



MEETING NOTICE

TO: North East Texas Regional Mobility Authority Board Members
FROM: Linda Thomas, Chair
DATE: Tuesday, May 14, 2019
SUBJECT: **May Board Meeting**

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

DATE: Tuesday, May 14, 2019
TIME: 1:30 PM
PLACE: JISD Administration Building
800 College Ave.
Jacksonville, TX 75766
Cherokee 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
JISD Administration Building
800 College Ave.
Jacksonville, TX 75766
Cherokee 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, May 10, 2019.

1:32 PM

2. INVOCATION

Linda Thomas provided the invocation and asked that all share in a moment of silence for those affected by the accident that occurred on Toll 49.

3. WELCOME & INTRODUCTION OF BOARD MEMBERS

Linda Thomas welcomed Commissioner Jeff Austin III. He welcomed all to Jacksonville and he thanked the NET RMA for coming. He stated he is very proud of everything the NET RMA has done. Looking back at the transportation code, he encourages all to look at what all the NET RMA can do next. It doesn't just have to be tolls. The NET RMA's purpose is to look at what's possible. He stated that East Texas roads and the oil fields have the two highest fatality rates. A lot of them are caused when folks do not wear seatbelts. He also stated distracted driving is also a large cause of this. He asks the NET RMA to join TxDOT's "end the streak" movement which is working towards ending the streak of fatalities on roads. In East Texas, the roads were not built to handle the amount of traffic they're experiencing. It's time to move forward and help improve that. He stated that he is proud of the NET RMA for the safety measures they have implemented on Toll 49. He then stated that he wanted to switch over to the UTP. There are projects that are looking towards improving I-20. The NET RMA contributed to that movement. There are a lot of major corridors that they are looking at that are within the NET RMA's region. Commissioner Austin, III stated that the NET RMA should look towards those economic projects and opportunities. Lake Colombia is one that the NET RMA may be able to help with. Look at neighboring jurisdictions for consideration. The RMA could be of use to communities North and South of Dallas. There are a lot of roadways that the NET RMA can help with. He thanked the NET RMA for their hard work and he is extremely proud of the work they have done. Chris Miller thanked Commissioner Austin, III for all he's done but particularly for his help with rail. NET RMA supports TxDOT completely and owes them thanks for their support. Commissioner Austin, III also stated that the NET RMA and TxDOT share a responsibility to pass on the "end the streak" message. Chris Miller asked the status of the bypass in Cherokee County. Commissioner Austin, III stated that it has been progressing and they have considered the comments and considerations they have received.

Present: Chet Clayton, Mike Thomas, Dave Spurrier, Dan Droege, Keith Honey, Larry Morse, Linda Thomas, Chris Miller, Barham Fulmer, Tim McRae, John Cloutier, Belinda Andrus, Jason Ray, James Harris (phone)

4. OPEN PUBLIC FORUM/COMMENT PERIOD

No comment.

5. DISCUSSION, CONSIDERATION AND APPROVAL OF THE MINUTES FOR THE APRIL 9, 2019 BOARD MEETING.

Action Item

Motion to approve: John Cloutier, 2nd Larry Morse. Unanimously approved.

6. CHAIR'S REPORT

Linda Thomas

Linda Thomas stated that with the expiration of Prop 1, TxDOT will be given more flexibility to fund transportation projects. President Donald Trump and House Democrats are working to meet to form a bipartisan agreement to fund a \$1-2 trillion deal for infrastructure.

She also congratulated Tim McRae for being elected into his city council. She also thanked him for the work he provided for the NET RMA and will miss him.

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 the committee met in order to choose the counties that will receive grants from the Priority Project fund which had 600k to give. He then stated that last year, Upshur County was awarded 250k for their project. They had 40k left over which was then returned to the NET RMA. This year, Upshur County submitted an additional project for the grant and the Committee is recommending that they receive a portion of the Priority Project grant as well as the left over 40k. Upshur, Kaufman and Titus were the only 3 counties that applied. The Titus Project will be awarded 320k. Upshur county will be awarded 280k and the 40k left over from their previous phase. Titus County has been in planning since the early 2000s. It's scheduled to let within the next 18 months. They just completed a 14 mile loop that goes into the road they wish to widen. There are several schools including a college that present safety hazards on that road so the committee determined that the project would have a lot of regional impact. Upshur County is working towards developing phase 2 of their corridor study. The first phase was completed with the help of the NET RMA Priority Projects. Phase 2 is in line with 271 which is a major feeder road with Toll 49.

E. East Texas Hourglass Committee

Dave Spurrier

Dave Spurrier stated that a committee meeting was held on April 30th. Several items were discussed including the status of the regions bank loan, Segment 6 work with CP&Y, and the 5-year cashflow. Regarding funding, the \$10 million loan request to TxDOT and private lending were both areas they were looking into. With the revenue that will be deposited into the general funds from the Lindale Relief Route completed, the NET RMA in a good position financially. They have spent roughly \$500k with CP&Y thus far on Segment 6. The committee believes that they will have plenty of cash flow to fund this without having to rely on a loan. The committee recommends they move forward with CP&Y. Segment 6 routes have now been narrowed down to 6 and the next step is to narrow it down to 3. The process has been moving forward as expected. All in all, they are still on course. They decided to pass on the Regions bank loan. He then introduced Carson Hollis with TxDOT who is the HWY 271 project manager. Mr. Hollis stated that they are looking to hold a public hearing this fall. They are looking to create a four-lane road up to IH-35. They will then go to a five-lane section up to Gladewater. They are looking to completely replace the bridge over Union Pacific. Specifics on the project: There's \$50M set aside. It is set to let April 2022. They have \$28M for the loop between Upshur County. That is set to let April 2024. They hope that by the end of the year they'll have environmental clearance by the end of the year. Dave Spurrier asked if that was just for the Tyler District. Carson Stated yes. John Cloutier asked when they are doing the loop over the railroad, will they need to raise the bridge? Carson stated yes. Highway 80 would be at grade. 135, 271, 80 and the loop would also be at grade. Dave Spurrier stated that they will have CP&Y in in the next month or 2.

F. Investment Committee

No comments.

Robert Messer

8. PARTNERSHIP UPDATES

A. East Texas Corridor Council

No Comments.

Linda Thomas

B. I-69 Alliance Committee

No Comments.

Linda Thomas

C. East Texas Council of Governments

No comments.

Linda Thomas

9. REVIEW AND ACCEPTANCE OF NET RMA FINANCIAL STATEMENTS.

Dianne Johnston stated that the month of March ended at \$390M. Current liabilities showed nothing different from previous months as far as the balance sheet goes. For statement of revenues and expenses, the total operating revenue was \$7.7M. The year to date was \$6.3M for an increase of \$1.4M. Total operating expenses: there is a positive variance of 2.9%. Largest variances are occurring in the same line items as previous months: legal fees, employee salaries and benefits, etc. Under the office and related expenses, there is a credit balance. That is due to corrections being made in the earlier part of the year. Total Toll 49 operating expenses show an increase of 363k. A lot of that is due to the bridge repair that was paid for in March. In roadway maintenance, the roadway has shown an increase due to increase in amount paid to IIPPL of about 13k. Atkins has also been paid for maintenance support. Flex supply has also been paid for the message board used out on the toll road to communicate with drivers. Barham Fulmer asked if they received multiple checks from the insurance? Dianne Johnston stated that the documentation has been submitted and there was an accrual in the pro-insurance. Other income and expense showed a decrease of 6.26%. The change in net position showed a decrease compared to March 2018. Budget vs. Actual: Revenue is under budget. They are making headway. Electronic toll revenue in has improved. The toll revenue from video has also improved. The total operating expenses are under budget by 9%. There were no new or unexpected variances. Toll 49 operating expenses look to be over budget but the I-20 bridge repair expense is a reason for that. Taking that into consideration, they're actually under budget. The total net income shows an unfavorable variance of 840k. Mike Thomas asked if they could net the insurance proceeds once it's all done. Dianne Johnston stated that right now it looks like they'll have some excess.

Motion to approve: Keith Honey, 2nd: Barham Fulmer. Unanimously approved.

10. REPORT ON TOLL 49 TOLLING TRANSACTIONS AND REVENUE.

A. Comprehensive Transaction Report by CDM Smith

There has been a toll rate increase by about 5%. There was an increase in video toll. The impact of this increase was inconsequential which is very positive. The opening of Segment 4 had a large impact on traffic. 2018, the beginning of the year showed a large drop in traffic numbers; however, towards the end of the year with construction ending and the new segment opening, trends have increased significantly. Year over year, the growth rate shows a 25% increase. All segments have shown growth as well but Segment 4 and neighboring Segments showed the largest jump. Truck traffic has also increased. Compared to Q1 2018, Q1 2019 transactions have increased by 26%. Similar to overall traffic, truck traffic has also shown an increase at all segments. 45% of the overall truck traffic are 5 axels. Average weekday transactions compared to last year, there has been a 30% increase in Q1. The actuals have remained close in line with the long-term projections. The local economy seems to be recovering, truck transactions have shown good growth. The significance in transactions have helped the spike in toll revenue. Dave Spurrier asked if they could get this sent to the board members. Chris Miller stated that they could but the timing is sometimes such that they do not get the slides in a timely manner. Mike Thomas asked how Toll 49 compares to some of their other roads. He stated that the trends they are seeing here are similar to trends throughout the country.

11. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE WORK AUTHORIZATION NO. 4 WITH ATKINS FOR PROJECT CLOSEOUT SUPPORT ON SEGMENT 4 OF TOLL 49. (RESOLUTION 19-13)

Action Item

Everett Owen provided the presentation. He stated that efforts need to continue during warranty. Atkins has a subcontractor agreement with RS&H to utilize where necessary. The cost is 198k which will come out of the bond proceeds. Barham Fulmer stated that this is not unexpected but rather a shifting of responsibility from RS&H to Atkins primarily. Dave Spurrier asked what were the criteria they used to make that decision. Everett stated that in some cases, they were not impressed by some of the RS&H responses but have been pleased with Atkins.

Motion to approve: John Cloutier, 2nd Larry Morse. Unanimously approved.

12. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE AWARD OF PRIORITY PROJECT GRANTS. (RESOLUTION 19-14)

Action Item

John Cloutier stated the committee recommends awarding Titus county 320K for their project Widening and Straightening of 125, also known as Chapel Hill Road. They also recommend awarding Upshur County 280k as well as the left over 40k. Larry Morse stated that on behalf of Upshur County he wants to thank the board for their help and their funding. John Cloutier stated that he was pleasantly surprised to hear of all the public support they are receiving.

Motion to approve: John Cloutier, 2nd: Dan Droege. Unanimously approved.

13. LEGISLATIVE UPDATE

C. Brian Cassidy

Brian Cassidy stated that they are in the home stretch. From a transportation standpoint, it hasn't been particularly exciting. At the beginning of the session there were some anti-toll legislation bills that were filed but they didn't get very far in the process. The anti-toll bills faded out rather quickly. There were a lot of opportunities missed. There were two CDA bills that would have affected the NET RMA but they did not move beyond the House. CDA's are an important tool because the larger urban areas have billion-dollar projects which tend to take higher priority. CDA's help the smaller areas. The extension of Prop 1 is currently set to expire in 2024. They are planning to extend it by 10 years. House bill 803 is a financial transparency bill. It's a way of packaging information and placing it on the website. Senate bill 198 is dealing with toll transponders. It is in reaction to some problems with transponders. It gave the NET RMA an opportunity to share customer information. It authorizes TxDOT to share that information to better improve customer service.

14. EXECUTIVE DIRECTOR'S REPORT

Chris Miller

Chris Miller stated that it is never a good day when accidents occur. They did receive the report for the most recent accident, and it has been determined that excess speeds in wet conditions contributed to the accident. There was excessive rain in that area and even a small tornado. It's always important to slow down and be aware of the weather conditions and how it can impact the road. Regarding the accident involving the school bus, the report also showed that the driver was intoxicated and had illegal substances in their system. He also stated that Mark McClanahan and Daniel Fisher are riding the roads every day and work diligently to maintain the road and remove any and all hazards. He would like to look further into patrolling Toll 49 through ILA's with the city of Tyler. It would be beneficial to look at ways to set up an incident response group similar to roadside assistance. The NET RMA maintenance team is equipped to help vehicles that have run out of gas. The NET RMA's goal is to make the road as safe as possible and they need to make sure the drivers follow suit and to always watch for signs.

A. Cofiroute Transition

Chris Miller stated that they have continued to work on some of the transition issues. Brandon Rich stated that collections has just started in May. Staffing was a bit challenging at first. The primary call center is in Austin. There are about 50-60 in Austin handling that program. They are continuing to take customer feedback and working towards improving and addressing that. Answer times, emails, chats and so on have settled down into a routine so they can now look at processing as a whole and where they can improve the system as a whole. Chris Miller stated that they are very happy with how Cofiroute has been responding to the job. Chris Miller also stated that they are still dealing with some situations with MSB as well. Everett Owen asked what the wait time is. Brandon Rich stated it's generally 5-15 seconds which is an improvement from about 30 minutes. Dave Spurrier asked if there is an ability to set up a credit card with Cofiroute. Brandon Rich stated yes. Customers can set up a pre-paid account which is generally a lot like a tag hybrid but they first try to push tags. Dave Spurrier then asked if a customer receives a statement showing their account activity. Brandon Rich stated yes. Chris Miller stated that the NET RMA is constantly working towards moving customers towards tags.

B. Meetings with New County Judges

Chris Miller had a meeting with the new Upshur County judge. He also had an opportunity to meet with the Kaufman and Harrison County judges. All meetings went well.

C. Financial Policies and Procedures

Dianne Johnston is working on financial policies and procedures. They intend to get some of those policies for review to the Executive Committee. These are policies that will guide the financial policies of the organization.

Tom Fitzgerald had been working with ATT on getting credits back to the NET RMA and that situation has been worked out.

15. ADJOURNMENT

Adjourned at 2:58

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 11, 2019 – Pinecrest Country Club, Gregg County

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

May 30, 2019 – Texas Transportation Commission meeting

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.