



MEETING NOTICE

TO: North East Texas Regional Mobility Authority Members
FROM: Linda Thomas, Chair
DATE: February 11, 2014
SUBJECT: NET RMA REGULAR BOARD MEETING

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

DATE: Tuesday February 11, 2014
TIME: 1:30 pm
PLACE: University of Texas at Tyler
Robert R. Muntz Library
Room 401
3900 University Blvd
Tyler, TX 75799

Enclosed are the agenda and other pertinent information for your review prior to the meeting. Should you have any questions, please call me at 903.509.1552.

NORTH EAST TEXAS REGIONAL MOBILITY AUTHORITY (NET RMA)
BOARD OF DIRECTORS REGULAR MEETING
1:30 PM Tuesday, February 11, 2014
University of Texas at Tyler
Robert R. Muntz Library
Room 401
3900 University Blvd.
Tyler, TX 75799
PRESIDING: Linda Thomas, CHAIR

1. CALL TO ORDER AND DECLARATION OF QUORUM

The meeting was called to order at 1:35 PM and a quorum was declared.

Notice of this meeting was posted with the Secretary of State's Office, with the County Clerk in Smith County, on the NET RMA and Toll 49 websites and in the offices of Atkins on February 7, 2014.

2. INVOCATION

Chair Thomas asked that NET RMA Board Member and Secretary, Dave Spurrier, give the invocation.

3. WELCOME & INTRODUCTION OF BOARD MEMBERS

Board Members

The NET RMA board members that were present introduced themselves and some gave brief welcoming remarks.

Board members present at the meeting included: Linda Thomas, Barham Fulmer, Hudson Old, Keith Honey, Larry Morse, Jack Traylor, Mike Thomas, Jeff Sandford was present via phone, Robert Messer, Walta Cooke, Gary Halbrooks, Dave Spurrier, Celia Boswell and Tim Vaughn.

Absent board members included: Andy Vinson, Dr. James Harris, Robert Murray and Jim Stephens.

4. OPEN PUBLIC FORUM / COMMENT PERIOD

Gary Halbrooks took a moment to remember and honor past Harrison County Board member Gaylon White who passed away on January 21, 2014. Mr. Halbrooks commented that Mr. White provided a lot of good insight and time to the NET RMA and that he appreciated his service to the Board.

5. APPROVAL OF MINUTES

A. Discussion, Consideration and Approval of Minutes for:

Action Item

- January 14, 2014 NET RMA Regular Board Meeting

Chair Thomas referred the Board to the minutes dated January 14, 2014 from the regular board meeting.

The Chair entertained a motion to approve these minutes if there were no edits by the Board.

Board Member Gary Halbrooks moved the approval. Board Member Keith Honey seconded the motion.

The motion carried and the minutes for the January 14, 2014 meeting were approved.

6. CHAIR'S REPORT

Chair Thomas

A. Meetings of Interest

- Texas Transportation Commission Meetings: February 27 in Laredo, Texas
March 27 in Austin, Texas and April 24, 2014 in Lubbock, Texas

www.txdot.gov

Chair Thomas commented that the TTC meetings are still "traveling".

- TeamTX: Dates pending

www.team-tx.org

Chair Thomas commented that there wasn't a report on the Team Texas dates or meetings.

7. EXECUTIVE DIRECTOR'S REPORT

Everett Owen

- Financial Presentation by First Southwest and Bank of America/Merrill Lynch

Mitch Gold and
Richard Ramirez

Mr. Richard Ramirez with First Southwest Company, the financial advisors to the NET RMA, spoke briefly on First Southwest's role in helping the NET RMA get the bonds to market to be sold. Mr. Ramirez stated that there are two reports that are critical in molding out the bond process and helping make the presentation to the bond market: general engineering consultant report and the traffic & revenue report. NET RMA Vice Chairman Gary Halbrooks asked about the current interest rate and what they look like in the next year on bonds. Mr. Ramirez answered that the interest rates now were good and fairly close to where they were the first time the NET RMA went through this process.

Mr. Mitch Gold with Bank of America/Merrill Lynch stated that, as the lead Underwriter, they go to the investors with the bonds and sell the bonds at a certain price that the NET RMA can handle.

Mr. Bob Colley is with Andrews Kurth who acting as the bond counsel for the NET RMA. NET RMA Board member Mike Thomas asked when the bond sale would be taking place. Mr. Ramirez answered that it was supposed to have been in March but has now been pushed back to early May. NET RMA Secretary Dave Spurrier asked what the current total debt was. Mr. Owen answered that it was \$96 million with 70-80% of it being refinanced with the new SIB loan.

- Mr. Owen brought up to the Board in response from the January board meeting the potential need for explanatory signs to be placed on Toll 49 encouraging drivers to buy a toll tag and the cost/benefits associated with them. Mr. Owen presented a mockup of a sign to the Board as an example of what could be displayed to help entice drivers to buy a toll tag. Two signs, one sign in each direction, would cost \$15,000.00. NET RMA Board Member Barham Fulmer commented that pushing the sale of toll tags makes the NET RMA more money even though it is at a cheaper rate compared to the Pay By Mail rate. The NET RMA receives the revenue faster from toll tag customers then from Pay By Mail customers. The Board determined that they want to do something to help market but aren't sure what exactly. Some other ideas talked about were inserting mailers into the toll bills, TV PSAs or commercials.

Mr. Owen said he would research what CTRMA does marketing wise, as well as perhaps get a professional sign company's input on what an effective highway sign consists of, and report back to the Board.

- Report on Toll 49 Collections/Revenue

December 2013 = 25,688 transactions per day (67% tag vs 34% video) and January 2014 = 24,294 transactions per day (64% tag vs 36% video)

MSB is sending current bills and making good progress on clearing the backlog from November and December 2013. The GEC and MSB staffs are handling customer calls efficiently. The GEC staff handled 134 calls in December 2013 and in January 2014 took 141 calls from Toll 49 customers.

- Report on Toll 49 Operations and Maintenance

TxDOT submitted two invoices for Roadway Maintenance work during November and December, 2013, totaling \$ 20,309.75. Cumulative expenditures for this line item are at 7% of budget with 33% time expended. Telvent did not submit an invoice during December 2013 or January 2014 for Gantry Maintenance. TxDOT submitted an invoice for \$109,217.38 for Raytheon gantry maintenance. Cumulative expenditures for this line item are at 33% of budget with 33% time expended. TxDOT conducted routine maintenance activities in December 2013 and January 2014. Bridge sweeping activities are scheduled for February 2014.

Smith County Sheriff and DPS Officers are continuing to provide good law enforcement activities on Toll 49.

8. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE SUBMITTAL OF AN APPLICATION FOR A SHORT TERM STATE INFRASTRUCTURE BANK LOAN TO FUND REPLACEMENT OF TOLLING EQUIPMENT ON TOLL 49 (RESOLUTION 14-04)

Action Item

Chair Thomas referred to Mr. Owen to discuss the resolution with the Board.

Mr. Owen stated that it's been determined that the Raytheon tolling equipment at five locations on Toll 49 which was initially installed on behalf of TxDOT prior to assumption of toll operations by the Authority is technically incompatible with the new NET RMA Telvent toll collection system and they have advised the Authority that it will be more efficient and cost-effective to replace such tolling equipment rather than to attempt to resolve the technical issues associated with it. Therefore, Mr. Owen suggested to the Board that the NET RMA submit an application for an interim loan from the SIB to finance the replacement of certain tolling equipment on Toll 49. The replacement should take place by May. The amount for the loan submitted to TxDOT would be for no more than \$6 million, per Telvent's estimate, for replacement of the equipment. Mr. Owen also made sure that the Board knew that before anything would go into effect that he would come back to them with a Change Order and the loan details that would need approving first. NET RMA Secretary, Dave Spurrier, asked how often the tolling equipment typically needs to be replaced and Mr. Owen answered about every five to seven years or so.

Board Member Larry Morse moved the approval. Board Member Walta Cooke seconded the motion. The motion carried.

9. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE A CHANGE ORDER WITH TELVENT TO REPLACE TOLLING EQUIPMENT ON TOLL 49 (RESOLUTION 14-05)

Action Item

Chair Thomas referred to Mr. Owen to discuss the resolution with the Board.

Mr. Owen explained that the NET RMA and Telvent have agreed to a change order to provide for the replacement of certain tolling equipment originally installed on behalf of TxDOT which has been determined to be technically incompatible with the toll collection system installed by the NET RMA. Mr. Owen recommended the approval of Change Order No. 2 to the Agreement with Telvent to provide for the replacement of the tolling equipment, subject to TxDOT's approval of the SIB loan. Change Order No. 2 will result in an additional cost under the Agreement, not to exceed \$6,000,000, to be funded with the proceeds of the SIB loan. Once all the Raytheon equipment is replaced, the NET RMA will be completely separate from TxDOT and on its own.

Board Member Dave Spurrier moved the approval. Board Member Jack Traylor seconded the motion. The motion carried.

10. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE PURSUIT OF BOND AND OTHER FINANCING FOR TOLL 49 (RESOLUTION 14-06)

Action Item

Chair Thomas referred to Mr. Owen to discuss the resolution with the Board.

Mr. Owen explained to the Board the NET RMA's desire to pursue the development of future segments for Toll 49, including Segment 4 and Segment 7. Therefore, the need to pursue the sale of bonds and other financing options for Toll 49 projects was necessary. The NET RMA would continue the process of securing other funding options and working with the NET RMA's consultants to pursue the issuance of bonds and use of other financing possibilities for future segments of Toll 49.

Board Member Barham Fulmer moved the approval. Board Member Mike Thomas seconded the motion. The motion carried.

11. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE ADOPTION OF REVISED TOLL RATES AND AMENDED TOLL POLICIES OF THE NET RMA (RESOLUTION 14-07)

Action Item

Chair Thomas referred to Mr. Owen to discuss the resolution with the Board.

Mr. Owen started with a brief history on the toll rates. TxDOT started the toll road with a process called market valuation to set the toll rate for Toll 49 which established the toll rate increase scale. In 2008 when the original market valuation was completed, the toll rates were set at \$.10/mile but it was determined that the rate should be \$.15/mile by 2015. The NET RMA has proposed two rate increases; one to be done in April of this year and the second to be done on December 31, 2014 bringing the toll rate up to \$.15/mile by 2015. A rate miscalculation was found on a main lane of segment 3B of Toll 49 leading to the rate recalculation. The rates would be calculated every year but only adjusted every other year Mr. Owen stated.

Board Member Walta Cooke moved the approval. Board Member Jack Traylor seconded the motion. The motion carried.

12. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE CONSULTING CONTRACT BETWEEN THE NET RMA AND FAGAN CONSULTING (RESOLUTION 14-08)

Action Item

Chair Thomas referred to Mr. Owen to discuss the resolution with the Board.

Mr. Owen gave a brief introduction of Ron Fagan to the Board.

Mr. Owen commented that the NET RMA would benefit from the services of an independent consultant, Ron Fagan, who can provide the NET RMA with advice and oversight related to the operation of toll systems on Toll 49. The NET RMA's Policies and Procedures Governing Procurement of Goods and Services provides that consulting services may be procured as a single-source procurement if the Executive Director determines that only one prospective consultant possesses the demonstrated competence, knowledge, and qualifications to provide the services required by the Authority at a reasonable fee and within the time limitations required. Mr. Owen also stated that Fagan Consulting LLC is the only consultant that possesses the demonstrated competence, knowledge, and qualifications to provide the services required by the Authority at a reasonable fee and within the time limitations required and have provided the Board of Directors with a written justification that the Board members had in their board books. The NET RMA Board would enter into a consulting contract with Fagan Consulting LLC for a term of two (2) years at a cost not to exceed \$150,000.00.

Mr. Owen gave the Board members two reasons for moving Fagan Consulting from a Atkins subcontractor to a NET RMA contractor: saves money by making reporting more efficient and from an organizational chart standpoint it will appear that having a NET RMA consultant on board shows its support of the toll road to the bond market equaling a more "professional" façade.

Board Member Larry Morse moved the approval. Board Member Jack Traylor seconded the motion. The motion carried.

13. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE NEGOTIATION OF AN INTERLOCAL AGREEMENT WITH CTRMA FOR PROVISION OF SUPPORT STAFF TO THE NET RMA (RESOLUTION 14-09)

Action Item

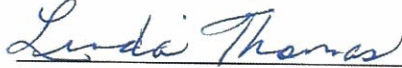
Chair Thomas referred to Mr. Owen to discuss the resolution with the Board

Mr. Owen suggested that the NET RMA needs some support staff to assist with the day to day operations of the NET RMA and CTRMA has the ability and resources necessary to hire and administer employees for the provision of support services to the NET RMA. The NET RMA would benefit from the services of one or more full-time employees hired by the CTRMA and again, it would appear better to the bond market if there are employees working for the NET RMA. Mr. Owen suggested that the NET RMA enter into an ILA with CTRMA pursuant to which the CTRMA will provide the NET RMA with one or more full-time employees subject to NET RMA reimbursement of the costs associated with such employee(s). Bringing up the Disabled Veterans tolling program that CTRMA is handling for us as an example, Mr. Owen said that it is one of the tasks that the NET RMA's employee would begin taking on.

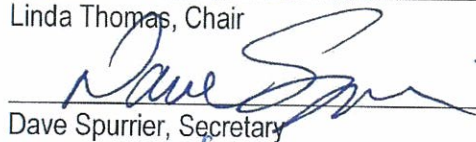
Board Member Robert Messer moved the approval. Board Member Jack Traylor seconded the motion. The motion carried.

14. ADJOURNMENT

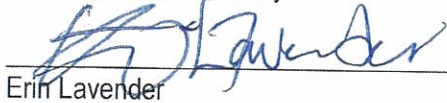
Chair Thomas adjourned the NET RMA regular board meeting at 3:09 PM.



Linda Thomas, Chair



Dave Spurrier, Secretary



BOARD BOOK APPENDIX - COMPLIANCE AND OVERSIGHT

- A. OPEN RECORDS SPREADSHEET
- B. SURETY BOND SPREADSHEET
- C. CONFLICT OF INTEREST SPREADSHEET
- D. TERM EXPIRATION SPREADSHEET
- E. TEC FILING SPREADSHEET

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

- A. Section 551.071. Consultation with Attorney—Consultation with, and advice from legal counsel concerning pending/contemplated litigation, settlement offers and negotiations, and other legal issues.
- B. Section 551.074. Personnel Matters—Deliberation concerning the designation, reassignment, evaluation, compensation, and duties of personnel.
- C. Section 551.072. Deliberation Regarding Real Property—Discussion of real property purchase, exchange, lease, donation, including property to be acquired for right-of-way.

FY 2014 Scheduled Board Meetings / Functions

2014 Tentatively Scheduled Board Meetings:

Tuesday - March 18, 2014

Tuesday - May 13, 2014

Tuesday - July 15, 2014

Tuesday - August 12, 2014 ****Budget Workshop****

Tuesday - September 30, 2014

Non-Scheduled Meetings / Functions - Where a Quorum Could be Present, but No RMA Business Would be Conducted

Date Pending

TeamTX
Austin, Texas

February 27 in Laredo, Texas, March 27 in Austin, Texas and April 24, 2014 in Lubbock, Texas
Texas Transportation Commission Meeting

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 Chairman 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 direct the Chairman, 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 Chairman may rearrange the order in which agenda items are considered.

Presenters with audiovisual needs are requested to contact Erin Lavender at (903) 509-1552 ext. 448-1229, 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 Erin Lavender at (903) 509-1552 ext. 448-1229, in advance so accommodations 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 Erin Lavender at (903) 509-1552 ext. 448-1229, at least two working days prior to the meeting so that appropriate arrangements can be made.