

Central Texas Regional Mobility Authority (CTRMA)
Retreat Minutes
Williamson Conference Center
Thursday, June 19, 2003

I. Welcoming and Opening Remarks

Chairman Tesch opened the meeting, welcomed members of the committee and public attending. He discussed the venue for future monthly meetings. Mr. Bennett indicated that it may be possible to save money by using the Round Rock City Council chambers. There was discussion among the board about the importance of staying in one place; the opportunity for the RMA to save approximately \$3000 per month; the importance of recognizing that Travis and Williamson Counties make up the RMA; and options for other meeting locations, such as, the Greer Building or the TTA Project office.

II. CTRMA Operations

Mr. Weaver and Mr. Cassidy briefed the board on a draft budget, planning schedule, and a staffing plan for the RMA. A CTRMA Planning Schedule was provided to the board as an example of a possible timeline for project development, including coordination with TxDOT, development of US 183-A, hiring an Executive Director, hiring a General Engineering Consultant, General Counsel, and Traffic and Toll Revenue Consultant, and Bond Counsel, and other necessary steps in the growth of the organization.

a. Staffing Plan

A memorandum addressing the staffing schedule for both the CTRMA and the future GEC anticipates that the Executive Director position will be filled by September of 2003, and the Administrative Assistant will be hired no later than October. An Infrastructure Technology Officer, Chief Financial Officer, Accounting Clerk, and Secretary would, according to the draft plan, be hired between April of 2004 and October.

b. Office Plan

Initial estimates are that 2,000 square feet of office space will be required by September 2003 for the executive director, GEC, and administrative assistants. An increase to 3,000 square feet is expected between April and October 2004, with an additional expansion to 6,000 square feet by June 2005.

CTRMA's staff would initially consist of 2-4 people (including the GEC), and eventually increase to twelve people.

c. Operating Budget

The draft CTRMA budget forecast for the period June through September 1 includes the services of Locke Liddell & Sapp LLP, and Prime Strategies, Inc., as well as other expenses for accounting services, board meetings, and advertising, estimated to total \$342,082. The draft budget, based on conservative assumptions, project that the RMA will spend approximately \$1.4 million for the period September 1 through December 31, 2003, for labor, rent, support operations, board meetings, and outside services to include legal counseling, accounting, administrative, financial advice, general engineering consulting, and traffic and toll revenue engineering.

Budget assumptions discussed included costs for labor, labor burden, office rent, equipment, support operations, board meetings, outside services, and other project related expenses.

There was general discussion about office space procurement, toll equity, traffic and toll revenue engineering, and accounting software.

Project related expenses (soft costs) were determined to consist of engineering, survey, geotechnical, right-of-way acquisition, toll/revenue studies, bond counsel, investment banking, financial advice, underwriting counsel, insurance, construction management, and inspection/testing etc.

There was general discussion about the need to develop an allocation of the executive director salary; monthly overhead, and other expenses to the US 183-A project and any other project receiving toll equity to maximize the amount paid from project grants.

d. Executive Director Position

JoAnn Land provided handouts and updated the board on the status of regarding the process for hiring an Executive Director. The board reviewed documents describing the profile for the CTRMA Executive Director. The staff briefed the board on major issues facing the new executive director and the working relationship with the executive director. The estimated time frame for job interviews is the last week of July, or first week of August for telephone interviews. Mr. Bennett will assist with interviews. The board directed Mr. Cassidy to modify the job description. Mr. Weaver discussed the plan for advertising the posting. The tentative plan is to narrow candidates to 10-12 interviews by phone, cut that list and submit candidates to the board, and make an offer by September 1, 2003.

III. CTRMA Proposed Toll System

The CTRMA's financial advisors (First Southwest and Ladd Patillo) gave the CTRMA Board an overview of toll systems, project and financing, operations, and public involvement. It was explained that there is high risk associated with stand-alone start-up toll projects. Additionally the team discussed the following topics:

- Rating agency considerations.
- Challenge of risk.
- Economic Feasibility.
- Usage Feasibility.
- Political Risk.
- Construction Risk.
- Project Risk.

IV. Remarks by Representative Mike Krusee

Moved to end of day.

V. Electronic Toll Collection

David Powell from TTA and Jim Allen from United Toll Systems presented information about toll collection technology, hardware, and software. They discussed electronic toll collection and explained planning and operations, using the Central Texas Turnpike Project (CTTP) operations as an example. Additionally, they discussed:

- Safety goals.
- Revenue enhancement by attracting traffic and providing better service.
- Minimizing expenses.
- Express ETC as a method of collection.
- Alternatives to having an account (i.e., pre-loaded cards.)
- Card Interoperability with Houston and Dallas systems.
- Tolling Methods.
- Verification.

Mr. Powell explained the NTTA model for collecting and transporting tolls using tunnel vaults, where by the money goes to an operational room from the toll plaza. He described there are three types of toll booths: manned, toll tag, and coin machines. He also discussed different types of toll tags, including one which calls for a computer chip to be embedded in vehicle registration stickers.

Mr. Powell also discussed one service center for joint CTRMA/TxDOT operations. This would provide for lower operating costs, integrated electronic toll collection (ETC), cash toll collection, and consolidated backroom operations and accounting functions.

Mr. Allen of UTS, then discussed potential technologies, such as digital lane systems, modules, and efficient lane maintenance. He showed a video regarding toll collection systems in operation, and also demonstrated the ease of use of equipment set up for the meeting.

VI. US 183-A

The CTRMA staff briefed the board on US 183-A's project schedule and other items. The staff listed items the board needs to accomplish. These include the selection of a development partner and execution of a partnering agreement with TxDOT. The staff discussed project feasibility, right-of-way acquisition, project financing, and design-build contractor procurement. Mr. Cassidy discussed the unsolicited proposals previously received, as well as development through the traditional approach.

Mr. Weaver reported that the CTRMA had obtained the biological opinion (BO) from the U.S. Fish & Wildlife Service (USFWS). He provided board members with background information on the foundation of GCW mitigation credits and Tooth Cave ground beetle mitigation. The BO assessed that the proposed US 183-A project would affect only the Tooth Cave ground beetle and Golden-Cheeked warbler, both endangered species. The USFWS concluded that it was not likely the US 183-A project will jeopardize the existence of these two species, but mitigation efforts would be necessary.

VII. SH 45 Southeast

Mr. Tesch and the CTRMA staff discussed the Texas Transportation Commission's concerns about RMA construction of SH 45 SE. The commission is concerned about TxDOT not completing SH 45 SE by December 2007 and with the regulation of toll rates.

The RMA proposed in a letter to the Texas Transportation Commission that TxDOT follow the current schedule and complete environmental clearance, design, and construction of SH 45 SE. This allows TxDOT to manage project completion.

Additionally, the CTRMA would enter into an agreement with TxDOT to "buy" SH 45 SE upon completion of the road. Using toll equity program, the CTRMA would finance the SH 45 SE construction, operation, and maintenance based on investment grade traffic and toll revenue reports.

TxDOT can set the toll rate to ensure that TxDOT can manage and regulate the toll rate, and assure that the toll rate on SH 45 SE will not impact SH 130 traffic. TxDOT will provide toll equity for this project. The investment community's concerns related to "regulated tolls" will be addressed because the bond sale will be based only on what the current revenue stream, minus operations and maintenance, can financially support.

Mr. Tesch committed to follow-up with Commissioner Nichols concerning the CTRMA's role in developing SH 45 SE.

VIII. Wrap Up, Adjournment

Mr. Tesch thanked the board, staff and members of the public for attending. He reminded all in attendance that the Governor would be holding a bill signing ceremony for HB 3588 following the retreat, and that it was a tribute to the RMA that the Governor had

chosen to sign the bill at their meeting. He reminded those present of the Board's next meeting to be held on June 25th.