



MINUTES
NORTH EAST TEXAS REGIONAL MOBILITY AUTHORITY (NET RMA)
BOARD OF DIRECTORS REGULAR MEETING
1:30 P.M., WEDNESDAY, MARCH 24, 2010
LON MORRIS COLLEGE, COMMUNITY ROOM
800 COLLEGE AVENUE
JACKSONVILLE, TEXAS 75766
PRESIDING: JEFF AUSTIN, III, CHAIRMAN

1. CALL TO ORDER AND DECLARATION OF QUORUM

Notice of this meeting was posted with the Secretary of State's Office, with the County Clerks in Cherokee and Smith Counties, on the NET RMA website, and in the offices of PBS&J on March 19, 2010.

Board members present: Chairman Jeff Austin, III, Celia Boswell, Bill Rowton, Barry Hughes, David Stevenson, Gary Halbrooks, Dave Spurrier, Bill Runnels, Andy Vinson and Rodney Gilstrap.

Board members absent: Vice-Chair Linda Thomas, Tab Beall, Ed Smith, Walta Cooke, Keith Honey, Robert Murray and Hudson Old.

Chairman Austin called to order the meeting at approximately 1:36 pm.

2. INVOCATION

Chairman Austin asked Gary Halbrooks to give the Invocation.

3. SWEARING-IN AND OATH OF OFFICE OF REAPPOINTED BOARD MEMBERS

Senator Robert Nichols swore in and gave the Oath of Office to Chairman Jeff Austin, III and Board Member Dave Spurrier.

Chairman Austin advised the board that he has been reappointed by Governor Rick Perry and is delighted to serve for another two years.

Senator Nichols stated that he is happy that the Authority is working on transportation. The concept of creating Regional Mobility Authorities to have input into the transportation initiatives is a great benefit in the region. This board has had great cooperation with their member communities - he compliments everyone on that.

Chairman Austin stated that the Senator has always told the board to look beyond the cities and look to the region. The board is here partly due to his input and encouragement.

Senator Nichols advised there will be about \$12 billion shortfall give or take in the next Legislative session. He has made a couple of presentations about this issue already. He feels strongly that the shortfall is a problem that must be resolved.

4. WELCOME & INTRODUCTION OF BOARD MEMBERS

Chairman Austin welcomed everyone. Board Members made their introductions. Board Member Andy Vinson made some remarks about meeting with the City of Henderson, Rusk County, local leaders and TxDOT Aviation Division to educate himself on Rusk County's local transportation needs.

Chairman Austin was happy that Mr. Vinson is so active in his community. He advised that everyone should be touching bases with their local officials to keep on top of regional needs.

5. REMARKS BY PUBLIC OFFICIALS

Mayor Robert Haberle welcomed everyone. He is pleased about the NET RMA's commitment to the region.

Chairman Austin advised that he has been working on the Lake Columbia project and would like to partner to do whatever he can to help move the project forward. He has also met with Rusk County and is still working on the relief of the Jacksonville section of US 69.

6. OPEN PUBLIC FORUM / COMMENT PERIOD

There were no comments from the audience.

7. APPROVAL OF MINUTES

Chairman Austin entertained a motion to approve the Minutes for the NET RMA Board Meeting on January 26, 2010. Board Member Dave Spurrier moved approval; Board Member Celia Boswell seconded the motion. The motion carried and the minutes from the January 26, 2010 meeting were approved.

8. CHAIRMAN'S REPORT

A. Meetings of Interest

- Texas Transportation Commission Meeting; March 25, 2010 in Austin; April 29, 2010 in Beaumont, and May 27, 2010 in Austin
www.dot.state.tx.us

B. Discussion and Possible Designation of Committee Chairs

Board Member Andy Vinson gave thanks for his public outreach opportunities. Board Member Ed Smith gave an airport update and Board Member Celia Boswell gave a rail update.

Update on Bike Trail opportunities: Chairman Austin stated Robert Peltier has requested that we put up barriers for the bicycles on Toll 49. He advised there may be some point where the bicyclers are asked not to be on the road.

Mike Battles, GEC (PBS&J) advised they have been looking for funding opportunities, Federally and locally. Federal funds may not exist any time soon. Most of the opportunities require the Authority to put money in first. There are two private opportunities, however the grants are small, typically three to five thousand dollars. Usually, those monies are put towards existing hiking and biking opportunities first.

Everett Owen advised that the CTRMA includes hiking and biking trails on their roads. It is a very restricted design; it must be 10 feet wide, must be a paved surface with shoulders and typically costs around \$1 million a mile (this doesn't include bridges). He advised it is a very expensive process.

Chairman Austin said not to forget the hike and bike trails. The NET RMA received an estimate of \$10 million dollars for Segment 1 of Toll 49 when this opportunity was first explored. The NET RMA is happy to support people with this initiative; however, the hike and bike enthusiasts should also explore creative methods of funding first.

C. Update on visits with various counties

Chairman Austin advised that he is typically asked what counties want to come in and join us? Does the NET RMA have any plans to expand? He advised there has been talk about adding several counties in the south putting us on the US 59 corridor coming up through Houston. US 69, US 79, I-30, we could really go all the way out to the DFW Metroplex too. There is a sequential order of steps regarding how new counties join the RMA. First, the county would do a petition stating that they would like to join the board. All of the existing counties in the NET RMA would have to approve the expansion. The RMA would then petition the Transportation Commission to expand. If a county wants to join the NET RMA it must be for the right reasons. It is noteworthy, that Bowie County's MPO is very active in Texarkana.

Board Member Bill Runnels advised there are two states involved and four cities involved. It is a different type of situation.

Chairman Austin advised that Judge Carlow of Bowie County is promoting a project to build an elevated freight shuttle.

Chairman Austin – Board Member Hudson Old is not here, however, he deserves recognition. He created a very professional annual report. He has devoted a lot of time to it and I want to publicly thank him for his efforts.

9. TREASURER'S REPORT

Board Member Gary Halbrooks presented the Treasurer's Report.

Chairman Austin entertained a motion to approve the Treasurer's Report.

Board Member Bill Runnels moved approval; Board Member Rodney Gilstrap seconded the motion. The motion carried and the Treasurer's Report was approved.

10. DISCUSSION REGARDING POTENTIAL FOR ADDITION OF COUNTIES TO NET RMA

This discussion occurred during the Chairman's Report, Section C.

11. DISCUSSION OF POTENTIAL PROJECTS ELIGIBLE FOR PASS THROUGH FUNDING AND CONSIDERATION AND POSSIBLE ACTION IN RESPONSE TO PROGRAM CALL FOR PASS THROUGH TOLL PROGRAM (RESOLUTION 10-02)

Chairman Austin entertained a motion to approve Potential Projects Eligible for Pass Through Funding and Consideration and Possible Action in Response to Program Call for Pass Through Toll Program.

Mike Battles advised this is a TxDOT Program Call for reimbursement for the construction costs only. This funding doesn't cover any additional costs. It will reimburse the sponsoring agency for 50 percent of the construction costs. It will not cover any engineering costs.

Chairman Austin asked how soon do the projects need to be ready to go?

Mike Battles advised the projects must be shovel ready.

Board Member Andy Vinson advised we have an airport that needs to have an extension.

Mike Battles advised this program is restricted to roads only.

Chairman Austin asked if anyone has anything that might be shovel ready.

There was conversation about potential projects that may be an appropriate fit for the Program Call.

Chairman Austin stated that there is a limited amount of time to respond. The region should be sure to take advantage of this as much as possible.

Ultimately, it was determined there were no eligible projects for this Program call and therefore, no resolution was needed.

12. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION ON PROCUREMENT OF TOLL SYSTEMS INTEGRATION SERVICES AND EQUIPMENT (RESOLUTION 10-03)

Project Director Everett Owen advised pricing on this procurement had to be conservative. If the NET RMA works on the procurement for 3B for toll systems integration equipment, the Authority would save a sizeable amount of money rather than using a statewide contract. It is very important to provide savings in the long run. Firms will submit a price and a technical proposal as to what can be provided. There will be an evaluation of the technical proposal and the pricing strategy; this will allow the NET RMA to choose the best firm.

Chairman Austin entertained a motion to approve action on Procurement of Toll Systems Integration Services and Equipment.

Board Member Barry Hughes moved approval; Board Member Bill Runnels seconded the motion. The motion carried and Resolution 10-03 was approved.

13. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION ON ADDENDUM TO GEC WORK AUTHORIZATION NO. 9 FOR WORK RELATED TO PROCUREMENT OF TOLL SYSTEMS INTEGRATION SERVICES AND EQUIPMENT (RESOLUTION 10-04)

Project Director Everett Owen advised this is the cost to do the selection of the integrator. It is about \$50,000 to advertise and make the selection. The potential savings is about \$500,000. There will be savings for tolling equipment on Segment 3B, and when the NET RMA takes over the rest of Toll 49 for the maintenance of the toll equipment, it is important to save every dollar possible. This is helpful towards that goal. This is the first time that TxDOT is not paying for the gantry.

Chairman Austin entertained a motion to approve Action on Addendum to GEC Work Authorization No. 9 for Work Related to Procurement of Toll Systems Integration Services and Equipment.

Board Member Andy Vinson moved approval; Board Member Gary Halbrooks seconded the motion. The motion carried and the Resolution 10-04 was approved.

14. PROJECT DIRECTOR'S REPORT (Toll 49)

A. Discussion/update on possible funding of Toll 49

The following is a brief summary of Toll 49 project activities and accomplishments since the last Board meeting:

Toll 49 – Segment 1 SH 155 to US 69 Construction: 100% complete

- Construction complete. Segment 1 open to traffic.
- Averaged 4,344 transactions in January, 2010 and 4,526 in February, 2010

Toll 49 – Segment 2 US 69 to FM 756 Construction: 100% complete

- Construction complete. Segment 2 open to traffic.
- Traffic same as Segment 1 above.

Toll 49 – Segment 3A SH 155 to SH 31 Construction: 24% complete

- Project under construction.
- Finalizing archeological reports and lab curation for THC Antiquities Permit.

Toll 49 – Segment 3B SH 31 to I-20 Design: 30% complete

- Held last One-on-One Meetings with Proposed Developers on March 9 and 10, 2010.
- Conducted final review of Alternative Technical Concepts and issued responses.
- Prepared TIFIA Loan Application for review and submittal.
- Issued updated FRDP documents and exhibits to Proposed Developers.
- Project Director Everett Owen advised the receipt of proposals was postponed due to the need to lock in the financing plan. The NET RMA needs support from TIFIA or a loan. It was important to ensure that contractors didn't sit on the bids, so the bids were postponed for 2 months to have the financing in line with the receipt of proposals. The NET RMA continues to meet with the four agencies to make sure they understand the requirements. It also provides the renewal and replacement costs. After these numbers are received, then the NET RMA will seek a loan from TxDOT or TIFIA to make up the difference.

First Southwest advised the organization just received the T&R, and the numbers are being analyzed.

Chairman Austin asked for clarification on the timeline for proposition 12.

Project Director Everett Owen advised anytime 2 or 3 weeks from now would be the time to start the discussions. We need to try to use as much influence on them for this as we have.

As far as TIFIA, there is \$1.5 billion for financing. There were 39 letters of interest, totaling \$13 billion. Although all of the projects stated the respective project is ready to go, he feels not all of them really are. This would be the first rural type project they would support. It is very attractive money and it is the cheapest money out there. \$30 million is what the Authority is looking for; it is right at 30% of the cost.

Chairman Austin advised there are people that have authored or promoted the Federal legislation that are able to provide support to the project. He advised he can't speak to what other applications have been submitted from Texas. The Chairman agrees with Everett this is a relatively small project to put forward for this type of funding. Given the schedule listed, there may be an opportunity to visit with TxDOT earlier. There may need to be some exploration of different scenarios for the financing.

Chairman Austin wanted to know if TxDOT would provide a letter of support.

Project Director Everett Owen stated TxDOT was not required to participate. The actual TIFIA application has gone through TxDOT in the past. If the NET RMA's project gets chosen, he is confident TxDOT would support the project without a doubt.

Chairman Austin wanted to see if it would help if there were letters of support.

Project Director Everett Owen stated he didn't think it would help out any at this point. Let's assume the \$30 million is paid out to us. How is it paid? It is subordinated to the senior debt. The terms are very flexible, it usually has a built in refinancing scheme in case of delays. It is a very good source of money. There is a lot of work to get it, but if you do, it is very desirable.

Mitch Gold, Transportation Finance Group, Bank of America/Merrill Lynch advised fees are significantly less than if the NET RMA were to go to the capital market for subordinate debt.

Federal money would be great to get based on the environmental provisions that you must abide by. They want to start to get paid earlier and will take excess cash over time. Investors are very active because rates are low. This is attractive since there is a slightly higher risk. This transaction should be able to be completed between now and the end of the year.

Board Member Gary Halbrooks advised there is not a better time to have a project like this due to the economy. A year ago the NET RMA couldn't have come close to these numbers. There is no better time to do this project than right now.

Chairman Austin wanted to know if the bankruptcy of the San Diego toll road will have an impact on the NET RMA's project?

Project Director Everett Owen said they did receive a TIFIA loan. The project came in a year late, due to the economy and other factors and the T&R underperformed a lot. They just declared bankruptcy. It is not a good story for the bond market or the toll road financing project. This has been bounced against all of the good finance projects. I think there will be renewed interest in traffic and revenue studies.

Chairman Austin advised that Wilbur Smith performed the San Diego Traffic and Revenue study. The same group is doing the NET RMA's Traffic and Revenue study. He inquired if this was an issue.

Project Director Everett Owen advised it will increase the sensitivity, but this is not a new event. This has been going on for a few years now. He is confident that when Wilbur Smith performed our Traffic and Revenue study the company provided conservative numbers.

Estrada Hinojosa advised there is also a problem in North Carolina. The market has been aware of these projects for quite some time. The sponsor pulled the plug. In both of these situations the projects have become very dubious and neither one had the support of the state.

Troy Madres, First Southwest Company, noted that CTRMA did an expansion of the 183 toll road very successfully.

Project Director Everett Owen advised they are already looking to expand it because the revenue is already over what the T & R report revealed. It says a lot about the strength of the toll roads. Troy is exactly right it is two entirely different situations.

Toll 49 – Segment 4 I-20 to US 69N Corridor Study (by TxDOT)

- TxDOT ENV Division reviewing environmental documents with anticipated final Public Hearing in Spring of 2010.

Toll 49 – Segment 5 FM 756 to SH 110 Construction: 0% complete

- TxDOT issued Notice to Proceed to Longview Bridge on January 25, 2010.
- Longview Bridge began work on February 16, 2010

- Contractor conducting mobilization and beginning ROW preparation and temporary erosion control tasks.

Project Director Everett Owen advised the activity on this section will also help us in the bond market.

15. REPORT CONCERNING STATUS OF GEC WORK AUTHORIZATIONS

Mike Battles, PBS&J and NET RMA GEC presented the GEC Progress Report.

The following is a brief summary of general GEC activities and accomplishments since the last Board meeting.

Annual Report: Board Member Hudson Old has done a great job on the annual report. Mr. Owen and Mr. Cassidy have done a great job providing input for the annual report. Thanks to all of these individuals for their support for this project.

Chairman Austin this is a very professional report, especially since it is going to a legislative session.

Mike Battles advised this is the first year for this type of an annual report. The next report will go quicker and smoother.

Chairman Austin asked the board to let him know if there are projects that should be highlighted for next year.

Engineering Feasibility Studies / Research

- All current assignments complete.

Financial Studies

- Prepared Maintenance Program and cost Estimates for all of Toll 49.

NET RMA Administrative Activities

- Prepared materials for March 2010 Board Meeting.
- Posted revised Design-Build documents and exhibits to NET RMA web site.
- Assisted with development of Annual Report.
- Prepared updated Priority Project Maps and Rail Maps.

Public Involvement Activities

- Supported Public Outreach / Education Committee efforts.

Web Page Activities

- Updated project related information on Web Page.
- Supported Public Outreach / Education Committee efforts

16. PUBLIC OUTREACH AND EDUCATION COMMITTEE REPORT

A. NET RMA Annual Report Update

17. TxDOT DISTRICT REPORTS

- A. Atlanta District – no report given.
- B. Tyler District – US 69 from Mineola to Lindale is scheduled to be complete in June.

Barney Web advised that the Texas Department of Transportation (TxDOT) is currently updating their Statewide Long-Range Transportation Plan. TxDOT is encouraging comments, questions and feedback about their plan at all of the sessions.

TxDOT Regional Meeting: (with key stakeholders, MPOs & elected officials)

When: Wednesday, April 28th (2-4:30PM)

Where: TxDOT Regional Offices, Ft. Worth District Training Center 251 SW Loop 820

TxDOT Public Open House Details:

TxDOT District: Atlanta

When: Thursday, May 6 (come and go between 4 and 7PM)

Contact: DeAnne Simmons, (903) 799-1308

Where: Jefferson Transportation and Visitors Center, 305 E. Austin, Jefferson, TX 75657

TxDOT District: Tyler

When: Thursday, May 6 (come and go any time between 4 and 7 PM)

Contact: Glen Green (903) 510-9220/9135

Where: Maude Cobb Convention Center, 100 Grand Blvd., Longview, TX 75604

Clearing has been done on 110, it looks good. He advised 3A is on schedule. There are still issues with archeological artifacts. Arrowheads and pieces of heads were found. There is a clear area of concern so it is being examined 6 inches at a time.

Chairman Austin asked how deep were the artifacts and what must be done to move forward.

TxDOT advised they are examining general areas first. Digs will be performed. If there are any more discoveries, then those areas are delineated. This is very common in East Texas.

Board Member Runnels advised there will be problems with a project if a burial site is discovered. My experience in East Texas is when you have a hill and a creek you have artifacts from Indians. There are more steps to go through but you can work through this.

Board Member Andy Vinson asked if it was possible to have an update of the Loop 571 project in Rusk county?

Mike Battles advised PBS&J has been in constant communication with TxDOT. TxDOT has been updating the schematic for the right of way. They are getting very close to completing the schematic. We will be talking about kick off dates very soon.

TxDOT indicated that it will be happening very soon.

Board Member Andy Vinson asked to be kept in the loop regarding this project.

18. METROPOLITAN PLANNING ORGANIZATION REPORTS

- A. Longview - Karen Owen - none
- B. Texarkana - Brad McCaleb - none
- C. Tyler - Barbara Holly – none

19. FINANCE COMMITTEE REPORT

Board Member Gary Halbrooks presented the Finance Committee Report.

20. LONG RANGE PLANNING COMMITTEE REPORT

Board Member Barry Hughes led the discussion of County / Regional Projects or Needs.

A. Update on Jacksonville Relief Route –

Chairman Austin advised when driving to Houston there are 14 or 15 lights. Eight or nine of these are located in Jacksonville. A feasibility study advised there should be a relief route on the west side of Jacksonville so there is connectivity to other major roads. In 2004, Jacksonville and their EDC made a feasibility study. Environmental Documents have been assembled. These were forwarded to the FHWA advised TxDOT to pursue a thorough environmental study. There is a complete lack of funding, this is the challenge. The schematics need to be set up and ready so when funding becomes available the NET RMA can take advantage of it.

21. COMPLIANCE & OVERSIGHT COMMITTEE REPORT

Board Member Keith Honey presented the updated reports to the Board.

- A. Open Records spreadsheet
- B. Surety Bond spreadsheet
- C. Conflict of Interest spreadsheet
- D. Term Expiration spreadsheet

22. NEW BUSINESS FOR FUTURE MEETING AGENDA

Board Member Andy Vinson asked if the US 79 project is going to be part of this committee or a subcommittee.

Chairman Austin advised that the NET RMA could engage other projects up and down the corridor; it doesn't just have to be this Authority. There was a stack of resolutions. We could go back and be involved in that as a committee.

The next NET RMA meeting is scheduled for May 19th.

23. ADJOURNMENT

There being no further business, Chairman Austin adjourned the meeting at approximately 3:30 p.m.

EXECUTIVE SESSION PURSUANT TO GOVERNMENT CODE, CHAPTER 551, IF ANY

There was no Executive Session at this time.



Jeff Austin, III, Chairman



Dave Spurrier, Secretary



Colleen Colby