



MEETING NOTICE

TO: North East Texas Regional Mobility Authority Board Members  
FROM: Linda Thomas, Chair  
DATE: Tuesday, May 12, 2020  
SUBJECT: **May Board Meeting**

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

**DATE:** Tuesday, May 12, 2020  
**TIME:** 1:30 PM  
**PLACE:** Videoconference accessible at [www.netrma.org](http://www.netrma.org)

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, May 12, 2020, 1:30 P.M.

**NOTICE TO MEMBERS OF THE PUBLIC:** Pursuant to the suspension of certain open meetings laws by Governor Greg Abbott, this meeting will be held by video and teleconference in order to advance the public health goal of limiting face-to-face meetings to slow the spread of COVID-19. Some staff and Board Members may be present in the NET RMA offices while others may attend the meeting via telephonic and/or videoconference. In order to maintain safe social distancing, members of the public will not be permitted to attend in person. Instead, we ask that you access the Board Meeting online via our website at [www.netrma.org](http://www.netrma.org). Members of the public that wish to join the telephonic and/or videoconference to provide comments during the Board Meeting must register by 1:00 P.M. on Tuesday, May 12, 2020 by submitting a witness registration form at [www.netrma.org](http://www.netrma.org) or by contacting the NET RMA at (903) 630-7894.

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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, May 8, 2020.*

Colleen Colby stated: Thank you for joining us for our first virtual NET RMA board meeting. We have practiced with the technology nearly a dozen times, but please bear with us for any delays or extended wait times. In order to continue safe practices due to COVID 19, we are conducting this meeting telephonically. Only 3 people are in our conference room and we are practicing social distancing measures. The remainder of the board is joining by phone as well as members of the public. We will offer a chance for board members to comment once each presenter has concluded. Due to the volume of people on the phone, all participants will be muted. Board members if you have a question, please text Beau the "?" symbol or virtually raise your hand and he will unmute you. If multiple "?" symbols are received at once, you will be unmuted in the order received. Please remember to state your name before speaking for the official minutes of the meeting.

Speakers you will be unmuted as Linda announces the resolution that impacts you.

During our public participation portion of the meeting we are going to provide opportunity for anybody that would like to speak to an agenda item. We will call those that have submitted a Participation Form. We will make two attempts to contact each person, but if no contact is made, we will move to the next person or item on the agenda. If you are called, please ensure you are in a quiet room, talk loudly and do NOT watch the broadcast through Facebook while you are talking as there is a significant audio delay.

**2. INVOCATION**

Linda Thomas asked Barham Fulmer to provide the invocation.

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

Linda Thomas welcomed all to the first virtual board meeting and stated they are working out of Tyler Texas. It has been an adventure for all, but she expressed her appreciation to the board and staff for the hard work to make this happen. She asked for patience and support to make this a successful board meeting. Participants: Linda Thomas, Andrea Williams-McCoy, Barham Fulmer, Belinda Andrus, Brian Whatley, Chet Clayton, Dan Droege, Dave Spurrier, Gary Halbrooks, James Harris, Jason Ray, Larry Morse, Mike Thomas, Nate Priefert, Robbie Shoults, Robert Messer, John Cloutier

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

Colleen Colby stated that as reminder, per Texas law, all speakers are allotted 3 minutes and the board is not allowed to comment afterwards.

Robert Wilson: He stated that he sent a document to each of the board members. There is a group in the Chapel Hill community that are disappointed at Atkins and the NET RMA's lack of response to our allegations of bias and inconsistent methodology to complete the feasibility study. An issue as evidenced in alterations of the scoring rules and allegations of bias determining the final three routes: purple, adjusted yellow and adjusted teal which are now being considered in the completion of Segment 6 on Toll 49. Also, before the virus shut things down, at the end of the business day on April 11<sup>th</sup>, Atkins avoided plans to stick to a scheduled meeting. Elizabeth story committed to speak there. [unable to hear as call audio deteriorated]. The meeting was cancelled the evening before because of technical issues, citing fears of someone potentially asking technical questions that they may not have an answer to. Atkins project manager Elizabeth Story

cancelled her appearance at the close of the business day prior to our meeting day without telling everyone, "don't come". We had the meeting and despite the no-show of Atkins 78 local residents did attend the meeting. Let me say something a little bit about our speaker not being there. I was a little bit, honestly, somewhat surprised but somewhat not but none-the-less disappointed especially considering that you previously had spoken to multiple homeowner's associations and other groups willingly discussing the technicalities of environmental issues. You know how hard it is to get a bunch of local residents together. So, Story's cancellation has done nothing to assure us of full transparency. We ask that NET RMA have a public response to our allegations. I also want a note in record of this public meeting that was cancelled due to what was perceived as technical questions that were addressed to a technical company that does technical things all day long and we just requested the same kind of meeting that had posted for other home owner's association groups which I had attended and expected the same format. Nonetheless it was cancelled. They have given us cause to think there is bias in their route selection. We would like a public comment. Thank you and I hope all are well.

Linda Thomas thanked Robert Wilson for his comments. There were no more speakers.

**5. DISCUSSION, CONSIDERATION AND APPROVAL OF THE MINUTES FOR THE JANUARY 14, 2020 BOARD MEETING.** **Action Item**

Motion to approve: Barham Fulmer 2<sup>nd</sup>: Belinda Andrus. Unanimously approved.

**6. CHAIR'S REPORT**

**Linda Thomas**

Linda Thomas thanked all for joining the board meeting. She stated they are interesting times and hopes all are staying safe and taking the necessary precautions. This is the first virtual board meeting, so she asked for patience and support. She stated the system has been tested extensively.

**7. COMMITTEE REPORTS**

**A. Executive Committee**

No report.

**Linda Thomas**

**B. Personnel Committee**

No report.

**Jason Ray**

**C. Construction and Maintenance Committee**

No report.

**Barham Fulmer**

**D. Member Outreach Committee**

**John Cloutier**

John Cloutier stated that there were 7 priority project submissions. A meeting took place on the 27<sup>th</sup> to review submissions. They will form their recommendations and then make them at the next board meeting. Dave Spurrier asked if they have the meeting on calendars yet. Colleen Colby stated not yet as the morning or afternoon has not yet been decided.

**E. East Texas Hourglass Committee**

**Dave Spurrier**

Dave Spurrier stated that as a formal note, the committee met on March 5<sup>th</sup>. It was a well-attended meeting with 7 board members present: Linda Thomas, Dave Spurrier, Barham Fulmer, Keith Honey, Dr. Harris, Gary Halbrooks, Everett Owen and Dianne Johnston. The goal was to discuss where they are on Segment 6 and revisit financing and talk about a timeline for Segment 7. He stated that back in March they had talked about several different funding options. At the time they agreed to take no action one way or another and to revisit the traffic numbers around this time. It was also reported that they were delayed on the environmental work. They had talked about what to do for Segment 7. They talked about starting environmental work on Segment 7 about 24 months after Segment 6. Since then, there have been no updates. The good news is that the environmental impact statement as finally been initiated. The notice is available on the website. COVID-19 has impacted some of the work. The spring 2020 public scope meeting will need to be rescheduled to follow guidelines. Andy Atlus provided the update. He stated that they have been working with TXDOT as the lead agency. They currently submitted a purpose and need document to TxDOT. They are working with them to determine both whether or not a virtual public scoping meeting or in person one can be done. They are looking at guidance both from TxDOT and the CDC to ensure they are following the safety guidelines. They are also scheduling an agency scoping meeting to participating and cooperating agencies. Participating agencies are local and state agencies that have an interest in the project (Smith County, Texas wildlife...etc.). Everett Owen stated that at this point, they do not have any intention of having a virtual meeting. They want to have a public scoping meeting where people can attend but it will follow whatever guidelines are necessary.

**F. Investment Committee**

**Robert Messer**

Robert Messer stated they had a meeting in late Jan/early Feb. They reviewed excess cash and the investment options recommended through Zions bank. They had a good recommendation to bring to the group but then something happened on the way to the surface. They are currently regrouping to re-determine liquidity and what their investment assets are. They are in a sweep account with Zions so everything they have that is above their peg balance is earning something but right now that's probably the best thing for the NET RMA until they get a better handle on how this is going to play out as time goes by. They are going to allow for more stability and reconvene the group and try again.

**8. PARTNERSHIP UPDATES**

**A. East Texas Corridor Council**

**Linda Thomas**

No report.

**B. I-69 Alliance Committee**

**Linda Thomas**

Chris Miller stated he was on a conference call with Linda Thomas and Cory Floyd and Jennifer Shephard who is the Executive Director of the I-69 Alliance as well as a number of people from the Rio Grande Valley about possible ways to advance I-69. There's a new program called Build America that has opportunities to explore. There will be another call on Friday this week to talk further. The overall thought is that the I-69 people would like to begin the process aggressively to make a commitment to the areas of the I-69 corridor.

**C. East Texas Council of Governments**

**Linda Thomas**

No report

**D. Metropolitan Planning Organization/Texas Department of Transportation Updates**

**Chris Miller**

Everett Owen stated there is not a lot of information at this point. They did have preliminary talks with UT to discuss ROW locations. These discussions are continuing. Chris Miller stated that the UT ROW from Whitehouse to Tyler is still a viable project. The last they heard, TxDOT had approved everything but they haven't received anything yet. They will keep the board apprised of information as they go forward.

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

Dianne Johnston stated that she will be going through all the statements and questions will be addressed at the end of the presentation. At the end of March 2020, there was a total assets of 379M. There were total liabilities of 206M the difference between the two being the net assets of 173M. The statement of revenues and expenses, total operating revenue through March 2020 was 8.9M which was 1.8M higher same period March 2019. Total operating expenses: it was 1.6M which was 220k higher than March 2019. This variance is due to the additional employees which is reflected on the employee line item and higher amount of marketing due to Hahn Public and the marketing campaign they are doing for the NET RMA. Total Toll 49 operating expenses: actual was less than same period March 2019 by 419k. A large part of that variance is due to the I-20 bridge repair. Net year-to-date other expense is 8.8M which is about 2.2M higher than March 2019. The largest variance being appreciation expense of Segment 4. Lastly, change in net position is at -1.8M which is 281k (18.04%) more than where they were in 2019. Budget vs. Actual: total actual operating revenue was 3% lower than budget which isn't bad. The next few months it will look much different. Dave Spurrier stated that he was having trouble following the slides on his phone. He asked to have the slides and board book in the future. Chris Miller stated that they would do that going forward. Total operating expenses: total actual operating expenses are under budget by about 8%. Total Toll 49 operating expenses is under budget by about 36%. Other income expense: it is less than budget by 7%. Which brings net income at about 953k better than what they expected. Mike Thomas asked if road maintenance is under budget because there's just not as much maintenance occurring. Dianne Johnston stated that part of that reason is because they have decided to push certain maintenance items off to a later date. Chris Miller stated that there won't be any more mobilization costs associated with that. They did delay some projects due to projections of loss of revenue. Chris Miller stated that Dianne was working with the ratings agency to respond to their request and Richard Ramirez from Hill Top securities on various numbers and on the cash flow projection. She did a great job and was on top of the numbers and working diligently to follow and watch everything.

Motion to approve: Dan Droege, 2<sup>nd</sup>: Robert Messer. Unanimously approved.

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

**A. Comprehensive Transaction Report by CDM Smith**

Chris Miller stated that they had planned in February to have CDM Smith present quarterly but as that was pushed back, they are going to provide it now. Phani Jammalamadaka with CDM Smith stated—they have analysis on how well various gantries are doing. Slide 3 shows the second week of march is when COVID-19 was announced as a pandemic. There were several closures on all levels of government. Nationwide trends show a 40-90% drop due to state at home orders. Non-shelter in place regions experienced reductions ranging from 20%-50%. [unable to hear as call audio deteriorated] Phani stated that they have looked at several sources to track statewide trends. Transit stations showed a 43% drop. Residential mobility trends increased about 10% due to home deliveries. Traffic trends statewide and nationally compared to Toll 49 averages showed that overall, Toll 49 trends trended with national state averages; however, weekend lines show a much more drastic drop which was expected. However, on the right side of the graph, Toll 49 averages seem to be recovering much better than the national average. The biggest drop was in week 5 which was the last week in March. Since then, it has been improving as travel restrictions were removed across the state. Recovery seems to be occurring faster at gantries that are closer to I-20. Car transactions are the ones that took the biggest hit. Trucks increased. The impact was largely mitigated thanks the truck transactions. Weekends showed the biggest drop compared to weekday. He stated they also had a predicted transaction rates for what transactions might have looked like if COVID-19 had not occurred. The biggest drops happened in the last week in March and first week in April. By the end of April and early May, there was a clear recovery. Compared to other toll roads in Texas, Toll 49 seems to be doing better than other toll roads in Texas on average.

**11. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE 2019 NET RMA ANNUAL REPORT. (RESOLUTION 20-04) Action Item**

Chris Miller stated this is the annual requirement that they do that has been delayed several months. Everyone should have received a copy of it. Colleen Colby stated they will have the reports available as a physical copy for board members. Linda Thomas stated great job by the staff.

Motion to approve: Mike Thomas. 2<sup>nd</sup>: Robert Messer. Unanimously approved.

**12. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO ACCEPT THE 2019 NET RMA AUDIT REPORT. (RESOLUTION 20-05) Action Item**

Chris Miller stated that Walter Wilhelmi and Dianne Johnston worked in late February and early March on this. Walter Wilhelmi provided the presentation. He stated he wanted to focus on the board letter. He stated he would not review the financials or report for ease of use. The governing board letter will be the focus of the presentation. A lot of the information addresses most of the areas that were part of the audit. As Chris Miller mentioned, he met with the Audit Committee on March 3<sup>rd</sup>. They had good discussion during the audit committee which will be talked about today. In a section of the letter, there are accounting policies adopted throughout the year. Accounting and financial reporting for pensions was adopted. That relates to the pension plans that the agency participates in. There is a NET pension asset. In 2019, there was a net asset of about 12k. Again, that is based on the actuary report. Over the years, it will likely flip the other way and show a net pension liability. The other accounting standard that was adopted during the year at the recommendation of Dianne is the accounting standards related to accounting interest costs incurred before the end of a construction period is over. When bonds are issued and segments are built, the interest that is accrued during construction, the interest is now allowed to be deducted as an expense rather than add it to the construction project. That was adopted in 2019 rather than added to Segment 4. The next area that was discussed relates to the accounting estimate. There's one large estimate that relates to allowance for uncollectable video revenues and late fees. 1 relates to old outstanding balances. The second allowance is for the outstanding balances related to Cofiroute. Basically, the key factors were evaluated in determining that allowance which increased over the year. Dianne did a great job in getting the percentage of collection would be. There was a lot of time reviewing the data Dianne had accumulated. The current provider, Cofiroute, did a good job giving that data. They provided it in a manner that allowed to provide in a gross basis. That is a big area of the audit. Barham Fulmer wanted to make sure that there was a full copy of the audit report in the email that went out with the board agenda. Everyone did receive the full audit. He also stated that the Audit Committee recommends approval. Walter Wilhelmi stated the only difficulty they had was due to COVID-19. He stated there were no audit adjustments during the course of the audit engagement. At the very back of the audit report, there was a report on internal controls in accordance with audit standards. There were no findings related to internal control. The process is well done. The more the employees are had, the more they look at segregation of duties. The biggest area that was looked at in areas of compliance, they looked at bond covenants. There are 10 separate accounts. They did not have any findings related to compliance for bond covenants. There were great conversations in the audit committee related to the monitoring of those accounts. It was not an issue of, is the money being allocated to the correct accounts. It was an overall monitoring of those accounts because overtime, there may be a surplus in those accounts, and it is allowed to shuffle money as needed provided the minimum reserve is maintained. He applauded the audit committee for their

work and feedback.

Motion to approve: Barham Fulmer. 2nd: Robert Messer. General consent.

- 13. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE PURCHASE OF MAINTENANCE EQUIPMENT THROUGH THE LOCAL GOVERNMENT PURCHASING COOPERATIVE. (RESOLUTION 20-06)** **Action Item**

Chris Miller stated this was an item that had been planned to bring to the board earlier in the year. They need to act on this now. It is a good deal. It is also a purchase that will not impact general funds or other resources that they would need should they have revenue needs. It is purchased through renewal and revenue fund. There are certain purchases that must be done. It would be the benefit of the maintenance crew.

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

- 14. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE WORK AUTHORIZATION NO. 1 WITH CDM SMITH FOR TRAFFIC AND TOLL REVENUE TECHNICAL SUPPORT ON TOLL 49. (RESOLUTION 20-07)** **Action Item**

Chris Millers stated this is related to work they are doing.

Motion to approve: Andrea Williams McCoy; 2nd: Dan Droege. Unanimously approved.

- 15. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE WORK AUTHORIZATION NO. 4.1 WITH CDM SMITH FOR TRAFFIC AND TOLL REVENUE TECHNICAL SUPPORT ON SEGMENT 6 OF TOLL 49. (RESOLUTION 20-08)** **Action Item**

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

- 16. EXECUTIVE DIRECTOR'S REPORT.** **Chris Miller**

**A. Community Meetings**

Chris Miller stated that before this happened, he was able to meet with Bowie County judges. It was a good meeting.

**B. Habitual Violator Program**

The program is on hold due to concerns with Smith County. They are currently working through those and revisiting those concerns but then the pandemic hit. The process will be restarted. There were concerns that if someone reaches the HV status, the tax collector needed a guarantee that someone would not be able to pursue action on him if there are objections. They are working with Cofiroute to get HV status customers. The breakdown is about 50/50. So 50% are in Smith County and the rest are within the other counties combined.

**C. Status of Submission of Federal Grant Application**

Put on hold due to pandemic. Chris Miller stated a memo and an update will be continued to be sent out starting Thursday. He stated a newsletter went out recently. The final thing he would like to add: he wanted to thank Colleen Colby and the staff and Wood Networks for what they've done. It was a challenging task to get this meeting ready. The call-in meeting was manageable but the concern is about having a large number of people in one area. Most specifically, they were concerned with Segment 6 and allowing anyone that needs to speak the ability to do so. It was a good effort on the part of the staff to ensure that this meeting would run as well as possible. He appreciated the board's patience and thanked the staff for the effort now and during the pandemic. He stated he looks forward to meeting in person in the near future.

**17. ADJOURNMENT**

Linda stated that prior to adjournment they will be meeting for executive session. The board will convene in a closed executive session.

4:12 PM. Adjourned. No action taken in executive session.

**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:**

June 9, 2020 – Location To Be Determined

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

May 28, 2020 – Texas Transportation Commission meeting

**OPEN COMMENT PERIOD**

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, including an item listed on the agenda. Public comment that does not relate to a specific agenda item must be made during the open comment period. You must be recognized by the Chair.

Each speaker will be allowed a **maximum of three (3) minutes**. 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**

If any special assistance or accommodations are needed in order to access 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.