

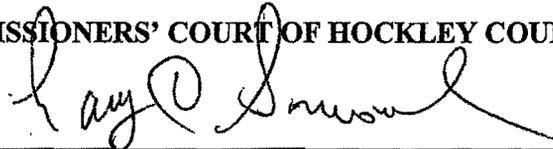
**NOTICE OF MEETING OF THE COMMISSIONERS' COURT OF
HOCKLEY COUNTY, TEXAS**

Notice is hereby given that a Regular meeting of the above named Commissioners' Court will be held on the 4TH day of March, 2013, at 10:00 A.M. in the Commissioners' Courtroom, Hockley County Courthouse, Levelland, Texas, at which time the following subjects will be discussed to-wit:

1. Read for approval the minutes of a Special Meeting of the Commissioners Court held Thursday, February 14, 2013.
2. Read for approval for all monthly bills and claims submitted to the court and dated through March 4, 2013.
3. Hear Public Assistance monthly report.
4. Consider and take necessary action to approve refund of overpaid property taxes.
5. Consider and take necessary action to approve re-sale bid on property in Levelland, Texas submitted by Tax Collector and Assessor.
6. Consider and take necessary action to approve the Resolution opposing HB 958 regarding the TCDRS Retirement Fund.
7. Consider and take necessary action to approve the engagement letter submitted by Myatt, Blume and Fidaleo, Ltd., L.L.P. for the 2012 audit.

COMMISSIONERS' COURT OF HOCKLEY COUNTY, TEXAS

BY:



Larry Sprowls, Hockley County Judge

I, the undersigned County Clerk, do hereby certify that the above Notice of Meeting of the above named Commissioners' Court, is a true and correct copy of said Notice on the bulletin board at the Courthouse, and at the east door of the Courthouse of Hockley County, Texas, as place readily accessible to the general public at all times on the 1st day of March, 2013, and said Notice remained so posted continuously for at least 72 hours preceding the scheduled time of said meeting.

Dated this day 1st day of March, 2013.



Irene Gumula, County Clerk, and Ex-Officio
Clerk of Commissioners' Court, Hockley County, Texas

FILED FOR RECORD
AT _____ O'CLOCK _____ M.

MAR 01 2013


County Clerk, Hockley County, Texas

REGULAR MEETING
March 4, 2013

Be it remembered that on this the 4th day of March A.D. 2013, there came on to be held a Regular meeting of the Commissioners' Court, and the Court having convened in Regular session at the usual meeting place thereof at the Courthouse in Levelland, Texas, with the following members present to-wit:

Larry Sprowls	County Judge
Curtis D. Thrash	Commissioner Precinct No. 1
Larry Carter	Commissioner Precinct No. 2
J. L. "Whitey" Barnett	Commissioner Precinct No. 3
Thomas R "Tommy" Clevenger	Commissioner Precinct No. 4

Irene Gumula, County Clerk, and Ex-Officio Clerk of Commissioners' Court when the following proceedings were had, to-wit:

Motion by Commissioner Barnett, seconded by Commissioner Carter, 4 Votes Yes, 0 Votes No, that the Minutes of a Special meeting of the Commissioners' Court, held on the 14th day of February A.D. 2013, be approved and stand as read.

Motion by Commissioner Thrash, seconded by Commissioner Clevenger, 4 Votes Yes, 0 Votes No, that all monthly claims and bills, submitted to the Court, and dated through March 4, A.D. 2013, be approved and paid as read.

Rebecca Currington, Public Assistance Administrator reported her February 2013 monthly approvals and denial request for Public Assistance, as per Report recorded below.

Upon recommendation by Rebecca Currington, Public Assistance Administrator, the following list of applicants' requests for public assistance, have been approved or denied for the month of February 2013

APPROVED APPLICANTS

<u>APPLICANT</u>	<u>ADDRESS</u>	<u>TOWN</u>	<u>REQUEST</u>	<u>AMOUNT</u>
Willie Lockett	1606 8 th	Levelland	Electric	\$75.00
Mark King	603 8 th	Levelland	Electric	\$75.00
Manuela Lopez	1833 8 th	Levelland	Electric	\$75.00
Donna Romine	903 S Alamo Apt 6	Levelland	Electric	\$75.00

DENIED APPLICANTS

The below listed applicants have been denied their public assistance request for one/more of the following reasons:

- Income of applicant(s) exceeds that of an indigent person, according to the guidelines of the Commissioners' Court of Hockley County, Texas.
- Applicant is in an all adult household in which no one is receiving Social Security due to age or disability.
- Not all money received by household, either income, available funds or contribution, was reported by household.
- Conflict of information regarding either household members or income received.
- No emergency situation exists as loss of job income was not due to illness or layoff.

<u>APPLICANT</u>	<u>ADDRESS</u>	<u>TOWN</u>
Lionel Martiinez	104 11 th	Levelland
Natasha Goree	502 Igoe St	Anton
Manuela Lopez	1833 8 th	Levelland
JoAnn Knighten	204 Pine	Levelland
Margaret Williams	1108 9 th	Levelland
Janie Carrillo	503 Sylvan	Anton
Emma Moss	903 S. Alamo, #17	Levelland

Motion by Commissioner Barnett, seconded by Commissioner Carter, 4 Votes Yes, 0 Votes No, that Commissioners' Court approve the tax refund in the amount of Five Hundred Twenty Seven Dollars and Six Cents (\$527.06) to Joyce Penuel, approve the tax refund in the amount of Eight Hundred Seventy Three Dollars and Eighteen Cents (\$873.18) to WTG Fuels Inc., approve the tax refund in the amount of Six Hundred Forty Two Dollars and Twelve Cents (\$642.12) to Marvin E. LeBow Rev. Trust, approve the tax refund in the amount of One Thousand One Hundred Thirty Two Dollars and Thirty Seven Cents (\$1132.37) to Dixie Electric Inc., approve the tax refund in the amount of One Thousand Three Hundred Twenty Three Dollars and Sixty Eight Cents (\$1323.68) to Interface Custom Controls Inc., as per request of Debra Bramlett, Tax Assessor/Collector.

Motion by Commissioner Carter, seconded by Commissioner Clevenger, 4 Votes Yes, 0 Votes No, that Commissioners' Court approve the re-sale of property known as 206 Ave. N, Levelland, Texas, in the amount of Five Hundred Dollars (\$500.00) to Claudia Holguin, as per Bid Recorded below.



OFFICE OF

DEBRA C. BRAMLETT

COUNTY TAX ASSESSOR
HOCKLEY COUNTY
LEVELLAND, TEXAS

ADDRESS ALL CORRESPONDENCE TO
802 HOUSTON ST., SUITE 106
LEVELLAND, TX 79336
PHONE: (806) 894-4938
FAX: (806) 894-1102

YVONNE GIPSON
CHIEF DEPUTY

TO PAY ONLINE
www.texasrecordsearch.com/hockley

February 16, 2013

To Whom It May Concern:

Re OT Levelland Block 80 Lot 10 206 Ave n

We have received a bid on the property listed above, from Claudia Holgum. In the amount of five hundred dollars. This has been submitted to City of Levelland and all criteria have been met and the Levelland City Council has approved this bid. At this time I would like to submit this bid to your board for consideration. Enclosed you will find a copy of the written bid along with a statement of all taxes due. If you will please contact me as soon as you have reached a decision on this matter. I appreciate your time.

Sincerely

Debra C Bramlett
Hockley County Tax Assessor Collector

BID FORM FOR RESALE OF PROPERTY
STRUCK OFF TO HOCKLEY COUNTY TAXING ENTITIES

1-18-12
(DATE)

Claudia Holguin
(NAME)

\$500.00
AMT OF BID

P.O. Box 891
ADDRESS-P.O. BOX OR STREET

Sunshine TX 79372
CITY STATE & ZIP CODE

806 893 - 3430
PHONE NUMBER
Acct# R13159

OT Levelland, Block 80, Lot 10, 206 Ave N
LEGAL DESCRIPTION AND PHYSICAL LOCATION OF PROPERTY

The building on the lot is not going to be habitable, it will need to be torn down,
LIST ANY SPECIAL CIRCUMSTANCES CONCERNING THE PROPERTY AND YOUR BID

the lot will need to be cleared, and leveled.

THANK YOU FOR YOUR BID

CHRISTY CLEVINGER
HOCKLEY COUNTY TAC

DB

HOCKLEY COUNTY TAX OFFICE
802 HOUSTON ST SUITE 106
LEVELLAND TEXAS 79336
(806) 894-4938

* PROPERTY DESCRIPTION ACCT # R13159
* OT LEVELLAND, BLOCK 80, LOT 10
* TOWN -LEVELLAND LOCATION- 206 AVE N
* ACRES - .230
* LAND MKT VALUE 1120 IMPR/PERS MKT VALUE 1550
* LAND AGR VALUE MKT. BEFORE EXEMPTS 2670
* LIMITED TXBL. VALUE 2670
* EXEMPTIONS GRANTED: NONE SUIT NO. TX07-11-2547

HOCKLEY COUNTY IN TRUST

PO BOX 3

LEVELLAND TX 79336-0003

Table with columns: TAXES (Year), LEVY, P & I, ATTY FEES, AMT DUE. Rows include taxes from 1992 to 2012, with a total of 5,312.48 for 02/2013.

ACCT # R13159
TOTAL DUE 02/2013 5,312.48
TOTAL DUE 03/2013 5,333.97
TOTAL DUE 04/2013 5,355.48
TOTAL DUE 05/2013 5,376.94

* BREAKDOWN OF TAX DUE BY JURISDICTION
* JURISDICTION TAXES PEN & INT ATTY FEES TOTAL*
* HOCKLEY COUNTY 209.15 300.90 86.21 596.26*
* COUNTY WIDE SCHOOL 2.49 5.81 1.24 9.54*
* HIGH PLAINS WATER 6.06 9.32 2.54 17.92*
* CITY OF LEVELLAND 792.49 1,344.93 341.53 2,478.95*
* SOUTH PLAINS COLLEGE 175.63 264.08 73.15 512.86*
* LEVELLAND I S D 646.63 794.12 256.20 1,696.95*

TOTAL TAX LEVY FOR THE CURRENT ROLL YEAR00

Motion by Commissioner Carter, seconded by Commissioner Thrash, 4 Votes Yes, 0 Votes No, that Commissioners' Court approve the Resolution opposing HB 958 regarding the TCDRS Retirement Fund, as per Resolution recorded below.

RESOLUTION

STATE OF TEXAS

§
§
§

IN THE COMMISSIONERS' COURT

COUNTY OF HOCKLEY

STRONGLY OPPOSING THE PASSAGE OF HB 958 WHICH PROPOSES TO REDUCE THE INTEREST CREDITING RATE ON ALL TCDRS FUNDS FROM 7% TO 5%

WHEREAS, the Texas Legislature created the Texas County and District Retirement System ("TCDRS") in 1967; and

WHEREAS, TCDRS partners with Texas counties and districts to provide retirement, disability and survivor benefits to more than 225,000 Texas county and district employees; and

WHEREAS, TCDRS is governed by the Texas Legislature and overseen by an independent board of trustees; and

WHEREAS, TCDRS receives no state funding as each plan is funded independently by each county or district; and

WHEREAS, HB 958 which would reduce the interest crediting rate on all TCDRS funds from 7% to 5% has been filed during the 83rd Texas Legislative Session; and

WHEREAS, TCDRS is the only statewide plan in which reducing the interest rate significantly impacts retiree benefits; and

WHEREAS, TCDRS counties and districts currently have local control to select benefits and costs based on their workforce needs and budget; and

WHEREAS, the passage of HB 958 would have an adverse effect on TCDRS retiree benefits.

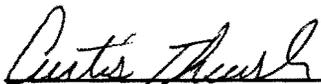
NOW, THEREFORE, BE IT RESOLVED THAT the Commissioners' Court of Hockley County, Texas, does hereby declare its strong opposition to any effort of the Texas Legislature to pass legislation that reduces the interest crediting rate on TCDRS funds.

BE IT FURTHER RESOLVED THAT the Commissioners Court of Hockley County, Texas, urges the Texas Legislature to reject HB 958 in its entirety.

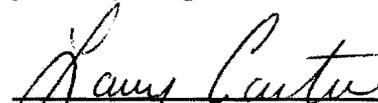
RESOLVED this 4th day of March, 2013.



Larry Sprowls, Hockley County Judge



Curtis Thrash
County Commissioner, Pct. #1



Larry Carter
County Commissioner, Pct. #2



J.L. Barnett
County Commissioner, Pct. #3



Tommy Clevenger
County Commissioner, Pct. #4

Motion by Commissioner Thrash, seconded by Commissioner Carter, 4 Votes Yes, 0 Votes No, that Commissioners' Court approve the engagement letter submitted by Myatt, Blume, and Fidaleo, LTD. L.L.P for the 2012 Audit, as per Letter recorded below.

MYATT, BLUME AND FIDALEO, LTD., L.L.P.

SHAM L. MYATT CPA
PHELPS BLUME CPA
ANTHONY S. FIDALEO CPA
BUFORD A. DUFF CPA

CERTIFIED PUBLIC ACCOUNTANTS
908 COLLEGE AVENUE
LEVELLAND, TEXAS 79336
806 - 894-7324
FAX: 806 - 894-8693
EMAIL smyatt@windstream.net

MEMBERS
TEXAS SOCIETY AND AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

February 25, 2013

Honorable County Judge and Commissioners
Hockley County, Texas
Courthouse, Box 10
Levelland, Texas 79336

We are pleased to confirm our understanding of the services we are to provide Hockley County, Texas for the year ended December 31, 2012. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of Hockley County, Texas as of and for the year ended December 31, 2012. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Hockley County, Texas' 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. As part of our engagement, we will apply certain limited procedures to Hockley County, Texas' RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Budgetary Comparison Schedule

We have also been engaged to report on supplementary information other than RSI that accompanies Hockley County, Texas' financial statements. We will subject the following supplementary information to the auditing procedures applied in our 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 and will provide an opinion on it in relation to the financial statements as a whole:

- 1) Combining Balance Sheet – Nonmajor Governmental Funds.
- 2) Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds.
- 3) Combining Statement of Net Assets – Nonmajor Enterprise Funds.
- 4) Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Nonmajor Enterprise Funds.

- 5) Combining Statement of Cash Flows – Nonmajor Enterprise Funds.
- 6) Combining Balance Sheet – Agency Funds.
- 7) Schedule of Delinquent Taxes Receivable.
- 8) Reconciliation of Current Tax Collections.
- 9) Reconciliation of Delinquent Tax Collections.
- 10) Schedule of Insurance Coverage.
- 11) Schedule of Surety Bonds.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of Hockley County, Texas and other procedures we consider necessary to enable us to express such opinions. If our opinions on the financial statements are other than unqualified (unmodified), we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and compliance will include a statement that the report is intended solely for the information and use of management, the body or individuals charged with governance, others within the entity, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties. If during our audit we become aware that Hockley County, Texas is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will assist with preparation of your financial statements and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the written representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them. We will prepare the trial balance for use during our audit. Our preparation of the trial balance will be limited to formatting information into a working trial balance based on management's chart of accounts and balances as of December 31, 2012.

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate

remaining fund information of the Hockley County, Texas and the respective changes in financial position and cash flows, where applicable, in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for ensuring that management is reliable and financial information is reliable and properly recorded. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors or any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Hockley County, Texas' compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to Hockley County, Texas; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Myatt, Blume, and Fidaleo, LTD., L.L.P. and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to certain governmental regulatory agencies, the U.S. Government Accounting Office or its designee, a federal agency providing direct or indirect funding, or the U.S.

Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Myatt, Blume, and Fidaleo, LTD., L.L.P. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the State of Texas. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately June 18, 2013 and to issue our reports no later than December 1, 2013. E. Phelps Blume is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$35,000.00. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoice for this fee will be rendered at the conclusion of the audit engagement. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our peer review is on file with the Hockley County Auditor's Office.

We appreciate the opportunity to be of service to Hockley County, Texas and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign below and return this letter to us.

Very truly yours,

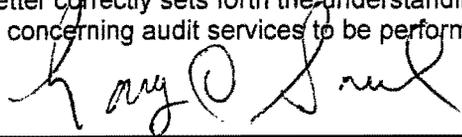
Myatt, Blume, and Fidaleo, LTD., L.L.P.

Myatt, Blume, and Fidaleo, LTD., L.L.P.

RESPONSE:

This letter correctly sets forth the understanding of Hockley County, Texas with Myatt, Blume, and Fidaleo, LTD., L.L.P. concerning audit services to be performed for the fiscal year ending December 31, 2012.

By: _____


Larry Sprowls

Title Hockley County Judge

System Review Report

To Myatt, Blume and Fidaleo, LTD., LLP
and the Peer Review Committee of the Texas Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Myatt, Blume and Fidaleo, LTD., LLP (the firm) in effect for the year ended December 31, 2010. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed pursuant to *Government Auditing Standards*.

In our opinion, the system of quality control for the accounting and auditing practice of Myatt, Blume and Fidaleo, LTD., LLP in effect for the year ended December 31, 2010, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Myatt, Blume and Fidaleo, LTD., LLP has received a peer review rating of *pass*.

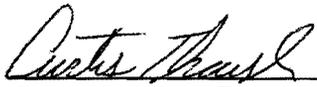


Davis Kinard & Co, PC

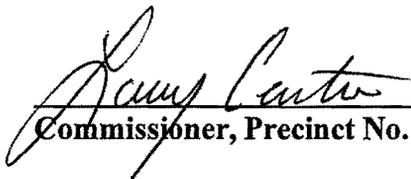
June 29, 2011

There being no further business to come before the Court, the Judge declared
Court adjourned, subject to call.

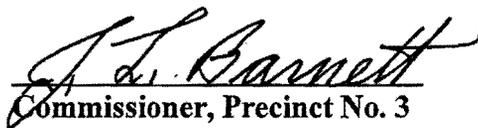
The foregoing Minutes of a Commissioners' Court meeting held on the 4th
day of March, A. D. 2013, was examined by me and approved.



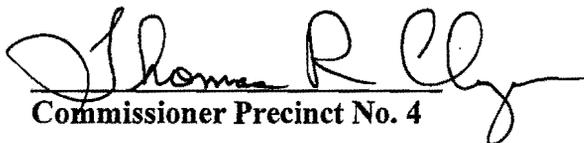
Commissioner, Precinct No. 1



Commissioner, Precinct No. 2



Commissioner, Precinct No. 3



Commissioner Precinct No. 4



County Judge



IRENE GUMULA, County Clerk, and
Ex-Officio Clerk of Commissioners' Court
Hockley County, Texas