

Meeting Minutes
General Meeting of Board of Directors
Central Texas Regional Mobility Authority (CTRMA)

Wednesday, June 25, 2003

The special meeting was called to order at 9:05 a.m. by CTRMA Board Chairman Bob Tesch, who stated that notice of the special meeting was posted with the Secretary of State's office on June 17, 2003.

Members present: Bob Tesch (Chair), Bob Bennett, Henry Gilmore, Lowell Lebermann, Jim Mills, Mike Robinson and Johanna Zmud. Also present on behalf of the CTRMA were Mike Weaver and Brian Cassidy.

I. Welcome and Opening Remarks.

Chairman Tesch observed that the Board had covered considerable ground in its Board Retreat during the previous week. He recalled the discussion of House Bill 3588, which was passed in a form that was very beneficial to the CTRMA. He noted that near the end of the legislative session, prospects for that bill did not look good, and it appeared headed for passage in a form that would have been detrimental to the RMA. The consequence would have been more time and more cost to build projects, and some projects would not be built at all. Mr. Tesch noted that, by the end of the session, it had changed, and through the hard work of Rep. Mike Krusee, HB 3588 was passed in a form that will provide great benefits to the RMA and demonstrates a great deal of confidence shown by the Legislature that RMAs provide a valuable new method of building infrastructure less expensively, with more local control and less negative impact on taxpayers.

Chairman Tesch then noted the presence of Board member Johanna Zmud, who had been absent at the previous board meeting due to a rock-climbing accident. The Chair then recognized the presence of Cedar Park City Council member Phil Duprey.

II. Approval of Minutes.

Chairman Tesch introduced the minutes of the May 28, 2003 CTRMA Board Meeting. Mr. Bennett moved approval of the minutes as written; Mr. Robinson seconded the motion. The motion to approve minutes carried unanimously.

III. Legislative Summary – H.B. 3588 and Implementation.

Chairman Tesch noted that with HB 3588 as passed, certain implementation activities would be required. He asked Mr. Cassidy and Mr. Weaver to review what actions would be required. Mr. Cassidy reviewed a memo prepared for the Board that identifies a preliminary list of steps needed to implement HB 3588. The first group of the items are

things that will need to be accomplished fairly quickly. Mr. Cassidy described the need to develop rules governing the conversion and transfer of projects by and from TxDOT. TxDOT will need to adopt its own rules as to when a free road may be converted to a toll road and transferred to an RMA, and the RMA must adopt policies and procedures as to when it will accept those projects. Mr. Cassidy reviewed other items dealing with contract issues and comprehensive development agreements and noted that procurement policies as previously adopted may need to be revised to conform with the new authority provided for in the statute. This could include developing a general form of a comprehensive development agreement that would be tailored to specific transactions entered into by the authority. Other actions mentioned were the adoption of environmental review and DBE policies, both of which are in process with the Planning Committee.

Mr. Weaver added that TxDOT would be going through the same sort of process as the RMA in identifying required rulemaking actions resulting from the legislation. In particular, TxDOT staff and outside consultants are looking at CDAs and how to implement the CDA process and develop a form. TxDOT's goal appears to have their implementing rules done within the next six months. He recommended that that was probably a reasonable goal for the RMA as well.

A member of the public, Roger Baker, addressed the Board concerning the legislation. He made reference to failed toll road projects in California, and expressed concern that toll road projects in Central Texas could fail as well. Chairman Tesch noted that issues concerning the financial viability of toll projects would be addressed as the projects are studied and developed, and noted the detriments to the environment that increased congestion can cause as a result of doing nothing to relieve congestion.

IV. Update on status of unsolicited proposal and competing proposal for services related to development of US 183-A.

Chairman Tesch reminded those in attendance that a Planning Committee meeting would be held following the board meeting, but beginning no earlier than its posted start time, 11:00 a.m. Chairman Tesch also recognized the presence of Williamson County Commissioner Mike Heiligenstein.

The Chairman referred to the unsolicited proposal for US 183-A, and said a competing proposal had been received. He asked Ms. Zmud to discuss the review process to be undertaken by the Planning Committee. Ms. Zmud noted her appreciation for the effort reflected in the proposals. She indicated that since the receipt of the proposals, the new legislation had been enacted and the toll equity grant had been secured, and that the Planning Committee would be considering the proposals in light of those developments.

V. Discussion and possible action on Road & Bridge Builders, Inc., unsolicited proposal for public-private partnership for development of SH 45 Southeast.

Chairman Tesch stated that the RBB proposal has been carried forward while the RMA legislation was under consideration and while discussions were pursued with TxDOT. He noted that the Travis County Commissioners Court adopted a resolution urging the RMA to construct the project, and that he had sent a letter to Commissioner Nichols expressing his belief the issues raised concerning toll rates and completion time, previously raised by TxDOT, could be addressed. Mr. Tesch stated that it was his intent to keep pushing in an appropriate way. Mr. Weaver noted that Commissioner Nichols, present for the bill-signing ceremony for HB 3588 following the Board Retreat, stated that he had received a recommendation from staff.

Two public speakers addressed the Board. Mr. Dick Kellerman suggested that the RMA use Texas 21 as a connector between I-35 and SH 130, as a cheaper alternative to SH 45 SE. Mr. Weaver noted that alignment alternatives for SH 45 SE were being considered in the ongoing environmental review process. Mr. Roger Baker asked if the unsolicited proposal was accessible to the public under the Open Records Act; Mr. Cassidy indicated his opinion is that it was not. Mr. Baker again expressed concern over financial obligations associated with the project and potential burdens to the public.

VI. Update on environmental review policies for CTRMA projects.

Chairman Tesch noted that the comment period for the environmental review rules had closed on June 9. Mr. Cassidy reported that four sets of comments had been received from the MoPac Boulevard Alliance, TxDOT, City of Austin and Reynolds, Smith & Hill. He said that the comments were being reviewed in light of the new legislation and also to determine what could be incorporated in a revised policy. The next step will be to present a revised policy to the Planning Committee prior to approval by the full board.

Mr. Weaver discussed meetings that had been held with the environmental community and some agencies, and ideas concerning “context sensitive design.” This basically refers to a more open process for the development of environmental documents. Mr. Weaver recommended adopting environmental policies to get something in place consistent with the legislation, but to consider using context sensitive design in the course of pursuing individual projects. Toward this end, it might be useful to have a workshop for the entire board or Planning Committee to discuss those concepts.

Mr. Gilmore confirmed that the existing policies are intended to apply to non-federally funded projects, and asked if the legislation had changed that. Mr. Weaver indicated that it had not. Mr. Gilmore clarified that because few projects the authority would pursue would not have federal funds, the policies to be adopted would likely apply to a small number of projects.

VII. US 183-A Project Report.

Chairman Tesch noted that this was a new item on the CTRMA’s agenda. Mr. Weaver noted that a planning schedule for US 183-A had been developed, and that document may

be dependent on whether the authority hires a GEC or pursues the unsolicited proposals submitted to the authority. Mr. Weaver noted that efforts were under way, being led by Williamson County Commissioner Greg Boatwright, to work with the cities of Cedar Park and Leander to present to the RMA, by September 1, a financial program of how those cities and the county can acquire necessary right-of-way for US 183-A.

Mr. Weaver also noted that procurements for investment banking and bond counsel would commence as early as July, and that he and Mr. Cassidy had talked to TxDOT about use of TxDOT's traffic and toll revenue engineers to save time. All three firms that CTRMA would receive proposals from, were CTRMA to do its own procurement, are the same firms currently employed by TxDOT. The partnering agreement with TxDOT may include traffic and toll revenue personnel to start on an investment-grade traffic study. Mr. Weaver said it was very critical to start that study as soon as possible to ensure sufficient time to establish economic growth forecasts, traffic patterns and projected growth, potential competing facilities, and other study components.

Mr. Weaver ensured the board that monthly updates on US 183-A would continue. A major decision still outstanding is that regarding Segment 9 of US 183-A (stretch from Lakeline Mall Blvd. stretching to Avery Ranch Blvd.) The board must decide soon whether to include that section in the US 183-A project.

Mr. Weaver discussed a funded Austin district project that CTRMA may want to convert to a CTRMA, toll-funded project. Mr. Weaver said that another key decision to be made by the end of the year is the type of toll collection methods (*i.e.* change/ no change; cash/ no cash; all electronic, etc.) This decision must be factored into the design and procurement process. Mr. Weaver said he and Mr. Cassidy would, over the next month, identify key milestones and critical decisions that the board must make.

Mr. Cassidy added that partnering agreement with TxDOT is critical. Final decisions regarding US 183-A will help facilitate the TxDOT partnering agreement. While preliminary discussions with TxDOT have been successful, discussions need to begin in earnest. The Chairman stressed that CTRMA is expected to move more quickly as measured against traditional methods, and asked Mr. Weaver and Mr. Cassidy to comment on whether the board is on track, or are there additional, time-saving steps to be taken.

Mr. Cassidy said that he believed the authority was streamlining the process as much as possible, and commented that Mr. Weaver is constantly reviewing the development schedule to find where days and weeks can be reduced. Mr. Cassidy cautioned the board, however, to not set expectations regarding the schedule that cannot be met, but he believed that at the staff level, the authority was being aggressive.

Mr. Weaver said two or three variables are outside CTRMA control. The first is right-of-way acquisition, particularly methods of funding and time schedule between Williamson County, Leander, and Cedar Park. The second variable is the partnering agreement with

TxDOT. For example, it took six months to negotiate the toll equity application with TxDOT; the partnering agreement could take a significant amount of time as well. The third variable, tied to the partnering agreement, is the level of TxDOT review and oversight of the plan process and plan development, especially if CTRMA chooses a non-traditional route, such as design/ build/ finance/ maintain.

Chairman Tesch thanked Mr. Cassidy and Mr. Weaver for their clarifications and opinions, and asked whether the September 1 US 183-A plan deadline could be moved up. Mr. Weaver said CTRMA is not ready to give a metes-and-bounds description of what needs to be acquired. By September 1, the cities and Williamson County will have gone through their budget process. Mr. Robinson desired to clarify that the cities and Williamson County were not waiting on CTRMA, and Mr. Weaver said “no,” that September 1 is their deadline.

Chairman Tesch thanked both staff and TxDOT for their work regarding the TxDOT partnering agreement. Mr. Robinson asked whether TxDOT review and oversight will be included in the partnering agreement. Mr. Weaver said it was part of checks and balances left in recent legislation (H.B. 3588), and is also in the toll equity guidelines. Mr. Gilmore inquired whether TxDOT has pursued an arrangement similar to the partnering agreement with either NTTA or HCTRA. Mr. Cassidy replied that TxDOT may have entered tri-party or two party agreements with NTTA, but not necessarily an agreement as extensive as is proposed with CTRMA. There is somewhat of a template, but it is more of a starting point. Mr. Gilmore clarified that he wanted to ensure that the board is aware to what TxDOT has previously agreed to in other situations. Mr. Weaver added as many as four parties were involved in the agreement for the Katy Freeway (Harris County Toll Authority, TxDOT, Houston’s version of Capital Metro, and FHWA). The President George Bush project in Dallas was TxDOT and NTTA. Mr. Weaver concluded that there are some precedent agreements to look to.

Chairman Tesch inquired whether there were any further comments. There being none, the Chairman laid out the next agenda item.

VIII. Discussion and possible action on operational and financial issues.

A. Financial

1. Report on Toll Equity Financial Assistance Agreement.

Chairman Tesch reported that the Toll Equity Agreement is signed and in place, and a copy was included in board briefing materials. The Chairman then deferred to Mr. Cassidy to report on toll equity funds.

Mr. Cassidy said staff will meet soon with James Bass, the TxDOT Finance Director, to clarify the process for drawing down toll equity funds. The process is generally part of the toll equity agreement, but as

discussed at the Board Retreat, the board may want to decide how much of administrative or general overhead can be allocated to US 183-A, if permitted. Mr. Cassidy said he and CTRMA accountant Mike Swayze contemplate establishing a set of books and records dedicated to US 183-A. Anyone billing time to the CTRMA should set up files that are project-specific to more easily track money either to be reimbursed or accessed through toll equity programs.

Chairman Tesch asked Mr. Cassidy and Mr. Swayze to elaborate on the importance of establishing good record-keeping practices to ensure the authority is in compliance with any rules and regulations, and that it does not appear the authority is spending money in an inappropriate manner. Mr. Cassidy agreed with the statement, and emphasized the importance of meeting with TxDOT finance personnel to ensure the CTRMA's financial and record-keeping procedures are compatible with TxDOT's. Chairman Tesch inquired whether there were any further comments. There being none, the Chairman laid out the next agenda item.

2. Financial Report.

Mr. Swayze presented a financial report in response to the board's request for a full accounting from inception of the CTRMA to present. Mr. Swayze reported a full accounting was close to being completed, with just a few outstanding issues to be resolved. Mr. Swayze explained that the balance sheet of the report showed the cash position of the CTRMA, with no liabilities outstanding. One or two bills were received after compilation of the report, but those totaled less than \$1,000.00.

Mr. Swayze said the revenue reports reflected money received from both Travis and Williamson Counties, as well as proposal filing fees. There was a yet-to-be resolved expense regarding an item under control of Williamson County prior to the formation of the CTRMA. The expense is not questionable, but Williamson County will be providing an itemized breakdown. Mr. Swayze summarized the cash activities, explaining that the point at which the CTRMA began to exercise direct control over the finances was with the initial deposit from Williamson County on March 20, 2003.

Mr. Swayze said the board needs to address accounting questions in the near future regarding proper allocation of expenditures and compliance with requirements of all funding sources. According to Mr. Swayze's evaluation of the TxDOT toll equity agreement, the funding mechanism appears to be a "draw" system. The system will require establishing steps for approval, and then the mechanism to submit copies to TxDOT, with CTRMA retaining all original documents. After a draw request, TxDOT

will have 30 days to complete authorization, and disperse money to CTRMA, who in turn makes individual payments.

The Chairman commented that Mr. Swayze was scheduled to address the Executive Committee at its next meeting. Mr. Weaver asked Mr. Swayze to elaborate further on certain issues. First, the interlocal agreements for Travis and Williamson Counties are different from each other. Second, there is the issue of additional funding, and timing for decisions regarding additional funding. Mr. Gilmore previously asked about the budget, and Mr. Swayze said the budget will become much more detailed and will incorporate board suggestions and requirements. The Chairman asked whether there were any more questions or comments regarding Mr. Swayze's financial report presentation. There being no response, the Chairman then laid out the next agenda item.

3. Report on Interlocal Agreement for transfer of Travis County funds.

The Chairman reported that the Interlocal Agreement with Travis County has been signed, and funds received. The Chairman thanked Travis County Commissioner Karen Sonleitner, other Travis County Commissioners, and Vice-Chair Lebermann for their work in getting the agreement executed.

Mr. Cassidy said a copy of the signed Interlocal Agreement was in the briefing materials. Mr. Cassidy highlighted changes from the Williamson County Interlocal Agreement, mainly that Travis County funds originated with Capital Metro, and thus have additional reporting and potential auditing obligations now incorporated into the Travis County Interlocal Agreement. The Chairman asked about Travis County itself, and Mr. Cassidy replied that his understanding was CTRMA merely had to provide a budget. The Chairman asked if staff were on track with the budget. Mr. Cassidy replied affirmatively, deferring to Mr. Swayze for details on the budget.

B. Operational

1. Report on responses received to Request for Qualifications for General Engineering Consultant Services and processing of same.

Chairman Tesch reported that four responses were received to the CTRMA request for qualifications for general engineering consulting services. He said the Executive Committee would meet, review the proposals, and present a recommendation to the full board at the July meeting.

2. Report on responses received to Request for Qualifications for General Counsel Services and processing of same.

The Chairman reported that three responses were received to the CTRMA to request for qualifications for general counsel services. He indicated that the Executive Committee would meet, review the proposals, and present a recommendation to the full board at the July meeting.

Mr. Weaver and the board as a whole engaged in discussion regarding possible dates for the Executive Committee to conduct candidate interviews for both general engineering consultant services and general counsel services. He said interviews will consist of 2 candidates per position, and the board should plan on setting aside half a day. Mr. Lebermann suggested certain dates for the meeting. Mr. Mills inquired whether additional board members could attend. Mr. Weaver cautioned that presence of a 4th board member would trigger public notice and Open Meetings Act requirements. The Chairman assured that the full board would have ample opportunity to review Executive Committee recommendations prior to voting.

The Chairman then laid out for discussion the issue of authorizing public outreach education and activities regarding other potential CTRMA projects. The Chairman remarked on the importance of educating the public about such particular projects, citing the possible tolling of US 183 south of Hwy 620 as an example. The Chairman said he had already completed a draft letter to Phil Russell with TTA about that particular item.

Mr. Weaver addressed outstanding items that arose during the CTRMA Board Retreat. Mr. Weaver reiterated Mr. Cassidy's urgency regarding CTRMA conversion policies. Mr. Weaver then solicited board input on the conversion issue so he and Mr. Cassidy could draft a sample conversion policy for review. Mr. Weaver said a clear, broad policy and a statement regarding conversion of projects is an essential component to explain to the public how such conversion projects fit into CTRMA long-range planning and business models.

Mr. Weaver also stressed the importance of creating a communication plan and message for public education on how various roadway systems should be combined. Mr. Weaver said there are public opinion preconceptions about methods for road construction, as well as many questions regarding partnering between TxDOT and CTRMA and toll equity and its effect on property taxes. Such issues must be addressed and CTRMA staff has attempted to prioritize target groups for public outreach. Group A consists of relevant counties, cities, state representatives, state

senators, and other elected officials, as well as CAMPO. Group B targets members of the business community, the Austin Neighborhood Council, and related city/region Chambers of Commerce, as well as the Hispanic Chamber of Commerce of Travis County, and the Capital City African-American Chamber.

Mr. Weaver encouraged all board members to become involved in the outreach process, and said staff was already initiating meetings with county judges, key county commissioners, Austin Mayor Will Wynn, state representative Mike Krusee, and area senators to test the waters regarding the proposed CTRMA business model of working under a partnering agreement with TxDOT to toll new capacity on 183, 290 West, 183 South, and other projects. Staff needs direction from the board on message and outreach education.

Mr. Weaver said that in response to a question posed by Mr. Bennett, Mike Behrens of TxDOT sent a letter stating that CTRMA is scheduled for the August Highway Commission, which gives CTRMA 60 days to move forward regarding the one segment of 183. Both the TTA and CTRMA have to write conversion rules for the process.

The Chairman remarked that his perception via meetings with professionals, governmental agencies, and others such as CAMPO, counties, and other organizations is that the public does not understand the dynamic of “tax” roads v. “toll” roads. The Chairman recommended that CTRMA develop a public message stressing that it may be “toll roads or no roads” for Central Texas. Mr. Robinson commented that the real issue was public education regarding toll road benefits, particularly in terms of what the tolls collected will fund, and how they are part of a clean air strategy for the region. Mr. Robinson said educating the public about TxDOT’s budget situation is also good, and he added that public education needs to happen from the “toll roads are a reality” perspective.

Chairman Tesch thanked Mr. Robinson for his clarification, but remarked that public education regarding conversion and tolling existing roads may be more problematic. Mr. Gilmore proposed hiring a public relations firm to help shape and focus the CTRMA’s message. Ms. Zmud added that public education should also be an opportunity for public input as well, to make public education efforts a two-way conversation. Mr. Weaver said he would make inquiries regarding public relations services. The Chairman said he would like to explore public relations services options, and Mr. Bennett said he would like to assist Mr. Weaver in that endeavor.

The Chairman said, for the record, that Ms. Zmud’s suggestion should be incorporated into the public outreach plan. Mr. Weaver suggested

addressing the community-at-large in town hall meetings, and that having CTRMA board members out educating the community is very important. Mr. Bennett added that the board has a responsibility to incorporate the concerns of potentially affected communities of interest in their plans to the extent possible.

3. Discussion and action on process for hiring of Executive Director.

Mr. Cassidy reported on the creation and posting of a job description for the permanent CTRMA Executive Director position, and that a draft was in the briefing materials. Mr. Cassidy also said Mr. Weaver prepared suggestions about advertising for the position, and staff prepared a resolution directing the posting process to begin. Mr. Weaver listed IBTAA, monster.com, various transportation journals, and the *Texas Register* as examples of publications for posting the Executive Director position, commenting that advertising costs for *The Wall Street Journal* and *New York Times* were extremely expensive.

Chairman Tesch laid out the resolution, and asked why the resolution did not contain a deadline or time element. Mr. Cassidy and Mr. Weaver responded that posting could begin whenever the board decides, and perhaps it would be wise to tie all postings to the publication date of the *Texas Register* posting so that there is a uniform response period. Mr. Cassidy said that the resolution directs staff to start the posting process as soon as possible. Mr. Bennett moved adoption of the resolution, and Mr. Gilmore seconded. The motion carried unanimously.

IX. Executive Session Pursuant to Government Code, Chapter 551.

There were no items to address in executive session.

X. Open Comment Period.

No members of the public requested an opportunity to address the board.

XI. Adjourn General Meeting.

Chairman Tesch inquired whether there was any additional business. Mr. Weaver informed the board about the annual TxDOT transportation short course on October 14 and 15, 2003 in College Station. The course will include information regarding HB 3588, and a panel addressing RMAs in general. The Chairman said that all board members who can attend should try to.

Mr. Weaver asked to clarify that Chairman Tesch had not yet mailed his letter addressing 183 to Phil Russell with TxDOT. The Chairman stated that was correct, but urged quick

review and approval because project urgency. Mr. Robinson moved approval of sending the letter. The motion was seconded and carried unanimously.

Chairman Tesch entertained a motion by Mr. Robinson to adjourn the meeting. The motion was seconded by Ms. Zmud, carried by unanimous vote, and the meeting was adjourned.