

MINUTES

Special Called Meeting of the Board of

Directors of the

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

Tuesday, September 26, 2017

The meeting was held in the Mobility Authority's Lowell H. Lebermann, Jr. Board Room at 3300 N. Interstate 35, #300, Austin, Texas 78705-1849. Notice of the meeting was posted September 21, 2017 at the respective County Court Houses of Williamson and Travis Counties; online on the website of the Mobility Authority; and in the Mobility Authority's office lobby at 3300 N. Interstate 35, #300, Austin, Texas 78705-1849.

An archived copy of the live-streamed video of this meeting is available at:

<https://mobilityauthority.swagit.com/play/09262017-587>

1. Welcome and opening remarks by the Chairman and the members of the Board of Directors.

After noting that a quorum of the Board was present, Chairman Ray Wilkerson called the meeting to order at 9:01 a.m. with the following Board members present: David Singleton, Mark Ayotte, Amy Ellsworth, and Charles Heimsath. David Armbrust and Nikelle Meade called-in to the Board Meeting.

2. Opportunity for public comment.

No comments were offered.

Regular Board Items

3. Approve the minutes from the September 26, 2017 Regular Board meeting.

MOTION: Approval for the September 26, 2017 Regular Board meeting minutes.

RESULT: Approved (Unanimous); 7-0

MOTION BY: Mark Ayotte

SECONDED BY: Amy Ellsworth

AYE: Wilkerson, Singleton, Meade, Heimsath, Armbrust, Ellsworth, Ayotte

NAY: None

4. Accept the financial statements for August 2017.

Mary Temple, Controller presented this item.

MOTION: Accept the financial statements for August 2017.

RESULT: Approved (Unanimous); 7-0

MOTION BY: Charles Heimsath

SECONDED BY: David Singleton

AYE: Wilkerson, Singleton, Meade, Heimsath, Armbrust, Ellsworth, Ayotte

NAY: None

ADOPTED AS: Resolution No. 17-054

Executive Session Pursuant to Government Code, Chapter 551

Chairman Wilkerson announced in open session at 9:05 a.m. that the Board would recess the meeting and reconvene in Executive Session to deliberate the following items:

5. Discuss legal issues related to claims by or against the Mobility Authority; pending or contemplated litigation and any related settlement offers; or other matters as authorized by §551.071 (Consultation with Attorney).
6. Discuss legal issues relating to procurement and financing of Mobility Authority transportation projects, as authorized by §551.071 (Consultation with Attorney).
7. Discuss personnel matters as authorized by §551.074 (Personnel Matters).

After completing the executive session, the Board reconvened in open meeting at 9:55 a.m.

Regular Board Items

NOTE: Chairman Wilkerson took up Item 9 before Item 8.

9. MoPac Improvement Project Update.

Steve Pustelnyk, Director of Community Relations presented this item.

Note: No vote presentation only.

8. Consider and take appropriate action regarding a proposed settlement of CH2M's claims related to the MoPac Improvement project.

Jeff Dailey, Deputy Executive Director and Mike Heiligenstein, Executive Director presented this item.

Jeff Dailey, Deputy Executive Director and Mike Heiligenstein, Executive Director walked the Board through a proposed settlement agreement with the MoPac Improvement Project contractor, CH2M Hill. Of the \$113M that CH2M asserts it is owed, the Mobility Authority Board was asked to approve a settlement agreement in the amount of \$21.5M to put an end to claim disputes and focus on the completion of the remainder of the project rather than go through an extended and costly litigation cycle. Including change orders and the settlement payments, the total cost of the construction contract with CH2M increased to approximately \$160M from their original contract amount of \$136.6M. The increased amount is still less than the next two bidders, which were close to \$200M. To help put in perspective, this project would be in the \$260M range if procured today.

Prior to the Board voting on the settlement, Chairman Wilkerson thanked the public for their patience during this long and arduous process. He reiterated the complexity of the project and discussed how it will benefit Central Texans for years to come. With regards to the settlement, Chairman Wilkerson said he and the Board are finally seeing progress and believe this settlement will end current claims disputes and expedite the completion of the project. He also demanded continued progress and oversight of the project as it comes to an end. He outlined that there will be substantial penalties and withholdings if CH2M Hill is not able to perform as the agreement states.

Director Armbrust echoed the Chairman's sentiments that he was disappointed in the delays, but acknowledged the complexity of the project. He also said there is no way to place a value on the inconvenience the public has endured, but he does believe this settlement is fair. He closed by saying the mobility is this region's number one issue and we need to work on solving that versus waste time focused on years of litigation.

Director Heimsath further echoed previous comments and wanted to make sure the public understand that the funds for the settlement were coming from additional borrowing and will not impact user rates.

Director Ellsworth again echoed previous comments and made an additional statement that she was pleased that we were applying lessons learned from this project to current and future projects.

MOTION: Approve a proposed settlement agreement of CH2M's claims related to the MoPac Improvement Project.

RESULT: Approved; 6-1

MOTION BY: Charles Heimsath

SECONDED BY: Nikelle Meade

AYE: Wilkerson, Meade, Heimsath, Armbrust, Ellsworth, Ayotte

NAY: Singleton

ADOPTED AS: Resolution No. 17-055

Briefings and Reports

10. Executive Director Report.

- A. Follow up on the diamond lane per Charles Heimsath's request.

Mike Heiligenstein, Executive Director presented this item.

- B. Introduction of new Director of Operations.

Jeff Dailey, Deputy Executive Director presented this item.

11. Audit Committee Meeting:

David Singleton, Chairman of the Audit Committee called the Audit Committee Meeting to order at 10:32 a.m.

- A. Audit Committee meeting called to order by Committee Chairman Singleton.
- B. Mary Temple, Controller introduced auditors Michael O'Brien, Partner and Tino Robledo, Senior Manager with RSM US, LLP.

Michael O'Brien, Partner, RSM US, LLP presented the Fiscal Year 2017 Audit Reports and provided brief summary.

- C. Discuss, consider, and take appropriate action to accept the Fiscal Year 2017 Audit Reports.

Audit Committee Chairman Singleton entertained a motion to accept the Fiscal Year 2017 Audit Reports.

MOTION: Accept the Fiscal Year 2017 Audit Reports.

RESULT: Approved (Unanimous); 7-0

MOTION: Charles Heimsath

SECONDED BY: Ray Wilkerson

AYE: Wilkerson, Singleton, Meade, Heimsath, Armbrust, Ellsworth, Ayotte

NAY: None.

ADOPTED AS: Resolution No. 17-056

D. Adjourn Audit Committee.

After completing the Audit Committee, Chairman Singleton adjourned the Audit Committee meeting at 10:39 a.m. Chairman Wilkerson reconvened in open meeting at 10:39 a.m.

After confirming that no member of the public wished to address the Board, Chairman Wilkerson declared the meeting adjourned at 10:33 a.m.

12. Adjourn meeting.

Approved 11/08/2017