



MEETING NOTICE

TO: North East Texas Regional Mobility Authority Board Members
FROM: Linda Thomas, Chair
DATE: Tuesday, August 14, 2018
SUBJECT: **August Board Meeting**

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

DATE: Tuesday, August 14, 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 Felux at 903.630.7894.

NORTH EAST TEXAS REGIONAL MOBILITY AUTHORITY (NET RMA)
BOARD OF DIRECTORS REGULAR MEETING
Tuesday, August 14, 2018, 1:30 PM
Willow Brook Country Club
3205 W. Erwin St.
Tyler, TX 75702
Smith 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, August 10, 2018.

Meeting called to order at 1:31

2. INVOCATION

Gary Halbrooks provided the invocation

3. WELCOME & INTRODUCTION OF BOARD MEMBERS

Present: Chet Clayton, Keith Honey, Barham Fulmer, Belinda Andrus, Larry Morse, Jason Ray, Gary Halbrooks, Linda Thomas, Chris Miller, Mike Thomas, Nate Priefert, Tim McRae, Larry Morse, Dave Spurrier, James Harris, Robbie Shoults, Dan Droege, Nate Priefert entered at 1:45

4. SWEARING IN OF VAN ZANDT COUNTY BOARD MEMBER

Commissioner Jeff Warr swore in Chet Clayton and Robbie Shoults

5. REMARKS BY SMITH COUNTY JUDGE NATHANIEL MORAN

Judge Nathaniel Moran was unable to attend.

6. OPEN PUBLIC FORUM/COMMENT PERIOD

No comments.

7. DISCUSSION, CONSIDERATION AND APPROVAL OF THE MINUTES FOR THE JULY 10, 2018 BOARD MEETING
Action Item

Motion to approve: Gary Halbrooks. 2nd: Larry Morse. Unanimously approved.

8. CHAIR'S REPORT

Linda Thomas

Linda Thomas welcomed all to the meeting and stated that with the addition of Robbie Shoults and Chet Clayton, the NET RMA now has full representation of all counties.

9. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION ON AN HONORARY RESOLUTION FOR FORMER BOARD MEMBER BOB MOORE

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

10. 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

No report.

D. Long-Range Planning Committee

John Cloutier

No report.

E. East Texas Hourglass Committee

Dave Spurrier

Dave Spurrier stated that the committee has not formerly met recently however there have been some one on one meetings with judges regarding letters of support for the TxDOT funding model.

F. Investment Committee

Robert Messer

No report.

G. Facilities Committee

Gary Halbrooks

No report.

H. Public Communications Committee

Andrea Williams-McCoy

Chris Miller stated that they are continuing to look into the analytics of Facebook and the website. They are looking into running video and radio ads as well as signage on I-20. Andrea Williams-McCoy confirmed.

11. PARTNERSHIP UPDATES

A. East Texas Corridor Council

Linda Thomas

No reports.

B. I-69 Alliance Committee

Linda Thomas

Linda Thomas stated that the NET RMA recently received some nice press from various publications regarding the priority project efforts towards Bowie County.

C. East Texas Council of Governments

Linda Thomas

No report.

12. REVIEW AND ACCEPTANCE OF NET RMA FINANCIAL STATEMENTS

Michelle Colburn

Michelle Colburn provided the presentation. She stated this presentation would cover the May 31st financial statements. In comparing the finances from May 2017 to May 2018; revenue is 4.2% down, operating expenses are about 22% more this year and Toll 49 operating expenses increased by about 17.4%. Operating income is \$5.5M this year compared to \$5.9M last year. Revenue is down with an increase in expenses which is why operating income is down. Other income is down about 2.31% compared to last year. Change in net position is about 3.9% down year over year. Next is a comparison of budget to actual. Total revenue is 8.5M compared to 9.8M which is 13% below budget. Michelle Colburn stated that she anticipates the end of the year will end with 1.6M below budget. Total operating expenses compared to budget is over about 200k which again is due to added employees and the office move. Toll 49 expenses are over about 6%. The operating income is about 1.6M down from budget. Total other income compared to budget is about 13% down. Total net income is \$311k below budget. Total assets are total roughly \$400M. Mike Thomas asked if when Mark McClanahan was hired, was it with the goal to decrease engineering costs and would it be possible to see those savings in the budget? Chris Miller stated that Mark was hired to handle maintenance which has been cost saving. However, there has also been savings on GEC costs due to his work as well. Before Mark, the NET RMA was using someone from Atkins which was costing about 400k so there has been a significant savings there.

Motion to approve: Dave Spurrier, 2nd: Robbie Shoults. Unanimously approved.

13. REPORT ON TOLL 49 TOLLING TRANSACTIONS AND REVENUE

Chris Miller

A. Monthly Transactions (July 2018)

Chris Miller stated that July showed a downward trend. July and August generally show seasonal fluctuation and with parts of the road still under construction, this was mostly anticipated.

14. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE A LETTER OF SUPPORT FOR THE JACKSONVILLE RELIEF ROUTE IN CHEROKEE COUNTY.

(RESOLUTION 18-42)

Action Item

Chris Miller stated that the NET RMA was asked to draft this letter of support. It's an important area in Cherokee County and a major project that Commissioner Jeff Austin III has continually pushed for funding. Tim McRae stated that it's an important area. The relief route is sorely needed. Coming from Houston to Dallas, there are about 14-15 stoplights and nearly half are in Jacksonville. The idea then, is to create a relief route to move the traffic outside of Jacksonville and past those stoplights.

Motion to approve: Larry Morse, 2nd: Jason Ray. Unanimously Approved.

15. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE AN INTERLOCAL AGREEMENT WITH THE CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY FOR IMAGE REVIEW AND TOLL PROCESSING AND COLLECTION SERVICES.

(RESOLUTION 18-43)

Action Item

Brian Cassidy stated that this was something that had been discussed previously. This ILA handles pay by mail and

transactions. Ron Fagan provided the presentation and introduced himself as tolling consultant to the NET RMA. He stated that last year, the CTRMA went through a new procurement of a back-office vendor and they chose a new vendor, Cofiroute. Where MSB (previous back-office) provided images as well as other services, image processing will now be directly handled by KAPSCH. In doing so, this will eliminate a lot of the back and forth from the previous process. They will collect the images at the lane and process the images themselves which will reduce quality issues, image loss, etc. Currently, with the MSB contract the NET RMA pays 4.5 cents per transaction. Cofiroute has proposed 3.9 cents. KAPSCH has stated that if we move our processing to strictly software, that amount will reduce to 1.9 cents. Transactions can be received through a prepaid account, a transaction, a license plate reading that has an account attached to it, or via pay by mail. Transactions are immediately sent to the interoperable HUB which receives transactions from NTTA, TXTag, EZTag, the transaction is then processed and sent to the appropriate provider. Dave Spurrier asked when the NET RMA will be allowed to review the contracts/scope of work with KAPSCH? Ron Fagan stated that the NET RMA contract with KAPSCH ends September of next year. Brian Cassidy will discuss if and when the NET RMA can review or change the KAPSCH contract. Brian Cassidy stated that the CTRMA will be sending out a procurement for KAPSCH soon largely because it is due to happen since they have been using KAPSCH for the past 10 years. Dave Spurrier asked what the timeline would be. Brian Cassidy stated typically it's a 10-year contract with 2-year review. Barham Fulmer asked if this is a contract that will be tied to brand new equipment that they are placing on Segment 4? Ron Fagan stated that yes, if KAPSCH was not chosen and a new toll operator was chosen, they would likely need to replace that new equipment.

Motion to approve: Keith Honey, 2nd: Andrea Williams-McCoy. Unanimously approved.

16. REPORT ON TOLL 49 IMPROVEMENT PROJECT.

Kate Wilder

Kate Wilder provided the report. She stated that the total construction cost is \$8.4M which includes a 190k contingency. 8.1M has been paid to the contractor. The contingency has been expended. She reminded all that it is a unit bid contract. A lot of the major cost expenditures are nearing completion. Signing installation, rumble strip placement, guardrail work are a few of the major projects remaining. Notice to proceed occurred in May of 2017. In January, the project was winterized. The contractor came back in May 2018. The end of September is expected final completion of project. The contractors have been focused on establishing vegetation. Barham Fulmer clarified for new board members that this is for improvements on an existing roadway. Kate Wilder confirmed and stated that upcoming activities include complete relocation of large signs, permanent seeding, permanent striping and the addition of rumble strips. Tammy Sims stated they are currently working on mill and overlay. SH 110 is being worked on by Webber and anticipated to be completed in the next few months. Dave Spurrier asked when speed limits would be raised. Everett Owen stated his best guess would be towards the end of the month or early next month. Dave Spurrier asked if there are planned marketing events for that. Chris Miller stated yes. Radio and tv ads are at the ready. Colleen stated they are on standby for the moment the speed limit is raised.

**17. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE SUPPLEMENTAL WORK AUTHORIZATION NO. 17.2 WITH RS&H FOR A TIME EXTENSION OF CONSTRUCTION ENGINEERING AND INSPECTION SERVICES FOR THE TOLL 49 IMPROVEMENT PROJECT.
(RESOLUTION 18-44)**

Action Item

Chris Miller stated that this work authorization was discussed with the Project Development Committee. It is for a time extension with RS&H as the project continues. It is necessary to continue to have their oversight.

Motion to approve: Larry Morse. 2nd: Tim McRae. Unanimously approved.

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

Kate Wilder

Kate Wilder stated that the contractual final acceptance date is June 2019. The major costs are largely nearing completion. Pavement is the major thing left. Total spent to date equals 71.5M. Total project expenditures (construction, acquisition, design, etc.) is at about 98M to date. Remaining activities include pavement markers and signage. Barham Fulmer asked if there has been any feedback at the 849 intersection where there has been flex base and pavement to avoid water accumulation? Kate Wilder stated that yes, it is functioning quite well and working as

intended.

19. REPORT ON CHANGE ORDERS WITH WEBBER APPROVED BY THE EXECUTIVE DIRECTOR SINCE PREVIOUS BOARD MEETING.

Chris Miller

Kate Wilder stated that it was a mix of small item change orders like driveway adjustment, electrical service adjustments, and the TCEQ reimbursement fee. It ended up being a reductive change order of about 9k.

20. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE CHANGE ORDER NO. 30.0 WITH WEBBER FOR ADDITIONAL TOLL ZONE IMPROVEMENTS ON SEGMENT 4 OF TOLL 49. (RESOLUTION 18-45)

Action Item

Kate Wilder stated that this is a change order that was presented to the project development and implementation committee. There have been a lot of advancements in toll collection technology. KAPSCH identified several improvements in toll collection technology that will be implemented on Toll 49. Total is about 96k.

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

21. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE CHANGE ORDER NO. 31.0 WITH WEBBER FOR OFF-SITE CLEANUP AND ADDITIONAL HAY MULCH ON SEGMENT 4 OF TOLL 49. (RESOLUTION 18-46)

Action Item

Kate Wilder stated this is another change order presented to the project development committee. She reminded all that a settlement was created earlier in the year. This change order includes 2 components. First component was for off-site cleanup which was split with Webber. There was also an additional 50k for hay-mulch installation to help protect from erosion and help vegetation growth. Gary Halbrooks asked if the 200k is the NET RMA's portion. Kate Wilder stated yes. Dave Spurrier asked if the 200k is related to the delay? Barham stated it was related to the delays and cleanup per the archeological delays.

Motion to approve: Larry Morse, 2nd: Dan Droege. Unanimously approved.

22. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE CHANGE ORDER NO. 32.0 WITH WEBBER FOR ASPHALT TIE-IN AT SEGMENT 3B ON SEGMENT 4 OF TOLL 49. (RESOLUTION 18-47)

Action Item

Kate Wilder stated that again this was presented to the project development committee. The Segment 4 design plan was finalized early 2016. Later, it was agreed that 4 feet widening was needed as well as an additional 2 inches of asphalt. That area needed to be tied into Segment 3B due to the additional widening and 2-inch addition of asphalt located at the IH20 bridge deck. Total cost is 378k. Mike Thomas asked how this change order was not part of the original plan. Kate Wilder stated the timing is the reason. This was created in 2016 but the improvement project occurred in 2017. Dave Spurrier asked if the 400k of additional cost was placed in the safety improvement budget that was previously planned? Everett Owen stated that the part that was missed was the new segment 4 pavement section which fell under IIPL. But now that IIPL is finished in that part, it made more sense to have Webber do it. Basically, it was missed.

Motion to approve: Tim McRae, 2nd: Dr. James Harris. Unanimously approved.

23. EXECUTIVE DIRECTOR'S REPORT

Chris Miller

Chris Miller stated that a handout detailing the conversation of possible other transit opportunities in the region was discussed. He believes the next step would be to convene a group to talk about these things. Gary Halbrooks stated that the reason the meeting was held was because there is no central group coordinating transit projects. The goal would be to be a help to all and serve as an organizational force that helps push for the completion of other transit projects.

Tammy Sims also provided an update on the repair strategy for the bridge that was damaged earlier this summer.

The work will include: bridge jacking, repair impacted beams with epoxy injection and others. The Atkins Tyler office will design the repair plans. Atkins will prepare bidding documents and costs will be tracked including loss in revenue for the insurance company. Larry Morse asked if a schedule has been set. Tammy Sims stated no not yet but the bridge is structurally sound so there's no rush. They would like to plan it so that minimal loss in revenue happens. Mike Thomas asked whose insurance was covering these costs. Tammy Sims stated it will be the trucking company's insurance. Dave Spurrier asked how much it will cost in range and how long? Tammy Sims stated she estimates 200k-300k. It may last a week to 2 weeks. The jacking should only take 3 to 4 hours and will occur at night. Barham Fulmer stated that with additional bridges now, there are chances to re-route traffic as needed.

A. Priority Project Ceremony – Harrison County, August 13, 2018

Check presentation occurred at Harrison County.

B. Community Outreach Meetings Regarding Toll 49 – Whitehouse

Chris also stated that he had visited Troup, not Whitehouse, to give community updates.

Toll 49 Grand Opening Updates

Collen Colby stated that the grand opening will be held at Lindale. There will be a video of large trucks driving the through the toll road. The date is set for Tuesday December 4th at 4PM and will go till 6:30 or 7. She also stated that the NET RMA is working to get a Sanderson Farms and Target truck and have them break through the ribbon at a safe speed. On the back of the trucks will be a sign that says heading to Segment 6. Everett Owen stated that there is a good chance the road may be open in mid-October. If anyone wants a preview of what the road will look like, a tour of the road is available via Mark McClanahan.

24. ANNUAL BUDGET WORKSHOP

Conduct Annual Workshop for Preparation of FY 2019 NET RMA Budget

A 5-minute break was taken before the start of the budget discussion. (2:38). Resumed at 2:45. Chris Miller stated that this is the proposed budget for the following year. It is not on the agenda to be approved but here for board members to look at it. It has been looked through by the Executive Director. They are confident that a budget of 18.2M can be reached. 14.88M of projected revenue of Toll 49 is expected excluding Segment 4. They anticipate an additional 2.3M from Segment 4. Then 1.5M is expected to be added from additional revenue for all of Toll 49 due to the end in construction and opening of Segment 4. They expect to gain new customers as well as welcome back previous customers that stopped riding on the road due to construction. Mike Thomas asked if the 2.3M and the 1.5M are based on TNR studies. Everett Owen stated that the 1.5M was not specifically based on TNR studies but it is more or less based on his numbers and predictions. Larry Morse stated that the numbers on the presentation add up to 18.7M. Chris Miller stated that was a mistake in the presentation. He then continued to say that there is also a proposed loan of 1.9M in loan proceeds for the Segment 6 environmental phase. The proposed expenses of are for the Segment 6 Environmental Study phase. Operations and maintenance is about 16% of the budget (5.37M). They are asking for expenditures of about 92k associated with a new maintenance employee. As a contractor that price would be 75k. The savings to the NET RMA would be close to about 200k due to no longer using GECs for maintenance work. The project director expenses are beginning to wind down. There are some savings of about 65k in that. 40k of additional expenditures for marketing were added to grow marketing efforts. There was also an increase in proposed priority project granting bringing it to 600k. There is a total of 950k of roadway expenditures added and 250k increase in toll processing costs due to additional transactions. Ron Fagan stated that the increase is due to the CTRMA no longer paying the HUB fee of 75k. He stated that the maintenance we have received with the addition of Mark McClanahan has been outstanding and a great improvement to what it was before. There is also about 2.4M of renewal and replacement of the road budgeted with 860k in phase III of the erosion control project. The 2.4M will be for one course treatment. Everett Owen stated that erosion control will not be a cost that is paid yearly, but the one course treatment will be a yearly cost. Dave Spurrier stated that there is a good amount of flexibility in cash flow for the next couple of months so there's no hurry on the decisions regarding the TxDOT loan. Chris Miller also stated that in adding a new employee, there will be decreased expenditures in several other areas that will off-set that cost. Mike Thomas asked

where the 200k in savings is reflected in the budget. Chris Miller stated on the second page in the construction, inspection section is where the savings are. There are also reductions under the Atkins GEC inspections services. He also stated that the Atkins employee is doing it at triple the regular rate than if he was brought in. Mike Thomas asked the difference between contracting and employment? Chris Miller stated it was 92k for employment due to benefits and contract would be 75k. The concern with a contract employee is the ability to direct the employee. Brian Cassidy stated that as a contractor, there is a limit to what can be directed towards him. Larry Morse asked in the construction projects fiscal year, what is the expected schedule for Segment 4? Everett Owen it is building off of the schedule of January 1st. This was all based on the statuses from the first of June. Dave Spurrier asked Everett if they anticipate 16M in spending minus the contingency? Everett Owen stated yes. Dave Spurrier asked if the estimated actual for 2018 which is 49.7, will go up. Everett Owen stated it is a conservative and accurate number. Barham Fulmer asked if the amount of 16M includes contingency because it is stated in the footnotes. Everett Owen stated that it does not include the contingency amount and that the footnotes are wrong. Dave spurrier then asked that even though the work is largely over, is still additional work to be done? Kate Miller stated yes. Larry Morse then asked about the legislative support and legal services increases. Brian Cassidy stated that the legal services increased because it is a legislative year. He also stated that eventually it would be a good idea to get an inhouse attorney. Michelle Colburn stated that the projected revenue for Toll 49 revenue on the PowerPoint should actually be 14.4M. Larry Morse then asked what the status of the Cass and Camp County approval? Chris Miller stated that there are only 3 counties that have officially approved (Smith, Kaufman, Van Zandt). Barham Fulmer asked if they will receive any notification of the changes made on budget? Chris Miller – yes.

James Harris stated that in the executive committee, it was discussed getting involved in city chambers and that he has already spoken to his county contacts. He advised all board members to do the same.

25. ADJOURNMENT

3:30 PM

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:

September 13, 2018 – Tyler, TX

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

August 30, 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.