



MEETING NOTICE

TO: North East Texas Regional Mobility Authority Board Members
FROM: Linda Thomas, Chair
DATE: Tuesday, July 10, 2018
SUBJECT: **July Board Meeting**

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

DATE: Tuesday, July 10, 2018
TIME: 1:30 PM
PLACE: Jacksonville ISD Admin Building
800 College Ave.
Jacksonville, TX 75766
Cherokee 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 Felux at 903.630.7894.

NORTH EAST TEXAS REGIONAL MOBILITY AUTHORITY (NET RMA)
BOARD OF DIRECTORS REGULAR MEETING
Tuesday, July 10, 2018, 1:30 PM
Jacksonville ISD Admin Building
800 College Ave.
Jacksonville, TX 75766
Cherokee County

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, July 6, 2018.

1:31 PM

2. INVOCATION

Barham Fulmer gave the invocation.

3. WELCOME & INTRODUCTION OF BOARD MEMBERS

Mike Thomas, Keith Honey, Bob Moore, Barham Fulmer, Gary Halbrooks, Linda Thomas, Chris Miller, Jason Ray, Tim McRae, Nate Priefert, John Cloutier, Belinda Andrus, Larry Morse, Dan Droege

4. REMARKS BY CHEROKEE COUNTY JUDGE CHRIS DAVIS

Jeff Austin III provided opening remarks on behalf on Judge Davis who was unable to make it. He welcomed all to Jacksonville and stated that Cherokee County has a lot of promising projects. They are looking into a relief route in Jacksonville. He also welcomed board member Tim McRae and stated that he has been part of two generations of dealership owners and he understands the importance of having good transportation systems in place. He also stated that they are about to embark upon a Unified Transportation Plan (UTP). He stated that as of late, it has been a relatively anti-toll atmosphere; however, there have been several projects that have been funded and moved forward. The next section of Grand Parkway 99 in Houston is one example of that. He also stated that he has heard a lot on pass-through projects. There may be an opportunity in Mt. Pleasant. He also stated that there has been talk that RMA's may be the next step in helping TxDOT complete projects that they have not been able to focus on. He also commended the NET RMA for the improvements on Toll 49. Commissioner Austin wanted to thank the NET RMA for the help on the 279 interstates. He stressed looking at more projects and mentioned that there may be a new lake project (Lake Colombia) which will have road relocations. He also thanked Brian Cassidy for the work he has done for the RMA.

Commissioner Austin then introduced Chairman Robert Nichols of the transportation committee. He also requested that anytime there's a meeting, having a note sent to the local officials in each town as he would like to be apart of the meeting when possible. Chairman Nichols then stated that he remembers when Harris County realized that the state legislation would not be able to solely help with the congestion problems in the area, so they passed legislation that would allow the county to create tolls. Now, as one of the more mature systems, it also has some of the lowest toll rates. In 1997, the NTTA created a regional toll authority. The concept of creating regional mobility authorities passed in 2001 and was fixed in 2003. He stated that never in his wildest dreams did he think that an RMA would be created in this area of Texas but innovation and need for transportation brought that about. Visionaries like Commissioner Austin III brought about this system and the NET RMA is a success which has surpassed numbers they had ever anticipated. He also stated that he's not entirely pleased with everything happening at the state level but there have been a great number of successes. The vehicle sales tax should trickle in, in about a year. Chairman Nichols then said that he just wanted to be here to thank all for what they do. Gary Halbrooks asked where Chairman Nichols believes the NET RMA stands within the state house as well as what could they possibly see from Washington? Chairman Nichols stated that he doesn't expect anything from Washington. Texas learned long ago that if you want anything done, it's going to have to be done by ourselves. He also stated that everything in legislation states that tolls can be done however needed; however, politically they don't want to continue with toll roads. He believes that what happened was that it became a rallying cry from the tea party. He also stated that he thinks it may be that people have not been fully educated in the benefits of tolls. Commissioner Austin stated that the Prop 1 and Prop 7 language did not say that toll roads could not be used in the state. Chairman Nichols stated that they do not need legislation to implement Toll roads. Linda Thomas thanked both Chairman Nichols and

Commissioner Austin III for visiting and their support.

5. OPEN PUBLIC FORUM/COMMENT PERIOD

No comments

6. DISCUSSION, CONSIDERATION AND APPROVAL OF THE MINUTES FOR THE JUNE 12, 2018 BOARD MEETING
Action Item

Gary Halbrooks, John Cloutier

7. CHAIR'S REPORT

Linda Thomas

Linda Thomas thanked all for being present. She stated that they recently got very good press for the priority project in Harrison County. Judge Taylor spoke highly of the RMA. I-69 is a regional route that has national impact. That corridor extends upon 8 states. The NET RMA's work is so important because it works to help regional and, in some cases,, national projects. She then stated that Mark McClanahan would give a brief on the accident that occurred on Toll 49. Chris Miller stated that Mark was on the scene quickly and worked with DPS. Mark McClanahan stated that the bridge is back open and around 8:45 AM on 7/9, he received a call that the accident had occurred. He stated that evidently the truck had hit the roadway and never hit the breaks or veered. There will need to be repair work on the bridge. Lindale PD has stated that they will receive a report soon. The bridge will need to be closed when those repairs are made but it won't be major. The bridge is still operational. The bridge itself is in good condition. He also asked all to keep the family in their thoughts and prayers. Linda Thomas stated that the NET RMA is sorry for the family.

8. COMMITTEE REPORTS

A. Executive Committee/Audit Committee

Linda Thomas

none

B. Personnel Committee

Jason Ray

Jason Ray stated that he and Chris had spoken about it but it will be talked about later in the agenda.

C. Project Development & Implementation Committee

Barham Fulmer

Barham Fulmer stated they had met earlier this month about change orders that will be discussed later in the agenda.

D. Long-Range Planning Committee

John Cloutier

No report.

E. East Texas Hourglass Committee

Dave Spurrier

No report.

F. Investment Committee

Robert Messer

No report.

G. Facilities Committee

Gary Halbrooks

No report.

H. Marketing/Community Relations Committee

Andrea Williams-McCoy

Andrea Williams-McCoy stated that they are in the process of setting another meeting at the end of July. She also stated that the handout Dave Spurrier had asked them to review will be ready by the end of the month.

9. PARTNERSHIP UPDATES

A. East Texas Corridor Council

Bob Moore

No report.

B. I-69 Alliance Committee

Linda Thomas

No report.

C. East Texas Council of Governments

Linda Thomas

No report.

10. REVIEW AND ACCEPTANCE OF NET RMA FINANCIAL STATEMENTS

Michelle Colburn

Michelle Colburn stated that these financials would be for April 2018. It would be a bit shorter of a presentation as most of the financials have been discussed throughout the year and haven't changed. Revenue is down about 7%. Total

operating expenses are up about 26% year over year. Toll 49 Operating expenses are up about 5%. Income statement is down about 16%. Change in net position without the grant included is decreased by about 900k year over year. The NET RMA actual vs budget is currently 15% below budget. She stated that there is an upward trend in revenues. Operating income compared to budget, is about 1.3M behind budget. Total other income is up about 1.1M. Total Net Income is behind budget. Cash and local operating fund is about 242k. Total assets amount to about 397M. Current liabilities are listed by fund. Current total liability is about 11.7 M. Net assets and liabilities are at about 400M.

Motion: Jason Ray, 2nd: Mike Thomas. Unanimously approved.

11. REPORT ON TOLL 49 TOLLING TRANSACTIONS AND REVENUE

Chris Miller

A. Monthly Transactions (June 2018)

Chris Miller stated that the daily average transactions has shown a flat increase from May. The numbers are going up thanks to cooperative weather and the summer months. He stated that he had a conversation with Robert Messer and they agreed that the real interesting revenue numbers will be when they see the revenue in May. Linda Thomas stated that's good news. Chris stated yes and the speed limit increase from 41 North to Whitehouse has certainly helped. He thanked Commissioner Austin for his kind words. He hopes they'll be able to put the rest of the project back up to 70 mph in the next couple of weeks. Barham Fulmer stated that the transactions will go way down on July 9th numbers because the roads were closed. Everett Owen stated that transactions were about 8000 less than usual due to this.

12. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE SELECTION OF AND CONTRACTING WITH A FIRM TO PROVIDE FINANCIAL AUDITING SERVICES.

(RESOLUTION 18-36)

Action Item

Keith Honey stated that this would allow Chris Miller to discuss contract negotiations with Prothero Wilhelmi for auditing services. He stated they had previously sent out an RFQ for auditing services and Prothero Wilhelmi was the only firm that replied. Mike Thomas asked if it was just a one year contract. Chris Miller stated that in the past, they have talked about making it a multiple year contract. Brian Cassidy stated that they can do up to 3 years but it's always terminable by year.

Motion: Dan Droege, 2nd: Mike Thomas. Unanimously approved.

13. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE SELECTION OF AND CONTRACTING WITH A FIRM TO PROVIDE BOND COUNSEL SERVICES.

(RESOLUTION 18-37)

Action Item

Chris Miller stated that this was another public procurement. He stated the current bond counsel is Orrick. They did put in a proposal. They also received a proposal from Bracewell. He stated that it is his recommendation to select Bracewell after reviewing the proposal. He felt very good about their information. Everett Owen stated that Glenn Opal of Bracewell worked with him in Austin for bond work with the CTRMA. They produced the OS and did a great job organizing it. He encourages the board to go with Bracewell and that he believes they will enjoy working with them. Chris Miller stated that it is important to keep in mind that regarding Segments 6 and 7, they would get Bracewell involved. They will become an important cog in the process when getting large financing deals together.

Motion: Barham Fulmer, 2nd: Larry Morse. Unanimously approved.

14. REPORT ON TOLL 49 IMPROVEMENT PROJECT.

Kate Wilder

Kate Wilder provided the presentation. Total construction price for the contract was 8.2M. The contractor has been paid 7.8M to date. It is a unit bid price contract. A lot of the major tasks are complete but the ones they are wrapping up are signage and guardrail, pavement stripes and rumble strips. The anticipated project completion is the end of July 2018. Recent activities include continued installation of rumble strips and permanent striping. They also started working on vegetation and seeding the sloping.

15. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE CHANGE ORDER NO. 4.0 WITH IOC COMPANY, LLC FOR THE COST OF PATROL OFFICERS AND PAVEMENT WORK ON SEGMENT 3B OF TOLL 49. (RESOLUTION 18-38) **Action Item**

Kate Wilder stated that this Change Order was discussed with the project development committee. The asphalt pavement adjustment factors involved ride quality, production adjustment factors (asphalt density), and placement of asphalt. They had a 3rd party engineer firm measure the pavement. It was shown that the pavement exceeded engineers' quality check which lead to an increase in payment factor that lead to about 115k additional cost. There is also a need for payment for safety patrol officers. John Cloutier asked for when they do the pavement tests, do they provide the areas that exceeded or did not meet expectations? Kate Wilder stated yes. Barham Fulmer stated that the 115k was not originally a change order but rather an incentive and decreased due to not having a contingency. Chris Miller stated that Mark has been closely involved in this process. John Cloutier stated that he is glad and appreciates the work.

Motion: Larry Morse, 2nd: Mike Thomas. Unanimously approved.

16. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE CHANGE ORDER NO. 5.0 WITH IIPL USA, LLC FOR MILLING AND RESURFACING WORK ON SEGMENT 3B OF TOLL 49. (RESOLUTION 18-39) **Action Item**

Tammy Sims provided the presentation. She reminded all that she had mentioned this change order in the previous meeting, but it was not fully fleshed out. The overlay was originally in the Improvement project however it had to be delayed due to Webber's ramp work. During this delay, they noticed cracking that appeared on the surface and they decided that there was a need to mill of the failed pavement before they could put on the new surface. During that delay, IOC completed asphalt operations. IOC rejected the additional work so bids were then obtained from Webber and IIPL. IIPL's bid came in about 41.8% less than Webber's bid for the same work. The proposed work is to mill the existing failed surface, inlay 2 inches of HMAC, place under seal (OCST), place 2 inches of hot mix on top for the surface and then repair a small area of SH110. Total cost is 653k. There is about 250k savings that won't be used on the improvement project. Mike Thomas asked when the failed base was originally laid. Barham Fulmer stated it was when they had originally built the road. Chris Miller stated it is fortunate that they have IIPL on the job because they come in at lower cost and are an excellent contractor. John Cloutier asked if IIPL has been involved in any other large projects. Chris Miller stated that they are working on the maintenance.

Motion: Barham Fulmer, 2nd: Gary Halbrooks. Unanimously approved.

17. REPORT ON CONSTRUCTION OF SEGMENT 4 OF TOLL 49. **Kate Wilder**

Kate Wilder provided the presentation. February 2019 is the contractual substantial completion for the Segment 4 project with final acceptance in June 2019. Again, many of the items are nearing completion. Pavement markings and pavement itself are the larger outstanding issues. 68.2M has been paid to date. Total project expenditures amount to 94.7M. Activities that are ongoing include earthwork, concrete and rock rip rap for drainage, subbase and pavement work, erosion control, bridge painting and gantry work. Upcoming activities include all of the above as well as embankment south of IH-20.

18. REPORT ON CHANGE ORDERS WITH WEBBER APPROVED BY THE EXECUTIVE DIRECTOR SINCE PREVIOUS BOARD MEETING. **Chris Miller**

Chris Miller stated that there was a change order for close to 35k that was presented to the project development committee. It involved SH110 ramp metal beam guard fence adjustment and was signed by him.

19. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE CHANGE ORDER NO. 27.0 WITH WEBBER FOR INCREASE DRAINABLE PAVEMENT THICKNESS ON SEGMENT 4 OF TOLL 49. (RESOLUTION 18-40) **Action Item**

Kate Wilder stated that the scope of this Change Order included the enhanced drainable pavement section. They

noticed that a naturally occurring spring was found on FM 849, increasing the volume of water that must be drained in this area in order to construct more of Toll 49. To accommodate the excess water, the rock layer will be increased as needed for about .3 miles of the roadway. The change order included cost of additional materials, earthwork, and labor to construct the increased thickness. Total cost is about 603k. Total contract price is about 79.9M. Barham Fulmer stated when they spoke about this on the committee, it was an up-to 603k. Kate Wilder confirmed. Barham Fulmer stated that this was an area that was of concern because they also knew there were springs and they do not want reoccurring issues. John Cloutier asked who should be held responsible during the initial design if the spring was something that has always been there. Barham Fulmer stated that he had the same questions but because it was an underground natural spring, the contractor may not be responsible for that.

Motion: Dr. Harris, 2nd: Barham Fulmer. Unanimously approved.

20. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE CHANGE ORDER NO. 28.0 WITH WEBBER FOR MATERIAL ESCALATION ON SEGMENT 4 OF TOLL 49. (RESOLUTION 18-41)

Action Item

Kate Wilder stated that Change Order 14 was executed in January with the contractor for a contract extension and some settlement costs for delays caused by the archeological investigations. The cost of material escalation was specifically excluded so that actual escalated cost of materials could be established. Change order 28 includes cost for metal beam guard fence, concrete, flexible base, asphalt surface, and asphalt base. These totaled about \$343k. Mike Thomas asked what the percentage increase was. Kate Wilder stated that she could provide that for him at a later date. Dan Droege asked what the beginning contract price was. Kate Wilder stated it was about 69M.

Motion: Jason Ray, 2nd: Larry Morse. Unanimously approved.

21. EXECUTIVE DIRECTOR'S REPORT

Chris Miller

Chris Miller wanted to emphasize the hard work and extreme vetting Barham Fulmer and Larry Morse do during their committee meetings. Change Orders and Work Authorizations would not come to the board if it did not get past the committee.

A. Priority Project Ceremony – Bowie County, July 9, 2018

July 23rd is when the check ceremony is going to be to be presented for the Priority Project.

B. Community Outreach Meetings Regarding Toll 49

City of Troupe is where Chris will be providing a presentation next.

C. Appointment of Teresa Phifer, NET RMA Court Liaison

With the concurrence of the chair and Jason Ray, Teresa Phifer will be added as a regular employee of the NET RMA. She worked with MSB as court liaison. With the transition into Cofiroute as the new back office supplier, it was cost effective and the best option for the NET RMA to bring Teresa into the staff. It was a natural fit. She is already housed within the NET RMA offices. Mike Thomas asked if there would be a 192k savings in the contract. Chris Miller stated that yes, there will be some degree of savings because it will no longer be added to the budget.

D. Update on Draft Toll Processing ILA with CTRMA for Back Office Support

Chris Miller stated that in the next board meeting, they expect a draft will be available. The CTRMA will include their changes. Chris Miller also stated that Gary Halbrooks had mentioned that he would like an ad-hoc group to look out for Federal Transit Funds. The question was what role the NET RMA can have. Mike Thomas stated that he would be happy to volunteer.

E. Distribution of Draft 2018-2019 NET RMA Budget

Chris Miller stated that they are currently working out on certain cost issues and would like to get it out to everyone by the end of the month. The budget discussion will be during the August meeting. Linda Thomas stated it might be best to have an executive committee meeting.

22. ADJOURNMENT

Linda Thomas stated that she was just told that Bob Moore will be retiring from the NET RMA. Bob Moore stated that health and wellness is his passion. He is getting more and more involved and stated that he would like to involve himself even more. He thanked everyone. He stated that Chip Clayton has agreed to take his place. He would like to keep in touch and will keep watching the NET RMA. Linda Thomas thanked Bob Moore and stated that she is grateful for all the work that he has done over the years.

Adjourned: 3PM

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:

August 14, 2018 – Tyler, TX

September 13, 2018 – Tyler, TX

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

July 26, 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.