



MEETING NOTICE

TO: North East Texas Regional Mobility Authority Board Members  
FROM: Linda Thomas, Chair  
DATE: Tuesday, December 11, 2018  
SUBJECT: **December Board Meeting**

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

**DATE:** Tuesday, December 11, 2018  
**TIME:** 1:30 PM  
**PLACE:** Bear Creek Smokehouse  
10857 TX-154  
Marshall, TX 75670  
Harrison 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, December 11, 2018, 1:30 PM  
Bear Creek Smokehouse  
10857 TX-154  
Marshall, TX 75670  
Harrison County

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

*Notice of this meeting was posted with the Secretary of State's Office and on the NET RMA website and office on Friday, December 7, 2018.*

1:26PM

In attendance: Nate Priefert, Tim McRae, Chet Clayton, Dave Spurrier, Gary Halbrooks, Linda Thomas, Cory Floyd, Barham Fulmer, Keith Honey, Jason Ray, Robbie Shoults, Robert Messer, Dan Droege, Mike Thomas, John Cloutier on the phone

**2. INVOCATION**

Chris Miller provided the invocation.

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

Robbie Shoults thanked all for coming and stated that they were excited to host the meeting at their new venue.

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

No comment.

**5. DISCUSSION, CONSIDERATION AND APPROVAL OF THE MINUTES FOR THE NOVEMBER 13, 2018 BOARD MEETING. Action Item**

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

**6. CHAIR'S REPORT**

**Linda Thomas**

Linda Thomas stated that she was excited to meet here and thanked Robbie Shoults for his hospitality. She thanked all for taking time out of their busy holiday schedules to join. Linda Thomas stated that the NET RMA had their grand opening for Segment 4 December 4<sup>th</sup> and with great attendance. There were several public officials that attended including Senator Hughes, Commissioner Jeff Austin, III, Mayor Jeff Daughtry and Judge Moran. She thanked all involved for such a spectacular event. She also wished everyone a happy holiday.

**7. COMMITTEE REPORTS**

**Linda Thomas**

No report.

**B. Personnel Committee**

**Jason Ray**

No report.

**C. Construction and Maintenance Committee**

**Barham Fulmer**

Barham Fulmers stated that there was a meeting held on Dec. 6<sup>th</sup>. There are two change orders that were discussed. One is related to sodding on Segment 4 where seeding has failed. The other was related to handling funds that were already budgeted. There are a few minor change orders too that Chris Miller already approved. All will be discussed later in the agenda.

**D. Member Outreach Committee**

**John Cloutier**

No report. Will be covered later in the agenda.

### **E. East Texas Hourglass Committee**

**Dave Spurrier**

Dave Spurrier stated that a meeting was held on December 10<sup>th</sup>. There was an update with CP&Y on the work they are doing on Segment 6. There will be a public outreach meeting held later this evening discussing Segment 6. Board members are not encouraged to be at these events as it is more for the public and not for politics. The committee will be coming to the board with a recommendation on whether to get funding via the federal or local process. They will return in February to discuss this matter further. Segment 6 and 7 environmental work was also discussed with Richard Ramirez. They went ahead and gave Richard a notice to proceed for loans with Regions Bank. In the February board meeting, they will also need to add in Segment 6 and 7 to the Toll 49 system. They plan to have another committee meeting about that a week before the next board meeting.

### **F. Investment Committee**

**Robert Messer**

Robert Messer stated that the meeting will be held in January. He stated that one of the things board members need to discuss is what to do with leftover monies from Segment 4. Barham Fulmer also stated another issue that needs to be discussed is whether to take a 10 million loan all at once at a fixed interest rate or take them out via draws and with a variable rate.

## **8. PARTNERSHIP UPDATES**

### **A. East Texas Corridor Council**

**Linda Thomas**

Linda Thomas stated that Christina Anderson is the new chair but other than that, no report.

### **B. I-69 Alliance Committee**

**Linda Thomas**

Cory Floyd stated that the I-69 corridor had an annual meeting in November in Houston. Congressman Babin spoke and let them know what to expect from the House in the coming two-year term. He stated that infrastructure bills seem to be the one thing that can have a good amount of bipartisan success. The I-69 board will travel to DC in June or July. The current status of TxDOT funding available for I69 is uncertain as of now. Related to the NET RMA, there is currently a project in Harrison County, it's a relief route to provide relief from traffic. The hope is to continue to develop I-69. Barham Fulmer stated that it will be interesting to see how close Segment 8 of Toll 49 could be to the relief route in Marshall. Cory Floyd stated he was unsure of the route planning for the second segment of the relief route, however, TxDOT will be having meetings related to that.

### **C. East Texas Council of Governments**

**Linda Thomas**

No report.

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

Chris Miller provided the presentation. He stated that he hoped everyone received the email he had sent out regarding Michelle Colburn's resignation. She has accepted a position with another company that is located in Galveston and Puerto Rico. He stated that Gollob Morgan Peddy has been assisting Michelle Colburn in the past and they have indicated they can be available over a 90-day period to assist in Michelle's absence. Chris Miller also stated that they have begun looking to fill the position and the transition should be smooth due to Gollob Morgan Peddy's help. Mike Thomas asked that a full list of the qualifications and salary scale be provided so they can forward it to potential prospects. Chris Miller stated that he would do so. Chris Miller stated that expenditures are down. Toll operating expenses have shown an increase which was expected and is reflected in the budget. Barham Fulmer stated that it is odd that the interest expense is an exact number to the dollar. Chris Miller stated that during the first of the year there were some issues with the numbers so they have been working to correct that as they go, but he would look further into the issue. Dave Spurrier asked why there were 2 months' worth of rent that was paid. Mike Thomas stated that it could be because rent was paid at the beginning and end of the month. Chris stated that the year to date vs actual was corrected and the revenue difference between actual is roughly 92k. It will be interesting to see how the numbers change related to the budget in November due to the opening of Segment 4. That information will be available next meeting. Barham Fulmer asked about the toll processing cost line. Chris Miller stated that they knew those costs would increase due to the relationship with the

HUB. Barham Fulmer stated it is odd that it's exactly 150k even. Chris stated he would check on that number as well. Chris Miller stated he will get the board more information to answer the questions they had. Mike Thomas asked if someone from Gollob Morgan Peddy would present the financials next meeting. Chris Miller stated that yes, they would.

Motion to defer approval until corrected: Dave Spurrier. 2<sup>nd</sup>: Chet Clayton. Motion was withdrawn and delayed till February for approval.

**10. 2018 FISCAL YEAR BUDGET ANALYSIS PRESENTATION.**

**Robert Messer, Chris Miller**

Robert Messer provided the presentation. He suggests to do this quarterly. The marketing expenses are a bit less than what they had expected. The money has not been spent yet but it will be. Board and staff travel are less than what they had expected. Accounting and auditing have about a 15k overage. There were issues in capitalization vs expense, and they had to be revisited. Chris Miller stated that the overage is partially due to the single audit on 2016 (due to the grant in May) and the regular audit for 2017. Mike Thomas asked where the accounting fees were coming from. Robert Messer stated it was due to the consulting relationship with Gollob Morgan Peddy. Rent is higher due to Teresa Phifer moving from MSB to NET RMA. The legal fees are largely due to personnel issues. Cory Floyd asked if it would be possible to separate the total fees by litigations, bonds, personnel, etc. to see what charges are coming from where and to monitor those expenditures. Chris Miller stated that yes, they can start doing that. Larry Morse stated that in the legal fees, there are archeological fees listed and asked if those could have been charged to the project rather than legal fees. Robert Messer stated he was unsure but wonders if they could have done that. Chris Miller stated that was an issue they would speak to their auditor in the future about to make sure it has been classified correctly. He then stated the legal fees also include TCEQ, customer legal fees related to the gravel issue, bridge repair, and so on. They were also involved with the gravel issue on Segment 3B. Segment 6 financing and environmental review has also had significant amounts of legal work. The back-office procurement with Cofiroute and the ILA with CTRMA also contributed to the legal fees. Robert Messer stated that it would be important going forward to segregate the Segment 6 expenses. He also stated that in general expenses, 40k vs 30k is a large overage and in the future, they should be more finite in general expenses. Mike Thomas asked if board expense couldn't have been added into office expenses. Robert Messer stated that this was the first year they had pulled board expenses as a separate piece and they will discuss how to move on this going forward. Larry Morse asked if it would be a good idea to separate who the responsible party would be for tracking each item. Robert Messer stated that they had not discussed that previously but they will do so in the future. In operating expenses, the general engineering consultants total has decreased. Toll processing costs and operating systems were lowered. The roadway maintenance is 400k over budget. They would like to think more strategically about how they budget spending for maintenance of the road in the future. He stated that all the work that was done on the road was necessary. Chris Miller stated that the maintenance personnel has done an outstanding job. The road was maintained through a contract with TxDOT previously but when it was turned over to internal, maintenance took on a larger role and it was discovered that more maintenance needed to be completed. Chris Miller stated that there will likely be a steady increase in maintenance costs as the road grows. He also stated that with the addition of Mark McClanahan and Daniel Fisher, the maintenance has been functioning at its highest level. Daniel Fisher was recently added to the NET RMA staff and has saved a great deal of money and cut down on consulting costs. Dave Spurrier stated that going forward, they should be more accurate in budgeting the maintenance costs. Chris Miller stated yes. The 2018-2019 budget will be much more reflective of accurate maintenance costs. Mark McClanahan stated that there will likely need to be various expenses that need to be recoded to reflect the changes in maintenance expenses.

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

**Chris Miller**

Chris Miller stated that November was a very good month. Average daily transactions increased significantly. For example, on November 19<sup>th</sup>, there was 46k in transactions which was massive. That whole week showed several days of at or near 40k. Segment 4 added a good deal of transactions. Barham Fulmer asked if going forward, they could have a footnote of where Segment 4 began to make sure they can compare it. Chris Miller stated that they can. Mike Thomas also asked if it would be possible to compare the actual to the TNR study to see that comparison. Chris Miller stated that they could.

**12. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE SUPPLEMENTAL WORK AUTHORIZATION NO. 3.2 WITH CDM SMITH FOR CONTINUED TRAFFIC AND TOLL REVENUE TECHNICAL SUPPORT ON TOLL 49.**

**(RESOLUTION 18-60)**

**Action Item**

Kate Wilder provided the presentation. She stated this work authorization was a 0 dollar amount work authorization for an extension with CDM Smith. It extends it to the end of 2019. Robert Messer asked what the total of the contract is now? Kate Wilder stated she would need to look that amount up. Dave Spurrier asked what traffic and toll monitoring they handle? Kate Wilder stated that they handle reporting and analysis. Larry Morse asked how often CDM Smith must review the analysis and monitoring for the bond. Chris Miller stated that they provide a quarterly report for each Segment.

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

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

**Chris Miller**

Kate Wilder stated that these were presented to the Construction and Maintenance Committee. The first was a \$0 change order with IIPPL. It updated unit bid cost as well as updated some unit prices based on current statewide averages. The next change order was with Webber on the Segment 4 project and concerned traffic control. Total dollar amount was about 6k. The final Change Order dealt with the early completion credit with Webber for the completion of the project. The contract that was approved by the board included an early completion credit of \$12k/day with max of 50 days. Substantial completion was reached November 7<sup>th</sup> which was 90 days in advance. It adds the 600k completion credit to the final contract price. The Executive Director can provide approval because it was previously already approved by the board. Dave Spurrier asked if they know what will be done with the remaining 10.4M. Kate Wilder stated that there will be more information on that once they get to the Segment 4 discussion.

**14. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE CHANGE ORDER NO. 7 WITH IIPPL USA, LLC FOR EROSION CONTROL AND REPAIR SERVICES ON TOLL 49.**

**(RESOLUTION 18-61)**

**Action Item**

Tammy Sims provided the presentation. The original estimate of 2.5 mill for erosion repairs was developed in 2013. At that time, it was decided to perform this work in phases. The board had approved phase 3 in the amount of 858k. The proposed work is slope stabilization, sodding, riprap, ditch repair and stabilization. The request for funding is 400k out of the 858k budget. It's a cost-effective approach with unit prices that are very good comparatively. There is significant cost saving in doing it this way rather than putting out an RFQ. Barham Fulmer reiterated that it is not an increase of 400k but rather an authorization within the amount previously voted on.

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

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

**Kate Wilder**

Kate Wilder stated that the contractor has been paid 76.9M to date out of a total contract amount of 80.9M. That does not include the 600k early completion credit. The total budget is 126.2M. In the construction line item, there is a remaining budget of 4.9M. They anticipate that amount will be used. They believe they will only need about 100k out of the 300k for utility reimbursements. They also expect to only use 1.2M out of the 1.9M budget for GEC support and oversight. They also expect that the toll integration and oversight line item will likely only use 1.4M out of the budgeted 1.7M. For miscellaneous costs, they expect to utilize 200k. The remaining budget totals 19.9M with remaining cost being just 7.7M. They feel confident with that number with no large remaining change orders in the horizon. Keith Honey asked what the miscellaneous fees and costs would be. Kate Wilder stated that can be legal fees or any additional consulting they may have. Ongoing construction activities include punch list items and vegetation. Keith Honey asked what will be happening with the remaining funds. Robert Messer stated that will be a topic they will discuss in the investment committee at great length.

**16. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE CHANGE ORDER NO. 39 WITH WEBBER FOR ADDITIONAL SODDING ON SEGMENT 4 OF TOLL 49. (RESOLUTION 18-62)**

**Action Item**

Kate Wilder stated that this is the change order that includes additional sodding. It covers the many areas where sod has had trouble being established. It will revise the contract for use of black sodding in these areas to establish necessary vegetation. The change order sets a not to exceed amount of 200k. The unit price was originally 3.50/yard. The price was brought down to 2.50. Dave Spurrier asked why they didn't have the same type of warranty with the work that was done at the first of the project. Kate Wilder stated that they did have that warranty and as long as they followed the specs that were required, and had vegetation that failed, they adhered to the need of the contract and thus needed to look elsewhere for a solution. Barham Fulmer stated that some of that failed sod could be due to the archeological study. He stated that the sodding is working and effective but the original contract called for seeding, not sodding. So, the sodding is an addition over the seeding. Mark McClanahan stated that with sodding, there will be chances of avoiding problems with TCEQ in the future. Gary Halbrooks stated that he would think that leaning on sodding going forward would be the best option.

Motion to approve: Barham Fulmer. 2<sup>nd</sup>: Robert Messer. Unanimously approved.

**17. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO SUPPORT CONTINUED EFFORTS TO ACQUIRE AN ABANDONED UNION PACIFIC RAILWAY RIGHT-OF-WAY CORRIDOR. (RESOLUTION 18-63)**

**Action Item**

John Cloutier stated that there have been some issues via paperwork that have created bumps in the road. However, it is not dead and is still moving forward. Barham Fulmer asked if the NET RMA was just a vehicle to hold it and own it. It was not a cost to the NET RMA? Chris Miller stated he believed so. There is a feeling that commissioner Austin may be able to help TxDOT provide the funding. John Cloutier stated that if NET RMA is able to get this to TxDOT, there would be favorable results. Dave Spurrier asked if there were technical language that needed to be fixed? John Cloutier stated that the language related to the bike trail may have scared away state funding. Dave Spurrier stated that it was his understanding that's why the state did not fund this. John Cloutier stated correct. Dan Droege asked to have that emailed to the board.

Motion to approve: Dave Spurrier 2<sup>nd</sup>: Larry Morse. Unanimously approved.

**18. EXECUTIVE DIRECTOR'S REPORT**

**Chris Miller**

Chris Miller introduced Daniel Fisher to the NET RMA team. He spent 21 years with TxDOT and then several years with RS&H. Chris Miller stated that there will not be a meeting in January. There will also be an annual TxDOT forum in January that he will be attending.

**A. Update on Transition to New Toll Processing Contract with Cofiroute**

The toll processing contract has been going well. The transition has begun and was much anticipated. There have been some changes and he believes there should be a real increase in market.

**B. Submission of the NET RMA Annual Project Report**

This will be going to TxDOT. It is an annual process. Keith Honey asked if they could send the Project Report to the counties. Chris Miller stated yes, they would.

**C. Community Outreach Meetings Regarding Toll 49**

**D. RMA Executive Directors Round Table – December 5<sup>th</sup>**

Chris Miller stated it was an excellent opportunity to meet with other RMAs. They discussed several common issues, most notably the legislature and what they will be doing. They will need to be very watchful of the proposal to allow customers to buy out of their late fees for a low, one-time payment. That area will need pushback from the RMA's and shouldn't be a broad sweep since all RMAs are unique and have their own operations.

## E. Updates on Toll 49 Marketing

The road is still being marketed. There has been a holiday theme to the advertisements recently. The road will continue to be marketed into February.

## 19. ADJOURNMENT

3:00 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:**

February 12, 2018 – Texarkana, TX – Bowie County

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

December 13, 2018 – Texas Transportation Commission meeting

January 7–8, 2019 – 2019 Texas Transportation Forum

### **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.