16-002-02-24**

Dear Mr. Salazar:

Quintanilla, Headley and Associates, Inc. appreciates the opportunity to submit our Statement of Qualifications for the above mentioned project. Enclosed are one original, three copies and one digital copy containing our Statement of Qualifications.

Quintanilla, Headley & Associates, Inc. realizes the Hidalgo County Drainage District No. 1 requires a strong project team that is ready to meet the demands associated with its' projects. Our firm provides engineering and land surveying services to both public works and private developers and is ready and willing to commence work for the Hidalgo County Drainage District No. 1. We look forward to working with you.

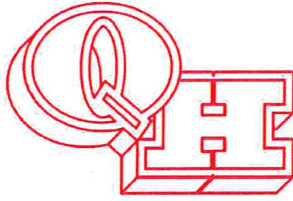
In order to ensure the success of every project, the firm will

- ❖ Conduct business with respect and integrity
- ❖ Follow the ethics of our profession
- ❖ Strive to meet and exceed the expectations of the Hidalgo County Drainage District No. 1

Should you have any questions, please feel free to call me at (956) 381-6480 or email me at [alfonsoq@qhaengineering.com](mailto:alfonsoq@qhaengineering.com).

Respectfully,

Alfonso Quintanilla, P.E., R.P.L.S.  
President



## Firm Information

**Quintanilla, Headley & Associates, Inc.  
Consulting Engineers and Land Surveyors**

124 E. Stubbs St.

Edinburg, Texas 78539

Phone #: (956) 381-6480

Fax #: (956) 381-0527

Website: [www.qhaengineering.com](http://www.qhaengineering.com)

Email: [office@qhaengineering.com](mailto:office@qhaengineering.com)

Texas Board of Professional Engineers Firm #: F-1513

Texas Board of Professional Land Surveying Firm #: 10041100

### Principals

Alfonso Quintanilla, P.E., R.P.L.S.

President

Norma Quintanilla  
Vice President

Lilia Quintanilla  
Secretary

Eulalio Ramirez, P.E.  
Director

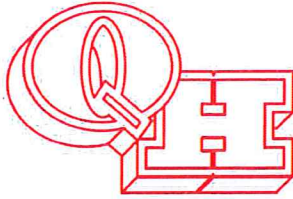
Jaime Gomez  
Director

Rolando Salinas  
Director

Alejandro Rios  
Director

## Firm Philosophy

Our firm provides cost effective engineering services based on our resources, experience and knowledge. We offer the best of technical performance, high standard of professionalism and integrity to the project.



## Firm History

### **Quintanilla, Headley & Associates, Inc.**

Founded in 1986, QHA provides a wide range of engineering and land surveying services throughout the Rio Grande Valley. QHA specializes in engineering services such as Roadway Design, Water Distribution Design, Storm Sewer Design, Wastewater Collection System Design, and Utility Coordination. QHA uses the latest equipment and software to ensure we provide the most accurate field data.

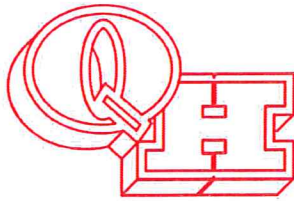
Our offices are located in the heart of Hidalgo County. We have performed an extensive amount of engineering services throughout the County and have in our files a vast collection of topographic data, irrigation districts data, IBWC data, and drainage data.

QHA is managed by professional individuals who are registered with the Texas Board of Professional Engineers and the Texas Board of Professional Land Surveying. QHA is a certified as a Historically Underutilized Business (HUB).

## Firm Capabilities

Our project management objectives are to deliver a final plan on schedule, on budget and one that fits the needs of our clients.

Boundary Survey	Survey Plats	Property Legal Descriptions	Right of Way Mapping	Topographic Survey
Utility Location Survey	Construction Survey	Roadway Design	Water Distribution System Design	Wastewater Collection System Design
	Storm Sewer Design	Land Development Design	Utility Coordination	



## **Staff by Discipline**

### **Project Manager & Designer**

Alfonso Quintanilla, P.E., R.P.L.S.

Eulalio Ramirez, P.E.

Marco Gonzalez, P.E.

### **Drafting Team**

Jaime Gomez, Designer/Senior CADD Technician

Jose Luis Cavazos, Drafting Technician

Guadalupe Garza, Drafting Technician

Alejandro Guerrero, Drafting Technician

### **Field Inspector**

Reynaldo Corpus

### **Surveying Crew**

Alejandro Rios, Field Crew Leader

Rolando Salinas, Field Crew Leader

Jose Gonzalez, Field Crew Assistant

Ramiro Sosa, Field Crew Assistant

Antonio Villalpando, Field Crew Assistant

Reynaldo Villalpando, Field Crew Assistant

### **Administrative**

Norma Quintanilla, Administrative Manager

Clarissa Quintanilla, Administrative Support

Lilia Quintanilla, Administrative Secretary

Neyda Ramirez, Administrative Secretary

Dinorah Quintanilla, Administrative Secretary

# Alfonso Quintanilla, P.E. R.P.L.S.

## President

### Summary

---

Mr. Quintanilla has been a licensed professional engineer since 2005. Since then, he has managed and performed numerous civil engineering designs in the areas of roadway design, drainage system design, wastewater collection design, water distribution system design, storm sewer design, drainage studies, and utility coordination. He has performed several engineering projects for Hidalgo County, City of Edinburg, City of Alamo, City of Mission, and City of Alton in the past 15 years and has completed all projects on time and within budget.

### Relevant Experience

---

#### Edinburg Arena:

- Edinburg Arena (Vipers)
  - Design of Water distribution system, sanitary sewer collection, drain system and paving

#### City of Alamo:

- City of Alamo Tower Road Improvements from Business 83 to Ridge Rd
  - Design of water distribution system, sanitary sewer collection, drain and paving improvements

#### Hidalgo Co. Drainage District No. 1:

- North Seminary Drainage
  - Design of drain system

### Education & Professional Registrations

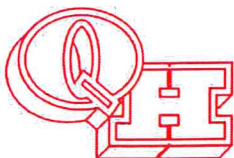
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#### Instituto Tecnológico de Estudios Superiores, Monterrey, N.L. Mexico

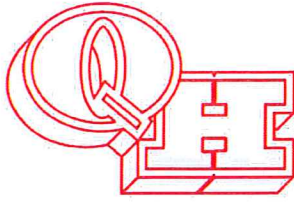
- Bachelor of Science in Civil Engineering, 1984

Licensed Professional Engineer, Texas - No. 95534

Registered Professional Land Surveyor, Texas - No. 4856

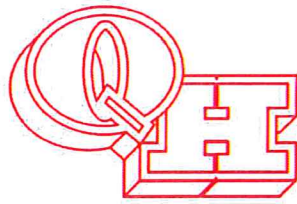


Quintanilla, Headley & Associates, Inc.



## Related Projects

- 1. Hidalgo County Regional Mobility Authority 10<sup>th</sup> Street to Military Rd.**  
Date: 2013  
Number of Parcels: 50  
Contract Cost: \$ 422,496.25
- 2. City of Mission Mile 2 North Road Conway Ave (SH 107) to La Homa Rd**  
Date: 2013  
Number of Parcels: 46  
Contract Cost: \$138,000.00
- 3. City of Mission Inspiration Rd Expressway 83 to FM 1924**  
Date: 2013  
Number of Parcels: 85  
Contract Cost: \$355,800.00

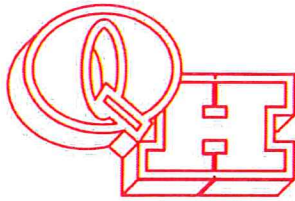


## References

Luciano Ozuna, City Manager
City of Alamo
420 N. Tower Rd.
Alamo, Texas 78516
956-787-0006

Raul Sesin, P.E., General Manager
Hidalgo County Drainage District #1
902 N. Doolittle
Edinburg, Texas 78542
956-292-7080

Richard Garcia, Mayor
City of Edinburg
415 W. University Dr.
Edinburg, Texas 78539
956-383-1618



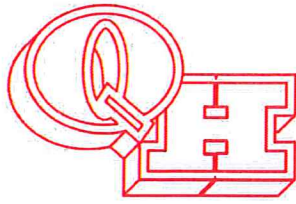
## Current Workload

STAFF	CURRENT PROJECT
ALFONSO QUINTANILLA, P.E., R.P.L.S	Hidalgo County Precinct No. 2 Cesar Chavez from Business 83 to Nolana Loop
EULALIO RAMIREZ, P.E.	Hidalgo Co. Drainage District No. 1 Tijerina Rural Development Improvements
MARCO GONZALEZ, P.E.	Ranchitos Escondidos Subdivision Phase II
GUADALUPE GARZA	Hidalgo County RMA SH365
JAIME GOMEZ	Hidalgo County Drainage District No. 1 North Seminary Drainage
REYNALDO CORPUS	City of Alamo Tower Road Improvements

## Agency Experience

QHA's state agency experience includes work for the Texas Department of Transportation, the Texas Commission on Environmental Quality and Texas Water Development Board.

Local agency experience includes work for Hidalgo County Drainage District No. 1, Hidalgo and Cameron Counties, Irrigation District No. 9, Hidalgo County Right of Way Department, Hidalgo County Planning Department, City of Alamo, City of Pharr, City of McAllen, City of Edinburg, City of Mission, American Electric and Power, North Alamo Water Supply Corporation, and Military Highway Water Supply Corporation.



## Management and Organizational Approach

Our firm is located in the heart of Hidalgo County. We are very familiar with the geographies of this area. We have a long and successful relationship with the Hidalgo County staff as we have provided them with professional engineering services for a large number of developments throughout the city for the past 20 years. We have a great amount of records and data of the County's existing infrastructure.

QHA understands the County's need to constantly improve on the existing infrastructure for the people of Hidalgo County. We will provide the County with alternatives of the most cost effective systems and design. We understand the requirements of the utility companies and drainage and irrigation districts and we will design all projects in compliance.

Our firm provides full professional engineering, surveying, management and inspection services. We use the latest equipment for field data collection and engineering design. This gives us the ability to expedite the design of the project and provide an efficient design.

Our principal, Mr. Alfonso Quintanilla is a Licensed Professional Engineer and a Registered Professional Land Surveyor. He will be the principal assigned to this project. Should the project require the acquisition of easements, Mr. Quintanilla has prepared hundreds of survey parcels with metes and bounds descriptions. This is a unique qualification that our firm provides.

Our firm ensures a successful partnership that will meet and exceed the County of Hidalgo's expectations. We will specifically become familiarized with a project by conducting field visits and gathering all information needed to properly design and execute all phases. Our project management objectives are to deliver a final plan on schedule, on budget, and personalized to meet the County's needs.



*Texas Board of  
Professional Land Surveying*

*Let it be known that*

*ALFONSO QUINTANILLA*

*having met the requirements of Senate Bill 795, Seventy-first Legislature,  
Regular Session, is hereby registered to practice Professional Land Surveying in  
the State of Texas so long as such certificate is valid and in force through  
annual renewal, and subject to the limitations of said Act as a*

*Registered Professional Land Surveyor*



*Registration Number: 4856*

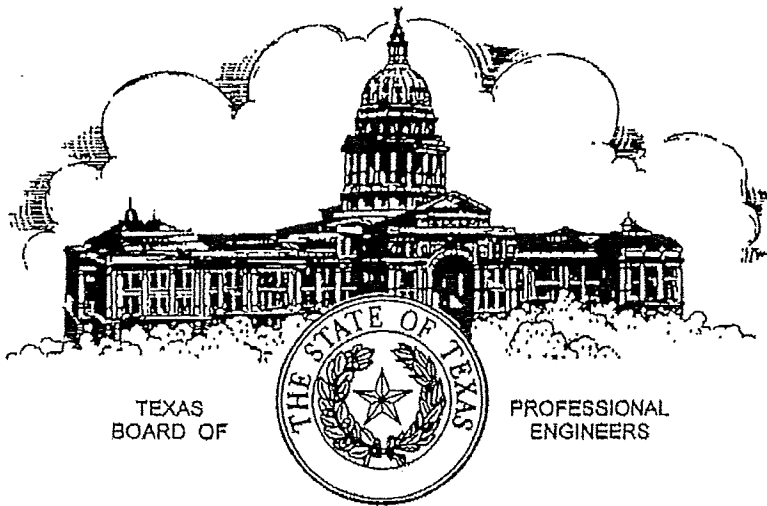
*This Certificate of Registration is  
issued under the hand and seal of the*

*Board on*

*JANUARY 11, 1990*

*Robert L. Piquero*  
*Chairman*

*Robert J. Lopez*  
*Executive Director*



TEXAS  
BOARD OF

PROFESSIONAL  
ENGINEERS

BE IT KNOWN THAT

## ***ALFONSO QUINTANILLA***

HAVING GIVEN SATISFACTORY EVIDENCE OF QUALIFICATIONS  
REQUIRED UNDER THE TEXAS ENGINEERING PRACTICE ACT,  
TEXAS CIVIL STATUTES, ARTICLE 3271a, IS GRANTED THIS

LICENSE TO PRACTICE AS A

## **PROFESSIONAL ENGINEER**

IN THE STATE OF TEXAS

PROVIDED THIS LICENSE IS NOT REVOKED AND IS RENEWED ACCORDING TO LAW



SERIAL  
NUMBER **95534**

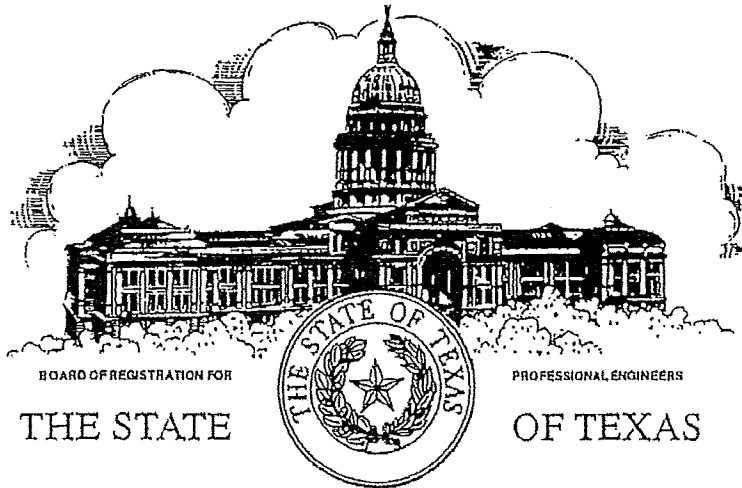
TEXAS BOARD OF  
PROFESSIONAL ENGINEERS

*IN WITNESS WHEREOF,*

WE HAVE HEREUNTO SET OUR HANDS  
AND AFFIXED THE SEAL OF THE BOARD  
AT THE CITY OF AUSTIN, THIS 20TH DAY  
OF MAY, 2005

  
BOARD CHAIR

  
BOARD SECRETARY



BE IT KNOWN THAT

*Eulalio Ramirez*

HAVING GIVEN SATISFACTORY EVIDENCE OF QUALIFICATIONS  
REQUIRED BY SEC. 12(a), SENATE BILL NO. 74, ACTS REGULAR  
SESSION, 45TH LEGISLATURE OF TEXAS IS GRANTED THIS

**CERTIFICATE OF REGISTRATION**

AND IS HEREBY AUTHORIZED TO PRACTICE AS A

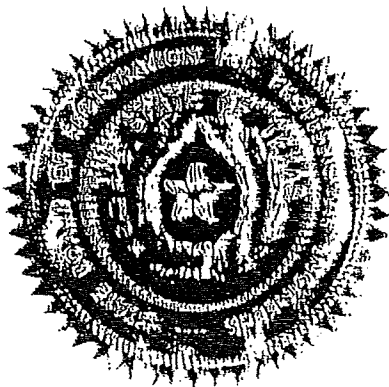
**PROFESSIONAL ENGINEER**

SO LONG AS THIS CERTIFICATE IS NOT REVOKED AND IS RENEWED ACCORDING TO LAW

STATE BOARD OF REGISTRATION  
FOR PROFESSIONAL ENGINEERS

IN WITNESS WHEREOF,

WE HAVE HEREUNTO SET OUR HANDS  
AND AFFIXED THE SEAL OF THE BOARD  
AT THE CITY OF AUSTIN, THIS 23RD DAY  
OF JULY, 1993.



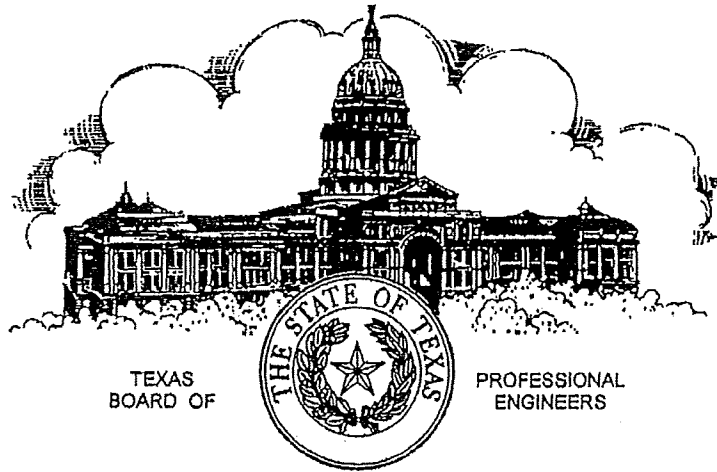
*James F. Deana*

CHAIRMAN

*John A. ...*

SECRETARY

SERIAL  
NUMBER 77062



TEXAS  
BOARD OF

PROFESSIONAL  
ENGINEERS

BE IT KNOWN THAT

*Marco Antonio Gonzalez*

HAVING GIVEN SATISFACTORY EVIDENCE OF QUALIFICATIONS  
REQUIRED UNDER THE TEXAS ENGINEERING PRACTICE ACT,  
TEXAS CIVIL STATUTES, ARTICLE 3271a, IS GRANTED THIS

LICENSE TO PRACTICE AS A

**PROFESSIONAL ENGINEER**

IN THE STATE OF TEXAS

PROVIDED THIS LICENSE IS NOT REVOKED AND IS RENEWED ACCORDING TO LAW

TEXAS BOARD OF  
PROFESSIONAL ENGINEERS

*IN WITNESS WHEREOF,*

We have hereunto set our hands and affixed the seal of the  
Board at the City of Austin, this 23rd day of May, 2015.



SERIAL  
NUMBER **120016**

*[Signature]*  
BOARD CHAIR

*Carry A. Baker*  
BOARD SECRETARY

**Texas Board of Professional Engineers  
CERTIFICATE OF REGISTRATION**

**This acknowledges that**

**QUINTANILLA HEADLEY & ASSOCIATES INC**

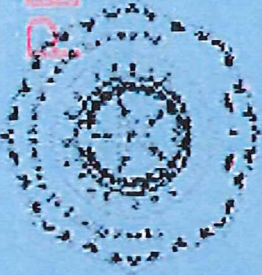
**has fulfilled the requirements of the Texas Board of  
Professional Engineers to offer and perform  
engineering services in the state of Texas**

**Registration Number  
F-1513**

**Expiration Date  
9/30/2016**

TEXAS BOARD OF PROFESSIONAL LAND SURVEYING  
12100 Park 35 Circle, Bldg. A Suite 156 MC-230  
Austin, TX 78753

OFFICE  
STATE  
PENAL  
PRIVACY



TEXAS BOARD OF PROFESSIONAL  
LAND SURVEYING  
THIS CERTIFIES THAT

QUINTANILLA HEADLEY & ASSOCIATES, INC.

IS ENTITLED TO PRACTICE AS A  
FIRM Headquarters

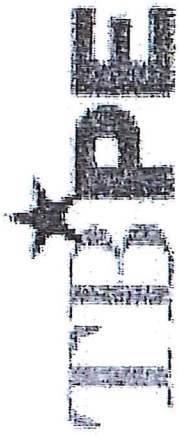
EXPIRATION DATE 12/31/16	REGISTRATION/LICENSE NO. 10041100
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SIGNATURE

CHAIR

EXECUTIVE DIRECTOR

Visit <http://txls.texas.gov> for Board Act and Rules.



Texas Board of  
Professional Engineers

Licensed Professional Engineer

Number 95534

Status ACTIVE

Expires 3/31/2016

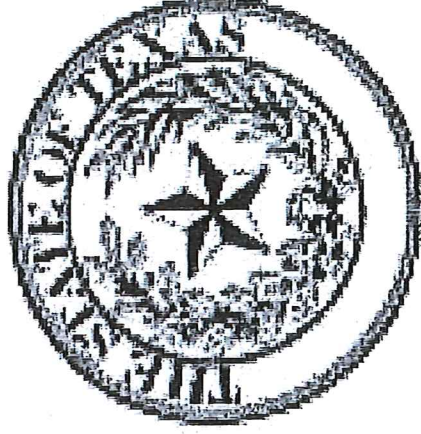
ALFONSO QUINTANILLA

*Alfonso Quintanilla* P.E.

P.E. Signature

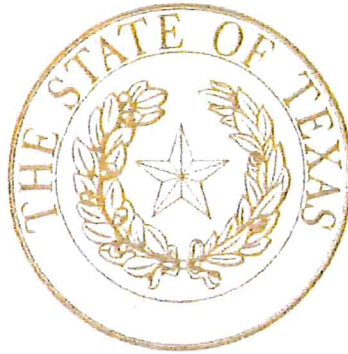
A handwritten signature in blue ink, appearing to be "L. K.", written over a horizontal line.

TBPE Executive Director



# State of Texas

## Historically Underutilized Business Certification and Compliance Program



The Texas Comptroller of Public Accounts (CPA),  
hereby certifies that

### **QUINTANILLA, HEADLEY AND**

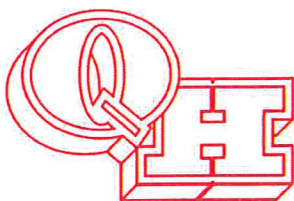
has successfully met the established requirements of the  
State of Texas Historically Underutilized Business (HUB) Program  
to be recognized as a HUB.

This certificate, printed 04-MAY-2012, 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, addresses, phone and fax numbers or authorized signatures) 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.

Certificate/VID Number: 1742648167100  
File/Vendor Number: 060976  
Approval Date: 30-APR-2012  
Expiration Date: 30-APR-2016

Paul A. Gibson  
Statewide HUB Program Manager  
Texas Comptroller of Public Accounts  
Texas Procurement and Support Services 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 and universities are encouraged to validate HUB certification prior to issuing a notice of award by accessing the Internet (<http://www.window.state.tx.us/procurement/cmb/hubonly.html>) or by contacting the HUB Program at (888) 863-5881 or (512) 463-5872.



## Additional Information

### Ability to Commence Services

Quintanilla, Headley and Associates, Inc. is immediately able to commence services after successfully negotiating a contract for services.

### Professional Insurance

Liberty Insurance Underwriters Inc.  
Medallion Insurance  
Phyllis Constantino  
(212) 208-2824

### Worker's Compensation Insurance

The Hartford Insurance  
Medallion Insurance  
Phyllis Constantino  
(212) 208-2824

### Auto Coverage General Liability

State Farm Insurance  
Juan Cazares, Agent  
1408 S. Closner Blvd.  
Edinburg, Texas 78539  
956-381-0928

### Professional Services Agreement

I, Alfonso Quintanilla, President of Quintanilla, Headley & Associates, Inc., have read the Professional Services Agreement and agree to enter in to such agreement and meet the prerequisite insurance requirements. I also acknowledge the information regarding Section 3 of the Housing and Urban Development (HUD) Act of 1968 provisions.

  
Alfonso Quintanilla, President

  
Date



## HIDALGO COUNTY DRAINAGE DISTRICT NO. 1

(Including all funding sources, programs, and entities)

### REQUEST FOR QUALIFICATIONS PROFESSIONAL SURVEY SERVICES-POOL

RFQ No.: HCDD1-16-002-02-24

### RFQ SUBMITTAL CHECK LIST

All forms listed below must be included in the RFQ response.

Indicate with a check mark ( ✓ ) the Forms completed and included in this response:

- Page 9 of Legal Notice
- Exhibit "C" -Acknowledgement forms (page 3 and 4)
- Exhibit "D-1" -CIQ Form -Copy of County Clerk File Recording fee receipt.
- Exhibit "D-2" -CIS Form
- Exhibit "E" -Proposers Affidavit
- Vendor Bidder Application and IRS form W-9
- Certification Regarding Debarment
- One (1) Original, Three (3) Copies, and One (1) CD containing a complete copy of Response.

Request for Qualifications  
For  
HIDALGO COUNTY DRAINAGE DISTRICT NO. 1  
(Including all funding sources, programs, and entitlements)

**“Professional Survey Services-Pool”**

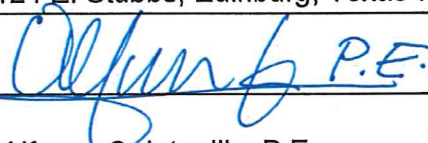
To: Jaime J. Salazar, Operations Manager  
Hidalgo County Drainage District No. 1  
902 N. Doolittle  
Edinburg, Texas 78542

In accordance with the Requirements, and subject to all laws and regulations of the United States and state and local laws, the undersigned respondent proposes and commits to furnish all labor, equipment, material, software and services as set forth in the documents hereinbefore mentioned. The undersigned further agrees, upon acceptance of its qualification, to execute a contract and/or Purchase Order issued by Hidalgo County Drainage District No. 1 for performing and completing the work described in the Requirements within the time stated and for the prices proposed in the documents attached hereto and made a part hereof.

Respondent acknowledges receipt of all of the pages of the documents referenced in the Request for Qualification Checklist presented in connection with this procurement. Respondent understands that Hidalgo County Drainage District No. 1 reserves the right to reject any or all qualifications and further reserves the right to design the evaluation criteria to be used in selecting the lowest and best qualification.

Respondent agrees that this qualification shall be good and may not be withdrawn for a period of ninety (90) calendar days after the scheduled closing time for receiving qualifications, as contained in the Requirements.

Respectfully submitted,

Firm: Quintanilla, Headley & Associates, Inc  
Address: 124 E. Stubbs, Edinburg, Texas 78539  
By:  P.E.  
Printed Name: Alfonso Quintanilla, P.E.  
Title: President

## EXHIBIT C

### Insurance Requirements

### Professional Services (Engineers) POOL

The proposer/applicant awarded the contract shall furnish proof of insurance, which will also include any subcontractor that is subcontracted by the proposer/applicant in at least the following limits, to be in place prior to providing any services under this Contract and to continue at all times in force in effect during the term of this Contract:

1. Professional liability insurance policy with limits of at least One Million Dollars (\$1,000,000) per occurrence, or limited to claims made, include at least a five (5) year extended reporting period.
  
2. Automobile liability insurance policy with limits of at least Three Hundred Thousand Dollars (\$300,000.00) per person and Five Hundred Thousand Dollars (\$500,000.00) per occurrence. Coverage should include injury to or death of persons and property damage claims with limits up to Five Hundred Thousand Dollars (\$500,000.00) arising out of the services provided to Drainage District hereunder.
  
3. Uninsured/Underinsured motorist coverage in an amount equal to the bodily injury limits set forth immediately above;
  
4. A Five Hundred Thousand Dollars (\$500,000.00) Comprehensive General Liability insurance policy providing additional coverage to all underlying liabilities of the Drainage District.
  
5. Workers compensation insurance in amounts established by Texas law, unless the Bidder is specifically exempted from the Texas Workers Compensation Act, Texas Labor Code Chapter 401, et. seq.

**Certificates of insurance naming Hidalgo County Drainage District No.1 as an additional insured** shall be submitted to the Drainage District for approval prior to any services being performed by Contractor. Each policy of insurance required hereunder shall extend for a period equivalent to, or longer than the term of the Contract, and any insurer hereunder shall be required to give at least thirty (30) days written notice to the Drainage District prior to the cancellation of any such coverage on the termination date, or otherwise. This Contract shall be automatically suspended upon the cancellation, or other termination, of any required policy of insurance hereunder, and such suspension shall continue until evidence adequate replacement coverage is provided to the Drainage District. If replacement coverage is not provided within thirty (30) days following suspension of the Contract, this Contract shall automatically terminate

## Insurance Requirement Acknowledgment

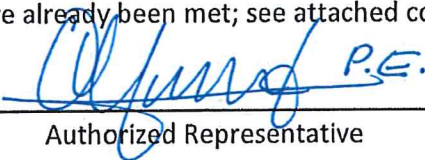
I, Alfonso Quintanilla, authorized representative for Quintanilla, Headley & Associates, Inc.  
Company /Vendor

hereby acknowledge receipt of the Drainage District's required insurance limits. Said requirements:

- will be acquired within 10 working days after notification from Drainage District of award of project by the Hidalgo County Drainage District No.1 Board of Directors.
- will acquire additional amounts required to meet the Drainage District's requirements within 10 working days after notification from Drainage District of award of project by the Hidalgo County Drainage District No.1 Board of Directors.

Professional Liability (Errors & Omissions): \$ 2,000,000.00  
Automobile Liability: \$ 500,000.00 General Liability: \$ 1,000,000.00

- have already been met; see attached copy of insurance certificate.

 P.E.  
Authorized Representative

2/29/14  
Date

### **Notice to Proposer/Applicant:**

A certificate of insurance for the required insurance limits shall be provided to the Drainage District's Contract Managers in order to qualify for award and to execute a contract between your Company and the Hidalgo County Drainage District No.1

Failure to provide Certificates of Insurance to the Drainage District's Contract Managers will cause the award to be rescinded and re-awarded to next qualified vendor. Certificates of Insurance will be monitored and verified on a quarterly basis to ensure coverage policy is in place. It is the District's obligation to maintain the appropriate insurance coverage throughout the term of the contract.

**THIS FORM MUST ACCOMPANY YOUR PACKET**

# EXHIBIT D-1

**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.

Quintanilla, Headley & Associates, 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.

\_\_\_\_\_  
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?

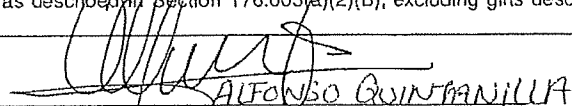
Yes  No

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?

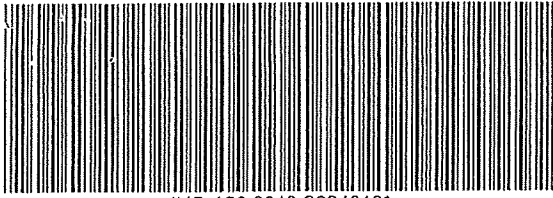
Yes  No

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.

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

2/11/16  
Date



\*VG-120-2016-2684819\*

Hidalgo County  
Arturo Guajardo Jr.  
County Clerk  
Edinburg, Texas 78540

Document No: 2684819

Billable Pages: 1

Recorded On: February 11, 2016 01:42 PM

Number of Pages: 2

\*\*\*\*\*Examined and Charged as Follows\*\*\*\*\*

Total Recording: 36.00

\*\*\*\*\*THIS PAGE IS PART OF THE DOCUMENT\*\*\*\*\*

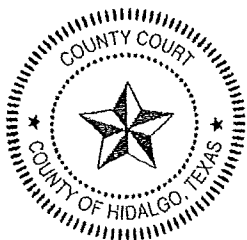
Any provision herein which restricts the Sale, Rental, or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

**File Information:**

Document No: 2684819  
Receipt No: 20160211000284  
Recorded On: February 11, 2016 01:42 PM  
Deputy Clerk: Imelda Leal  
Station: CH-1-CC-K12

**Record and Return To:**

QUINTANILLA & HEADLEY  
124 E. STUBBS  
ORIGINAL RETURN TO CUSTOMER  
EDINBURG TX 78539



STATE OF TEXAS  
COUNTY OF HIDALGO

I hereby certify that this Instrument was FILED in the File Number sequence on the date/time printed hereon, and was duly RECORDED in the Official Records of Hidalgo County, Texas.

Arturo Guajardo Jr.  
County Clerk  
Hidalgo County, Texas

**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.

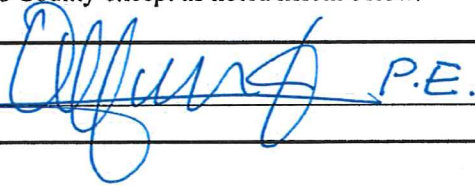
PROPOSER'S AFFIDAVIT  
Exhibit "E"

PROPOSER'S AFFIDAVIT OF NON-COLLUSION  
NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING

STATE OF TEXAS  
COUNTY OF HIDALGO

Affiant, Alfonso Quintanilla, being first duly sworn, deposes that:

- (1) Affiant does hereby state neither the Proposer nor any of the Proposer's officers, partners, owners, agents, representatives, employees, or parties in interest, has in any way colluded, conspired, agreed, directly or indirectly with any person, firm, corporation, or other proposer, or potential proposer, to provide any money or other valuable consideration for assistance in procuring or attempting to procure a contract or fix the prices in the attached proposed or the proposal of any other proposer, and further states that no such money or other reward will be hereinafter paid.
- (2) Affiant further states they have neither recommended or suggested to Hidalgo County or any of its officials or employees, any of the terms or provisions set forth in their Request for Proposal and subsequent agreement, except at a meeting open to all interested proposers, of which proper notice was given.
- (3) Affiant, further states their officers, employees, or agents have not, and will not attempt to lobby, directly or indirectly, the Hidalgo County Commissioner's Court between proposal submission date and award by the Hidalgo County Commissioner's Court.
- (4) Affiant further states no officer, or stockholder of the Proposer is a member of the staff, or related to any employee of the Hidalgo County except as noted herein below:

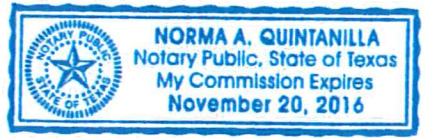
Signature/Title:  P.E.

Subscribed and sworn to before me this 29<sup>th</sup> day of Feb, 2015.

Norma A. Quintanilla

Notary Public

My commission expires: November 20, 2016





## Request for Taxpayer Identification Number and Certification

Give Form to the  
requester. Do not  
send to the IRS.

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return) <b>Quintanilla, Headley &amp; Associates, Inc</b>		
	Business name/disregarded entity name, if different from above		
	Check appropriate box for federal tax classification: <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input checked="" type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate  <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____  <input type="checkbox"/> Other (see instructions) ▶ _____	Exemptions (see instructions):  Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____	
	Address (number, street, and apt. or suite no.) <b>124 E. Stubbs St.</b>	Requester's name and address (optional)	
	City, state, and ZIP code <b>Edinburg, TX 78539</b>		
List account number(s) here (optional)			

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

**Note.** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

<b>Social security number</b>	
[ ] [ ] [ ] - [ ] [ ] - [ ] [ ] [ ] [ ]	
<b>Employer identification number</b>	
7 4 - 2 6 4 8 1 6 7	

**Part II Certification**

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below), and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

<b>Sign Here</b>	Signature of U.S. person ▶	Date ▶ <b>2/29/14</b>
------------------	----------------------------	-----------------------

**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** The IRS has created a page on [www.irs.gov/w9](http://www.irs.gov/w9) for information about Form W-9, at [www.irs.gov/w9](http://www.irs.gov/w9). Information about any future developments affecting Form W-9 (such as legislation enacted after we release it) will be posted on that page.

**Purpose of Form**

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, payments made to you in settlement of payment card and third party network transactions, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the

withholding tax on foreign partners' share of effectively connected income, and

- Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct.

**Note.** If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

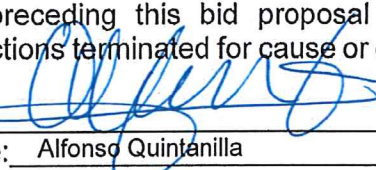
- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

**Certification  
Regarding Debarment, Suspension and Ineligibility**

As is required by the Federal Regulations Implementing Executive Order 12549, Debarment and Suspension, 45 CFR Part 76, Government-wide Debarment and Suspension, the applicant certifies, to the best of his or her knowledge and belief, that both it and its principals:

- a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency;
- b. Have not within a three-year period preceding this bid proposal and/or application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction, violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- c. Are not presently indicted for or otherwise criminally or civilly charged by a government entity with commission of any of the offenses enumerated herein; and
- d. Have not within a three-year period preceding this bid proposal and/or application had one or more public transactions terminated for cause or default.

Signature:   
Print Name: Alfonso Quintanilla  
Title: President  
Telephone Number: (956) 381-6480  
Date: 2/29/16

If the bidder is unable to certify to all of the statements in this Certification, such bidder should attach an explanation to this proposal.

## PROJECT REQUIREMENTS ACKNOWLEDGMENT

This is to certify that I, Alfonso Quintanilla, possess all of the **APPLICABLE:**

- Professional Engineer #95534
1. Licenses: Professional Land Surveyor # 4856
  2. Bonds: \_\_\_\_\_
  3. Certificates: HUB Certificate # 1742648167100
  4. Permits: \_\_\_\_\_
  5. Other: Texas Society of Professional Land Surveyors #4132

Necessary to carry out the required project. Furthermore, I am providing copies of the required documentation so that, if my company is awarded this project, I may be eligible to enter into a contract with Hidalgo County Drainage District No.1 and proceed to complete the project in a timely manner.

**\* Any licenses, bonds, certificates, permits, etc. which are required must be presented as part of the packet in order to expedite the evaluation process. Failure to provide said documentation will result in the disqualification of your proposal/qualification.**

 P.E.  
\_\_\_\_\_  
Authorized Signature

2/29/16  
\_\_\_\_\_  
Date

Quintanilla, Headley & Associates, Inc  
\_\_\_\_\_  
Company

124 E. Stubbs  
\_\_\_\_\_  
Address

Edinburg, Texas 78539  
\_\_\_\_\_  
City, State, Zip

**HISTORICALLY UNDERUTILIZED BUSINESS (HUB) DECLARATION**

The primary objective of the Hidalgo County HUB Program is to ensure Historically Underutilized Businesses receive a fair and equal opportunity for participation in the County's procurement process. This fact holds true for Services (Professional & Non-Professional), Commodities, and Construction contracts and any subcontracts thereto. The program strongly encourages Prime Contractors to provide subcontracting opportunities to Certified Hub Contractors/Vendors. Our goal for HUB contractor/vendor participation, as well as HUB subcontractor participation is 30%. To be considered as a "Certified HUB Contractor/Vendor" the contractor/vendor must have been certified by, and hold a current and valid certification with any of the three agencies listed below.

Have you been Certified as a HUB or an MBE/WBE source?:  Yes  No

If yes, by whom?:  State General Services Commission  Other

Indicate Certification No(s), 1742648167100 or Are Certificate(s) Attached?:  Yes  No

---

**LIST OF CERTIFIED HUB SUBCONTRACTORS**  
(Attach additional pages if necessary)

What percentage of the Bid or RFQ is to be subcontracted with Certified HUB sources? \_\_\_\_\_% (List HUB Subcontractor information below).

HUB Subcontractor Name: \_\_\_\_\_ HUB Status:  
Certifying Agency (Check all applicable):  State General Services Commission  Other

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip:  
Contact Person: \_\_\_\_\_ Title: \_\_\_\_\_ Phone No.: ( )  
Subcontract Amount: \$ \_\_\_\_\_ Description of Work to be Performed:

---

HUB Subcontractor Name: \_\_\_\_\_ HUB Status:  
Certifying Agency (Check all applicable):  State General Services Commission  Other

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip:  
Contact Person: \_\_\_\_\_ Title: \_\_\_\_\_ Phone No.: ( )  
Subcontract Amount: \$ \_\_\_\_\_ Description of Work to be Performed :

---

HUB Subcontractor Name: \_\_\_\_\_ HUB Status:  
Certifying Agency (Check all applicable):  State General Services Commission  Other

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip:  
Contact Person: \_\_\_\_\_ Title: \_\_\_\_\_ Phone No.: ( )  
Subcontract Amount: \$ \_\_\_\_\_ Description of Work to be Performed:

HIDALGO COUNTY DRAINAGE DISTRICT NO.1  
PROFESSIONAL SURVEY SERVICES-POOL  
RFQ No. HCDD1-16-002-02-24

RFQ EVALUATION FORM

Selection Criteria

Points

Score

1. Responsiveness:

30

\_\_\_\_\_

Comments/Rationale For Points: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Firm Capabilities:

45

\_\_\_\_\_

Comments/Rationale For Points: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Staffing:

25

\_\_\_\_\_

Comments/Rationale For Points: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Total Score

\_\_\_\_\_

Firm Name: Quintanilla Hedley & Assoc Inc

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

Evaluator: \_\_\_\_\_

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



# **EXHIBIT "A"**

Scope of Services to be provided by the Surveyor

## EXHIBIT "A"

### SCOPE OF SERVICES TO BE PROVIDED BY THE SURVEYOR

1. Recover control monuments
2. Recover existing property corners
3. Perform field survey and set property corners

**EXHIBIT "B"**  
Surveying Cost Proposal/Fee Schedule

EXHIBIT "B"  
SURVEYING RATE SCHEDULE

Registered Professional Engineer	\$170.00
Registered Professional Land Surveyor	\$160.00
3-Man Survey Crew	\$150.00
Computer Technician	\$85.00
Administrative	\$60.00
Research	\$50.00

**EXHIBIT "C"**  
Insurance Requirements




# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
11/08/2016

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).

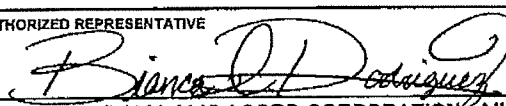
<b>PRODUCER</b> <b>StateFarm</b>  JUAN CAZARES, AGENT 1408 S CLOSNER EDINBURG TX 78539	<b>CONTACT NAME:</b> KANDY GARZA <b>PHONE (A/C, No, Ext):</b> 956-381-0928 <b>E-MAIL ADDRESS:</b> KANDY.GARZA.R7F5@statefarm.com <b>FAX (A/C, No):</b> 956-318-1761
	<b>INSURER(S) AFFORDING COVERAGE</b> <b>INSURER A:</b> State Farm Fire and Casualty Company <b>INSURER B:</b> State Farm Mutual Automobile Insurance Company <b>INSURER C:</b> <b>INSURER D:</b> <b>INSURER E:</b> <b>INSURER F:</b>
<b>INSURED</b> QUINTANILLA, HEADLEY & ASSOCIATES INC 124 E STUBBS ST EDINBURG TX 78539	

**COVERAGES**                      **CERTIFICATE NUMBER:**                      **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 SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y	Y	90-63-2329-1 L	03/30/2016	03/30/2017	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ OTHER: \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY	Y	Y	073 1523-F13-53B-001 062 4203-F29-53B-001 014 9630-F14-53J-003 025 5609-D02-53F-001	06/13/2016 06/29/2016 08/19/2016 10/02/2016	12/13/2016 12/29/2016 12/14/2016 04/02/2017	COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ 500,000 BODILY INJURY (Per accident) \$ 500,000 PROPERTY DAMAGE (Per accident) \$ 500,000 OTHER: \$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED    RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$ OTHER: \$	
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A			PER STATUTE    OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
2011 TOYOTA TACOMA, 2014 TOYOTA SEQUOIA, 2013 BMW X5, 2010 CHEVROLET K1500, 2010 MAZDA TRIBUTE, 2009 FORD F150, 2015 CHEVROLET K1500 PICKUP, 2016 TOYOTA TUNDRA PICKUP, 2015 CHEVROLET SILVERADO PICKUP

<b>CERTIFICATE HOLDER</b>  Hidalgo County Drainage District No. 1	<b>CANCELLATION</b>  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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# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

10/21/2016

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 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).

<b>PRODUCER</b> <b>MEDALLION INSURANCE SERVICES</b> 8145 Ardrey Kell Rd Suite 203 Charlotte NC 28277	<b>CONTACT NAME:</b> Phyllis Constantino <b>PHONE (A/C, No, Ext):</b> (704) 256-6000 <b>E-MAIL ADDRESS:</b> phyllis@medallioninsurance.com		<b>FAX (A/C, No):</b> (704) 256-6001																				
	<table border="1"> <thead> <tr> <th colspan="2">INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td><b>INSURER A</b> Hartford Insurance Company of the</td> <td></td> <td>37478</td> </tr> <tr> <td><b>INSURER B</b> Liberty Insurance Underwriters</td> <td></td> <td>19917</td> </tr> <tr> <td><b>INSURER C:</b></td> <td></td> <td></td> </tr> <tr> <td><b>INSURER D:</b></td> <td></td> <td></td> </tr> <tr> <td><b>INSURER E:</b></td> <td></td> <td></td> </tr> <tr> <td><b>INSURER F:</b></td> <td></td> <td></td> </tr> </tbody> </table>			INSURER(S) AFFORDING COVERAGE		NAIC #	<b>INSURER A</b> Hartford Insurance Company of the		37478	<b>INSURER B</b> Liberty Insurance Underwriters		19917	<b>INSURER C:</b>			<b>INSURER D:</b>			<b>INSURER E:</b>			<b>INSURER F:</b>	
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<b>INSURER E:</b>																							
<b>INSURER F:</b>																							
<b>INSURED</b> Quintanilla, Headley & Associates Inc 124 E Stubbs St Edinburg TX 78539																							

**COVERAGES** CERTIFICATE NUMBER: CL16101803767 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 SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:					EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$	
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$	
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED \$ RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$	
A	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	22WBCCR5365	10/11/2016	10/11/2017	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000	
B	<b>Professional Liability</b>		AEE102122-002	9/19/2016	9/19/2017	Each Claim \$2,000,000 Aggregate \$2,000,000	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

<b>CERTIFICATE HOLDER</b>  Hidalgo County Drainage District No. 1 902 N. Doolittle Road Edinburg, TX 78541	<b>CANCELLATION</b>  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  Bryan Urichich/PHYLLI <i>Bryan Urichich</i>

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THE STATE OF TEXAS     §  
  §  
COUNTY OF HIDALGO     §

**PROFESSIONAL SERVICES AGREEMENT**  
**C-HCDD1-16-056B-11-15**

**THIS AGREEMENT** is made effective the **15th day** of **November, 2016**, by and between the **Hidalgo County Drainage District No. 1** ("District") and **Civil Design Services, Inc., dba CDS Muery** ("Surveyor").

**W I T N E S S E T H:**

**WHEREAS**, the District requires "**Surveying Services**" (**on call on as needed basis**) for Drainage District Projects located within Hidalgo County.

**WHEREAS**, the District solicited Request for Qualifications (RFQ) for the development and establishment of a yearly pool for "Professional Surveying Services",

**WHEREAS**, from which "Professional Surveyor" has been selected from the "Pool" of pre-qualified Surveyors from response to the Request for Qualifications (RFQ),

**WHEREAS**, the District has determined that the services of "Professional Surveyor" are sometimes necessary to carry out the required Surveying activities;

**WHEREAS**, pursuant to Texas Government Code Section 2254.002, "The Professional Services Procurement Act," the District requested proposals from professional Surveyors to assist the District by providing Surveying services; and

**WHEREAS**, the District has selected the Surveyor to provide Surveying services within Hidalgo County, in accordance to Exhibit "A-1", Request for Qualifications (RFQ) Procurement Packet and through its procured approved pool of Surveyors.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements herein contained, County and Surveyor do mutually agree as follows:

**1. Scope of Services.** Surveyor agrees to provide to District "Surveying Services" (on call on as needed basis) **for Drainage District projects** located within **Hidalgo County** as shown in Exhibit "A" attached hereto and entitled "Services to be Provided by the Surveyor". ***In the event the Surveyor does not provide the Scope of Services prior to the date specified on the purchase order, the Purchase Order will become NULL and VOID. If such Purchase Order becomes NULL and VOID and the Scope of Services is secured from another firm, Surveyor will be responsible for any additional charges or expenses incurred by the District.***

***Further, in the event that it is demonstrated by Surveyor that Hidalgo County Drainage District No. 1 has caused or delayed thus preventing the Surveyor from meeting the specified agreed upon deadline to provided the Scope of Services ordered, Surveyor must advise in written notice to authorize and to secure additional time to comply.***

**2. Term.** This Agreement shall commence upon approval of this agreement for a term of **one (1) year**, effective **November 15, 2016** - expiring **November 14, 2017** or unless sooner terminated as provided herein. The Surveyor will not begin work or incur costs until authorized in writing by the District for each "**Purchase Order**".

The District assumes no liability or obligation for payment to the Surveyor for work performed or costs incurred by the Surveyor prior to the date authorized by the District for the Surveyor to begin work, during periods when work is suspended, or subsequent to the Termination Date.

**3. Non-Exclusive Services of Surveyor.** Hidalgo County Drainage District No. 1 reserves the right to request these services from other sources other than the Surveyor and shall not be in violation of any terms or conditions of this Agreement.

**4. Compensation.** As consideration for rendering the Services provided for in this

Agreement, the District agrees to pay the Surveyor the amounts specified in Exhibit "B" attached hereto payable against written invoice submitted by Surveyor. The Surveyor is authorized to submit periodic requests for payment within thirty days after completion of each work order. The request for payment shall be made using forms acceptable to the District and shall show the total amount earned to the date of submission and the amount due and payable as of the date of the current billing. Upon receipt of said request for payment, District shall submit a requisition for payment of said services in the customary manner provided for payments utilized by Hidalgo County, Texas. Surveyor agrees to separately account for the receipt and/or expenditure of funds received pursuant to this Agreement and to keep adequate books and records of all such receipts and/or expenditures.

All payments to Surveyor shall be mailed to the address shown in numbered paragraph 20, hereof.

**5. Progress.** Upon acceptance of a work order, the Surveyor shall undertake and complete the authorized work. The District or the Surveyor can request conferences to be provided at the Surveyor's office, the office of the District or at other agreed upon locations.

**6. Inspection of Work.** The District has the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed hereunder and the premises in which it is being performed. If any inspection or evaluation is made on the premises of the Surveyor, or a subcontractor, the Surveyor shall provide and require its subcontractor to provide all reasonable facilities and assistance for the safety and convenience of the inspectors in the performance of their duties. All inspections and evaluations shall be performed in such a manner as will not unduly delay the work.

**7. Amendments.** If it becomes necessary at any time during the agreement period to change the scope of work, the agreement period, the maximum amount payable, the complexity, or the character of this agreement, an amendment must be prepared and executed within the agreement period. The District retains the right to reject any such amendment proposed by the Surveyor unless the District finds the proposed amendment necessary to complete the work

authorized herein. Any such amendments be made in writing agreed to by all parties hereto and duly executed before the end of the agreement period as specified.

If the District finds it necessary to require changes in completed work because of errors made by the Surveyor, the District shall require the Surveyor to correct the work at no cost to the District and without amendment to the agreement. If the changes are made at the request of the District and are not due to errors of the Surveyor, the District will reimburse the Surveyor for the additional work at the same rate of pay established in Exhibit "B", "Basis for Payment". If payment for the additional work will cause the maximum amount payable to be exceeded, an amendment shall be executed in accordance with the terms of this provision.

**8. Reporting.** The Surveyor shall promptly advise the District in writing of events which have a significant impact upon the agreement, including:

- a.** Problems, delays, or adverse conditions which will materially affect the ability to meet time schedules and goals, or preclude the attainment of project work units by established time periods. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any District or, if Federal funds are involved, Federal assistance needed to resolve the situation.
- b.** Favorable developments or events which enable meeting time schedules and goals sooner than anticipated or producing more work units than originally projected.

**9. Ownership of Documents.** Upon completion or termination of this agreement, all documents prepared by the Surveyor or furnished to the Surveyor by the District shall be delivered to and become the property of the District. All sketches, photographs, calculations, and other data prepared under this agreement shall be made available, upon request, to the District without restriction or limitation on their further use. The Surveyor may, at its own expense, have copies made of the documents or any other data furnished the District under this agreement.

**10. Independent Contractor.** Surveyor must comply with all applicable Hidalgo County Drainage District No. 1 policies and with any applicable federal, state or local laws, regulations, orders or ordinances applicable to the services provided by Surveyor under this

Agreement. Notwithstanding the foregoing sentence, Surveyor represents and maintains that it is an independent contractor and is not an employee of Hidalgo County Drainage District No. 1 or any agency thereof, and represents and warrants that it does not desire or request any fringe benefits provided to employees of Hidalgo County Drainage District No. 1 and/or any agency thereof, including, but not limited to benefits associated with Hidalgo County's civil service program. Surveyor agrees to be responsible for any federal income tax, withholding or social security tax liability that might arise from payments received hereunder.

**11. Voluntary Termination.** The District may terminate this Agreement at any time for any reason or no reason at all upon the giving of thirty (30) days prior written notice to the other party.

**12. Insurance.** Surveyor agrees to provide liability insurance covering its activities in providing the services for District in an amount not less than the minimum amounts prescribed by the Texas Tort Claims Act, ' 100.001, et seq., Texas Civil Practices and Remedies Code, and shall furnish department a certificate of insurance, Exhibit "C", issued by the insurer that such insurance is in full force and effect.

**13. No Assignment.** Except as otherwise herein provided, Surveyor, may not assign the obligations or rights under this agreement to any person without the prior written consent of District.

**14. Conflict.** Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of this Agreement and any present or future law, ordinance or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to agreement, the latter shall prevail, but in such event the affected provision or provisions of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists.

**15. No Waiver.** No waiver by District of any breach of any provision of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

**16. Entire Agreement.** This Agreement contains the entire agreement between the parties hereto, and each party acknowledges that neither has made (either directly or through any agent or representative) any representations or agreements in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by District and Surveyor, and not otherwise.

**17. Venue.** This Agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Hidalgo County, Texas. The parties hereby consent to personal jurisdiction in Hidalgo County, Texas.

**18. Hold Harmless.** In the event Surveyor should cause, either directly or indirectly, damage, loss, destruction, liability, or claims against the other party as a result of intentional conduct, negligence or otherwise, Surveyor shall hold harmless and indemnify District from any and all obligations, liabilities, causes of action, lawsuits, damages, and assessments, including legal fees, etc., that result from the Surveyor=s intentional actions or negligence. This indemnification clause shall survive this Agreement and be enforceable as a separate agreement in the event its survival and enforcement becomes necessary.

**19. Attorney's Fees.** In the unlikely event that a dispute occurs which is litigated or arbitrated, or a cause of action in law or equity is filed concerning the operation, construction, interpretation, or enforcement of this Agreement, the losing party shall bear the cost of the attorney=s fees incurred by the prevailing party and any and all costs applicable thereto, including, but not limited to, court costs, deposition fees, expert witness fees, out-of-pocket expenses and travel expenses which are incurred by the prevailing party.

**20. Notices.** Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests or communications required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to District: Hidalgo County Drainage District No. 1  
Attention: Jaime J. Salazar  
902 N. Doolittle Rd.  
Edinburg, Texas 78542

If to Surveyor: Civil Design Services, Inc., dba CDS Muery  
Attn: R. Clay Swetman, RPLS, Vice President  
3411 Magic Drive  
San Antonio, Texas 78229

Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addressee or, if mailed, at such time as it is deposited in the United States mail.

**21. Execution of Documents.** The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.

**22. Binding Agreement.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this agreement.

**23. Gender.** All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate.

**24. Authority.** The execution and performance of this Agreement by County and

Surveyor have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of District and Surveyor in accordance with its terms.

**25. Commitment of Current Revenues.** In the event that, during any term hereof, the District does not appropriate sufficient funds to meet to the obligations of this Agreement, the District may terminate this Agreement upon thirty (30) days written notice to the Surveyor. The District agrees, however, to use reasonable efforts to secure funds necessary for the continued performance of this Agreement. The parties intend this provision to be a continuing right to terminate this Agreement at the expiration of each budget period of the District pursuant to the provisions of Tex. Loc. Govt. Code Ann. ' 271.903 (Vernon Supp. 1995).

**26. Immunities.** Nothing in this Agreement is intended to and District does not hereby waive, release or relinquish any right to assert any of the defenses District enjoys by virtue of the state or federal constitution, laws, rules or regulations, and any sovereign, official or qualified immunity available to District as to any claim or action of any person, entity, or individual against District.

**WITNESS WHEREOF**, the **Surveyor** and the **Owner** have caused this **Agreement for Professional Services** to be effective as of the \_\_\_ day of \_\_\_\_\_, **2016**.

**SURVEYOR:**  
**Civil Design Services, Inc., dba CDS Muery**

**BY:** \_\_\_\_\_  
R. Clay Swetman, Vice-President, Surveying Services

**OWNER:**  
**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**

**BY:** \_\_\_\_\_  
Ramon Garcia, Chairman of the Board

**APPROVED AS TO FORM:**  
Atlas, Hall & Rodriguez, L.L.P.

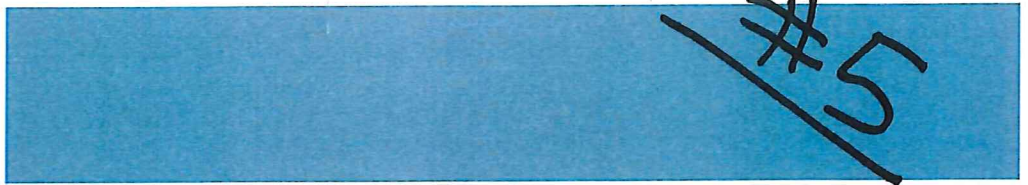
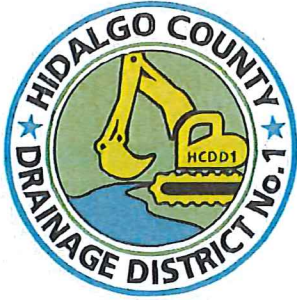
By: \_\_\_\_\_  
Stephen L. Crain, Attorney

**ATTACHMENTS:**

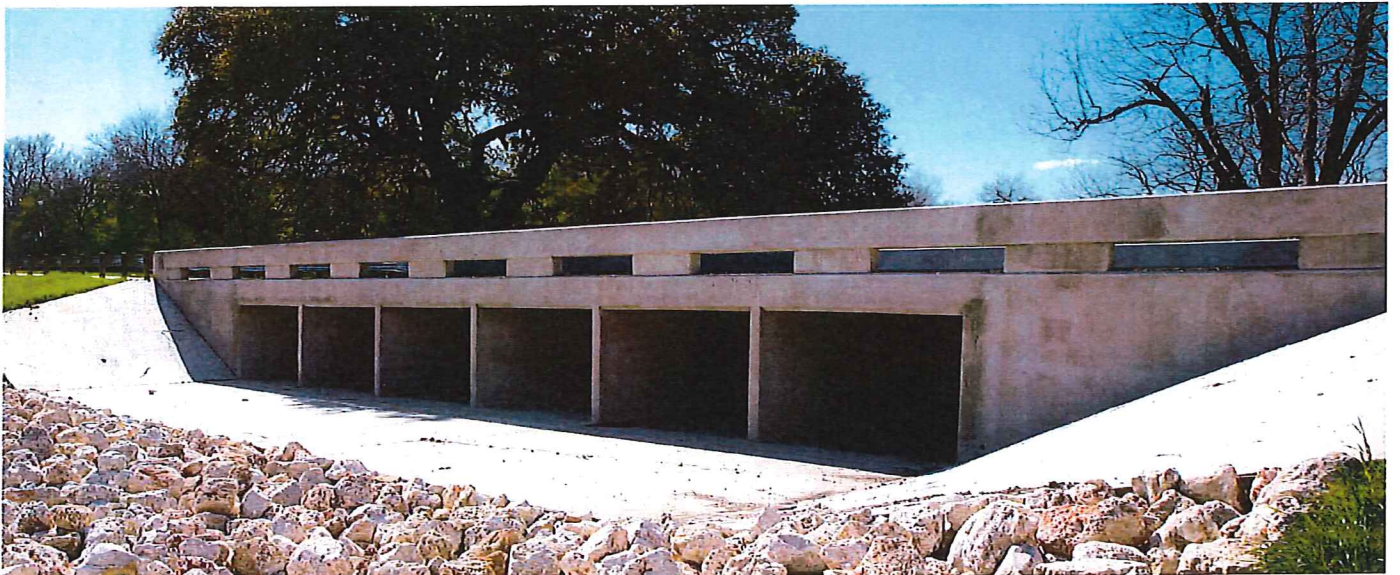
- EXHIBIT A-1** -Request for Qualifications (RFQ) Procurement Packet
- EXHIBIT A** -Scope of Services to be provided by the Surveyor
- EXHIBIT B** -Surveying Rate Schedule
- EXHIBIT C** -Certificate of Insurance (*Hidalgo County Drainage District No. 1*)

**EXHIBIT "A-1"**

Request for Qualifications (RFQ) Procurement Packet



REQUEST FOR QUALIFICATIONS (RFQ)  
HIDALGO COUNTY DRAINAGE DISTRICT NO. 1  
PROFESSIONAL SURVEY SERVICES  
RFQ NO: HCDD1-16002-02-24





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Jaime J. Salazar  
Operations Manager  
Hidalgo County Drainage District No. 1  
902 N. Doolittle  
Edinburg, Texas 78542

**Re: Statement of Qualifications, Professional Surveyors Services Pool  
- RFQ No.: HCDD1-16-002-02-04**

Dear Mr. Salazar:

CDS Muery (CDSm) is pleased to submit our Statement of Qualifications (SOQ) for the above-referenced RFQ. We have provided one (1) original hard copy, three (3) additional copies, and one (1) CD of our Statement of Qualifications (SOQ) for professional surveying services for Hidalgo County Drainage District No. 1.

CDSm understands and appreciates the scope and complexity of the work required to provide high quality professional services for Hidalgo County Drainage District No. 1's surveying needs. The project team/key personnel identified in this proposal have been specifically selected based on their experience and capabilities and are ready to provide the services necessary to successfully represent and support Hidalgo County Drainage District No. 1.

CDSm offers decades of experience in providing professional field data for the design and construction of public and private sector projects. We understand the importance of communication between end users and data providers for the design and construction of complex projects. Our experience has involved communication and coordination between Engineering and Surveying teams in determination of Boundary and/or Right-of-Way and compilation of data as necessary for the particular project. CDSm specializes in topographic design survey, right-of-way and easements, construction layout surveying, land title surveys, land development surveys, and topographic surveys. Moreover, CDSm brings context-sensitive solutions to all of our projects, and will apply our high standards of quality control to ensure superior performance and delivery of all objectives.

Our survey field crews have a working knowledge of and are very familiar with standards, procedures, policies, specifications and safety requirements. The CDSm team has extensive experience in utilizing and preparing final deliverables in MicroStation/GEOPAK V8N81, SDMS, CAiCE, ESRI ArcView/ArcInfo, GeoExpress Image creator/editor and AutoCAD, as well as other formats that may be required. Our commitment is more than just delivering a satisfactory service to Hidalgo County Drainage District No. 1, our commitment is delivering a service that will exceed the Hidalgo County Drainage District No. 1 Staff's expectations in accomplishing their responsibilities. Mr. Michael Wood will be the Project Manager out of our Weslaco, Texas office. His contact information is: Phone: 956-854-4930; email: michael.wood@cdsmuery.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "R. Clay Swetman", is written over a horizontal line.

R. Clay Swetman  
Vice President of Surveying Services

RCS:lhg Enclosures



### Introduction/Statement of Qualifications

CDS Muery (CDSm) is a multi-disciplined, professional consulting firm with the capability to serve numerous markets in the public or private sector with a full array of services in Engineering, Surveying and Mapping and 3D Laser Scanning. CDSm's surveying capabilities are highly specialized in design surveys, right-of-way and easements, construction surveying, land title surveys, land development surveys, and topographical surveys. Working alongside the CDSm Engineering department has allowed us to develop the highest standards and practices that meet the needs and the expectations of engineering groups and provide the most effective solutions for our clients.

The CDSm team of professionals brings context sensitive solutions to all of our projects, and will apply our high standards for quality control to ensure superior performance and delivery of all project objectives.

### Project Understanding

CDSm understands the array of projects that Hidalgo County Drainage District No. 1 will require and has the professional staff to meet the scope of services, with cost effective solutions without compromising the quality of our professional service. The CDSm team has vast experience and understanding in all areas of the scope of services including survey parcel plats, design surveys, topographical surveys, horizontal and vertical control surveys, road alignments and establishing rights-of-way, easements, baselines and legal descriptions. CDSm understands Hidalgo County Drainage District No. 1's drainage system and can provide the required services for the design of existing drainage improvements and future drainage development.

CDSm's approach to boundary and right-of-way surveys is as follows:

- Complete title research
- Define ownership
- Obtain right to enter private property
- Prepare deed record sketches with a preliminary report and an appraisal plat
- Establish horizontal and vertical control
- Perform preliminary survey to re-establish boundaries and to locate existing improvements and topography
- Prepare preliminary boundary plats or right-of-way maps



- Prepare final boundary plats or right-of-way maps
- Prepare legal descriptions
- Stake final boundary markers or right-of-way monuments
- Submit final deliverables: Boundary survey plats, right-of-way maps and legal descriptions.

Design, topographic, and construction surveys will be completed, and horizontal and vertical control will be established using the latest technology in electronic Total Stations, Data Collectors, Digital Levels and GPS systems. The GPS field data is collected by Static or RTK sessions that comply with industry Accuracy Standards for the Type/Level of control being established. The data is then downloaded, reduced and adjusted by least squares software. Digital Level loops are also reduced using software that incorporates Least Square Adjustment to the values. The topographic and digital terrain portions of the surveys will be collected from the established control. All final data is then uploaded into a Civil 3D 2014 (dwg) file where digital terrain and TIN models are then created. The final deliverables include an AutoCad (dwg) file containing the topographic map and showing control points and benchmarks.

### Quality And Accuracy

In addition to the checking procedures and meeting project deliverables, project quality includes meeting cost and schedule objectives. Project progress, cost and man-hours are tracked weekly. All surveying work is reviewed to ensure that results are delivered timely, accurately and in the required format. To ensure quality and accuracy in our work, all instrument setups and back sights (including instrument heights and rod heights for design surveys) are recorded both in the field books and in the raw data files of the data collectors. These two sets are compared and reconciled. The first, last, and periodic shots at an instrument setup are to control points with known coordinates. This ensures that the



back sight and instrument have not been knocked off of point or out of level. Detailed sketches are made in the field book and digital photographs are taken to aid both survey and CADD technicians in correctly importing and drawing these situations in the electronic files. A final on-the-ground walk-through is completed on design/topographical surveys to ensure completeness.

CDSm has established a system of checks on all field and office procedures that has ensured that quality is maintained from start to delivery. These checks provide a framework for implementation of our desire of delivering the best quality product that is available anywhere. CDSm maintains and continuously updates our in-house and field QA/QC procedures which include dual occupation of all horizontal and vertical control points, dual occupation and/or redundant measurements of boundary corners and significant points, backsight and foresight distance checks in both meters and feet on any reoccupation of control and map checks of both parcel plats and legal descriptions. The SDMS and Trimble Geomatics Office Software utilized by CDSm generates reports detailing differences of all dual occupations and Control checks performed in the field.

We map check both parcel plats and legal descriptions prior to delivery. Points that fall outside of the pre-determined tolerance for positional accuracy are flagged and resolved immediately. It should be noted that when we map check final documents, we actually take the final hard copy parcel plats and legal descriptions and hand input the data into a map-check program. We do not take data out of the computer project database and run map check routines on the digital data. The final hard copy parcel plat and legal descriptions is what will be made of record and that is what we check.

An independent survey technician, who has an understanding of the project and deliverables, verifies and checks the project to make sure that the deliverables are completed according to the work order. Deliverables are then verified and checked for accuracy and completion by the Project Manager before final submittal. We have several QA/QC procedures for all of the surveying tasks performed and demand consistent and quality work.

### Firm Qualifications

CDSm understands the scope of surveying services and is qualified to properly plan and execute the survey work required by Hidalgo County Drainage District No. 1. The CDSm team has provided a variety of professional land survey services, including those identified within the scope of work with respect to Property Surveys; Topographical Surveys; Design Surveys, Survey Alignments for roadways and/or utilities including the establishment of right-of-ways, easements, baselines, and legal descriptions; as built, and staking of roadway and drainage projects.

The CDSm professional staff is TxDOT precertified in a variety of professional categories, including: Survey (15.1.1); Parcel Plats (15.1.2); Legal Descriptions (15.1.3); Right-of-Way Maps (15.1.4); Design and Construction Survey (15.2.1); Horizontal and Vertical Control for Aerial Mapping (15.4.1). Dedicated to providing clients complete Professional Land Surveying Services, the CDSm team brings decades of experience and surveying knowledge to a project. Heavy focus on customer satisfaction is a key component at CDSm. CDSm will strive to be professional, accurate and punctual. With a respected reputation in land surveying, CDSm will maintain our effort of being honest and reliable. CDSm is registered with the State of Texas Board of Professional Land Surveyors (Weslaco Office Certification No. 10194080; San Antonio Office Certification No. 10049500).

### Firm Contact Information

<b>Name of Firm:</b>	CDS Muery
<b>Principals:</b>	Kenneth R. Rothe, P.E. John T. Kubala, RPLS Bill H. Ethridge, RPLS
<b>Years in Business:</b>	Twenty-seven (28)
<b>RFQ Contact Person:</b>	R. Michael Wood, RPLS CDS Muery, Weslaco Office 2290 W. Pike Blvd., Suite 102 Weslaco, TX 78596 (956) 854-4930 (office) (956) 375-2053 (fax) michael.wood@cdsmuery.com



### Qualifications And Recent Experience Of The Firm And Key Personnel

CDSm has extensive experience providing professional land surveying and has performed similar services for a number of local public clients. Located in Weslaco, R. Michael Wood, R.P.L.S., will serve as the Project Manager for the team and offers over 15 years of professional surveying experience, including extensive work with Hidalgo County Drainage District No. 1 projects, TxDOT projects, and Hidalgo County projects. He is highly proficient in boundary surveying, topographical surveying, right-of-way surveying, design surveying, roadway/utility alignments and construction surveying.

CDSm currently has one (1) local 3-man survey crew based out of its Weslaco office; but we have the ability to mobilize up to fifteen (15) 3-man survey crews if needed. Each survey crew is highly trained and experienced in performing all surveying scope of work identified by Hidalgo County Drainage District No. 1 and does not foresee having to utilize sub-consultants for this project. Our field crews have state-of-the-art equipment which includes total stations, data collectors, digital levels and GPS equipment. Our survey team is also supported with three (3) dedicated survey technicians.

### Project Descriptions

The following project descriptions demonstrate CDSm's key representative experience with respect to scope of service areas identified in the RFQ for Surveying Services:

#### American Electric Power - Valley Loop

The North Edinburg to Loma Alta 345kV double circuit electric transmission line project is 48 miles in length and spans Hidalgo and Cameron Counties, Texas, with a new expansion to an existing substation involving 188 private land owners. CDSm's tasks were routing consulting, regulatory support, establishing a project control network to support design airborne LiDAR based surveying, airborne survey verification and ground proofing, coordinate subsurface utility research, material yard siting and topography, preparation of 188 temporary workspace exhibits, preparation of 238 preliminary acreage exhibit maps providing utility information for plan and profile sheets, right-of-way easement acquisition and legal exhibit preparation and negotiation support, project management, design support, permitting support for utility crossings over railways,

irrigation, and drainage facilities, boundary surveying, clearing and construction staking, aerial photography mapping, and locational data coordination of third party energy generators. Project to be completed 2016.

#### Electric Transmission Texas – Lobo to North Edinburg 345kV Transmission Line

The Lobo to North Edinburg 345kV electric transmission line project is 158 miles in length and spanning Webb, Zapata, Starr and Hidalgo Counties, Texas, with two new substations and two new expansions to existing substations. CDSm's tasks were routing consulting, regulatory support, establishing a project control network to support design airborne LiDAR based surveying, airborne survey verification and ground proofing, coordinate subsurface utility exploration, multi-acre substation and material yard siting and topography, providing utility information for plan and profile sheets, right-of-way easement acquisition and legal exhibit preparation and negotiation support, project management, design support, permitting, boundary surveying, clearing and construction staking, aerial surveying and navigation, and locational data coordination of wind generation energy tie-ins. Project to be completed 2016.

#### The Austin Company – Harlingen Medical Center Project

Project included a topographic and boundary Survey of 14.27 acre project site. CDSm utilized Trimble GPS units and Leica Digital Levels to establish NAD83 Horizontal and NAVD88 Vertical Project Control. All existing topographic features were then surveyed which included ground shots on a 25 foot grid, site drainage structures and ditches, buildings, foundations, fences, utilities, roadways, existing finished floor elevations, trees over 4 inches in diameter at breast height, test bore locations and all other surface features. A boundary survey along with a metes and bounds description of the





site was required. Final deliverables included drawing files in digital (PDF and AutoCAD) and hard copy format depicting all surveyed surface features, spot elevations, contours as well as the final boundary survey data.

**American Electric Power – South McAllen to Stewart Road Transmission Line Project**

Project consisted of approximately 9.8 miles of new electric transmission line being built south of McAllen. CDSm established a project control network and provided surveying services in planning, topographic mapping, engineering support, over 25 new easement parcel exhibits and metes and bounds descriptions for right-of-way acquisition, plan and profile sheets, construction staking and layout, and the creation of many other maps and exhibits for use by client in the design and construction of these electrical transmission lines.

**American Electric Power – Rio Hondo Capacitor Expansion Project**

Project included a topographic survey and an ALTA/ACSM Boundary Survey of the 35 acre project site. CSDm utilized Trimble GPS units and Leica Digital Levels to establish NAD83 Horizontal and NAVD88 Vertical Project Control. All existing topographic features were then surveyed which included ground shots on a 50 foot grid, drainage ditches, buildings, foundations, fences, utilities, roadways and all other surface features. An ALTA/ACSM boundary survey along with a metes and bounds description of the site was required. Final deliverables included drawing files in digital (PDF and AutoCAD) and hard copy format depicting all surveyed surface



features, spot elevations, contours as well as the final boundary survey data.

**Town of Combes – Wastewater/Water Project**

Project included surveying and design for a sanitary sewer system for the Town of Combes, Texas and an extension of their water system for the northern area of town. The sanitary sewer surveying services included a complete control network for the entire sewer and water system, design surveying for sewer and water main design, topography surveying for 8 lift station sites, and plat and field note descriptions for all lift station



sites and associated system easements. Engineering design included a sewershed flow analysis, master sewer plan, and

PS&E for approximately 90,000 LF of 8" thru 30" collection mains, 8 lift stations, 17,000 LF of 4" thru 12" force mains, and 7 major bore and jack installations. The water system design included a system hydraulic model incorporating existing facilities, water master plan, and PS&E for approximately 21,000 LF of 6" and 8" mains, 60,000 gallon elevated storage tank, and a booster station. Coordination and permitting with TxDOT, UPRR, Town of Combes, City of Harlingen, Rio Hondo Utilities, and Texas Water Development Board.

**Ability To Commence Services**

Providing quality professional surveying services is of utmost importance to CDSm. As with all of its business development endeavors, CDSm does not pursue a project unless we firmly believe that we can accomplish all program objectives and deliver a quality product on-time and within budget. CDSm recognizes the possibility of aggressive time lines associated with the completion

**List of References and Contact Information**

Contact	Company	Address	Phone	Email
Randall Kircher, RPLS	TxDOT Corpus Christi District	1701 SPID, Corpus Christi, TX, 78416	361-808-2321	randall.kircher@txtdot.gov
Teresa Trotman	American Electric Power	1201 Elm Street, STE 800 Dallas, TX 75270	214-777-1091	ttrotman@aep.com
Rich Haley	American Electric Power	212 E. Sixth Street Tulsa, OK 74119	918-599-2016	rhaley@aep.com



of project deliverables for surveying and/or other related projects. As a result of the firm's flexible staffing plan and resources, CDSm does not anticipate any problems meeting the time constraints for completion of project tasks while completing other prior committed workloads. ***CDSm will commit the necessary personnel and equipment to meet the needs and schedules of Hidalgo County Drainage District No. 1 and will be able to commence services immediately after successfully negotiating a contract for professional services.***

CDSm confirms that we have the financial capability, manpower, equipment, and other resources to successfully complete even the most demanding assignments. In addition to managing numerous projects with widely varying scopes of service, the firm routinely provides services on various basic ordering agreement contracts on an "as-needed" basis for federal, state, and local governments and agencies, as well as major private and public utilities. The firm has the ability to respond quickly from a resource of up to fifteen (15) field crews all of which maintain a high degree of mobility consistent with the firm's service oriented philosophy. Qualified personnel can be readily mobilized in less than twenty-four (24) hours to produce quality results even under the most demanding deadline constraints. Individuals in the firm are cross-trained and experienced in multiple disciplines to offer a depth of capability. This, along with extensive in-house equipment resources, ensures the client a timely performance even in the event of unforeseen difficulties.

#### **Familiarity With The Geographical Area**

CDSm intimately understands the client area's resources, its people and properties, and its needs. The ability to comprehend the demographic and geographic distinction of the area provides added value to CDSm's clients and to our professional endeavors. As such, CDSm will be able to adequately access the area's property resources, identify any problems in a timely manner, and recommend opportune solutions. As projects and deliverables are identified and executed, staff will be available at the CDSm Rio Grande Valley office in Weslaco, Texas to provide adequate accessibility, communication, and availability of services to Hidalgo County Drainage District No. 1. The CDSm project team stands prepared to provide Hidalgo County Drainage District No. 1 with the highest quality professional surveying.

#### **Statement Regarding An Affirmative Action Plan**

CDSm complies with all applicable laws regarding Affirmative Action and Equal Employment Opportunity in all its activities, programs, and/or employment practices and does not discriminate against anyone protected by law because of age, creed, color, disability, marital status, national origin, pregnancy, race, religion, sex, sexual orientation, or status as disabled or Vietnam-era veteran.

#### **Pending Litigation**

CDSm has no pending litigation against or involving the firm or its agents or employees with respect to any work performed.

#### **Professional Liability Insurance**

CDSm is a fully insured/licensed professional surveying firm in accordance with the minimum liability and licensing standards as required by Hidalgo County. ***A copy of CDSm's Certificate of Liability Insurance is included in this proposal as Exhibit C.***

#### **Personnel And Staffing**

All surveying services will be facilitated by a solid team of professionals and experts required to fulfill the scope requirements of the project. CDSm will provide complete coverage of the project needs in various areas of the scope of work. CDSm's staffing plan will designate assignments according to specific discipline and expertise - as each project team member brings complementary strengths to the team and has unique experience that will be called upon as the project proceeds and projects are issued accordingly (See Organizational Chart, Exhibit 2).

The combined human and technical resources of the CDSm team is unmatched by standards and experience and will offer Hidalgo County Drainage District No. 1 professional surveying services that are tailored to the unique needs and conditions of the project(s).

The following are biographical summaries of the Project Team's key personnel, highlighting relevant professional expertise and experience. Detailed resumes of the referenced individuals are also included as Exhibit 3 in the Appendix section of this proposal.

***R. Clay Swetman, R.P.L.S.*** - Mr. Swetman is Vice President of Surveying Services and has over 31 years of surveying experience, and over 23 years of surveying experience with CDS Muery, over 22 years of experience on TxDOT projects, and nine years as a Project Manager



in six TxDOT Districts. Experience includes fieldwork, technician work, management, field crew coordinator, senior survey technician, project surveyor and currently Project Manager. Project experience includes capital improvement projects, right-of-way surveys, boundary surveys, design surveys, aerial control surveys, geodetic control surveys, ground-based lidar surveys, route surveys for electrical transmission and pipelines, oil field and refinery surveys, bathymetry surveys, and surveying support for hazardous waste investigation/remediation projects.

**R. Michael Wood** - Mr. Wood is a Registered Professional Land Surveyor (R.P.L.S.) licensed in the states of Texas and Mississippi. Mr. Wood will serve as the Project Manager/ Department Leader for the assigned projects for Hidalgo County Drainage District No. 1 and will provide overall project quality control and will sign and seal all survey work in accordance with rules and regulations of the Texas Board of Professional Land Surveyors. With over 15 years of experience, he has worked on numerous projects for both the private and public sector in both states. As Project Manager, he has been involved in projects from conception to completion. Mr. Wood understands the importance of communication between end user and data provider for the design and build of complex projects. He has been involved from planning, to field to finished product and understands the needs of the end user.

**David Perez** - Mr. Perez will assume the role of Party Chief overseeing the survey field crews with respect to ensuring all field work is performed accurately and on time; overseeing other survey field crew members; collecting all field data required for specific job; keeping and maintaining organized and neat field notes; and maintaining and checking all survey equipment for accuracy. Mr. Perez is an experienced survey party chief and offers extensive expertise in coordinating survey parties to gather survey data used to prepare boundary surveys, topographic surveys, as-built surveys, maps, and exhibits of property. His professional capabilities include establishing horizontal and vertical control traverses, using manual and automated data collection systems for boundary reconstruction, topographic surveys and construction layouts for communicating findings to the Registered Professional Land Surveyor. He is also experienced in overseeing multiple employees at one time, monitoring budgets, and general inventory management.

**CAD/Survey Technicians** – Omar Trevino, Rene Diaz, and Roy Rios will serve as CAD technicians for the project. Rafael Macias will serve as the Survey Technician and he is located out of our Weslaco office. Collectively, they have over 40 years of experience working with survey points, drawing improvements, and creating existing surfaces. Relevant projects include TXDOT, city, and county work.

#### Certifications

CDSm has a Certificate of Firm Name on file with the Texas Board of Professional Land Surveying (Certification No. 10194080). All surveying practices and procedures are performed in accordance with the Rules and Regulations of the Texas Board of Professional Land Surveyors. CDS Muery is certified by the South Central Texas Regional Certification Agency as a Small Business Enterprise, # 212035725. Certificate is attached.

**Exhibit 2 – Organizational Chart (on following page)**

**Exhibit 3 – Resumes**

**R. Clay Swetman, Rpls, Executive-In-Charge, Qa/Qc Manager**

#### Professional Experience:

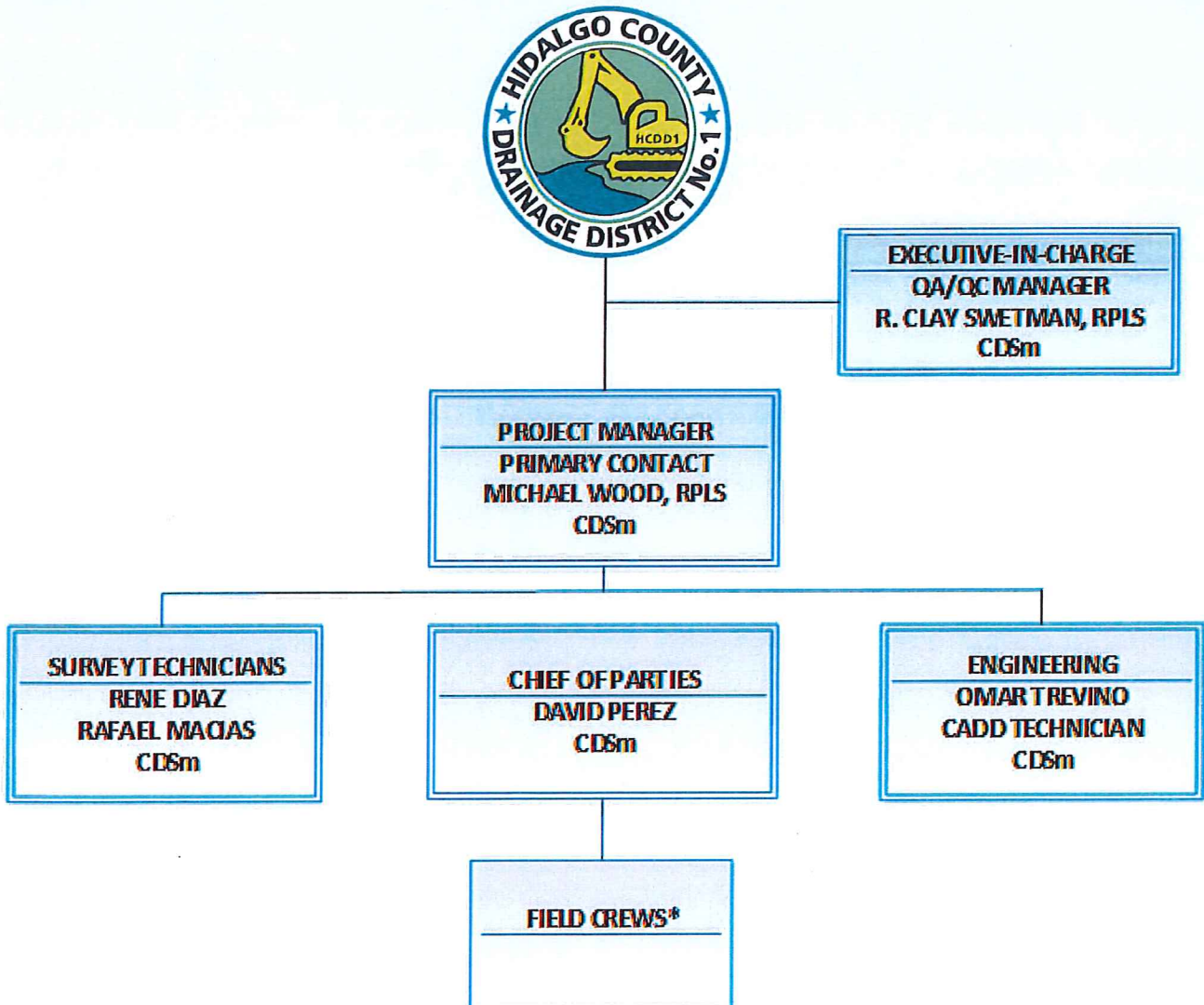
Mr. Swetman is a Junior Partner with CDS Muery and has over 30 years of surveying experience. Additionally, Mr. Swetman has over 22 years of experience on TxDOT projects and ten years as a Project Manager in six TxDOT Districts. Experience includes fieldwork, technician work, management, field crew coordinator, senior survey technician, project surveyor and currently Project Manager. Project experience includes capital improvement projects, right-of-way surveys, boundary surveys, design surveys, aerial control surveys, geodetic control surveys, ground-based lidar surveys, route surveys for electrical transmission and pipelines, oil field and refinery surveys, bathymetry surveys, and surveying support for hazardous waste investigation/remediation

#### Relevant Experience:

**American Electric Power- Cross Valley Tie, Cameron County, Project Manager** - This project was a right-of-way acquisition project which involved over thirty (30) landowners and 915 miles of electric transmission line along with a substation and switch station boundary. Duties included performing record research, monumentation recovery and location and easement right-of-way and boundary monumentation.



Exhibit 2 - Organizational Chart





**American Electric Power - Laguna Vista, South Padre Island 138 kV, Project Manager** - This project was a right-of-way acquisition project of eight (8) miles of electric transmission line of which seven (7) miles crossed the Laguna Madre and the intercostal waterway. The project involved crossing four (4) tracts, three (3) road right-of-ways and state land within the Laguna Madre. Duties included record research, recovery and location of record monumentation and stakeout of easement monuments.

**Loop 410, Bexar County, TX, San Antonio, Project Manager** - Recovered the existing centerline and right-of-way for the entire length of Loop 410 (45 miles) around San Antonio; established new horizontal control; recovered old TxDOT GPS Stations; established the new centerline in NAD 83 surface coordinates and established new centerline stationing; prepared right-of-way map, parcel plats and legal descriptions for a 16-mile portion, right-of-way map, and utility map for a 3-mile portion (coordinated subsurface utility engineering with SAM, Inc.).

**Loop 1604, Bexar County, Texas, San Antonio District, Surveying Project Manager** in charge of project management for horizontal control for the entire Loop 1604 (95 miles) and final adjustment of vertical control for entire length of Loop 1604; completed horizontal and vertical control for aerial mapping from SH-16 to IH-35 (23 miles) and right-of-way retracement from Military Drive to IH 35 (15.4 miles).

**American Electric Power - Wormser Road, Webb County, Project Manager** - This project included right-of-way acquisition and substation boundaries for a three 93) mile electric transmission line. Duties included recovering and locating monumentation from record information, monumenting easements and substation boundaries and staking locations for poles and structures.

#### **R. Michael Wood, RPLS, Project Manager**

##### **Professional Experience:**

Mr. Wood is a Registered Professional Land Surveyor (R.P.L.S.) licensed in the states of Texas and Mississippi. Mr. Wood will serve as the Project Manager/Department Leader for the assigned projects for Hidalgo County and will provide overall project quality control. With over 15 years of experience, he has worked on numerous projects for TxDOT and the public sector in both states. As Project Manager, he has been involved in projects from conception to completion. Project experience

includes capital improvement projects, right-of-way surveys, boundary surveys, design surveys, aerial control surveys, geodetic control surveys, ground-based LIDAR surveys, route surveys for electrical transmission and pipelines, oil field surveys and refinery surveys.

##### **Relevant Experience:**

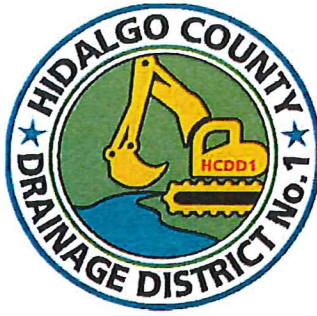
**Hidalgo County Levee Improvements – U.s.i.b.w.c & H.c.d.d. No. 1** - Established horizontal and vertical control for Levee Improvement/Levee Wall Project. Project included design (topographical) survey and right-of-way retracement of approximately 15 miles of I.B.W.C. Levees. Oversaw production, checked and reduced all fieldwork of 4 field crews.

**Hidalgo County Levee Improvements (Project 2) – U.S.I.B.W.C & H.C.D.D. No. 1** - Right-of-Way retracement of approximately 91 miles of flood protection levees. Project consisted of the Main Floodway, North Floodway and Arroyo Colorado Levees. Located and mapped right-of-way lines for construction plans. Additional project included Right-of-Way retracement of approximately 13 miles of flood protection levees (Lateral A). Located and mapped right-of-way lines for construction plans.

**Irrigation Ditch Conversion Parcel Surveys – Hidalgo County Pct. 1** - Mr. Wood established horizontal and vertical control as needed utilizing Leica 1200 GPS and Leica Digital Levels. Right-of-way survey over 20 miles of drainage ditches to produce right-of-way parcel plats and legal descriptions of over 300 parcels for right-of-way acquisition. Create right-of-way strip maps of drainage ditches.

**U.S. Highway 77, Willacy County – C.C.R.M.A** - Verified and reset existing horizontal and vertical control as needed utilizing Leica 1200 GPS and Leica Digital Levels. Retraced existing highway right-of-way for construction plans. Design survey of areas obstructed from aerial flight data. Merged conventional design survey with flight data to create an overall digital terrain model of entire 8 mile project. Extra design survey of cross roads and drainage ditches which included various drainage structures was required.

**Donna-Rio Bravo International Bridge – City of Donna** - Established horizontal and vertical control for construction purposes. Project included cross-sections of existing drainage ditches and structures for design purposes, and the creation of various electrical, drainage and utility easements.



## HIDALGO COUNTY DRAINAGE DISTRICT NO. 1

(Including all funding sources, programs, and entities)

### REQUEST FOR QUALIFICATIONS PROFESSIONAL SURVEY SERVICES-POOL

RFQ No.: HCDD1-16-002-02-24

### RFQ SUBMITTAL CHECK LIST

All forms listed below must be included in the RFQ response.

Indicate with a check mark ( ✓ ) the Forms completed and included in this response:

- Page 9 of Legal Notice
- Exhibit "C" -Acknowledgement forms (page 3 and 4)
- Exhibit "D-1" -CIQ Form -Copy of County Clerk File Recording fee receipt.
- Exhibit "D-2" -CIS Form THIS FORM NOT REQUIRED FOR THIS SUBMISSION.
- Exhibit "E" -Proposers Affidavit
- Vendor Bidder Application and IRS form W-9
- Certification Regarding Debarment
- One Original, 3 Copies, and 8 CD's containing a complete copy of Response.  
ADDENDUM NO. 1 - CHANGED 8 CD'S TO ONE (1) CD.

Request for Qualifications  
For  
HIDALGO COUNTY DRAINAGE DISTRICT NO. 1  
*(Including all funding sources, programs, and entities)*

**“Professional Survey Services-Pool”**


To: Jaime J. Salazar, Operations Manager  
Hidalgo County Drainage District No. 1  
902 N. Doolittle  
Edinburg, Texas 78542

In accordance with the Requirements, and subject to all laws and regulations of the United States and state and local laws, the undersigned respondent proposes and commits to furnish all labor, equipment, material, software and services as set forth in the documents hereinbefore mentioned. The undersigned further agrees, upon acceptance of its qualification, to execute a contract and/or Purchase Order issued by Hidalgo County Drainage District No. 1 for performing and completing the work described in the Requirements within the time stated and for the prices proposed in the documents attached hereto and made a part hereof.

Respondent acknowledges receipt of all of the pages of the documents referenced in the Request for Qualification Checklist presented in connection with this procurement. Respondent understands that Hidalgo County Drainage District No. 1 reserves the right to reject any or all qualifications and further reserves the right to design the evaluation criteria to be used in selecting the lowest and best qualification.

Respondent agrees that this qualification shall be good and may not be withdrawn for a period of ninety (90) calendar days after the scheduled closing time for receiving qualifications, as contained in the Requirements.

**Respectfully submitted,**

Firm: Civil Design Services, Inc. dba CDS Muery  
\_\_\_\_\_  
Address: 3411 Magic Drive, San Antonio, TX 78229  
\_\_\_\_\_  
By:   
\_\_\_\_\_  
Printed Name: R. Clay Swetman  
\_\_\_\_\_  
Title: Vice President, Surveying Services  
\_\_\_\_\_

## Insurance Requirement Acknowledgment

I, R. Clay Swetman, authorized representative for Civil Design Services, Inc. dba CDS Muery  
Company /Vendor

hereby acknowledge receipt of the Drainage District's required insurance limits. Said requirements:

will be acquired within 10 working days after notification from Drainage District of award of project by the Hidalgo County Drainage District No.1 Board of Directors.

will acquire additional amounts required to meet the Drainage District's requirements within 10 working days after notification from Drainage District of award of project by the Hidalgo County Drainage District No.1 Board of Directors.

Professional Liability (Errors & Omissions): \$ 3,000,000 per claim, 3,000,000 aggregate  
Automobile Liability: \$ 2,000,000 CSL General Liability: \$ 1,000,000 each occurrence; \$2,000,000 general aggregate

have already been met; see attached copy of insurance certificate.



Authorized Representative

2/29/2016

Date

### **Notice to Proposer/Applicant:**

A certificate of insurance for the required insurance limits shall be provided to the Drainage District's Contract Managers in order to qualify for award and to execute a contract between your Company and the Hidalgo County Drainage District No.1

Failure to provide Certificates of Insurance to the Drainage District's Contract Managers will cause the award to be rescinded and re-awarded to next qualified vendor. Certificates of Insurance will be monitored and verified on a quarterly basis to ensure coverage policy is in place. It is the Districts obligation to maintain the appropriate insurance coverage throughout the term of the contract.

---

**THIS FORM MUST ACCOMPANY YOUR PACKET**

---

## EXHIBIT C

### Insurance Requirements

### Professional Survey Services POOL

The proposer/applicant awarded the contract shall furnish proof of insurance, which will also include any subcontractor that is subcontracted by the proposer/applicant in at least the following limits, to be in place prior to providing any services under this Contract and to continue at all times in force in effect during the term of this Contract:

1. Professional liability insurance policy with limits of at least One Million Dollars (\$1,000,000) per occurrence, or limited to claims made, include at least a five (5) year extended reporting period.
2. Automobile liability insurance policy with limits of at least Three Hundred Thousand Dollars (\$300,000.00) per person and Five Hundred Thousand Dollars (\$500,000.00) per occurrence. Coverage should include injury to or death of persons and property damage claims with limits up to Five Hundred Thousand Dollars (\$500,000.00) arising out of the services provided to Drainage District hereunder.
3. Uninsured/Underinsured motorist coverage in an amount equal to the bodily injury limits set forth immediately above;
4. A Five Hundred Thousand Dollars (\$500,000.00) Comprehensive General Liability insurance policy providing additional coverage to all underlying liabilities of the Drainage District.
5. Workers compensation insurance in amounts established by Texas law, unless the Bidder is specifically exempted from the Texas Workers Compensation Act, Texas Labor Code Chapter 401, et. seq.

**Certificates of insurance naming Hidalgo County Drainage District No.1 as an additional insured shall be submitted to the Drainage District for approval prior to any services being performed by Contractor. Each policy of insurance required hereunder shall extend for a period equivalent to, or longer than the term of the Contract, and any insurer hereunder shall be required to give at least thirty (30) days written notice to the Drainage District prior to the cancellation of any such coverage on the termination date, or otherwise. This Contract shall be automatically suspended upon the cancellation, or other termination, of any required policy of insurance hereunder, and such suspension shall continue until evidence adequate replacement coverage is provided to the Drainage District. If replacement coverage is not provided within thirty (30) days following suspension of the Contract, this Contract shall automatically terminate**

# CONFLICT OF INTEREST QUESTIONNAIRE

## FORM CIQ

For vendor doing business with local governmental entity

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.

None

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.

None

\_\_\_\_\_  
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.

None

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

2/29/2016

\_\_\_\_\_  
Date


**PROPOSER'S AFFIDAVIT**  
**Exhibit "E"**

**PROPOSER'S AFFIDAVIT OF NON-COLLUSION**  
**NON-CONFLICT OF INTERST, AND ANTI-LOBBYING**

STATE OF TEXAS  
COUNTY OF HIDALGO

Affiant, R.Clay Swelman, RPLS, being first duly sworn, deposes that:

- (1) Affiant does hereby state neither the Proposer nor any of the Proposer's officers, partners, owners, agents, representatives, employees, or parties in interest, has in any way colluded, conspired, agreed, directly or indirectly with any person, firm, corporation, or other proposer, or potential proposer, to provide any money or other valuable consideration for assistance in procuring or attempting to procure a contract or fix the prices in the attached proposed or the proposal of any other proposer, and further states that no such money or other reward will be hereinafter paid.
- (2) Affiant further states they have neither recommended or suggested to Hidalgo County or nay of its officials or employees, any of the terms or provisions set forth in their Request for Proposal and subsequent agreement, except at a meeting open to all interested proposers, of which proper notice was given.
- (3) Affiant, further states their officers, employees, or agents have not, and will not attempt to lobby, directly or indirectly, the Hidalgo County Commissioner's Court between proposal submission date and award by the Hidalgo County Commissioner's Court.
- (4) Affiant further states no officer, or stockholder of the Proposer is a member of the staff, or related to any employee of the Hidalgo County except as noted herein below:

Signature/Title:  Vice President, Surveying Services

Subscribed and sworn to before me this 29th day of Februaru, 2016.



Notary Public

My commission expires: August 24, 2016






**Certification  
Regarding Debarment, Suspension and Ineligibility**

As is required by the Federal Regulations Implementing Executive Order 12549, Debarment and Suspension, 45 CFR Part 76, Government-wide Debarment and Suspension, the applicant certifies, to the best of his or her knowledge and belief, that both it and its principals:

- a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency;
- b. Have not within a three-year period preceding this bid proposal and/or application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction, violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- c. Are not presently indicted for or otherwise criminally or civilly charged by a government entity with commission of any of the offenses enumerated herein; and
- d. Have not within a three-year period preceding this bid proposal and/or application had one or more public transactions terminated for cause or default.

Signature:   
Print Name: R. Clay Swelman  
Title: Vice President, Surveying Services  
Telephone Number: 210-581-1111  
Date: February 29, 2016

If the bidder is unable to certify to all of the statements in this Certification, such bidder should attach an explanation to this proposal.



REQUEST FOR QUALIFICATIONS (RFQ)  
HIDALGO COUNTY DRAINAGE DISTRICT NO. 1  
PROFESSIONAL SURVEY SERVICES  
RFQ NO: HCDD1-16002-02-24



### Attachments

- A. Signed Addendum #1
- B. Projects Requirement Acknowledgment
- C. Hub Declaration
- D. W-9
- E. Certificates Of Insurance
- F. SCTRCA - SBE Certification



**HIDALGO COUNTY  
DRAINAGE  
DISTRICT No. 1**

**RAUL E. SESIN, PE, CFM**  
General Manager  
Floodplain Administrator

902 N. Doolittle Road  
Edinburg, Texas 78542  
Off 956 292.7080  
Fax 956 292.7089

**BOARD OF DIRECTORS**

**RAMON GARCIA**  
Chairman of the Board

**A.C. CUELLAR, JR.**  
Board Member

**EDUARDO "EDDIE" CANTU**  
Board Member

**JOE M. FLORES**  
Board Member

**JOSEPH PALACIOS**  
Board Member

February 24, 2016

**RE: ADDENDUM NO. 1**  
**FOR RFQ No: HCDD1-16-002-02-24**  
**"PROFESSIONAL SURVEY SERVICES - POOL"**

Attached you will find **ADDENDUM NO. 1**, in connection with **HIDALGO COUNTY DRAINAGE DISTRICT NO. 1** - Request for Qualifications for **"PROFESSIONAL SURVEY SERVICES - POOL"**

Please acknowledge **ADDENDUM NO. 1** to permit your company to submit a complete bid.

Acknowledge receipt of **ADDENDUM No. 1** by signing and returning this notice VIA EMAIL to [jaime.salazar@hcdd1.org](mailto:jaime.salazar@hcdd1.org).

If you do not receive all pages of **ADDENDUM NO. 1** please notify us immediately at (956) 292-7080.

Please be advised that this **ADDENDUM NO. 1** will complete your bid packet for RFQ No: **HCDD1-16-002-02-24 "PROFESSIONAL SURVEY SERVICES POOL"**

Thank you for your prompt attention on this matter.

  
\_\_\_\_\_  
Jaime Salazar, Operations Manager  
Hidalgo County Drainage District No. 1

BY: \_\_\_\_\_  
ADDENDUM NO. 1  
ACKNOWLEDGEMENT OF RECEIPT

## PROJECT REQUIREMENTS ACKNOWLEDGMENT

This is to certify that I, R. Clay Swelman, RPLS, possess all of the **APPLICABLE:**

1. Licenses: TBPLS - San Antonio Office #100495-00; Weslaco Office #10194080

2. Bonds: \_\_\_\_\_

3. Certificates: SBE Certificate #214035725

4. Permits: \_\_\_\_\_

5. Other: \_\_\_\_\_

Necessary to carry out the required project. Furthermore, I am providing copies of the required documentation so that, if my company is awarded this project, I may be eligible to enter into a contract with Hidalgo County Drainage District No.1 and proceed to complete the project in a timely manner.

**\* Any licenses, bonds, certificates, permits, etc. which are required must be presented as part of the packet in order to expedite the evaluation process. Failure to provide said documentation will result in the disqualification of your proposal/qualification.**



\_\_\_\_\_  
Authorized Signature

Date 2/29/2016

Civil Design Services, Inc. dba CDS Muery

\_\_\_\_\_  
Company

3411 Magic Drive

\_\_\_\_\_  
Address

San Antonio, TX 78229

\_\_\_\_\_  
City, State, Zip



**HIDALGO COUNTY  
DRAINAGE  
DISTRICT No. 1**

**RAUL E. SESIN, PE, CFM**  
General Manager  
Floodplain Administrator

902 N. Doolittle Road  
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Board Member

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Board Member

**JOSEPH PALACIOS**  
Board Member

**ADDENDUM NO. 1**

**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**

**"PROFESSIONAL SURVEY SERVICES – POOL"**  
(Including all funding sources, programs and entitles)

**RFQ NO.: HCDD1-16-002-02-24**

**Bid Opening Date: Wednesday, March 2, 2016**

**PLEASE NOTE CHANGES AS FOLLOWS:**

1. Clarification on the RFQ Submittal Checklist "One (1) Original, Three (3) Copies, and One (1) CD containing a complete copy of Response is required.

I, *Rhineal Wood*, acknowledge receipt of  
**ADDENDUM NO. 1** dated, February 24, 2016, for **RFQ NO: HCDD1-16-002-02-24 "Professional Survey Services - Pool"**

*CDS Maery*  
Printed Bidder Name

*2/24/16*  
Date

**HISTORICALLY UNDERUTILIZED BUSINESS (HUB) DECLARATION**

The primary objective of the Hidalgo County HUB Program is to ensure Historically Underutilized Businesses receive a fair and equal opportunity for participation in the County's procurement process. This fact holds true for Services (Professional & Non-Professional), Commodities, and Construction contracts and any subcontracts thereto. The program strongly encourages Prime Contractors to provide subcontracting opportunities to Certified Hub Contractors/Vendors. Our goal for HUB contractor/vendor participation, as well as HUB subcontractor participation is 30%. To be considered as a "Certified HUB Contractor/Vendor" the contractor/vendor must have been certified by, and hold a current and valid certification with any of the three agencies listed below.

Have you been Certified as a HUB or an MBE/WBE source?  Yes  No

If yes, by whom?:  State General Services Commission  Other SCTRCA

Indicate Certification No(s). 214035725 or Are Certificate(s) Attached?:  Yes  No

**LIST OF CERTIFIED HUB SUBCONTRACTORS**

(Attach additional pages if necessary)

What percentage of the Bid or RFQ is to be subcontracted with Certified HUB sources? \_\_\_\_\_% (List HUB Subcontractor information below).

HUB Subcontractor Name: \_\_\_\_\_ HUB Status:  
Certifying Agency (Check all applicable):  State General Services Commission  Other

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip:  
Contact Person: \_\_\_\_\_ Title: \_\_\_\_\_ Phone No.: ( )  
Subcontract Amount: \$ \_\_\_\_\_ Description of Work to be Performed:

HUB Subcontractor Name: \_\_\_\_\_ HUB Status:  
Certifying Agency (Check all applicable):  State General Services Commission  Other

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip:  
Contact Person: \_\_\_\_\_ Title: \_\_\_\_\_ Phone No.: ( )  
Subcontract Amount: \$ \_\_\_\_\_ Description of Work to be Performed :

HUB Subcontractor Name: \_\_\_\_\_ HUB Status:  
Certifying Agency (Check all applicable):  State General Services Commission  Other

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip:  
Contact Person: \_\_\_\_\_ Title: \_\_\_\_\_ Phone No.: ( )  
Subcontract Amount: \$ \_\_\_\_\_ Description of Work to be Performed:

## Request for Taxpayer Identification Number and Certification

Give Form to the  
 requester. Do not  
 send to the IRS.

Print or type  
 See Specific Instructions on page 2.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. <b>Civil Design Services, Inc.</b>	
2 Business name/disregarded entity name, if different from above <b>CDS Muery</b>	
3 Check appropriate box for federal tax classification; check only one of the following seven boxes: <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input checked="" type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <small>Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner.</small> <input type="checkbox"/> Other (see instructions) ▶ _____	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small>
5 Address (number, street, and apt. or suite no.) <b>3411 Magic Drive</b>	Requester's name and address (optional)
6 City, state, and ZIP code <b>San Antonio TX 78229</b>	
7 List account number(s) here (optional)	

### Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number									
or									
Employer identification number									
7	4	-	2	6	2	0	0	2	0

### Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here	Signature of U.S. person ▶	Date ▶ 01/19/2016
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### General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.  
 Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at [www.irs.gov/fw9](http://www.irs.gov/fw9).

#### Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
  - Form 1099-C (canceled debt)
  - Form 1099-A (acquisition or abandonment of secured property)
- Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding?* on page 2.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.



Client#: 159283

CDSMUERY

**ACORD**

**CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)  
3/27/2015

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 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).

<b>PRODUCER</b> USI Southwest 7600 B N. Cap of Tx Hwy. #200 Austin, Texas 78731	<b>CONTACT NAME:</b> Debi Wylie	
	<b>PHONE (A/C, No, Ext):</b> 512-651-4159	<b>FAX (A/C, No):</b> 512-467-0113
<b>E-MAIL ADDRESS:</b>		
<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>
<b>INSURER A:</b> Hanover Insurance Company		22292
<b>INSURER B:</b>		
<b>INSURER C:</b>		
<b>INSURER D:</b>		
<b>INSURER E:</b>		
<b>INSURER F:</b>		

**INSURED**  
 Civil Design Services, Inc.  
 dba CDS Muery  
 3411 Magic Drive  
 San Antonio, TX 78229

**COVERAGES**                      **CERTIFICATE NUMBER:**                      **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	ADDSUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<b>GENERAL LIABILITY</b> <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GENL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC					EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED    RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$ \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y / N (Mandatory In NH) If yes, describe under DESCRIPTION OF OPERATIONS below					W/C STATUTORY LIMITS    OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	<b>Professional Liab</b> <b>Claims Made &amp; Reported Pol</b>		LHD949892603 01/19/1996 Retro	04/01/2015	04/01/2016	\$3,000,000 per claim \$3,000,000 annl aggr.

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

<b>CERTIFICATE HOLDER</b>  Civil Design Services, Inc. dba CDS Muery 3411 Magic Drive San Antonio, TX 78229	<b>CANCELLATION</b>  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  <i>James E. Zimmerman</i>

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# South Central Texas Regional Certification Agency

*Your unified certification source*

*www.sctrca.org*

March 13, 2014

Kenneth Rothe  
Civil Design Services, Inc. DBA CDS Muery  
3411 Magic Drive  
San Antonio, TX 78229

Dear Kenneth Rothe:

We are pleased to inform you that your application for certification in our Small, Minority, Woman, African American, Veteran, and Disabled Individual Business Enterprise (S/M/W/AAV/DI) Program has been approved. Your firm met the requirements of SCTRCA Standards and is currently certified as a:

**\* SBE**

Certification Number: **214035725**  
Certification Renewal: **March 31, 2016**  
Certification Expiration: **March 31, 2016**

Providing the following products or services:

NAICS-541330: CIVIL ENGINEERING SERVICES  
NAICS-541330: ENGINEERING SERVICES  
NAICS-541360: SURVEYING SERVICES, GEOPHYSICAL  
NAICS-541370: SURVEYING AND MAPPING SERVICES (EXCEPT GEOPHYSICAL)  
NAICS-541611: ADMINISTRATIVE MANAGEMENT CONSULTING 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 March 31, 2016.**

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,

Blaine R. Mitchell  
Executive Director



**CDS** muery  
ENGINEERS • SURVEYORS

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# **EXHIBIT "A"**

Scope of Services to be provided by the Surveyor

## EXHIBIT "A"

Land Surveying Services and Capabilities of CDS Muery:

### **Boundary Surveys**

A survey performed for the purpose of locating and marking property corners, boundary lines and/or easements of a given parcel of land. This involves record and field research, measurements, and computations to establish boundary lines in conformance with the rules and regulations of the Texas Board of Professional Land Surveying.

### **Parcel Plats for Right-of-Way Acquisitions**

A boundary survey prepared that creates a new parcel of land for the purpose of acquiring new right-of-way for roadways or utility easements. The survey is usually taken from a larger parent tract of land. A metes and bounds description is prepared along with the survey plat.

### **Topographical Surveys**

A survey locating topographic features (natural and man-made) such as buildings, improvements, fences, elevations, trees, streams, roadways, contours of the land, etc. This type of survey may be required by a governmental agency, or may be used by engineers and/or architects for design of improvements or developments on a site and also may include a boundary survey.

### **Construction Surveys**

Construction staking to establish the correct location of proposed structures as shown on improvement plans for construction of roads, parking lots, pipelines, buildings, etc.

### **Control Surveys**

A survey performed for determining precise locations of horizontal and vertical control points for use in boundary determination, aerial photographs, topographical surveys, construction staking and related purposes. Horizontal coordinates are derived using the latest in GPS equipment. Vertical locations are derived using state of the art digital levels and are based on existing published benchmarks.

### **As-Built Surveys**

A post-construction topographical survey which will include all structures and features of the property, as well as all improvements that have been constructed.

### **3d Laser Scanning**

High definition 3D laser scanning, is a form of high definition surveying that uses a laser to spotlight an object or target and then evaluates the reflection. The data collected from the scans is then used to create a map of the object and/or a cadd generated 3d model of the existing conditions of the scanned structure.

**EXHIBIT "B"**  
Surveying Cost Proposal/Fee Schedule

## EXHIBIT "B"

### CDS MUERY - RATE SCHEDULE 2016

#### Personnel:

Principal	-	\$ 190.00 per hour
Senior Project Engineer/Manager	-	\$ 175.00 per hour
Project Manager	-	\$ 150.00 per hour
Project Engineer	-	\$ 130.00 per hour
Staff Engineer	-	\$ 115.00 per hour
Senior Engineering Technician	-	\$ 110.00 per hour
Engineering Technician	-	\$ 75.00 per hour
Construction Manager	-	\$ 120.00 per hour
Senior Project Surveyor	-	\$ 160.00 per hour
Project Surveyor	-	\$ 125.00 per hour
Senior Surveying Technician	-	\$ 100.00 per hour
Surveying Technician	-	\$ 70.00 per hour
Draftsman I	-	\$ 45.00 per hour
Clerical/Messenger	-	\$ 60.00 per hour

The rate for expert testimony shall be negotiated at the time of request.

#### Survey Crews:

Survey crews are available at fixed hourly party rates. Hourly rates include normal supplies used in the field such as laths, guards, flagging, etc.

One (1) man field crew	-	\$ 85.00 per hour
Two (2) man field crew	-	\$ 125.00 per hour
Three (3) man field crew	-	\$ 150.00 per hour
Four (4) man field crew	-	\$ 170.00 per hour
GPS - One (1) man crew	-	\$ 105.00 per hour
GPS - Two (2) man crew	-	\$ 150.00 per hour
GPS - Three (3) man crew	-	\$ 175.00 per hour
GPS - Four (4) man crew	-	\$ 200.00 per hour

#### Overtime charges:

Any jobs requiring personnel to work overtime to meet schedules set by the client will be billed at a premium multiplier of 1.5 times the standard hourly rate.

#### Travel Expenses:

Travel charges for survey crews on projects involving overnight stay will be billed at standard crew rates.

Per-diem of \$40.00 per person plus hotel costs will be charged on any jobs where field crews or office personnel must stay out of town overnight.

#### Purchased Services:

All purchased services are billed at actual cost plus 10%. These services include but are not limited to out of house reproduction, approved subcontract services and special supplies.

**EXHIBIT "C"**  
Insurance Requirements

Client#: 159283

CDSMUERY

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 11/03/2016

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 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: USI Southwest, 7600 B N. Cap of Tx Hwy. #200, Austin, Texas 78731. CONTACT NAME: Debi Wylie, PHONE (A/C, No, Ext): 512-651-4159, FAX (A/C, No): 610-537-2782. INSURER(S) AFFORDING COVERAGE: Hanover Insurance Company, NAIC #: 22292. INSURED: Civil Design Services, Inc., dba CDS Muery, 3411 Magic Drive, San Antonio, TX 78229.

COVERAGES CERTIFICATE NUMBER: 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.

Table with columns: INSR LTR, TYPE OF INSURANCE, ADDL INSR, SUBR WVD, POLICY NUMBER, POLICY EFF (MM/DD/YYYY), POLICY EXP (MM/DD/YYYY), LIMITS. Rows include Commercial General Liability, Automobile Liability, Umbrella Liab, Excess Liab, Workers Compensation and Employers' Liability, and Professional Liab.

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required) The General Liability policy includes an endorsement providing that 30 days notice of cancellation will be given to the Certificate Holder by the Insurance Carrier.

CERTIFICATE HOLDER: Hidalgo County Drainage District No. 1, 902 N. Doolittle Rd., Edinburg, TX 78542. 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: James E. [Signature]

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# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

11/8/2016

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 Wortham San Antonio Inc. 131 Interpark Blvd. San Antonio, TX 78216	CONTACT NAME:	Rose Leone	
	PHONE (A/C, No, Ext):	210-249-2313	FAX (A/C, No): 210-223-2806
www.worthaminsurance.com	E-MAIL ADDRESS:	rose.leone@worthaminsurance.com	
	INSURER(S) AFFORDING COVERAGE	NAIC #	
INSURED Civil Design Services Inc. DBA CDS Muery 3411 Magic Drive San Antonio TX 78229	INSURER A:	Hanover Llyods Insurance Company	41602
	INSURER B:	Allmerica Financial Benefit Insurance Co	41840
	INSURER C:	Hanover Insurance Company	22292
	INSURER D:	Texas Mutual Insurance Company	22945
	INSURER E:	Argonaut Insurance Company	19801
	INSURER F:		

## COVERAGES

CERTIFICATE NUMBER: 32755376

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			ZHDA11322702	10/1/2016	10/1/2017	EACH OCCURRENCE	\$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 100,000
							MED EXP (Any one person)	\$ 5,000
							PERSONAL & ADV INJURY	\$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	\$ 2,000,000
	<input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						PRODUCTS - COMP/OP AGG	\$ 2,000,000
	OTHER:							\$
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			AWDA05798802	10/1/2016	10/1/2017	COMBINED SINGLE LIMIT (Ea accident)	\$ 2,000,000
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB			UHDA11322802	10/1/2016	10/1/2017	EACH OCCURRENCE	\$ 5,000,000
	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE						AGGREGATE	\$ 5,000,000
	DED <input checked="" type="checkbox"/> RETENTION \$0							\$
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			TSF0001125498	1/1/2016	1/1/2017	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER	
	Y/N <input type="checkbox"/> N/A						E.L. EACH ACCIDENT	\$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
E	Workers' Compensation			WC927988351354 Out of State-Oklahoma	1/1/2016	1/1/2017	EL Each Accident	\$1,000,000
							EL Disease-Each Employee	\$1,000,000
							EL Disease-Policy Limit	\$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

## CERTIFICATE HOLDER

## CANCELLATION

Hidalgo County Drainage District No. 1  
902 N. Doolittle Rd.  
Edinburg TX 78542

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

*John L. Wortham & Son, L.P.*

John L. Wortham &amp; Son, L.P.

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ACORD 25 (2016/03)

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## COMMERCIAL GENERAL LIABILITY SPECIAL BROADENING ENDORSEMENT (TEXAS)

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

#### SUMMARY OF COVERAGES

1. Additional Insured by Contract, Agreement or Permit	Included
2. Additional Insured - Broad Form Vendors	Included
3. Aggregate Limit per Location	Included
4. Alienated Premises	Included
5. Bodily Injury Redefined	Included
6. Broad Form Property Damage - Borrowed Equipment, Customers Goods & Use of Elevators	Included
7. Extended Property Damage	Included
8. Incidental Malpractice (Employed nurses, EMT's & paramedics)	Included
9. Knowledge of Occurrence	Included
10. Liberalization Clause	Included
11. Medical Payments - Increased Limit	\$ 10,000
12. Mobile Equipment Redefined	Included
13. Newly Acquired or Formed Organizations - Covered until end of policy period	Included
14. Non-owned Watercraft	51 ft.
15. Personal Injury - Broad Form	Included
16. Product Recall Expense	
- Each Occurrence Limit	\$ 25,000
- Aggregate Limit	\$ 50,000
17. Property Damage Legal Liability (Fire, Lighting, Explosion, Smoke or Leakage Damage)	\$500,000
18. Supplementary Payments Increased Limits	
- Bail Bonds	\$ 2,500
- Loss of Earnings	\$ 300
19. Unintentional Failure to Disclose Hazards	Included
20. Unintentional Failure to Notify	Included

This endorsement amends coverages provided under the Commercial General Liability Coverage Form through new coverages, higher limits and broader coverage grants.

#### 1. Additional Insured by Contract, Agreement or Permit

Under Section II - Who Is An insured, Paragraph 5. is added as follows:

5. a. Any person or organization with whom you agreed, because of a written contract, written agreement or permit to provide insurance, is an insured, but only with respect to:
- (1) "Your work" for the additional insured(s) at the location designated in the contract, agreement or permit; or
  - (2) Premises you own, rent, lease or occupy. This insurance applies on a primary basis

if that is required by the written contract, written agreement or permit.

b. This provision does not apply:

- (1) Unless the written contract or written agreement has been executed or permit has been issued prior to the "bodily injury", "property damage", "personal and advertising injury".
- (2) To any person or organization included as an insured by an endorsement issued by us and made part of this Coverage Part.

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- (3) To any person or organization included as an insured under item 2 of this endorsement.
- (4) To any lessor of equipment:
  - (a) After the equipment lease expires; or
  - (b) If the "bodily injury", "property damage", "personal and advertising injury" arises out of the sole negligence of the lessor.
- (5) To any:
  - (a) Owners or other interests from whom land has been leased which takes place after the lease for the land expires; or
  - (b) Managers or lessors of premises if:
    - (i) The occurrence takes place after you cease to be a tenant in that premises; or
    - (ii) The "bodily injury", "property damage", "personal and advertising injury" arises out of structural alterations, new construction or demolition operations performed by or on behalf of the manager or lessor.

**2. Additional Insured - Broad Form Vendors**

Under **Section II - Who Is An Insured**, Paragraph 6. is added as follows:

- 6. a. Any person or organization with whom you agreed, because of a written contract or written agreement to provide insurance, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions:
- b. The insurance afforded the vendor does not apply to:
  - (1) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reasons of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
  - (2) Any express warranty unauthorized by you;
  - (3) Any physical or chemical change in the product made intentionally by the vendor;

- (4) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instruction from the manufacturer, and then repackaged in the original container;
  - (5) Any failure to make such inspection, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business in connection with the sale of the product;
  - (6) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
  - (7) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any thing or substance by or for the vendor.
- c. This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

**3. Aggregate Limit Per Location**

- (1) Under **Section III - Limits of Insurance** the General Aggregate Limit applies separately to each of your "locations" owned by or rented to you.
- (2) Under **Section V - Definitions**, definition 23. is added as follows:
  - 22. "Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

**4. Alienated Premises**

- Under **Section I - Coverage A**, paragraph 2. **Exclusions, j. (2)** is replaced in its entirety with the following:
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises and occurred from hazards that were known by you, or should have reasonably been known by you, at the time the property was transferred or abandoned.

**5. Bodily Injury Redefined**

Under **Section V - Definitions**, definition 3. "bodily injury" is replaced in its entirety with the following:

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3. "Bodily injury" means bodily injury, sickness or disease sustained by a person. This includes mental anguish, mental injury, shock, fright or death resulting from "bodily injury", sickness or disease.

**6. Broad Form Property Damage - Borrowed Equipment, Customers Goods, Use of Elevators**

(1) Under **Section I - Coverage A**, paragraph 2, **Exclusion j.** is amended as follows:

Paragraph (4) does not apply to "property damage" to borrowed equipment while at a jobsite and not being used to perform operations.

Paragraphs (3), (4) and (6) do not apply to "property damage" to "customers goods" while on your premises nor do they apply to the use of elevators at premises you own, rent, lease or occupy.

(2) Under **Section V - Definitions**, definition 24. is added as follows:

23. "Customers goods" means property of your customer on your premises for the purpose of being:

- a. worked on; or
- b. used in your manufacturing process.

(3) The insurance afforded under this provision is excess over any other valid and collectible property insurance (including deductible) available to the insured whether primary, excess, contingent or on any other basis.

**7. Extended Property Damage**

Under **Section I - Coverage A**, paragraph 2, **Exclusions**, **Exclusion a.** is replaced in its entirety with the following:

a. "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

**8. Incidental Malpractice - Employed Nurses, EMT's and Paramedics**

Under **Section II - Who Is An Insured**, paragraph 2.a.(1)(d) does not apply to a nurse, emergency medical technician or paramedic employed by you if you are not engaged in the business or occupation of providing medical, paramedical, surgical, dental, x-ray or nursing services.

**9. Knowledge of Occurrence**

Under **Section IV - Commercial General Liability Conditions**, **Condition 2 - Duties in the Event of Occurrence, Offense, Claim or Suit**, paragraph e. is added as follows:

e. Notice of an "occurrence", offense, claim or "suit" will be considered knowledge of the insured if reported to an individual named insured, partner, executive officer or an "employee" designated by you to give us such a notice.

**10. Liberalization Clause**

Under **Section IV - Commercial General Liability Conditions**, condition 10. is added as follows:

**10. Liberalization Clause**

If we adopt any revision that would broaden the coverage under this Coverage Form without additional premium, within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

**11. Medical Payments - Increased Limits**

(1) Under **Section I - Coverage C**, paragraph a. (2) is replaced in its entirety by the following:

(2) The expenses are incurred and reported to us within three years of the date of the accident; and

(2) Under **Section III - Limits of Insurance**, paragraph 7. is replaced in its entirety by the following:

7. Subject to 5. above, the higher of:

- a. \$10,000; or
- b. The amount shown in the Declarations for Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by one person.

(3) This coverage does not apply if **Coverage C - Medical Payments** is excluded either by the provisions of the Coverage Part or by endorsement.

**12. Mobile Equipment Redefined**

Under **Section V - Definitions**, definition 12, Mobile Equipment, paragraph f.(1) is replaced by the following:

(1) Equipment with a gross vehicle weight of 1000 pounds or more and designed primarily for:

- (a) Snow removal;
- (b) Road maintenance, but not construction or resurfacing; or
- (c) Street cleaning;

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However, equipment with a gross vehicle weight of less than 1000 pounds which is designed primarily for use on highways will also be considered "auto";

### 13. Newly Acquired Or Formed Organizations

Under **Section II - Who Is An Insured**, paragraph 4.a. is replaced in its entirety by the following:

- a. Coverage under this provision is afforded only until the end of the policy period.

### 14. Non-Owned Watercraft

Under **Section I - Coverage A**, paragraph 2 **Exclusions, g.(2)** is replaced in its entirety by the following:

- (2) A watercraft you do not own that is:
  - (a) Less than 51 feet long; and
  - (b) Not being used to carry persons or property for a charge.

This provision applies to any person, who with your consent, either uses or is responsible for the use of a watercraft.

### 15. Personal Injury - Broad Form

- (1) Under **Section I - Coverage B**, paragraph 2.e. is deleted in its entirety.
- (2) Under **Section V - Definitions**, definition 14, paragraph b. is replaced in its entirety by the following:
  - b. Malicious prosecution or abuse of process.
- (3) Under **Section V - Definitions**, definition 14, paragraph h. is added as follows:
  - h. Discrimination or humiliation (unless insurance thereof is prohibited by law) that results in injury to the feelings or reputation of a natural person, but only if such discrimination or humiliation is:
    - (1) Not done intentionally by or at the direction of:
      - (a) The insured;
      - (b) Any officer of the corporation, director, stockholder, partner or member of the insured; and
    - (2) Not directly or indirectly related to an "employee", nor to the employment, prospective employment or termination of any person or persons by an insured.
- (4) This coverage does not apply if **Coverage B - Personal and Advertising Injury Liability** is excluded either by the provisions of the Coverage Part of by endorsement.

### 16. Product Recall Expense

- (1) Under **Section I - Coverage A**, paragraph 2 **Exclusions, n.** is replaced in its entirety by the following:
  - n. **Recall of Products, Work or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

    - (1) "Your product";
    - (2) "Your work"; or
    - (3) "Impaired property";if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it, but this exclusion does not apply to "product recall expenses" that you incur for the "covered recall" of "your product". The exception to the exclusion does not apply to "Product recall expenses" resulting from:
    - (1) Failure of any products to accomplish their intended purpose;
    - (2) Breach of warranties of fitness, quality, durability or performance;
    - (3) Loss of customer approval, or any cost incurred to regain customer approval;
    - (4) Redistribution or replacement of "your product" which has been recalled by like products or substitutes;
    - (5) Caprice or whim of the insured;
    - (6) A condition likely to cause loss of which any insured knew or had reason to know at the inception of this insurance;
    - (7) Asbestos, including loss, damage or clean up resulting from asbestos or asbestos containing materials;
    - (8) Recall of "your products" that have no known or suspected defect solely because a known or suspected defect in another of "your products" has been found.
- (2) Under **Section II - Who Is An Insured**, paragraph 4.d. is added as follows:
  - d. Coverage A does not apply to "product recall expense" arising out of any withdrawal or recall that occurred before you acquired or formed the organization.

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(3) Under **Section III - Limits of Insurance**, paragraph 8. is added as follows:

8. The Limits of Insurance and rules stated below fix the most we will pay under this coverage part.

(1) The Aggregate Limit is the most we will reimburse you for the sum of all "product recall expenses" incurred for all "product recall expenses" initiated during the policy period.

(2) The Each Occurrence Limit shown in the Summary of Coverages Declaration is the most we will pay in connection with any one defect or deficiency.

(a) All "product recall expenses" in connection with substantially the same general harmful condition will be deemed to arise out of the same defect or deficiency and considered one occurrence.

(b) Any amount reimbursed for "product recall expenses" in connection with any one occurrence will reduce the amount of the Aggregate Limit available for reimbursement of "product recall expenses" in connection with any other defect or deficiency.

(c) If the Aggregate Limit has been reduced by reimbursement of "product recall expenses" to an amount that is less than the Each Occurrence Limit, the remaining Aggregate Limit is the most that will be available for reimbursement of "product recall expenses" in connection with any other defect or deficiency.

The Limits of Insurance of Product Recall Expense apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for the purposes of determining the Limits of Insurance.

(3) A Deductible of \$500 applies for Each Occurrence.

(4) Under **Section IV - Commercial General Liability Conditions**, Condition 2 - **Duties in the Event of Occurrence, Offense, Claim or Suit**, paragraph f. is added as follows:

f. You must see to it that the following are done in the event of an actual or anticipated "covered recall" that may result in "product recall expense":

(1) Give us prompt notice of any discovery or notification that "your product" must be withdrawn or recalled. Include a description of "your product" and the reason for the withdrawal or recall;

(2) Cease any further release, shipment, consignment or any other method of distribution of like or similar products until it has been determined that all such products are free from defects that could be a cause of loss under this insurance.

(5) Under **Section V - Definitions**, the following definitions are added:

25. "Covered recall," means a recall made necessary because you or a government body has determined that a known or suspected defect, deficiency, inadequacy, or dangerous condition in "your product" has resulted or will result in "bodily injury" or "property damage".

26. "Product recall expense" means:

a. Necessary and reasonable expenses for:

(1) Communications, including radio or television announcements or printed advertisements including stationery, envelopes and postage;

(2) Shipping the recalled products from any purchaser, distributor or user to the place or places designated by you;

(3) Remuneration paid to your regular "employees" for necessary over-time;

(4) Hiring additional persons, other than your regular "employees";

(5) Expenses incurred by "employees" including transportation and accommodations;

(6) Expenses to rent additional warehouse or storage space;

(7) Disposal of "your product", but only to the extent that specific methods of destruction other than those employed for trash discarding or disposal are required to avoid "bodily injury" or "property damage" as a result of such disposal;

You incur exclusively for the purpose of recalling "your product"; and

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- b. Your lost profit resulting from such "covered recall".

**17. Property Damage Legal Liability (Fire, Lightning, Explosion, Smoke or Leakage from Fire Protective Systems Damage)**

- (1) The word **fire** is changed to **fire, lightning, explosion, smoke and leakage from fire protective systems** where it appears in the Limits of Insurance section of the Declarations for the Commercial General Liability Coverage Part.

- (2) Under **Section I - Coverage A**, the last paragraph (after the exclusions) is replaced in its entirety by the following:

Exclusions c. through n. do not apply to damage by fire, lightning, explosion, smoke or leakage from fire protective systems to premises while rented to you or temporarily occupied by you with the permission of the owner. A separate limit of insurance applies to this coverage as described in LIMITS OF INSURANCE (SECTION III). This limit will apply to all damage proximately caused by the same event, whether such damage results from fire, lightning, explosion, smoke or leakage from fire protective systems or any combination of the five.

- (3) Under **Section III - Limits Of Insurance**, paragraph 6. is replaced in its entirety by the following:

6. Subject to 5. above, the higher of:

- a. \$500,000; or
- b. The Fire, Lightning, Explosion, Smoke or Leakage from Fire Protective Systems Damage Limit shown in the Declarations is the most we will pay under Coverage A for damages because of "property damage" from fire, lightning, explosion, smoke and leakage from fire protective systems to premises, while rented to you or temporarily occupied by you with permission of the owner.

- (4) Under **Section IV - Commercial General Liability Conditions**, Condition 4. **Other Insurance**, paragraph b.(2) is replaced by the following:

b.(2) That is fire, lightning, explosion, smoke or leakage from fire protective systems insurance for premises rented to you or temporarily occupied by you with permission of the owner; or

- (5) Under **Section V - Definitions**, definition 9. "**Insured contract**", a. is replaced in its entirety by the following:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning, explosion, smoke or leakage from fire protective systems to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract".

- (6) This coverage does not apply if Fire Damage Legal Liability of **Coverage A** is excluded either by the provisions of the Coverage Part or by endorsement.

**18. Supplementary Payments Increased Limits**

Under **Section I - Supplementary Payments, Coverages A and B**, paragraphs 1.b. and 1.d. are replaced in their entirety as follows:

1.b. Up to \$2,500 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

1.d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$300 a day because of time off from work.

**19. Unintentional Failure to Disclose Hazards**

Under **Section IV - Commercial General Liability Conditions**, Condition 6. - **Representations**, paragraph d. is added as follows:

d. We will not disclaim coverage under this Coverage Part if you fail to disclose all hazards existing as of the inception date of the policy provided such failure is not intentional.

**20. Unintentional Failure to Notify**

Under **Section IV - Commercial General Liability Conditions**, Condition 2. - **Duties in the Event of Occurrence, Offense, Claim or Suit**, paragraph e. is added as follows:

- e. Your rights afforded under this policy shall not be prejudiced if you fail to give us notice of an "occurrence", offense, claim or "suit", solely due to your reasonable and documented belief that the "bodily injury" or "property damage" is not covered under this policy.

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**AI -57323**

**8.**

**DRAINAGE DISTRICT**

Meeting Date: 11/15/2016

Submitted For: Lora Briones

Submitted By: Lora Briones, DRAINAGE DISTRICT

Department: DRAINAGE DISTRICT

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Information

CAPTION

Request approval of Budget Amendment from the District's General Fund into heavy equipment in the amount of \$ 402,346.27 for the purchase of a Doosan DX 490LC Excavator. This purchase is for a replacement of one of the District's Excavator which was a claim to Texas Municipal League and has been partially reimbursed.

BACKGROUND

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Fiscal Impact

Attachments

AMENDMENT

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**Form Review**

<b>Inbox</b>	<b>Reviewed By</b>	<b>Date</b>
Final Approval	Monica Badillo	11/10/2016 02:14 PM
Form Started By: Lora Briones		Started On: 11/10/2016 08:47 AM
Final Approval Date: 11/10/2016		



**AI -57332**

**9.**

**DRAINAGE DISTRICT**

Meeting Date: 11/15/2016

Submitted For: Jaime Salazar

Submitted By: Jaime Salazar, DRAINAGE  
DISTRICT

Department: DRAINAGE DISTRICT

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Information

CAPTION

Requesting Approval of a Drainage Easement Acquisition from Edinburg Consolidated Independent School District, Being A 2.54 Acre Tract of Land out of Lot 2, R.B. Curry Survey No. 3, Hidalgo County

BACKGROUND

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Fiscal Impact

Attachments

ECISD Drainage Easement

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**Form Review**

<b>Inbox</b>	<b>Reviewed By</b>	<b>Date</b>
Final Approval	Monica Badillo	11/10/2016 02:14 PM
Form Started By: Jaime Salazar		Started On: 11/10/2016 10:08 AM
Final Approval Date: 11/10/2016		

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

**DRAINAGE EASEMENT**

STATE OF TEXAS           §  
  §                   **KNOW ALL MEN BY THESE PRESENTS**  
COUNTY OF HIDALGO   §

That Edinburg Consolidated Independent School District, ("Grantor") for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and accepted does hereby GRANT, BARGAIN, SELL and CONVEY unto Hidalgo County Texas, ("Grantee") its successors or assigns the following described free and permanent easement and right of way upon, over, across, under and along the following described certain tract of land situated in Hidalgo County, Texas as follows, to-wit:

SEE EXHIBIT A ATTACHED HERETO AND INCORPORATED HEREIN AT THIS POINT FOR ALL PURPOSES

(the "Easement") for the purpose of constructing, reconstructing, excavating, digging, maintaining, and operating a drainage ditch, spoil bank, levees, roadways and other storm drain structure(s) for the disposal of accumulated and excessive rainfall and/or flood water, (the "Facilities") together with free ingress and egress at all reasonable times to and from the Easement for the purpose of doing and performing or having performed, any and all acts and functions for the orderly constructing, reconstructing, excavating, digging, maintaining, and operating the Facilities together with any and all other functions and acts incident to the constructing, reconstructing, excavating, digging, maintaining, and operating the Facilities, upon, over, under, across and along the Easement.

Grantee shall have the right of ingress, egress, entry and access in, to, through, on, over, under, across and along the Easement and where same intersect any public road or public right of way or other easement to which Grantee has the right to access and along any roads designated by Grantor, for any and all purposes necessary and/or incident to the exercise by the Grantee of the rights granted to it by this Agreement.

TO HAVE AND TO HOLD, the Easement, with the right of ingress and egress thereto, together with all and singular the rights and appurtenances thereto, any wise belonging unto the said Grantee, its successors and assigns forever; and Grantor does hereby bind itself, its successors and assigns, to warrant and to defend all and singular the Easement premises unto the Grantee, its successors and assigns against every person whomsoever lawfully claiming or to claim same or any part thereof.

Grantor represents and warrants it is the sole owner and holds fee simple title to the property on which the Easement is located. Grantor has the unrestricted right and authority and has taken all

necessary action to authorize Grantor to execute the easement and to grant to Hidalgo County Drainage District No. 1 the rights granted hereunder.

This easement will be binding upon and inure to the benefit of the parties hereto and their respective successors, legal representatives, and assigns. The parties intend that this easement creates a valid and present interest in the property on which the easement is located in favor of Grantee and therefore this easement will be deemed an interest in and encumbrance upon the property on which the easement is located which will run with the property on which the easement is located. Grantee may assign all or part of its interests or rights in this Easement.

This Easement may only be modified in a separate writing signed by both parties. This Easement shall be governed by and construed under the laws of the State of Texas excluding any choice of law provisions thereof.

IN WITNESS WHEREOF, this instrument is executed on this the \_\_\_\_\_ day of \_\_\_\_\_, 2016.

Grantor:  
Edinburg Consolidated Independent,  
School District  
By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: President of Board of Trustees

Grantee: Hidalgo County, Texas  
By: \_\_\_\_\_  
Print Name: Ramon Garcia  
Title: Hidalgo County Judge

**ACKNOWLEDGMENT**

**THE STATE OF TEXAS**           §  
  §  
**COUNTY OF**                           §

This instrument was acknowledged before me on \_\_\_\_\_, 2016 by Oscar Salinas, President of Edinburg Consolidated Independent School District Board of Trustees, on behalf of said Edinburg Consolidated Independent School District.

\_\_\_\_\_  
Notary Public, State of Texas

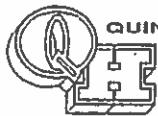
**CORPORATION ACKNOWLEDGMENT**

**THE STATE OF TEXAS**           §  
  §  
**COUNTY OF**                           §

This instrument was acknowledged before me on \_\_\_\_\_, 2016, by Ramon Garcia, County Judge of Hidalgo County, Texas a corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

# EXHIBIT "A"



QUINTANILLA, HEADLEY AND ASSOCIATES, INC.

Consulting Engineers \* Land Surveyors

Alfonso Quintanilla, P.E., R.P.L.S., Eulalio Ramirez, P.E.  
Engineering Firm Registration No. F-1513  
Surveying Firm Registration No. 10041100  
Municipal & County Projects \* Subdivisions \* Surveys  
124 E. Stubbs, Edinburg, Texas 78549  
Phone 956/791-4440 Fax 956/41-0517  
Email: office@qhaengineering.com  
www.qhaengineering.com

## METES AND BOUNDS

HIDALGO COUNTY DRAINAGE DISTRICT No. 1  
PROJECT: TEX-MEX DRAIN  
PARCEL No.: ECISD

A 2.54 ACRE TRACT OF LAND OUT OF LOT 2, R.B. CURRY SURVEY No.3, HIDALGO COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 2, PAGE 23, AND OUT OF LOT 1, SAN CARLOS SCHOOL No.2 SUBDIVISION, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 31, PAGE 85, MAP RECORDS, HIDALGO COUNTY, TEXAS, AND ACCORDING TO CASH WARRANTY DEED RECORDED IN VOLUME 2478, PAGE 432, AND WARRANTY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 477987, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS, REFERENCE TO WHICH IS HERE MADE FOR ALL PURPOSES AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS.

BEGINNING AT A 1/2" IRON ROD WITH PLASTIC CAP STAMPED RPLS 4856 FOUND THE EAST RIGHT OF WAY LINE OF NORTH 83<sup>RD</sup> STREET FOR THE SOUTHWEST CORNER OF THE HIDALGO COUNTY TRACT (A 3.31 ACRE TRACT OUT OF LOT 2, R.B. CURRY SURVEY No.3, ACCORDING TO QUITCLAIM DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 2327532, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS) AND THE SOUTHWEST CORNER OF THIS TRACT, SAID ROD BEARS S 80°51' E, 20.00 FEET AND S 09°15' W, 76.00 FEET FROM THE NORTHWEST CORNER OF LOT 2.

THENCE; S 80°54'23" E, ALONG THE SOUTH LINE OF THE HIDALGO COUNTY TRACT, A DISTANCE OF 1,073.23 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR AN EXTERIOR CORNER OF THIS TRACT.

THENCE; S 07°41'28" W, ALONG THE SOUTH LINE OF THE HIDALGO COUNTY TRACT, A DISTANCE OF 10.00 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR AN INTERIOR CORNER OF THIS TRACT.

THENCE; S 80°49'53" E, ALONG THE SOUTH LINE OF THE HIDALGO COUNTY TRACT, A DISTANCE OF 602.61 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR THE NORTHEAST CORNER OF THIS TRACT.

THENCE; S 09°17'53" W, ALONG THE WEST LINE OF THE HIDALGO COUNTY TRACT, A DISTANCE OF 59.81 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR THE SOUTHEAST CORNER OF THIS TRACT.

THENCE; N 80°51' W, A DISTANCE OF 1,676.06 FEET TO A 1/2" IRON ROD WITH PLASTIC CAP STAMPED RPLS 4856 SET ON THE EAST RIGHT OF WAY LINE OF NORTH 83<sup>RD</sup> STREET FOR THE SOUTHWEST CORNER OF THIS TRACT.

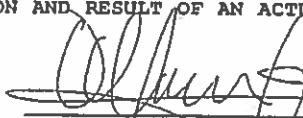
THENCE; N 09°15' E, ALONG THE EAST RIGHT OF WAY LINE OF NORTH 83<sup>RD</sup> STREET, A DISTANCE OF 69.00 FEET TO THE POINT OF BEGINNING AND CONTAINING 2.54 ACRES OF LAND MORE OR LESS.

BEARINGS ARE IN ACCORDANCE WITH SAN CARLOS ESTATES, RECORDED IN VOLUME 29, PAGE 45, MAP RECORDS, HIDALGO COUNTY, TEXAS.

THE PROPERTY DESCRIBED IN THIS METES AND BOUNDS MAY BE SUBJECT TO THE SUBDIVISION REGULATIONS OF THE COUNTY OF HIDALGO AND/OR ORDINANCES OR GOVERNMENTAL REGULATIONS OF THE CITY IN WHICH THE PROPERTY MAY BE LOCATED OR HOLDING EXTRA TERRITORIAL JURISDICTION.

I, ALFONSO QUINTANILLA, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THE ABOVE METES AND BOUNDS TO BE TRUE AND CORRECT, AND TO BE THE REPRESENTATION AND RESULT OF AN ACTUAL SURVEY DONE ON THE GROUND UNDER MY DIRECTION.

DATE PREPARED: JUNE 8, 2016

  
ALFONSO QUINTANILLA  
REGISTERED PROFESSIONAL  
LAND SURVEYOR No. 4856





**AI -57328**

**10.**

**DRAINAGE DISTRICT**

Meeting Date: 11/15/2016

Submitted For: Raul Sesin

Submitted By: Lora Briones, DRAINAGE DISTRICT

Department: DRAINAGE DISTRICT

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Information

CAPTION

- A. Request approval to create one (1) Right of Way and Utility Coordinator position for the Maintenance and Operation Budget and set salary at \$ 45,923.
- B. Approval of Revised Salary Schedule and Budget Amendment to fund New Position as noted in Item A in the amount of \$9,500.00 to fund through the remainder of 2016.

BACKGROUND

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Fiscal Impact

Attachments

AMENDMENT

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**Form Review**

<b>Inbox</b>	<b>Reviewed By</b>	<b>Date</b>
Final Approval	Monica Badillo	11/10/2016 02:14 PM
Form Started By: Lora Briones		Started On: 11/10/2016 09:19 AM
Final Approval Date: 11/10/2016		



**AI -57321**

**11.**

**DRAINAGE DISTRICT**

Meeting Date: 11/15/2016

Submitted For: Raul Sesin

Submitted By: Lora Briones, DRAINAGE DISTRICT

Department: DRAINAGE DISTRICT

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Information

CAPTION

Request approval for payment of Claim in the amount of \$1,397.50 to Terracon Consultants, Inc. for concrete material testing for the Mile 17 1/2 and Ware Rd Project.

BACKGROUND

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Fiscal Impact

Attachments

Terracon invoice T832262

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**Form Review**

<b>Inbox</b>	<b>Reviewed By</b>	<b>Date</b>
Final Approval	Monica Badillo	11/10/2016 02:14 PM
Form Started By: Lora Briones		Started On: 11/10/2016 08:23 AM
Final Approval Date: 11/10/2016		



# INVOICE

1506 Mid Cities Dr  
Pharr, TX 78577-2128  
956-283-8254

Project Manager: Juan Borja

**Project:** Concrete Testing - Mile 17 1/2 Road  
Mile 17 1/2 and Ware Rd.  
McAllen, TX

**To:** Hidalgo County Drainage District No. 1  
Attn: Jaime Salazar  
902 N. Doolittle  
Edinburg, TX 78542

<b>REMIT TO</b>	
<b>Invoice Number:</b>	832262
<b>Terracon Consultants, Inc.</b>	
<b>PO Box 959673</b>	
<b>St Louis, MO 63195-9673</b>	
<b>Federal E.I.N.: 42-1249917</b>	

<b>Project Number:</b>	88161121B
<b>Invoice Date:</b>	10/12/2016
<b>Services Through:</b>	10/12/2016

Date	Report	Description of Services	Quantity	Rate	Total
6/28/16	88161121B.0001	CME Project Manager	0.25	\$90.00	\$22.50
6/28/16	88161121B.0001	Engineering Technician, hour	3.00	\$43.00	\$129.00
6/28/16	88161121B.0001	Trip Charge/Vehicle Charge, each	1.00	\$20.00	\$20.00
6/28/16	88161121B.0001	Concrete Compressive Strength Tests, each	4.00	\$13.00	\$52.00
6/29/16	88161121B.0002	CME Project Manager	0.25	\$90.00	\$22.50
6/29/16	88161121B.0002	Engineering Technician, hour	3.00	\$43.00	\$129.00
6/29/16	88161121B.0002	Trip Charge/Vehicle Charge, each	1.00	\$20.00	\$20.00
9/1/16	88161121B.0003	CME Project Manager	1.00	\$90.00	\$90.00
9/1/16	88161121B.0003	Engineering Technician, hour	3.00	\$43.00	\$129.00
9/1/16	88161121B.0003	Trip Charge/Vehicle Charge, each	1.00	\$20.00	\$20.00
9/1/16	88161121B.0003	Concrete Compressive Strength Tests, each	4.00	\$13.00	\$52.00
9/2/16	88161121B.0004	CME Project Manager	0.25	\$90.00	\$22.50
9/2/16	88161121B.0004	Engineering Technician, hour	3.00	\$43.00	\$129.00
9/2/16	88161121B.0004	Trip Charge/Vehicle Charge, each	1.00	\$20.00	\$20.00
9/8/16	88161121B.0005	CME Project Manager	1.00	\$90.00	\$90.00
9/8/16	88161121B.0005	Engineering Technician, hour - OT	2.00	\$64.50	\$129.00
9/8/16	88161121B.0005	Engineering Technician, hour	1.50	\$43.00	\$64.50
9/8/16	88161121B.0005	Trip Charge/Vehicle Charge, each	1.00	\$20.00	\$20.00
9/8/16	88161121B.0005	Concrete Compressive Strength Tests, each	5.00	\$13.00	\$65.00
9/9/16	88161121B.0006	CME Project Manager	0.25	\$90.00	\$22.50
9/9/16	88161121B.0006	Engineering Technician, hour	3.00	\$43.00	\$129.00
9/9/16	88161121B.0006	Trip Charge/Vehicle Charge, each	1.00	\$20.00	\$20.00

**Invoice Total \$1,397.50**

TERMS: DUE UPON PRESENTATION OF INVOICE

**AI -57331**

**12.**

**DRAINAGE DISTRICT**

Meeting Date: 11/15/2016

Submitted For: Jaime Salazar

Submitted By: Jaime Salazar, DRAINAGE  
DISTRICT

Department: DRAINAGE DISTRICT

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Information

CAPTION

Requesting approval of closing documents as they relate to Pct. 2 Fee Simple Right of Way Project - Parcel - 14.

BACKGROUND

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Fiscal Impact

Attachments

Parcel 14

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**Form Review**

<b>Inbox</b>	<b>Reviewed By</b>	<b>Date</b>
Final Approval	Monica Badillo	11/10/2016 02:14 PM
Form Started By: Jaime Salazar		Started On: 11/10/2016 10:04 AM
Final Approval Date: 11/10/2016		



# SIERRA TITLE COMPANY

3401 North 10<sup>th</sup> Street • McAllen, Texas 78501 • TEL.: (956) 682-8321

**EXECUTED LETTER PERTAINING TO:  
COMMISIONERS' COURT SUBDIVISION REGULATIONS AND CITY'S ZONING  
ORDINANCES & SUBDIVISION REGULATIONS**

**DATE:** \_\_\_\_\_

**BUYER(S)/BORROWER(S): HIDALGO COUNTY DRAINAGE NO. 1**

**GF NUMBER: 3162537**

**PROPERTY:**

**Parcel 14:**

Being a 36,328 square foot or 0.8340 of an acre tract of land situated in the City of Pharr, Hidalgo County, Texas, out of Lot 222, Kelly-Pharr Subdivision, as recorded in Volume 3, Page 133, of the Deed Records, Hidalgo County, Texas, and being a part of Hidalgo County Drainage District No. 1, Right of Way Easement, as described in Volume 1026, Page 312, of the Deed Records, Hidalgo County, Texas, and being a part of the Pharr-McAllen Outfall Right of Way Easement, as described in Volume 1712, Page 569, of the Deed Records, Hidalgo County, Texas, and being out of a tract of land, conveyed by Warranty Deed to Rebecca Sanchez Chapa and Husband, Hector Chapa, as described in Volume 1428, Page 839, of the Deed Records, Hidalgo County, Texas, said 36,328 square foot or 0.8340 of an acre tract of land being more particularly described by metes and bounds as follows;

SEE ATTACHED LEGAL

NOTE: The Company is prohibited from insuring the area or quantity of land described herein. Any statement in the above legal description is not a representation that such area or quantity is correct, but is made only for informational and/or identification purposes and does not override or alter the insuring provisions of item two (2) of Sch B hereof.

One of the provisions of the regulations is that no permit shall be issued or utilities connected until an approved Subdivision Plat has been recorded.

**IT WILL BE YOUR RESPONSIBILITY** to comply with the appropriate Subdivision Regulations by contacting the Hidalgo County Planning Department and/or the Planning Department of the appropriate City.

A receipt of a copy of this letter is hereby acknowledged by the undersigned.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1,

BY: \_\_\_\_\_  
RAMON GARCIA, CHAIRMAN OF THE BOARD

(Acknowledgment)

STATE OF TEXAS  
COUNTY OF HIDALGO

This instrument was acknowledged before me on the \_\_\_\_\_ DAY OF \_\_\_\_\_ 2016, BY HIDALGO COUNTY DRAINAGE DISTRICT NO. 1.

BY: \_\_\_\_\_  
RAMON GARCIA, CHAIRBOARD OF THE BOARD

\_\_\_\_\_  
Notary Public, State of  
Notary's name (printed):

# TAX PRORATION AGREEMENT

GF No. 3162537

Date: \_\_\_\_\_, 2016

SELLER: HECTOR CHAPA

BUYER: HIDALGO COUNTY DRAINAGE DISTRICT NO. 1

**Parcel 14:**

Being a 36,328 square foot or 0.8340 of an acre tract of land situated in the City of Pharr, Hidalgo County, Texas, out of Lot 222, Kelly-Pharr Subdivision, as recorded in Volume 3, Page 133, of the Deed Records, Hidalgo County, Texas, and being a part of Hidalgo County Drainage District No. 1, Right of Way Easement, as described in Volume 1026, Page 312, of the Deed Records, Hidalgo County, Texas, and being a part of the Pharr-McAllen Outfall Right of Way Easement, as described in Volume 1712, Page 569, of the Deed Records, Hidalgo County, Texas, and being out of a tract of land, conveyed by Warranty Deed to Rebecca Sanchez Chapa and Husband, Hector Chapa, as described in Volume 1428, Page 839, of the Deed Records, Hidalgo County, Texas, said 36,328 square foot or 0.8340 of an acre tract of land being more particularly described by metes and bounds as follows;

**SEE EXHIBIT "A" ATTACHED.**

NOTE: The Company is prohibited from insuring the area or quantity of land described herein. Any statement in the above legal description is not a representation that such area or quantity is correct, but is made only for informational and/or identification purposes and does not override or alter the insuring provisions of item two (2) of Sch B hereof.

NOTE: The Company is prohibited from insuring the area or quantity of land described herein. Any statement in the above legal description is not a representation that such area or quantity is correct, but is made only for informational and/or identification purposes and does not override or alter the insuring provisions of item two (2) of Sch B hereof

Execution of this agreement indicates our understanding of the handling of the property taxes by the Title Company in the above referenced transaction. Since the amount of property taxes due for the current year cannot be determined at this time, the purchasers will be given credit for their share of the current year's taxes, in consideration of which purchaser will accept liability for and pay the total tax for the year when taxes are due. This closing procedure is known as a proration. The amount upon which the proration is figured is only an estimate based upon (i) tax figures for the previous year, or, (ii) computation of tax liability for the property for the current year from current tax rates provided by the various taxing authorities.

**\*\*\*\*\*NO TAX PRORATIONS\*\*\*\*\***

If the actual tax assessment exceeds the estimated amount prorated at closing, seller agrees to immediately reimburse the purchaser the additional sum owed for the period from January 1 up to the closing date. Should the actual tax assessments be less than the estimated amount prorated at closing, purchaser agrees to immediately reimburse the seller the excess amount prorated/credited at closing. **All parties understand that the Title Company will not be responsible for, nor will they be involved in any dispute concerning this tax proration settlement.** It is agreed that Seller and Purchaser will contact each other directly, and the refund will be paid immediately upon written notification (with supporting documentation) from the other party that same is due. It is agreed, as evidenced by this document, that SELLER shall be totally liable for the payment of any and all "rollback taxes" in the event said taxes are assessed at the time of any change in land usage

Purchaser specifically understands that, if the tax prorations for the current year are based upon a tax computation for the property as unimproved land and significant improvements have been added since the last tax assessment by the taxing authorities, the tax liability for the current year may be significantly higher than the tax computation figures upon which the tax proration is based. Purchaser further understands that the lender(s) in this transaction, if any, may choose to base payment into escrow reserves upon unimproved tax figures which could result in a significant escrow shortage on the loan when taxes are paid by the lender for the current year. Any demand by the lender(s) for reimbursement of the escrow shortage and/or readjustment of payments required into the escrow reserve could result in a significant increase of monthly payments due on the loan.

The purchasers have also been made aware that they must take a copy of their recorded deed when received to the Central Appraisal District in order to have the taxes changed into their names and file for any exemptions, which apply.

The undersigned further agree to indemnify and hold harmless Sierra Title Company and (name of underwriter) from any and all future loss, claims, or further cause of action, that may arise due to inadequacy, incompleteness, or inaccuracy of the tax computations for the tax figures used in the proration of taxes, or for action taken by **Sierra Title Company** and **SIERRA TITLE INSURANCE GUARANTY COMPANY**, based upon reliance on such inadequate, incomplete or inaccurate tax figures so used in the proration.

**SELLER(S):**

\_\_\_\_\_  
HECTOR CHAPA

**PURCHASER(S):**

\_\_\_\_\_  
Hidalgo County Drainage District No. 1  
By: RAMON GARCIA, CHAIRMAN OF THE  
BOARD

Witness my hand this the \_\_\_\_\_ day of \_\_\_\_\_, 2016.

STATE OF TEXAS  
COUNTY OF HIDALGO

SUBSCRIBED AND SWORN to before me on this \_\_\_\_\_ day of \_\_\_\_\_, by, **HECTOR CHAPA** to certify which witness my hand and seal of office.

\_\_\_\_\_  
Notary Public, in and for the State of

\_\_\_\_\_  
Notary's Printed Name  
My Commission Expires: \_\_\_\_\_

Witness my hand this the \_\_\_\_\_ day of \_\_\_\_\_, 2016

STATE OF TEXAS  
COUNTY OF HIDALGO

SUBSCRIBED AND SWORN to before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2016, by Hidalgo County Drainage District No. 1, By: RAMON GARCIA, CHAIRMAN OF THE BOARD, to certify which witness my hand and seal of office.

\_\_\_\_\_  
Notary Public, in and for the State of

\_\_\_\_\_  
Notary's Printed Name  
My Commission Expires: \_\_\_\_\_



## A. Settlement Statement (HUD-1)

<b>B. Type of Loan</b>			
1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> RHS	3. <input checked="" type="checkbox"/> Conv. Unins.	6. File Number: 0003162537
4. <input type="checkbox"/> VA	5. <input type="checkbox"/> Conv. Ins.	7. Loan Number:	8. Mortgage Insurance Case Number:
<b>C. Note:</b> <i>This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.</i> (0003162537/52)			
<b>D. Name and Address of Buyer:</b> HIDALGO COUNTY DRAINAGE NO. 1 902 N. Doolittle Rd., Edinburg, TX 78542		<b>E. Name and Address of Seller:</b> Hector Chapa 412 Eat Moore Rd, Pharr, TX 78577	
<b>G. Property Location:</b> Not known Pharr, TX 78577 Hidalgo County, Texas Lot(s): 222 Kelly-Pharr		<b>H. Settlement Agent:</b> Sierra Title of Hidalgo County, Inc. (956)682-8321 3401 N. 10th St. McAllen, TX 78501  <b>Place of Settlement:</b> 3401 N. 10th St. McAllen, TX 78501	
<b>F. Name and Address of Lender:</b>			
<b>I. Settlement Date:</b> October 5, 2016  <b>Disbursement Date:</b> October 5, 2016			

J. Summary of Buyer's Transaction	
<b>100. Gross Amount Due from Buyer</b>	
101. Contract sales price	1,543.00
102. Personal property	
103. Settlement charges to buyer (line 1400)	914.13
104.	
105.	
<b>Adjustments for items paid by seller in advance</b>	
106. City/Town taxes	
107. County taxes	
108. Assessments	
109.	
110. Irrigation taxes	10/06/16-09/01/17 21.43
111.	
112.	
<b>120. Gross amount due from Buyer</b>	<b>2,478.56</b>
<b>200. Amounts Paid by or in Behalf of Buyer</b>	
201. Deposit or earnest money	
202. Principal amount of new loan(s)	
203. Existing loan(s) taken subject to	
204.	
205.	
206.	
207.	
208.	
209.	
<b>Adjustments for items unpaid by seller</b>	
210. City/Town taxes	
211. County taxes	
212. Assessments	
213.	
214.	
215.	
216. ** NO TAX PRORATIONS PARTIAL TAKE**	
217.	
218.	
219.	
<b>220. Total paid by/for Buyer</b>	<b>0.00</b>
<b>300. Cash at Settlement from/to Buyer</b>	
301. Gross amount due from Buyer (Line 120)	2,478.56
302. Less amount paid by/for Buyer (Line 220)	( 0.00)
<b>303. CASH FROM BUYER</b>	<b>2,478.56</b>

K. Summary of Seller's Transaction	
<b>400. Gross Amount Due to Seller</b>	
401. Contract sales price	1,543.00
402. Personal property	
403.	
404.	
405.	
<b>Adjustments for items paid by seller in advance</b>	
406. City/Town taxes	
407. County taxes	
408. Assessments	
409.	
410. Irrigation taxes	10/06/16-09/01/17 21.43
411.	
412.	
<b>420. Gross amount due to Seller</b>	<b>1,564.43</b>
<b>500. Reductions in Amount Due to Seller</b>	
501. Excess deposit (see instructions)	
502. Settlement charges to seller (line 1400)	39.49
503. Existing loan(s) taken subject to	
504. Payoff of first mortgage loan	To:
505. Payoff of second mortgage loan	To:
506.	
507.	
508.	
509.	
<b>Adjustments for items unpaid by seller</b>	
510. City/Town taxes	
511. County taxes	
512. Assessments	
513.	
514.	
515.	
516. ** NO TAX PRORATIONS PARTIAL TAKE**	
517.	
518.	
519.	
<b>520. Total reduction amount due Seller</b>	<b>39.49</b>
<b>600. Cash at Settlement from/to Seller</b>	
601. Gross amount due to Seller (Line 420)	1,564.43
602. Less reductions due Seller (Line 520)	( 39.49)
<b>603. CASH TO SELLER</b>	<b>1,524.94</b>

The Public Reporting Burden for this collection of information is estimated at 35 minutes per response for collecting, reviewing, and reporting the data. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. No confidentiality is assured; this disclosure is mandatory. This is designed to provide the parties to a RESPA covered transaction with information during the settlement process.

<b>L. Settlement Charges</b>					
<b>700. Total Real Estate Broker Fees</b>	<b>\$0.00</b>			Paid From Buyer's Funds at Settlement	Paid From Seller's Funds at Settlement
<i>Division of commission (line 700) as follows:</i>					
701.	to				
702.	to				
703.	Commission paid at settlement				
704.					
<b>800. Items Payable in Connection with Loan</b>					
801.	Our origination charge	(from GFE #1)			
802.	Your credit or charge (points) for the specific interest rate chosen	(from GFE #2)			
803.	Your adjusted origination charges	(from GFE #A)			
804.	Appraisal fee	(from GFE #3)			
805.	Credit report	(from GFE #3)			
806.	Tax service	(from GFE #3)			
807.	Flood certification	(from GFE #3)			
808.					
<b>900. Items Required by Lender to be Paid in Advance</b>					
901.	Interest from 10/05/16 to 11/01/16 to @ \$ /day (27 days @ %)	(from GFE#10)			
902.	Mortgage insurance premium for month to	(from GFE #3)			
903.	Homeowner's insurance for year to	(from GFE #11)			
904.	for year to				
<b>1000. Reserves Deposited with Lender</b>					
1001.	Initial deposit for your escrow account	(from GFE #9)			
1002.	Homeowner's insurance Months @ \$ per Month				
1003.	Mortgage insurance Months @ \$ per Month				
1004.	Property taxes Months @ \$ per Month				
1005.	School Taxes Months @ \$ per Month				
1006.	Irrigation Taxes Months @ \$ per Month				
1007.	Months @ \$ per Month				
1008.	Aggregate adjustment				
<b>1100. Title Charges</b>					
1101.	Title services and lender's title insurance	(from GFE #4)	500.00		
1102.	Settlement or closing fee to Sierra Title of Hidalgo County, Inc.	\$500.00			
1103.	Owner's title insurance to Sierra Title of Hidalgo County, Inc.	(from GFE #5)	238.00		
1104.	Lender's title insurance				
1105.	Lender's title policy limit				
1106.	Owner's title policy limit	\$1,543.00			
1107.	Agent's portion of the total title insurance premium to Sierra Title of Hidalgo Cour	\$202.30			
1108.	Underwriter's portion of the total title insurance premium to Chicago Title Insuran	\$35.70			
1109.	Document preparation				
1110.	Tax Service to Tax Service of Hidalgo County		54.13		
1111.	Attorney Review Fee to King Law Firm				
1112.	E- FILING FEE to Sierra Title of Hidalgo County, Inc.		7.00		
1113.	State of Texas Policy Guaranty Fee (O) to ROW Survering Servic		3.00		
<b>1200. Government Recording and Transfer Charges</b>					
1201.	Government recording charges to Sierra Title of Hidalgo County, Inc.	(from GFE #7)	112.00		
1202.	Deed \$ 56.00; Mortgage \$ ; Releases \$ 56.00				
1203.	Transfer taxes	(from GFE #8)			
1204.	City/County tax/stamps Deed \$ ; Mortgage \$				
1205.	State tax/stamps Deed \$ ; Mortgage \$				
<b>1300. Additional Settlement Charges</b>					
1301.	Required services that you can shop for	(from GFE #6)			
1302.					
1303.	Water District #2, taxes due for 2016\$20.78 and for 2017 \$18.71				39.49
1304.					
1305.					
<b>1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)</b>			<b>914.13</b>		<b>39.49</b>

**AFFIDAVIT AND INDEMNITY AS TO DEBTS, LIENS AND POSSESSION**  
(USE SEPARATE FORM FOR EACH PARTY)  
TO BE FILLED IN PERSONALLY BY SELLER OR BORROWER IN HIS/HER OWN HANDWRITING

File No.: 0003162537  
SUBJECT PROPERTY: Lot(s): 222  
Kelly-Pharr

STATE OF TEXAS  
COUNTY OF HIDALGO

Before me, the undersigned authority on this day personally appeared Hector Chapa.  
Seller or Owner-Borrower\* or Contractor (if new construction)

personally known to me to be the person whose name is subscribed hereto and upon his oath deposes and says that no proceedings in bankruptcy or receivership have been instituted by or against him and that the marital status of affiant has not changed since the day of acquisition of said property and represents to the purchaser and/or Lender in this transaction that there are:

1. No unpaid debts for plumbing fixtures, water heaters, floor furnaces, air conditioners, radio or television antennae, carpeting, rugs, lawn sprinkling systems, venetian blinds, window shades, draperies, electric appliances, fences, street paving, or any personal property or fixtures that are located on the subject property described above, and that no such items have been purchased on time payment contracts, and there are no security interests on such property secured by financing statement, security agreement or otherwise except the following: (If NONE, write "NONE" on blank line)

Creditor	Approximate Amount
<u>NONE</u>	_____
_____	_____

2. No loans or liens (including Federal or State Liens and Judgment Liens) and no unpaid governmental or association taxes or assessments of any kind on such property except the following: (If NONE, write "NONE" on blank line)

Creditor	Approximate Amount
<u>NONE</u>	_____
_____	_____

3. All labor and material used in the construction of improvements on the above described property have been paid for and there are now no unpaid labor or material claims against the improvements or the property upon which same are situated, and I hereby declare that all sums of money due for the erection of improvements have been fully paid and satisfied, except as follows: (If NONE, write "NONE" on blank line)

NONE

4. No parties are in possession other than affiant, except as follows: (If NONE, write "NONE" on blank line)

NONE

5. \*To be filled in if a sale -\*The Seller is not a non-resident alien, foreign corporation, foreign partnership, foreign trust, foreign estate or other foreign entity (as defined in the Internal Revenue Code and Income Tax Regulations). Seller's U.S. employer identification number (or social security number) is: 455-64-3941. Seller's address (office address, if seller is an entity; home address if seller is an individual) is:

412 Eat Moore Rd, Pharr, TX 78577

This affidavit may be disclosed to the Internal Revenue Service and is furnished to Buyer to inform Buyer that withholding of tax is not required under Section 1445 of the Internal Revenue Code.

**INDEMNITY:** I AGREE TO PAY ON DEMAND TO THE PURCHASERS AND/OR LENDER IN THIS TRANSACTION, THEIR SUCCESSORS AND ASSIGNS, ALL AMOUNTS SECURED BY ANY AND ALL LIENS NOT SHOWN ABOVE, TOGETHER WITH ALL COSTS, LOSS AND ATTORNEY'S FEES THAT SAID PARTIES MAY INCUR IN CONNECTION WITH SUCH UNMENTIONED LIENS, PROVIDED SAID LIENS EITHER CURRENTLY APPLY TO SUCH PROPERTY, OR A PART THEREOF, OR ARE SUBSEQUENTLY ESTABLISHED AGAINST SAID PROPERTY AND ARE CREATED BY ME, KNOWN BY ME, OR HAVE AN INCEPTION DATE PRIOR TO THE CONSUMMATION OF THIS TRANSACTION.

I realize that the purchaser and/or Lender in this transaction are relying on the representations contained herein in purchasing same or lending money thereon and would not purchase same or lend money thereon unless said representations were made. If Seller or Borrower is an entity, I have authority to sign on its behalf.

\_\_\_\_\_  
Hector Chapa

STATE OF TEXAS  
COUNTY OF HIDALGO

This instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2016 by  
\_\_\_\_\_.

\_\_\_\_\_  
Notary Public, State of Texas

\*Note: This form is to be filled in and signed by seller in case of sale. If no sale, it is to be filled in and signed by the owner-borrower. If there is any new construction, the contractor must also join in this form or fill in and sign a separate one.

\*If seller is a non-resident alien, foreign corporation, etc., call your manager or Legal Department.

NOTE TO BUYER: Buyer must retain until end of fifth taxable year following taxable year of transfer and must file with the Internal Revenue Service if required by regulation or otherwise.

Revised 01/02

## CERTIFICATION FOR NO INFORMATION REPORTING ON THE SALE OR EXCHANGE OF A PRINCIPAL RESIDENCE

This form may be completed by the seller of a principal residence. This information is necessary to determine whether the sale or exchange should be reported to the seller, and to the Internal Revenue Service on Form 1099-S, Proceeds From Real Estate Transactions. If the seller properly completes Parts I and III, and makes a "true" response to assurances (1) through (6) in Part II (or a "not applicable" response to assurance (6)), no information reporting to the seller. The term "seller" includes each owner of the residence that is sold or exchanged. Thus, if a residence has more than one owner, a real estate reporting person must either obtain a certification from each owner (whether married or not) or file an information return and furnish a payee statement for any owner that does not make the certification.

### Part I. Seller Information

1. Name: Hector Chapa
2. Address or legal description (including city, state, and zip code) of residence being sold or exchanged:  
  
Not known, Pharr, TX 78577
3. Taxpayer Identification No. (TIN): 455-64-3941

### Part II. Seller Assurances

Check "True or False" for assurances (1) through (5) and "true", "false", or "not applicable" for assurance (6).

- | True                                | False                               |  |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | 1. I owned and used the residence as my principal residence for periods aggregating 2 years or more during the 5-year period ending on the date of the sale or exchange of the residence.  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | 2. I have not sold or exchanged another principal residence during the 2-year period ending on the date of the sale or exchange of the residence (not taking into account any sale or exchange before May 7, 1997).  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | 3. No portion of the residence has been used for business or rental purposes by me (or my spouse if I am married) after May 6, 1997.   |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | 4. At least one of the following three statements applies:<br>The sale or exchange is of the entire residence for \$250,000 or less.<br><div style="text-align: center;">or</div> I am married, the sale or exchange is of the entire residence for \$500,000 or less, <u>and</u> the gain on the sale or exchange of the entire residence is \$250,000 or less.<br><br>I am married, the sale or exchange is of the entire residence for \$500,000 or less, <u>and</u> (a) I intend to file a joint return for the year of the sale or exchange, (b) my spouse also used the residence as his or her principal residence for periods aggregating 2 years or more during the 5-year period ending on the date of the sale or exchange of the residence, and (c) my spouse also has not sold or exchanged another principal residence during the 2-year period ending on the date of the sale or exchange of the residence (not taking into account any sale or exchange before May 7, 1997). |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | 5. During the 5-year period ending on the date of the sale or exchange of the residence, I did not acquire the residence in an exchange to which section 1031 of the Internal Revenue Code applied.  |
| True                                | False                               | N/A  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/>  |
|                                     |                                     | 6. If my basis in the residence is determined by reference to the basis in the hands of a person who acquired the residence in an exchange to which section 1031 of the Internal Revenue Code applied, the exchange to which section 1031 applied occurred more than 5 years prior to the date I sold or exchanged the residence.  |

**Part III. Seller Certification**

Under penalties of perjury, I certify that all the above information is true as of the end of the day of the sale or exchange.

\_\_\_\_\_  
Hector Chapa

\_\_\_\_\_  
Date

NOTE: REAL ESTATE REPORTING PERSON MUST RETAIN THIS CERTIFICATION  
FOR FOUR YEARS AFTER THE YEAR OF THE SALE.

**INSTRUCTIONS FOR DISBURSEMENT OF  
SELLERS PROCEEDS**

Call when check is ready:

Seller(s) at home \_\_\_\_\_ work \_\_\_\_\_ cell \_\_\_\_\_

Realtor at \_\_\_\_\_

Other \_\_\_\_\_ at Phone No. \_\_\_\_\_

Mail check to: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Federal Express check to: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Wire Transfer funds to:  
Name of Receiving Bank: \_\_\_\_\_  
ABA No.: \_\_\_\_\_  
Credit to the account of: \_\_\_\_\_  
Account No.: \_\_\_\_\_

Deposit into Acct. No. \_\_\_\_\_ (Deposit Slip Attached)

Make check payable to Seller's Attorney:  
\_\_\_\_\_, Trustee

\_\_\_\_\_  
Hector Chapa

**ADDENDUM**

G.F. No.: 0003162537

DATE: October 5, 2016

Not known, Pharr, TX 78577

**Line 303 Amount: \$2,478.56**

**Line 603 Amount: \$1,524.94**

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

The Seller's and Purchaser's/Borrower's signatures hereon acknowledge their approval and signify their understanding that tax and insurance pro-rations and reserves are based on figures for the preceding year or supplied by others or estimated for the current year, and in the event of any change for the current year, all necessary adjustments will be made between Purchaser/Borrower and Seller directly. Any deficit in delinquent taxes or mortgage payoffs will be promptly reimbursed to the Settlement Agent by the Seller.

The parties have read the above sentences, recognize that the recitations herein are material, agree to same, and recognize Title Company is relying on the same.

I hereby authorize the Settlement Agent to make expenditures and disbursements as shown above and approve same for payment.

\_\_\_\_\_  
Hector Chapa

HIDALGO COUNTY DRAINAGE NO. 1

BY: \_\_\_\_\_  
RAMON GARCIA, CHAIRMAN OF THE BOARD

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or will cause the funds to be disbursed in accordance with this statement.

Settlement Agent:

Date:

\_\_\_\_\_

\_\_\_\_\_

WARNING: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine and imprisonment. For details, see: Title 18 U.S. Code Sections 1001 and 1010.

**HUD-1 SETTLEMENT STATEMENT ADDENDUM**

October 5, 2016

RE: GF NO.: 0003162537

PROPERTY ADDRESS: Not known, Pharr, TX 78577

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

HIDALGO COUNTY DRAINAGE NO. 1

\_\_\_\_\_  
Hector Chapa

BY: \_\_\_\_\_  
RAMON GARCIA, CHAIRMAN OF THE BOARD

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or will cause the funds to be disbursed in accordance with this statement.

\_\_\_\_\_  
Settlement Agent

\_\_\_\_\_  
Date

**WARNING:** It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine and imprisonment. For details see Title 18 U.S. Code Section 1001 and Section 1010.

**TAX INFORMATION AND PRORATION AGREEMENT**

Purchaser and Seller understand the Escrow Agent has assembled the information representing this transaction from the best available sources and cannot guarantee the accuracy thereof. Any real estate agent or lender involved may be furnished a copy of this statement. Purchaser and Seller understand that tax and insurance proration and reserves were based on figures for the preceding year or estimates for the current year. In the event of any change for the current year, all necessary adjustments must be made directly between the parties. Any deficit in delinquent taxes or mortgage payoffs will be promptly reimbursed to the Title Company by Seller.

PURCHASER TO CLAIM HOMESTEAD EXEMPTION AT HIDALGO COUNTY APPRAISAL DISTRICT, 4405 S. PROFESSIONAL DRIVE, EDINBURG, TX 78540, BETWEEN JANUARY 1 AND MAY 1. PURCHASER UNDERSTANDS THAT IT IS HIS DUTY TO RENDER THIS PROPERTY TO THE APPROPRIATE TAXING BODIES, CLAIMING WHAT OTHER EXEMPTIONS TO WHICH HE MIGHT BE ENTITLED, AND TO VERIFY THE ASSESSMENT.

SELLER AGREES TO INDEMNIFY BUYER FOR ANY UNPAID PRIOR YEARS' TAXES IF ANY SUCH TAXES ARE DETERMINED BY THE APPROPRIATE TAXING AUTHORITY.

THE BUYER FURTHER UNDERSTANDS THAT THE OWNERS TITLE POLICY IS SUBJECT TO SUBSEQUENT ASSESSMENTS FOR PRIOR YEARS DUE TO CHANGE IN LAND USAGE OR OWNERSHIP.

HIDALGO COUNTY DRAINAGE NO. 1

\_\_\_\_\_  
Hector Chapa

BY: \_\_\_\_\_  
RAMON GARCIA, CHAIRMAN OF THE BOARD

**CONTROLLED BUSINESS ARRANGEMENT DISCLOSURE STATEMENT -  
TAX SERVICE**

To: THE UNDERSIGNED  
From: SIERRA TITLE OF HIDALGO COUNTY, INC.  
Property: Not known, Pharr, TX 78577  
Date: October 5, 2016

This is to give you notice that **Sierra Title of Hidalgo County, Inc.** has a business relationship with **Tax Service of Hidalgo County** in that the majority stockholder in **Sierra Title of Hidalgo County, Inc.**, and the majority stockholder in **Tax Service of Hidalgo County** are the same individual. Because of this relationship, this referral may provide **Sierra Title of Hidalgo County, Inc.** a financial or other benefit.

Set forth below is the estimated charge or range of charges for the settlement services listed. You are **NOT** required to use the listed provider(s) as a condition for [settlement of your loan on] (or) [purchase, sale, or refinance of] the subject property. **THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICES PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.**

Provider of settlement services	Charge or range of charges
<u>Tax Information and Tax Certificates</u>	<u>\$54.13</u>

**ACKNOWLEDGMENT**

I/we have read the disclosure form and understand that **Sierra Title of Hidalgo County, Inc.** is referring me/us to purchase the above described settlement services(s) and may receive a financial or other benefit as a result of this referral.

HIDALGO COUNTY DRAINAGE NO. 1

\_\_\_\_\_  
Hector Chapa

BY: \_\_\_\_\_  
RAMON GARCIA, CHAIRMAN OF THE BOARD

**DISPUTE RESOLUTION BY BINDING ARBITRATION**

At any party's request, any and all disputes arising under or relating to this real estate closing and the closing or settlement services rendered by **Sierra Title of Hidalgo County, Inc.** will be submitted to an arbitrator or arbitrating body for binding arbitration and prompt resolution. Both the Title Company and Customer agree to be bound by this provision and the results of said arbitration. Customer understands and agrees that she/he has the right to consult independent counsel regarding this provision and if accepted, the provision will eliminate all Parties' right to a jury trial in any and all disputes that may arise against each other.

HIDALGO COUNTY DRAINAGE NO. 1

\_\_\_\_\_  
Hector Chapa

BY: \_\_\_\_\_  
RAMON GARCIA, CHAIRMAN OF THE BOARD

SIERRA TITLE OF HIDALGO COUNTY, INC.  
\_\_\_\_\_

### BUYER'S MAILING ADDRESS VERIFICATION FORM

**\*\*THIS FORM MUST BE FILLED OUT COMPLETELY\*\***

GF No.: 0003162537

Borrower/Buyer Name(s): HIDALGO COUNTY DRAINAGE NO. 1

It is imperative that we have your correct mailing address for forwarding of all correspondence and/or any and all legal documentation and/or title policies.

Mailing Address: (Below, please list the exact address where mail must be sent, include Post Office Box Number, Apartment Number, Unit Number, etc.)

\_\_\_\_\_  
Street Address (include Unit no. or Apt. no.)

\_\_\_\_\_  
P.O. Box

\_\_\_\_\_  
City State

\_\_\_\_\_  
Zip Code

Phone Information

Buyer One

Buyer Two

**Home No.:** \_\_\_\_\_

**Business No.:** \_\_\_\_\_

**Mobile No.:** \_\_\_\_\_

**Email Address:** \_\_\_\_\_

**Date of Birth:** \_\_\_\_\_

**Social Security No.:** \_\_\_\_\_

**Drivers License No.:** \_\_\_\_\_

HIDALGO COUNTY DRAINAGE NO. 1

By: \_\_\_\_\_  
Ramon Garcia, Chairman of the Board Date

**SELLER'S MAILING ADDRESS VERIFICATION FORM**

**\*\*THIS FORM MUST BE FILLED OUT COMPLETELY\*\***

GF No.: 0003162537

Seller Name(s): Hector Chapa

It is imperative that we have your correct mailing address for forwarding of all correspondence and/or any and all legal documentation and/or title policies.

Mailing Address: (Below, please list the exact address where mail must be sent, include Post Office Box Number, Apartment Number, Unit Number, etc.)

\_\_\_\_\_  
Street Address (include Unit no. or Apt. no.)

\_\_\_\_\_  
P.O. Box

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip Code

Phone Information

Seller One

Seller Two

**Home No.:** \_\_\_\_\_

\_\_\_\_\_

**Business No.:** \_\_\_\_\_

\_\_\_\_\_

**Mobile No.:** \_\_\_\_\_

\_\_\_\_\_

**Email Address:** \_\_\_\_\_

\_\_\_\_\_

**Date of Birth:** \_\_\_\_\_

\_\_\_\_\_

**Social Security No.:** \_\_\_\_\_

\_\_\_\_\_

**Drivers License No.:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Hector Chapa

\_\_\_\_\_  
Date

**MARITAL STATUS AFFIDAVIT**

G.F. NO.: 0003162537

**State of Texas  
County of HIDALGO**

BEFORE ME, the undersigned authority, on this day personally appeared Hector Chapa, the undersigned, personally known to me, who after having been duly sworn upon oath, deposed and said:

My name is Hector Chapa and I am the owner of the following described property:

**Parcel 14:**

Being a 36,328 square foot or 0.8340 of an acre tract of land situated in the City of Pharr, Hidalgo County, Texas, out of Lot 222, Kelly-Pharr Subdivision, as recorded in Volume 3, Page 133, of the Deed Records, Hidalgo County, Texas, and being a part of Hidalgo County Drainage District No. 1, Right of Way Easement, as described in Volume 1026, Page 312, of the Deed Records, Hidalgo County, Texas, and being a part of the Pharr-McAllen Outfall Right of Way Easement, as described in Volume 1712, Page 569, of the Deed Records, Hidalgo County, Texas, and being out of a tract of land, conveyed by Warranty Deed to Rebecca Sanchez Chapa and Husband, Hector Chapa, as described in Volume 1428, Page 839, of the Deed Records, Hidalgo County, Texas, said 36,328 square foot or 0.8340 of an acre tract of land being more particularly described by metes and bounds as follows;

**SEE EXHIBIT "A" ATTACHED.**

NOTE: The Company is prohibited from insuring the area or quantity of land described herein. Any statement in the above legal description is not a representation that such area or quantity is correct, but is made only for informational and/or identification purposes and does not override or alter the insuring provisions of item two (2) of Sch B hereof.

**INITIAL:**

- ( ) I was a married person at the time I acquired the herein described property and have remained married continuously since that time to the present.
- ( ) I was a single person at the time I acquired the herein described property and have remained single continuously since that time to the present.
- (✓) I became a single person on May 14, 2007, being the date of my divorce; death of my spouse, etc.. Since that date (i) I have remained single; or, (ii) I remained single until \_\_\_\_\_ being the date of my marriage to \_\_\_\_\_. I have remained married to \_\_\_\_\_ from that day to the present.
- ( ) I was a single person at the time I acquired the described property, and I remained single continuously from that date until \_\_\_\_\_, being the date of my marriage to \_\_\_\_\_. I have remained married to \_\_\_\_\_ from that day to the present.

I understand that Sierra Title of Hidalgo County, Inc., as a duly authorized agent for Chicago Title Insurance Company, (hereinafter "Title Company") is to issue policy(ies) of title insurance insuring the title to the above described real property. I understand that the Title Company will rely upon, and accepts as true, the representations made in this affidavit. I further hereby indemnify and hold harmless the Title Company for all liability, costs and attorney fees, it may incur as a result of its: (i) reliance upon this affidavit; or, (ii) issuance of a policy or policies of title insurance, either now or in the future, describing the Real Property, or any part thereof, and providing coverage based upon any of the matters set forth herein.

Any ambiguities in this affidavit shall be construed and interpreted in favor of the Title Company. In this affidavit, in order to create a reasonable construction of meaning, where the context so requires: (i) the singular shall include the plural; (ii) the plural shall include the singular; and, (iii) the use of any gender shall include all genders.

I am aware of the penalties for perjury under Federal Law, which includes the execution of a false affidavit, pursuant to 18 U.S.C.S. Section 1621 wherein it is provided that anyone found guilty under this title shall be subject to fine(s) or imprisonment, or both. I am also aware that perjury in the execution of a false affidavit is also a criminal act pursuant to Section 37.02 of the Texas Penal Code. Finally, I am aware that under Section 32.46 of the Texas Penal Code, a person commits an offense if, with intent to defraud or harm any person, he, by deception, causes another to sign or execute any document affecting property or service or the pecuniary interest of any person, and that an offense under such Section is (i) a felony of the third degree if the value of the property, service, or pecuniary interest is \$20,000.00 or more, but less than \$100,000.00, which is punishable by a fine of \$10,000.00 and confinement in the Texas Department of Corrections for a term of not more than 10 years or less than 2 years; (ii) a felony of second degree if the value of the property, service, or pecuniary interest is \$100,000.00 or more, but less than \$200,000.00, which is punishable by a fine of \$10,000.00 and confinement in the Texas Department of Corrections for a term of not more than 20 years or less than 2 years, or; (iii) a felony of the first degree if the value of the property, service, or pecuniary interest is in excess of \$200,000.00, which is punishable by a fine of not to exceed \$10,000.00 and confinement in the Texas Department of Corrections for a term of not more than 99 years or less than 5 years.

Affiant further saith not.

Witness my hand this the \_\_\_\_\_ day of October, 2016

\_\_\_\_\_  
Hector Chapa

STATE OF TEXAS  
COUNTY OF HIDALGO

This instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2016 by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public, State of Texas

**TITLE COMPANY DISCLOSURES**

**GUARANTY FILE NO.:** 0003162537

**SELLER (whether one or more):** Hector Chapa

**BUYER (whether one or more):** HIDALGO COUNTY DRAINAGE NO. 1

**LENDER:**

**PROPERTY:** Not known, Pharr, TX 78577

By initialing some or all of the following items as may be appropriate for this transaction, each SELLER and/or BUYER acknowledges their understanding of the disclosures being made by Sierra Title of Hidalgo County, Inc. (hereinafter called "TITLE COMPANY"). Each disclosure is being made to BUYER and SELLER on behalf of both TITLE COMPANY and its title insurance underwriter.

**Buyer's  
Initials**

\_\_\_\_\_  
\_\_\_\_\_

**1. WAIVER OF INSPECTION.** In consideration of the issuance by TITLE COMPANY to BUYER of either an Owner Policy of Title Insurance (T-1) or a Residential Policy of Title Insurance (T-1R) - (in this document either such policy, unless specifically referred to otherwise, is referred to as the "Owner Title Policy") insuring good and indefeasible title to the Property, except as to be shown in Schedule B of the Owner Title Policy and subject to the terms and conditions of such Owner Title Policy, BUYER hereby waives any obligation on the part of TITLE COMPANY to inspect the Property.

BUYER agrees to accept an Owner Title Policy containing the Schedule B exception for "RIGHTS OF PARTIES IN POSSESSION". "Rights of Parties in Possession" shall mean one or more persons or entities who are themselves actually physically occupying the property or a portion thereof under a claim or right, adverse to the insured owner of the Property as shown on Schedule A of the Owner Title Policy. Within the meaning of this exception, "possession" includes open acts or visible evidence of occupancy and any visible and apparent roadway or easement on or across all or any part of the Property, but this exception does not extend to any right, claim, or interest evidenced by a document recorded in the real estate records maintained by the County Clerk of the county in which the Property is located.

However, if the BUYER does not initial this paragraph, the BUYER is indicating the BUYER'S refusal to accept an Owner Title Policy containing an exception as to "RIGHTS OF PARTIES IN POSSESSION". The TITLE COMPANY may then require an inspection of the Property and additional charges may be assessed for the reasonable and actual costs of such an inspection. TITLE COMPANY may make additional exceptions in Schedule B of the Owner Title Policy for matter as revealed by such inspection.

**Buyer's  
Initials**

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**2. RECEIPT OF COMMITMENT.** BUYER hereby acknowledges having received and reviewed a copy of the Commitment for Title Insurance issued in connection with the above referenced transaction and any copies of the documents described therein requested by BUYER. BUYER understands that the Owner Title Policy will contain the exceptions set forth in Schedule B of the Commitment for Title Insurance, together with any additional exceptions to title resulting from the final down date search of the public records and from the documents involved in this transaction and any additional exceptions for items shown in Schedule C of the Commitment for Title Insurance which have not been resolved.

**Buyer's  
Initials**

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**3. UNSURVEYED PROPERTY.** BUYER understands that no up-to-date survey of the Property has been done in connection with this transaction and that the Owner Title Policy to be issued to BUYER will not provide title insurance coverage against encroachments and/or protrusions of improvements, boundary conflicts, or other matters that would be found by a current survey. TITLE COMPANY has not attempted to determine if the Property lies in a special flood hazard area, and TITLE COMPANY has not made any representation concerning proximity of the Property in relation to any flood-plain or flood hazard area. BUYER is advised that information concerning special flood hazard areas may be available from county or municipal offices, a qualified surveyor or land-engineering company, or a private flood-plain consultant.

Buyer's  
Initials

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4. **BOUNDARY COVERAGE.** As proposed to be issued, BUYER'S Owner Title Policy will contain a general exception to any discrepancies or conflicts in area or boundary lines, and any encroachments, protrusions, or overlapping of improvements. On payment of an additional 15% of the Owner Title Policy premium, policy coverage against these matters is available, subject to TITLE COMPANY'S approval of a current survey of the Property and without limiting specific exceptions to matters disclosed by the survey. BUYER DECLINES TO OBTAIN THIS ADDITIONAL COVERAGE.

Seller's  
Initials

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Buyer's  
Initials

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5. **PROPERTY TAX PRORATIONS.** Property taxes for the current year have been prorated between BUYER and SELLER, who each acknowledge and understand that these prorations are based upon (a) the sales price or the most current appraised value available and the most current tax rate available or (b) some other common method of estimation. SELLER warrants and represents that there are no past due taxes owed on the Property and if such warranty and representation is untrue, the SELLER shall reimburse TITLE COMPANY, on demand, for any sums paid by the TITLE COMPANY to pay such taxes, and any related penalty and interest. **NO TAX PRORATIONS PARTIAL TAKE**

BUYER and SELLER each agree that, when the amount of the current year's taxes become known and payable they will adjust any changes of the proration and reimbursement between themselves and the TITLE COMPANY shall have no liability or obligation with respect to these prorations.

Buyer's  
Initials

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6. **TAX RENDITION AND EXEMPTIONS.** Although the Tax Appraisal District may independently determine BUYER'S new ownership and billing address, BUYER is still obligated by law to "render" the Property for taxation by notifying the Tax Appraisal District of the change in the Property's ownership and of BUYER'S proper address for tax billing. BUYER is advised that current year's taxes may have been assessed on the basis of various exemptions obtained by SELLER (i.e., homestead or over-65).

It is the BUYER'S responsibility to qualify for BUYER'S own tax exemptions and to meet any requirements prescribed by the taxing authorities. BUYER acknowledges and understands these obligations and the fact that TITLE COMPANY assumes no responsibility for future accuracy of Tax Appraisal District records concerning ownership, tax-billing address, or status of exemptions.

Buyer's  
Initials

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7. **HOMEOWNER'S ASSOCIATION.** BUYER acknowledges that ownership of the Property involves membership in a Homeowner's, Condominium or other Property Owner's Association, to which monthly or annual dues or assessments may be owed. These dues or assessments may be enforceable by a lien against the Property. BUYER understands that the Association (or its managing agent) should be contacted by BUYER immediately to ascertain the exact amount of future dues or assessments. TITLE COMPANY has made no representations with respect to, such Associations' annual budget, pending repairs or deferred maintenance, if any, or other debts of the Association. BUYER accepts sole responsibility to obtain such information and verify its accuracy to BUYER'S satisfaction. **NO ACTIVE ASSOCIATION AT THE TIME AG USE**

Seller's  
Initials

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Buyer's  
Initials

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8. **CLOSING DISCLAIMER.** SELLER and BUYER each acknowledge and understand that the above referenced transaction has not yet "closed". Any change in the possession of the Property takes place AT BUYER'S AND SELLER'S OWN RISK. THIS TRANSACTION IS NOT "CLOSED" UNTIL:

- a. ALL TITLE REQUIREMENTS ARE COMPLETED TO THE SATISFACTION OF TITLE COMPANY;
- b. ALL NECESSARY DOCUMENTS ARE PROPERLY EXECUTED, REVIEWED, AND ACCEPTED BY THE PARTIES TO THIS TRANSACTION AND BY TITLE COMPANY; AND,
- c. ALL FUNDS ARE COLLECTED AND DELIVERED TO AND ACCEPTED BY THE PARTIES TO WHOM THEY ARE DUE.

Buyer's  
Initials

9. **ARBITRATION.** This paragraph does not apply to the Residential Owner Policy (T-1R). The parties may later agree to arbitrate under the Residential Owner Policy (T-1R).

\_\_\_\_\_  
\_\_\_\_\_  
You may require deletion of the arbitration provision of the Owner Title Policy. If you do not delete this provision, either you or the Company may require arbitration, if the law allows. There is no charge to delete this provision. IF YOUR POLICY IS NOT A TEXAS RESIDENTIAL OWNER POLICY (T-1R), YOU MAY REQUIRE DELETION OF THE ARBITRATION PROVISION BY MARKING OUT THIS PARAGRAPH 9.

**Seller's Initials** \_\_\_\_\_  
**10. IRS REPORTING.** SELLER acknowledges having received at closing a copy of the HUD-1 Settlement Statement as a Substitute Form 1099-S. In accordance with federal tax regulations, information from the HUD-1 Statement will be furnished to the Internal Revenue Service.

**Seller's Initials** \_\_\_\_\_  
**Buyer's Initials** \_\_\_\_\_  
**11. ERRORS AND OMISSIONS.** In the event that any of the documents prepared in connection with the closing of this transaction contain errors which misstate or inaccurately reflect the true and correct terms, conditions and provisions of this closing, and the inaccuracy or misstatement is due to a clerical error or to a unilateral mistake on the part of the TITLE COMPANY, or to a mutual mistake on the part of the TITLE COMPANY and/or the SELLER and/or the BUYER, the undersigned agree to execute, in a timely manner, such correction documents as TITLE COMPANY may deem necessary to remedy such inaccuracy or misstatement.

**Buyer's Initials** \_\_\_\_\_  
**12. ATTORNEY REPRESENTATION AND NOTICE.** BUYER may wish to consult an attorney to discuss the matters shown on Schedule B or C of the Commitment for Title Insurance that was issued in connection with this transaction. These matters will affect the title and use of the Property. The Title Insurance Policy will be a legal contract between BUYER and the underwriter. Neither the Commitment for Title Insurance nor the Title Insurance Policy is an abstract of title, title reports or representations of title. They are contracts of indemnity. No representation is made that your intended use of the Property is allowed under law or under the restrictions or exceptions affecting the property.

**SELLER SIGNATURE**

\_\_\_\_\_  
Hector Chapa

STATE OF TEXAS  
COUNTY OF HIDALGO

This instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2016 by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public, State of Texas

**BUYER SIGNATURE**

HIDALGO COUNTY DRAINAGE NO. 1  
BY: \_\_\_\_\_  
RAMON GARCIA, CHAIRMAN OF THE BOARD

STATE OF TEXAS  
COUNTY OF HIDALGO

This instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2016 by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public, State of Texas

2

## WAIVER OF INSPECTION AND DISCLOSURE TO OWNER

TO: **Chicago Title Insurance Company** ("Title Insurer")  
**Sierra Title of Hidalgo County, Inc.** ("The Company")

RE: Hector Chapa to HIDALGO COUNTY DRAINAGE NO. 1

GF (File) No.: **0003162537**

Land: **Parcel 14:**

Being a 36,328 square foot or 0.8340 of an acre tract of land situated in the City of Pharr, Hidalgo County, Texas, out of Lot 222, Kelly-Pharr Subdivision, as recorded in Volume 3, Page 133, of the Deed Records, Hidalgo County, Texas, and being a part of Hidalgo County Drainage District No. 1, Right of Way Easement, as described in Volume 1026, Page 312, of the Deed Records, Hidalgo County, Texas, and being a part of the Pharr-McAllen Outfall Right of Way Easement, as described in Volume 1712, Page 569, of the Deed Records, Hidalgo County, Texas, and being out of a tract of land, conveyed by Warranty Deed to Rebecca Sanchez Chapa and Husband, Hector Chapa, as described in Volume 1428, Page 839, of the Deed Records, Hidalgo County, Texas, said 36,328 square foot or 0.8340 of an acre tract of land being more particularly described by metes and bounds as follows;

**SEE EXHIBIT "A" ATTACHED.**

NOTE: The Company is prohibited from insuring the area or quantity of land described herein. Any statement in the above legal description is not a representation that such area or quantity is correct, but is made only for informational and/or identification purposes and does not override or alter the insuring provisions of item two (2) of Sch B hereof.

### 1. Waiver of Inspection

You may refuse to accept an exception to the Owner's Policy for "Rights of Parties in Possession." "Rights of Parties in Possession" shall mean one or more persons or entities who are themselves actually physically occupying the property or a portion thereof under a claim or right adverse to the insured owner of the property as shown in Schedule A of the Policy. The Company may require an inspection of the property and an additional charge may be assessed for reasonable and actual costs of such an inspection. The Company may make additional Exceptions for matters the inspection reveals. If you do not delete this paragraph, you consent to this Exception and waive inspection of the land.

YOU MAY REFUSE TO ACCEPT THIS EXCEPTION BY MARKING OUT THIS PARAGRAPH 1.

### 2. Receipt of Commitment

You acknowledge having received and reviewed a copy of the Title Commitment issued in connection with this transaction. You understand that your Owner Policy will contain the Exceptions set forth in Schedule B of the Commitment, and any additional Exceptions to title resulting from the documents involved in this transaction, and any additional Exceptions reflected by an exhibit attached hereto.

### 3. Survey

You may request amendment of the "Area and Boundary Exception" to read "Shortages in Area." The Area and Boundary Exceptions is as follows: "Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments, or protrusions, or any overlapping of improvements." You must furnish a current survey. The survey must be acceptable to the Company. You also must pay an additional premium equal to 15% of the basic premium charge. The Company may make additional exceptions for items shown on the survey.

YOU MAY REQUIRE AMENDMENT OF THE AREA AND BOUNDARY EXCEPTION BY MARKING OUT THIS PARAGRAPH 3. AND BY COMPLYING WITH ITS PROVISIONS BEFORE COMPLETION OF THIS CLOSING.

### 4. Arbitration

This paragraph does not apply to the Residential Owner Policy (T-1R). The parties must later agree to arbitrate under the Residential Owner Policy (T-1R).

You may require deletion of the arbitration provision of the Owner Policy. If you do not delete this provision, either you or the Company may require arbitration, if the law allows. There is no charge to delete this provision.

IF YOUR POLICY IS NOT A TEXAS RESIDENTIAL OWNER POLICY (T-1R), YOU MAY REQUIRE DELETION OF THE ARBITRATION PROVISION BY MARKING OUT THIS PARAGRAPH 4.

### 5. Notice

You may wish to consult an attorney to discuss matters shown in Schedule B or C of the Commitment. These matters will affect your title and use of your land. Your Title Insurance Policy will be a legal contract between you and the Titled Insurer. The Commitment and Policy are not abstracts of title, title reports or representations of title. They are contracts of indemnity. We do not represent that your intended use of the property is allowed under the law or under the restrictions or exceptions affecting your property.

Date: October 5, 2016

Signature:

HIDALGO COUNTY DRAINAGE NO. 1

BY: \_\_\_\_\_  
RAMON GARCIA, CHAIRMAN OF THE BOARD

**SUBSTITUTE FORM 1099-S  
PROCEEDS FROM REAL ESTATE TRANSACTIONS  
FOR THE TAX YEAR: 2016**

OMB No. 1545-0997

**SETTLEMENT AGENT/FILER'S NAME AND ADDRESS**  
Sierra Title of Hidalgo County, Inc.

Filer's Federal Tax ID Number:  
Order Number:

74-1649949  
0003162537

3401 N. 10th Street  
McAllen, TX 78501  
956-682-8321

**SELLER/TRANSFEROR'S NAME AND ADDRESS**

Transferor's Federal Tax ID Number:

XXX-XX-3941

Hector Chapa  
412 Eat Moore Rd  
Pharr, TX 78577

1) Date of Closing: 10/05/16	2) Gross Proceeds: 1543.00	4) X here if property or services received: X	5) Buyer's part of real estate tax: 0.00
3) Address or Legal Description: Not known/Pharr TX 78577			

THIS IS IMPORTANT TAX INFORMATION AND IS BEING FURNISHED TO THE INTERNAL REVENUE SERVICE. IF YOU ARE REQUIRED TO FILE A RETURN, A NEGLIGENCE PENALTY OR OTHER SANCTION MAY BE IMPOSED ON YOU IF THIS ITEM IS REQUIRED TO BE REPORTED AND THE IRS DETERMINES THAT IT HAS NOT BEEN REPORTED.

YOU ARE REQUIRED BY LAW TO PROVIDE SIERRA TITLE OF HIDALGO COUNTY, INC. WITH YOUR CORRECT TAXPAYER IDENTIFICATION NUMBER. IF YOU DO NOT PROVIDE SIERRA TITLE OF HIDALGO COUNTY, INC. WITH YOUR CORRECT TAXPAYER IDENTIFICATION NUMBER, YOU MAY BE SUBJECT TO CIVIL OR CRIMINAL PENALTIES IMPOSED BY LAW.

**INSTRUCTIONS FOR TRANSFEROR:**

For sales or exchanges of certain real estate, the person responsible for closing a real estate transaction must report the real estate proceeds to the Internal Revenue Service and must furnish this statement to you. To determine if you have to report the sale or exchange of your main home on your tax return, see the 2016 Schedule D (Form 1040) instructions. If the real estate was not your main home, report the transaction on Form 4797, Form 6252, and/or Schedule D (Form 1040). If box 4 is checked and you received or will receive like-kind property, you must file Form 8824.

**Federal mortgage subsidy.** You may have to recapture (pay back) all or part of a federal mortgage subsidy if **all** the following apply:

- You received a loan provided from the proceeds of a qualified mortgage bond or you received a mortgage credit certificate.
- Your original mortgage loan was provided after 1990.
- You sold or disposed of your home at a gain during the first 9 years after you received the federal mortgage subsidy.
- Your income for the year you sold or disposed of your home was over a specified amount.

This will increase your tax. See Form 8828, and Pub. 523.

**Transferor's identification number.** For your protection, this form may show only the last four digits of your SSN, ITIN, or ATIN. However, the issuer has reported your complete identification number to the IRS, and, where applicable, to state and/or local governments.

**Account number.** May show an account or other unique number the filer assigned to distinguish your account.

**Box 1.** Shows the date of closing.

**Box 2.** Shows the gross proceeds from a real estate transaction, generally the sales price. Gross proceeds include cash and notes payable to you, notes assumed by the transferee (buyer), and any notes paid off at settlement. Box 2 does not include the value of other property or services you received or will receive. See *Box 4*.

**Box 3.** Shows the address or legal description of the property transferred.

**Box 4.** If marked, shows that you received or will receive services or property (other than cash or notes) as part of the consideration for the property transferred. The value of any services or property (other than cash or notes) is not included in box 2.

**Box 5.** Shows certain real estate tax on a residence charged to the buyer at settlement. If you have already paid the real estate tax for the period that includes the sale date, subtract the amount in box 5 from the amount already paid to determine your deductible real estate tax. But if you have already deducted the real estate tax in a prior year, generally report this amount as income on the "Other income" line of Form 1040. For more information, see Pub. 523, Pub. 525, and Pub. 530.

**AI -57296**

**13.**

**DRAINAGE DISTRICT**

Meeting Date: 11/15/2016

Submitted By: Monica Badillo,  
EXECUTIVE OFFICE

Department: EXECUTIVE OFFICE

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Information

CAPTION

Authority to publish and approval of qualifications, requirements and scope of services for the engagement of legal counsel to pursue all remedies available to the Hidalgo County Drainage District #1 in connection with the agreement between Hidalgo County Drainage District #1 and Integ Corporation as outlined/contained in the final Lee Law Firm Report

BACKGROUND

Pursuant to Texas Water Code, Chapter 49, Section .057 (d) with said engagement to follow the procedures provided in Subchapter A, Chapter 2254.003 (a)(1)(2)(b) under Professional Services Procurement Act which will be accomplished through a Request for Qualifications through 3 required publications.

Same procurement packet used for engagement of Lee Law Firm will be utilized for this project.

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Fiscal Impact

Attachments

*No file(s) attached.*

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**Form Review**

<b>Inbox</b>	<b>Reviewed By</b>	<b>Date</b>
Final Approval	Monica Badillo	11/10/2016 02:14 PM
Form Started By: Monica Badillo		Started On: 11/09/2016 02:13 PM
Final Approval Date: 11/10/2016		

**AI -57298**

**14. C.**

**DRAINAGE DISTRICT**

Meeting Date: 11/15/2016

Submitted By: Monica Badillo,  
EXECUTIVE OFFICE

Department: EXECUTIVE OFFICE

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Information

CAPTION

Review of Attorney-Client Privileged Investigative Analysis Report with respect to potential litigation - Integ Corporation

BACKGROUND

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Fiscal Impact

Attachments

*No file(s) attached.*

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**Form Review**

Form Started By: Monica Badillo

Started On: 11/09/2016 02:16 PM

Final Approval Date: 11/09/2016

**AI -57299**

**15. C.**

**DRAINAGE DISTRICT**

Meeting Date: 11/15/2016

Submitted By: Monica Badillo,  
EXECUTIVE OFFICE

Department: EXECUTIVE OFFICE

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Information

CAPTION

Review of Attorney-Client Privileged Investigative Analysis Report with respect to potential litigation - Integ Corporation

BACKGROUND

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Fiscal Impact

Attachments

*No file(s) attached.*

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**Form Review**

Form Started By: Monica Badillo

Started On: 11/09/2016 02:16 PM

Final Approval Date: 11/09/2016