



MEETING NOTICE

TO: North East Texas Regional Mobility Authority Board Members  
FROM: Linda Thomas, Chair  
DATE: Tuesday, June 12, 2018  
SUBJECT: **June Board Meeting**

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The next meeting of the NET RMA is scheduled as follows:

**DATE:** Tuesday, June 12, 2018  
**TIME:** 1:30 PM  
**PLACE:** Willow Brook Country Club  
3205 W. Erwin St.  
Tyler, TX 75702  
Smith County

Enclosed please find the agenda and other pertinent information for your review prior to the meeting. Should you have any questions, please call Bianca Blattman at 903.630.7894.

**NORTH EAST TEXAS REGIONAL MOBILITY AUTHORITY (NET RMA)**  
**BOARD OF DIRECTORS REGULAR MEETING**  
Tuesday, June 12, 2018, 1:30 PM  
Willow Brook Country Club  
3205 W. Erwin St.  
Tyler, TX 75702  
Smith County

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**1. CALL TO ORDER AND DECLARATION OF QUORUM**

*Notice of this meeting was posted with the Secretary of State's Office and on the NET RMA website and office on Friday, June 8, 2018.*

1:42 – meeting called to order.

**2. INVOCATION**

Larry Morse provided the invocation.

**3. WELCOME & INTRODUCTION OF BOARD MEMBERS**

Bob Moore, Belinda Andrus, Nate Priefert, Mike Thomas, Gary Halbrooks, Linda, Chris Miller, Larry Morse, Barham Fulmer, Tim Mcrae, Andrea Williams-McCoy, Dr. Harris (remote), Dave Spurrier (remote)

**4. REMARKS BY SMITH COUNTY JUDGE NATHANIEL MORAN**

Nathaniel Moran welcomed all to Smith County. He was also happy to say that recently during their past commissioner's court, they had passed a resolution supporting the addition of Camp and Cass County into the NET RMA. He appreciates the work that the NET RMA does and stated that together North East Texas counties can do more for their region than apart. All counties part of the board benefit. He also commended Chris Miller and staff for their hard work. He also commended all that had worked hard to bring Toll 49 to light because to toll road has proven to have long reaching benefits. He believes the upgrades have been fantastic and he drives it regularly.

**5. OPEN PUBLIC FORUM/COMMENT PERIOD**

No comments.

**6. DISCUSSION, CONSIDERATION AND APPROVAL OF THE MINUTES FOR THE MAY 8, 2018 BOARD MEETING**

**Action Item**

Motion to approve: Gary Halbrooks, 2<sup>nd</sup>: Bob Moore. Unanimously approved.

**7. CHAIR'S REPORT**

**Linda Thomas**

Linda Thomas thanked all for making it to Smith County. She stated that she wanted to talk a little bit about self-driving cars. Dallas, in less than thirty days, will feature autonomous vehicles for shuttles and food delivery. She stated that her son and his group have put together a service called Bubbles that is an upscale service that provides Range Rovers to pick up customers and all drivers are retired vets or police officers. She also wanted to state that Barham Fulmer is retiring from the banking industry. She offered congratulations and wished him well. His reception is scheduled to June 26th at Hideaway Country Club and she encouraged the board to attend.

**8. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION ON AN HONORARY RESOLUTION FOR FORMER LONGVIEW MPO DIRECTOR KAREN OWEN**

Linda Thomas noted that in the resolution, a typo needed to be changed in one sentence. There was an erroneous "he" when it should have been "she".

Motion: Andrea Williams-McCoy, 2<sup>nd</sup>: Mike Thomas. Unanimously approved.

**9. COMMITTEE REPORTS**

**A. Executive Committee/Audit Committee**

**Linda Thomas**

No report.

**B. Personnel Committee**

**Jason Ray**

No report.

**C. Project Development & Implementation Committee**

**Barham Fulmer**

Barham Fulmer stated that they had met 10 days ago to discuss change orders that are on the agenda. He stated

that these were largely work authorizations. They were aware that they were incoming but had previously decided to wait on acting on them. The work authorizations were largely anticipated. They also spoke on the improvement project as well, but he wanted to wait on discussing that as it would later be discussed via agenda item.

**D. Long-Range Planning Committee**

**John Cloutier**

No report.

**E. East Texas Hourglass Committee**

**Dave Spurrier**

Dave Spurrier stated that a committee meeting was held that was then followed up with an Executive Committee meeting. The action items were related to Segments 6,7 and 8. They recommend moving forward with environmental work on Segment 6 and at the same time, pursue a dual track for financing for environmental work of 6 and 7. They spoke with Richard Ramirez, bond counsel and 'Brian Cassidy to come to this recommendation. They will also continue to pursue their request for \$10 million from TxDOT. He stated that there is a possibility that funding will come through via TxDOT and that they will know by the end of the summer. The action items on the agenda are requests to begin financing for the environmental of Segment 6. They have studied the 5-year cashflow and decided that even though they could potentially self-fund, they would like to still pursue local lending options. He also stated that Richard Ramirez would provide a detailed report projecting possibilities down the road. Richard Ramirez then discussed the 5-year cash flow. Mr. Ramirez stated that there are funds that should be available once Segment 4 is substantially complete and there is a process in place to utilize those funds on future segments. There are also possibilities to take out loans. They see that there is a clear path towards utilizing cash flow, but they do not recommend self-funding completely because it is important to have funds in case they are needed sometime down the line. Dave Spurrier stated that if they wanted to move on Segments 6-8 and get the ball rolling, it would not affect them negatively regardless if they decided to pursue TxDOT or private lending. They will be meeting regularly in the next few months.

**F. Investment Committee**

**Robert Messer**

No report.

**G. Facilities Committee**

**Gary Halbrooks**

No report.

**H. Marketing/Community Relations Committee**

**Andrea Williams-McCoy**

No report.

**10. PARTNERSHIP UPDATES**

**A. East Texas Corridor Council**

**Bob Moore**

No report. Linda Thomas did state that Amtrak has been closing stations in Marshall and Texarkana. Judge Anderson and others have been accumulating signatures to keep those facilities open. Linda Thomas then asked all to let the NET RMA know if there are any avenues in which the NET RMA can help this venture.

**B. I-69 Alliance Committee**

**Linda Thomas**

No report.

**C. East Texas Council of Governments**

**Linda Thomas**

No report.

**11. REVIEW AND ACCEPTANCE OF NET RMA FINANCIAL STATEMENTS**

**Michelle Colburn**

March 2018 financials were provided by Michelle Colburn. The bottom line of revenue from 2017-2018 is that they are about 8.42% down with a variance column per Gary Halbrooks' previous request. Expenses: total operating expenses have increased at about 28% largely due to employee salaries, legal expenses, auditing expenses, and surety bonds. IBTTA dues were in March which is why those are high. Toll 49 operating expense – 3.72% difference. They are about on track as last year. Toll maintenance is significantly higher this year and the 132k in treadle replacements have contributed to the increased variance. She then stated that there is \$3.9 million in operating income which yielded a 17% decrease in comparison to last year which is largely due to increased expenses. For total other income there was only a difference of about 3%. Change in net position is 1 million. She stated that there is an improvement in transactions. Operating expenses compared to budget are at an 18% increase. General expenses are comprised of several items some of them being: accounting, auditing and legal fees as well as employee salaries and benefits. In operating expenses

compared to budget the NET RMA is ahead of budget and down from it at about 8%. Project director funds are a little ahead of schedule. This is largely due to handling the RFQ of engineers. Cash flow is about 21% down but total net income is only 2% off.

**12. REPORT ON TOLL 49 TOLLING TRANSACTIONS AND REVENUE**

**Chris Miller**

**A. Monthly Transactions (May 2018)**

**B. Truck vs. Non-Truck Transactions (January to March 2018)**

Chris Miller provided the report. He stated that transactions are beginning to show an increasing trend. They are not where they would like to be in terms of catching up to prior years, but the construction is likely the reason for the decrease. Additionally, they provided tolling transactions between truck and non-truck comparisons. They plan to do this each quarter. Overall for March, transactions had increased for trucks. The average truck transactions tend to be around 2300-2700 so trucks are about 7.5-8.4% of the total transactions compared to non-trucks. The analysis has shown that they are a good portion of transactions on the road. It was a bit surprising to note that the numbers of truck activity on the road on weekends was a little less than they were expecting. There are a lot of commercial activities on the weekdays while the weekends are generally for the non-commercial the driver. They are interested to see how different the next quarter pans out to be. It's always important to remember that trucks have a high impact on the road. Dr. Harris stated that he supports Chris Miller on this. Chris thanked Dr. Harris but stated that CDM Smith is responsible for the report.

**13. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO OBTAIN PROPOSALS FOR FINANCING FOR PRE-DEVELOPMENT COSTS FOR SEGMENTS 6 AND 7 OF TOLL 49.**

**(RESOLUTION 18-32)**

**Action Item**

Chris Miller stated that this resolution will authorize Richard Ramirez as, Financial Advisor, to provide private financing advising. He stated that it is important to remember that the board is not abandoning the TxDOT financing track, it is still a viable option and they will be prepared to move in that direction; however, in the meantime they want to work towards private financing. He also asked when they may expect an answer from banks? Richard Ramirez stated probably in the next 30-45 days. Andrea Williams-McCoy asked if the requests for financing would be readily available to move around if the NET RMA does receive funding from TxDOT. Chris Miller stated that they are still asking the state for a loan to help fund the environmental studies and by obtaining rate quotes from private banks, the plan is that the focus will remain on Segment 6 and will then move towards Segment 7. He stated it would not necessarily lead to moving money and being flexible. Monies would be used on Segment 6 and then the rest would be used for Segment 7. Richard Ramirez confirmed that statement. Dave Spurrier stated that 10 million was requested from TxDOT. He did not foresee any issues revolving around their concern. Barham Fulmer asked the dollar amount for the proposals. Dave Spurrier stated that the committee suggested 7.7 million for Segment 6. The plan is to go on a dual track to continue to pursue a private financing option. Richard Ramirez stated that they could get 10 million from a bank but they would need to get a commitment fee that would take a few years to pay off however with TxDOT, there is no commitment and with a bank. You can always request for more. Mike Thomas asked if getting private funding would hurt their chances in getting funding from TxDOT. Richard Ramirez stated no, he does not believe so. Dave Spurrier stated that it is his understanding that they will have a good idea where they are with the TxDOT request in a few months. Richard Ramirez stated that when they get the responses back from the bank, they can have 90 days before responding, thus they won't need to make a commitment right away. Andrea Williams-McCoy stated she appreciates the thought that has gone through this planning and believes it is a prudent option. Richard Ramirez also stated that even though the 5-year cash flow that was provided to the board shows a possibility to self-fund, it makes more sense to not run cash too short. Barham Fulmer stated that the cash flow is based on the budget for this year, not the performance that is behind budget.

Motion: Larry Morse, 2<sup>nd</sup>: James Harris. Unanimously approved.

**14. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO AUTHORIZE REIMBURSEMENT OF CAPITAL EXPENDITURES FOR SEGMENTS 6 AND 7 OF TOLL 49.**

**(RESOLUTION 18-33)**

**Action Item**

Chris Miller stated that this action item was to authorize the NET RMA to spend money on environmental work now. And if there is future financing, they can utilize that financing to reimburse themselves. Brian O'Reilly confirmed.

Motion: Barham Fulmer, 2<sup>nd</sup>: Larry Morse. Unanimously approved.

**15. REPORT ON CHANGE ORDERS APPROVED BY THE EXECUTIVE DIRECTOR SINCE PREVIOUS BOARD MEETING.**

**Chris Miller**

Chris Miller stated there was a Change Order for Webber. It was driveway work for ROW owners, SH110 ramp adjustment to avoid encountered utilities and a water pump at FM 849. He also stated that these change orders are always discussed with the Project Development Committee before approved.

**16. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE CHANGE ORDER NO. 4.0 WITH IIPL USA, LLC FOR ADDITIONAL EROSION CONTROL WORK.  
(RESOLUTION 18-34)**

**Action Item**

Tammy Sims provided the report. The board approved erosion control work in the amount of 853k. In 2017, phase 1 was performed by Reynolds and Kay. CO2 was the first draw on FY2018 erosion control budget. At the time, they looked at what Reynolds and Kay charged last year and what IIPL is charging now and with IIPL it was less expensive which is why there was a switch. CO4 is for 400k. That would leave a remaining budget of 203k. They cemented ditch lines, will be regrading back slopes, reduce the steepness of back slopes as well as other activities. Barham Fulmer wanted to reiterate that this is a change order that was anticipated. It is not an additional cost above the original plan. This is part of the maintenance contract with IIPL and not part of the improvement project with IOC. Tammy Sims stated they are likely planning to come back to the board with an additional CO for erosion control. She also stated that CO5 will likely happen next month. The main lanes were not in the contract and intentionally left off because they did not want the two contractors to run into each other. During the time they were waiting, they noticed that there is a lot of damage and it was decided that they need to add it in. They have asked Webber to provide a price because the other contractor declined. Tammy then stated that Webber's bid was a bit high, but another contractor came back with 200k. After further research, they will be bringing it before the board next month.

Motion: Gary Halbrooks, 2<sup>nd</sup>: Andrea Williams-McCoy. Unanimously approved.

**17. REPORT ON TOLL 49 IMPROVEMENT PROJECT.**

**Kate Wilder**

Kate Wilder stated that total expenditure so far total about \$8 million which include a 191k contingency. To date, about 72% of the total expenditures has been paid out and that reflects work performed through April 1<sup>st</sup>. This is a unit bid price contract. Pavement is about 43% complete. When that is completed, the remaining items are: pavement markers, rumble strips, and signage. In May, the contractors resumed and completed overlay activities. The anticipated project completion is for end of June of 2018. The recent activities include completion of pavement overlay activities, continued installation of rumble strips, roadway striping, and reflective pavement markers.

**18. REPORT ON CONSTRUCTION OF SEGMENT 4 OF TOLL 49.**

**Kate Wilder**

Kate Wilder provided the presentation and stated that the archeological studies were completed in December. Contractual substantial completion is estimated for February of 2019. Final acceptance will be in June of 2019. Major construction expenditures include, pavement, drainage, and so on. Total construction expenditures amount to \$78.7 million. To date, 65.6 million has been paid out. The total project budget includes 126.2 million with 13.3M remaining in contingency. To date, 92M has been expended. Upcoming activities include embankment south of IH-20 and excavation at FM 849, concrete rip rap, pavement and erosion control measures. Barham Fulmer asked when the roadway would be open for travel. Kate Wilder stated that she believed it would be open by the end of the year. Barham Fulmer also asked when the 110 ramp would be opened. Kate Wilder stated they believe the summer.

**19. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE CHANGE ORDER NO. 25.0 WITH WEBBER FOR PREVENTATIVE MAINTENANCE WORK FOR SEGMENT 4 OF TOLL 49.  
(RESOLUTION 18-35)**

**Action Item**

Kate Wilder stated that this is focused on preventative maintenance activities on the project. It is meant to protect roadside areas. Mark McClanahan and field engineers have been focused on how well measures are performing and what additional measures can be added. The recommendations are special seeding mixes at bridges, wider use of sodding and expanded use of stone rip rap through the project. They are "not to exceed" amounts. The special seed mix for bridge areas are for places that historically have trouble growing vegetation. The total is \$154k. Expanded use of block sodding is a good way to establish vegetation quickly. It's for areas with a lot of run off when a storm comes through. The total for this is 141k. They also recommend rip rap contingency for increased concrete mainly to protect slopes and channels which would total 200k. That brings the total amount for this change order to 496k. Barham Fulmer stated that they spoke about this in the project development committee. They hope this will keep them from having to come back and do it later.

Motion: Larry Morse, 2<sup>nd</sup>: Mike Thomas. Unanimously approved.

## 20. EXECUTIVE DIRECTOR'S REPORT

**Chris Miller**

He thanked all for making it to the meeting and apologized for the move. He appreciates their flexibility since Terrell had ISD elections and we had to reschedule. There is an organizational chart to show the projects and what contractors are handling that. It shows who is the contact and how it all flows.

### A. Community Outreach Meetings Regarding Toll 49

He and Gary were able to reach out to the Chamber of Commerce for Smith County. He stated they are willing and would like to work to help the roads. Some of the major industries and organizations would like to host a meeting so that the NET RMA can bring them up to speed on where the toll is and address any concerns that may arise.

### B. Update on Draft Toll Processing ILA with CTRMA

They have implemented the concerns the board members had identified and put them into their new draft. It is currently with the CTRMA and they are reviewing it. He stated that Cory and Andrea previously stated that they wanted to make sure the board could look over the ILA. NET RMA will certainly do that, but it is just not ready yet but they are hopeful that it will be next month. Chris also stated that the NET RMA is not a party to Cofiroute but rather just a recipient of their services. The items that were added to the contract were not in the existing MSB relationship. Ron Fagan and Everett Owen worked diligently to make sure the NET RMA's interests are represented. The plan is to bring it back to board when they have gotten it back from the CTRMA. Brian O'Reilly stated that he believes they have circled back with some additional comments but it's mostly coming along smoothly. Everett Owen stated that they are primarily focusing on what fees Cofiroute will price towards customers and it will be the NET RMA's decision to decide what they would like to do.

### C. Board Meeting Schedule for 2018 - 2019

July 10th is the next scheduled board meeting which can be difficult for board members as it is the week after July 4<sup>th</sup>. He asked if it would be possible to have a light board meeting in July and have the budget later in August. Michelle stated it would be helpful for her if the meeting would be held in August. Chris Miller then stated that they would essentially have 2 meetings to approve the budget. They are also scheduled to have the Transportation Forum in September but because of the political climate, it may be difficult to gather speakers. He then recommended to not have transportation committee in September. The Board agreed to postpone the forum as needed.

## 21. ADJOURNMENT

Adjourned 3:14

### EXECUTIVE SESSION - PURSUANT TO CHAPTER 551, SUBCHAPTER D, TEXAS GOVERNMENT CODE, IF ANY

➤ At any time during the meeting of the NET RMA Board of Directors, the Board may meet in executive session for consultation concerning matters under Chapter 551 of the Texas Government Code, including:

- A. Section 551.071. Consultation with Attorney—Consultation with and advice from legal counsel concerning pending/contemplated litigation, settlement offers and negotiations, ongoing disputes and potential disputes, and other legal issues.

- B. Section 551.072. Deliberation Regarding Real Property—Discussion of real property purchase, exchange, lease, license, gift, donation, and/or negotiated settlement, including property to be acquired for right-of-way.**
- C. Section 551.074. Personnel Matters—Deliberation concerning the appointment, employment, reassignment, evaluation, duties, discipline, and/or dismissal of personnel.**

**Tentatively Scheduled NET RMA Board Meetings:**

July 10, 2018 – Jacksonville, TX

August 14, 2018 – Tyler, TX

**Non-Scheduled Meetings / Functions - Where a Quorum could be Present, but No RMA Business would be conducted:**

June 28, 2018 – Texas Transportation Commission

**PARTICIPATION BY TELEPHONE CONFERENCE CALL:**

One or more members of the Board may participate in this meeting through a telephone conference call, as authorized by Section 370.262, Texas Transportation Code. Under that law, each part of the telephone conference call meeting that by law must be open to the public shall be audible to the public at the meeting location. During the meeting, the identification of each party shall be clearly stated prior to speaking, and the meeting shall be documented by written minutes. On conclusion of the meeting, the written minutes of the meeting will be made available to the public.

**COURTESY RULES**

Thank you for your presence. The NET RMA appreciates your interest. If you wish to address the RMA on any agenda item, Public Participation Forms will be available before the meeting. These forms must be filled out and turned in to the RMA Chair or Secretary *prior* to the time the agenda item in question is addressed by the RMA.

You must be recognized by the Chair. (NOTE: Items will not necessarily be presented in the order they are posted.)

**OPEN COMMENT PERIOD**

At the conclusion of all other agenda items, the Board will allow an open comment period, **not to exceed one hour**, to receive public comment on any other matter that is under the jurisdiction of the Board. Public comment that does not relate to a specific agenda item must be made during the open comment period.

Each speaker will be allowed a **maximum of three (3) minutes**. Speakers must be signed up prior to the beginning of the open comment period. For subjects that are not otherwise part of the agenda for the meeting, Board members may neither comment nor question speakers during the open comment period, but may request the Chair, or a recognized committee, to investigate the subject further. No action will be taken on matters that are not part of the agenda for the meeting.

**NOTE**

Enumerated agenda items are assigned for ease of reference only, and will not necessarily be considered by the Board in that particular order. The Chair may rearrange the order in which agenda items are considered.

Presenters with audiovisual needs are requested to contact NET RMA at 903.630.7894 at least two working days prior to the meeting.

**ACCESSIBILITY STATEMENT FOR DISABLED PERSONS**

This meeting site is accessible to disabled persons as follows: wheelchair ramp at the main entrance. If any special assistance or accommodations are needed in order to attend this RMA meeting, please contact NET RMA at 903.630.7894 at least two working days prior to the meeting so that appropriate arrangements can be made.

Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services, such as interpreters for person who are deaf or hearing impaired, and readers of large print or Braille, are requested to contact NET RMA at 903.630.7894 at least two working days prior to the meeting so that appropriate arrangements can be made.