



MEETING NOTICE

TO: North East Texas Regional Mobility Authority Board Members
FROM: Linda Thomas, Chair
DATE: Tuesday, January 9, 2018
SUBJECT: **January Board Meeting**

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

DATE: Tuesday, January 9, 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, January 9, 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, January 5, 2018.

Meeting began: 1:33 pm

2. INVOCATION

Barham Fulmer provided the invocation.

3. WELCOME & INTRODUCTION OF BOARD MEMBERS

Judge Willbanks from Cass County was introduced and thanked for coming. Mike Thomas welcomed everyone to Smith County.

Kieth Honey, Hudson Old, Larry Morse, Jason Ray, Mike Thomas, Barham Fulmer, Linda Thomas, Dan Droege, James Harris, Robert Messer, Dave Spurrier

4. OPEN PUBLIC FORUM/COMMENT PERIOD

5. DISCUSSION, CONSIDERATION AND APPROVAL OF THE MINUTES FOR THE DECEMBER 12, 2017 BOARD MEETING **Action Item**

Motion: Barham Fulmer 2nd: Dan Droege; Unanimously approved.

6. CHAIR'S REPORT

Linda Thomas

Linda Thomas stated that a report on the marketing committee was promised. She had appointed several board members to that committee with Andrea Williams McCoy as chair. Hudson Old, Bob Moore, Dan Droege and Gary Halbrooks were all appointed. They would focus on a marketing strategy as well as economic development.

7. REVIEW AND ACCEPTANCE OF NET RMA FINANCIAL STATEMENTS

Michelle Colburn

Michelle Colburn provided the presentation. She stated that revenue is up while video related revenue is down. Up about 87k in general on revenue. She then stated there were variances in expenses largely related to legal fees and surety bonds. She also added that in her presentation, the surety bonds section was incorrect due to Zions bank fees being added to it when it shouldn't have been. Software fees were up due to maintenance. Operating expenses are largely lower than in 2016 by about \$122,000. There was an increase in the income statement. Net position has also increased. Revenue through 10/31/17 were down about \$12,000 overall. Additionally, it was reported that overall operating expenses had also decreased. Hudson Old asked how, in just 30 days, they were down 125k under budget. Michelle Colburn answered and stated that the general engineering consultants are down largely due to a timing issue with their invoice. She said in the coming months, about 110k would be picked up. Net operating cash flow are off about 11k from budget. Robert Messer asked about video violation fees and asked if they were a cash basis or accrued. Michelle Colburn responded that they are on a cash basis. Dave Spurrier asked why they had not budgeted for the video violation fees. Everett Owen responded that the revenue from the video billings were included in the budget. Dave Spurrier responded that his recommendation would be to have a corresponding line item. Robert Messer stated that it is important to remember that the NET RMA has not paid out the allotted \$500,000 to counties for their projects. He stated it is important to not forget that the 500k is there. Dave Spurrier suggested that 500k should be added as a line item in liabilities. Robert

Messer responded that because it has not been given out yet, it can't be added to the liabilities because it's not been doled out. Robert Messer stated that Michelle Colburn has been working diligently and been making financial information more accessible. Chris Miller stated that the goal will be for the board members to have the financial statements a week ahead of time.

Motion to approve: Larry Morse; 2nd: Jim Harris. Unanimously approved.

8. REPORT ON TOLL 49 TOLLING TRANSACTIONS AND REVENUE

Michelle Colburn

Chris Miller stated that transactions were down during December due to the holidays, but Ram would provide a more in depth presentation with CDM Smith.

A. Additional Report on Toll 49 Transactions and Revenue Trends

Ram Maddali, CDM Smith

Ram Maddali with CDM Smith provided the presentation. He provided a quick summary with a tolling chart. He stated that once Segment 4 is added, the total cost to ride the toll road would be roughly \$6. He showed the gantry locations and stated that the transactions in the northern areas have been roughly stable. In 2017, the SH110 gantry is currently trending lower than in previous years. In 2017, the monthly transactions have decreased by 6.1% compared to 2016. This was anticipated. Monthly truck transactions within the northern gantries in 2017 were fairly similar to 2016 numbers. The southern gantries were lower at FM 2493 while the mainline was higher. Overall, in 2017 the truck transactions showed a 0.2% decrease. Overall transactions dropped about 5.7% in 2017, but truck shares stayed consistent. The average weekday use of electronic tags had had a slight drop in 2017 which could be due to several factors. However, historically, the average weekend shares revealed that the traffic levels have remained relatively consistent throughout the years. In 2017, they had projected about there would be about 12 million transactions. The observed transactions has been 11.8 million so the projection was fairly close. The expected revenue was at about \$14 million and the observed has been \$14.1 million which is also very close. Barham Fulmer asked for clarification on how the transactions were slightly below compared to 2016 but the revenue still increased. Ram answered that some areas have been decreasing but others have been staying consistent or even have increased comparatively. Barham Fulmer responded that in their last committee meeting they commented on that observation. Larry Morse asked what their percent leakage they used in their calculations. Ram answered they use 1% for most, but for video transactions it's closer to 40%. Mike Thomas stated that the estimates are all increasing throughout each year but this year the trend has been a decrease. Is he concerned? Ram answered that no he was not concerned because their projections seemed sound.

9. COMMITTEE REPORTS

A. Executive Committee/Audit Committee

Linda Thomas

Chris Miller stated that the audit committee will meet and review the draft audit and Walter will present the audit to the board next week.

B. Personnel Committee

Jason Ray

No report.

C. Project Development & Implementation Committee

Barham Fulmer

Barham Fulmer stated that the committee had a meeting on December 22nd. They had CDM Smith provide a presentation via video. They discussed a few change orders; however, what they spent the most time on were discussions with the Executive Committee regarding archeological delay issues and their efforts to have Webber complete on the current deadline. They wanted to see what it was costing to not be finished in lost revenue and ongoing supervision, delays and erosion and then look at what they might offer as an incentive to have Webber complete on the correct date. He also stated that they have acquired all but 2 tracks on the ROW. There was mediation on one of the tracks the following Friday. There has been ongoing mediation on the second track and it is expected to last till February.

D. Long-Range Planning Committee

John Cloutier

No report.

E. East Texas Hourglass Committee

Dave Spurrier

Dave Spurrier stated that Everett has been giving them updates. They met on January 3rd via phone conference. The purpose was to get an update on Segment 6 and 7 funding. TxDOT has put all of their lending on hold, which meant that they don't have an answer yet if the NET RMA will get funding from TxDOT. The scheduled completion is to have construction done in March. They also discussed what options are available if TxDOT funding does not come through. A few options that came up were self-funding or working with a third-party lender. They agreed the best thing would be to defer until the April-May timeline. He asked Everett to give an update on where the contractor is on Segment 6 and 7. Everett Owen stated that they have reached an agreement with a contractor to do the environmental studies. They are currently waiting to see what the financing will be. Brian Cassidy stated that there was some political drama which lead to TxDOT freezing any lending towards tolled projects. Dave Spurrier also stated they discussed a best case, worst case scenario. They hope that the completion of Segment in February 2019 will free up some funds to help funding. Barham Fulmer reminded all that there had been some early meetings and ground work laid to possibly provide local funding. Chris Miller stated that Smith County and Tom Mullins had stated possibly being a part of a NET RMA project. Linda Thomas stated that they had made some initial calls. Dave Spurrier stated that they needed about 2 million dollars in 2018 and 1.5 million in 2019 which they are not yet near.

F. Investment Committee

Robert Messer

No report.

G. Facilities Committee

Gary Halbrooks

No report.

10. PARTNERSHIP UPDATES

A. East Texas Corridor Council

Bob Moore

No report.

B. I-69 Alliance Committee

Linda Thomas

Linda Thomas stated they are still moving forward and will have another trip to Washington DC.

C. East Texas Council of Governments

Linda Thomas

No report.

11. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE ADDITION OF CASS COUNTY AND CAMP COUNTY TO THE NET RMA.

(RESOLUTION 18-01)

ACTION ITEM

Chris Miller stated that it is the first step for the NET RMA to accept Cass and Camp County. They need to approve the resolution and the next step would be all of the existing counties will adopt a resolution on their end. Brian Cassidy stated that once the resolutions are approved, the transportation committee will then need to send their approval. Judge Willbanks stated that she came to the meeting to answer any questions that anyone may have. Linda Thomas thanked judge for attending and looked forward to having them be a

Motion to approve: Jim Harris. 2nd: Dan Droege. Unanimously approved.

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

Tammy Sims

Tammy Sims provided the presentation in place of Kate Wilder. She stated the project schedule substantial completion would be February 2019. They are 98% complete with earthwork and 92% complete with major structures. The remaining work will mostly be related to pavement. 49.3 million has been expended to date out of a total 75.6 million which includes change orders 1-13. 71.7 million has been expended of project expenditures. Recent construction activities include resumed earthwork in the newly cleared archeological area. They have also completed preparations for the construction of the final portions of the IH-20 main lane bridge deck. The ongoing activities include: construction of storm sewers, concrete rip rap, placement of prime coat and asphalt layers, and erosion control. The upcoming activities include: cleanup of erosion control items and construction of bridge deck on IH-20.

13. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE CHANGE ORDER NO. 14.0 WITH WEBBER REGARDING ARCHEOLOGICAL DELAYS AND ACCELERATED SCHEDULING ON SEGMENT 4 OF TOLL 49.

(RESOLUTION 18-02)

Action Item

Everett Owen stated that there had been substantial discussion regarding Webber and their completion dates. Currently, they are working to reach completion by February 2019. This change order was reviewed by the project development committee and executive committee. They both recommend approval. The cost to have the road finished: GEC oversight is about 8.3k/day, toll revenue lost estimated by CDM Smith is about 9k/day. Overhead is about 6k/day. The total is 23.3k/day. Webber proposed an acceleration settlement which was about \$8-9 million of acceleration cost which was too high, but they recently proposed a new number about a month ago which amounted to...It largely covered erosion (1.5 million), control costs, and an early completion bonus (4.1M). The NET RMA's response was to not accept the first proposed date of August 2019. They stated that a lump sum 1.4M would be paid if they made the Feb. 2019 completion date. If they did not finish, there would be 15k per each day over in penalties. However, Everett stated that he does not see how they would be able to impose that. In addition, they will keep the contract provision for an additional 12k/day incentive if the contractor finished early (up to 600k). Erosion control cost would be shared and not to exceed 1.3M. This change order involves what the NET RMA proposed. He then provided a graphical representation of what Webber had proposed vs what the NET RMA had proposed. He stated that a positive of this proposal is that it puts most of the risks if they don't reach the February date, on Webber. The NET RMA cost would not increase significantly. Current construction cost is 74M and the CO would add about 2.6M which would bring the total cost to about 78.2 million. The contingency would be at 13.8M. Keith Honey asked what the expectation would be for acceptance of the NET RMA proposal. Everett responded that he has high expectations that they will accept. Chris miller emphasized that this was reviewed by both the Project Development Committee and the Executive Committee to make sure everyone understood. Barham Fulmer wanted to point out that the largest bonus they provide would cost the NET RMA the least amount which is their goal. Dave Spurrier stated that the presentation was well done and succinct and commended whoever made it. Everett Owen stated that the presentation was made by Courtney Singleton and Kate Wilder.

Motion: Larry Morse. 2nd: Dave Spurrier. Unanimously approved.

14. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE CHANGE ORDER NO. 2.0 WITH IIPL USA, LLC FOR EROSION CONTROL WORK ON SEGMENTS 3A AND 3B OF TOLL 49.

(RESOLUTION 18-03)

ACTION ITEM

Everett Owen provided a presentation. He stated the it is a continuation of erosion control work. The original estimate was of 2.5 M which was made in 2013 with R&K. It was decided that this work would happen in phases. The current budget for FY 2018 had about 853k included.. By working with IIPL, 250k was saved compared to R&K..

Motion: Jim Harris. 2nd: Dan Droege. Unanimously approved.

15. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE WORK AUTHORIZATION NO. 19.0 WITH ATKINS FOR SYSTEMS MAINTENANCE SUPPORT SERVICES ON TOLL 49.

(RESOLUTION 18-04)

Action Item

Everett Owen stated that this was work related to work that was in the budget with Atkins. The scope of work involves helping the Director of Maintenance of the NET RMA with various things. The amount is for 131k. It is in accordance with the budgeted items.

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

16. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE WORK AUTHORIZATION NO. 20.0 WITH ATKINS FOR MAJOR RENEWAL AND REPLACEMENT SUPPORT ON TOLL 49.

(RESOLUTION 18-05)

Action Item

Everett Owen stated that it is in accordance with the budget for maintenance this year and included additional seal coats. Work involved would be identifying erosion control repairs, preparation of the pavement plan and preparation of OCST design for Segment 2 and 5. He stated that they needed to develop a better scheduled plan on pavement repair. Total would be 122k. Linda Thomas requested that having these change orders, it would be helpful to reference what line item it comes out of.

Motion: Larry Morse. 2nd: Keith Honey. Unanimously approved.

17. REPORT ON THE TOLL 49 IMPROVEMENT PROJECT.

Tammy Sims

Tammy Sims stated that the total original bid and change orders equals about 8.3 million. Larry Morse asked what percentage they were on completion based on the 53% paid. Tammy Sims stated that the original completion date was in December and they are over 31 days due to weather. She stated that they are at least about 53% complete, if not more. 100% of pavement widening is complete. The major item going forward is the 2.5 inches on segment 3B. It is expected that substantial completion will occur on March 2018 with final acceptance on May 2018. Recent activities include: 2.5-inch overlay on segment 3B, and metal beam guard installation. Upcoming activities include: placement of hot mix on 3B, resetting for existing guardrail on segment 3B and luminaire work and installation of road signs. Barham Fulmer asked if the passing lane 1-mile signs are being installed. Tammy responded yes. Barham Fulmer asked about the gravel on the road and has received complaints on damage due to the gravel. Chris Miller responded that it is an ongoing issue and they have received calls as well and have been directing customers to a third-party adjuster. They have had to contact the company because there has been little response. Dave Spurrier stated that it is extremely important, now more than ever, to work on marketing to explain the construction and 60mph is temporary. Larry Morse asked if they do contractor evaluations. Everett responded that they don't necessarily. The trouble they have had with IOC has been substantial. Barham Fulmer asked if they had been pre-approved by TxDOT. Everett Owen responded that yes, but TxDOT, from his understanding, had issues as well. Linda Thomas asked what the recourse would be. Everett Owen responded that the recourse would be to call the bond which is an extreme step. It is not a step to be taken lightly. Barham Fulmer responded that it wouldn't hurt for them to know that the NET RMA discussed it. Brian Cassidy responded that they could send a notice of default to get their attention. Everett Owen stated that the ownership seems more aware of the issues however they office out of the valley thus the paving and weather have made it difficult. James Harris asked for the name of the company. Everett Owen responded IOC. Hudson Old asked when projected completion was set. Everett Owen responded November. Barham Fulmer commented on how weather projections are not very accurate and that greatly affects construction.

18. REPORT ON DEVELOPMENT OF SEGMENTS 6 AND 7 OF TOLL 49.

Chris Miller

No report provided.

19. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE AN EMPLOYEE SEPARATION AND RELEASE AGREEMENT.

(RESOLUTION 18-06)

Action Item

NO ACTION TAKEN.

20. EXECUTIVE DIRECTOR'S REPORT

Chris Miller

A. Drone Aerial Photography of Toll 49 Presentation

B. Department Reports

- 1. Maintenance Department**
- 2. Finance Department**
- 3. Marketing/Public Relations/Human Resources Department**
- 4. Toll Operations/Customer Service Department**

TIME IS 3:10PM CONVENED IN CLOSED EXECUTIVE SESSION. RESUMED 3:39PM.

21. ADJOURNMENT

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

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 attorney-client matters (real estate, litigation, contracts, personnel, and security) under Chapter 551 of the Texas Government Code:**
 - 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:

February 13, 2018 – Mount Pleasant, TX
March 20, 2018 – Longview, TX
April 10, 2018 – Carthage, TX
May 8, 2018 – Henderson, TX
June 12, 2018 – Terrell, TX
July 10, 2018 – Jacksonville, TX

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

January 25, 2018 – Texas Transportation Commission

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.