

Webb County - City of Laredo
Regional Mobility Authority (WC-CL RMA)
Board of Directors Meeting
Monday, November 21, 2016
9:00 AM

Minutes

The Webb County - City of Laredo Regional Mobility Authority Board of Directors convened in a meeting at 9:06 a.m. on Monday, November 21, 2016 at the TxDOT Laredo District Office, 1817 Bob Bullock Loop, Laredo, TX.

Minutes are as follows:

Present: Ruben Soto, Jr., Chairman and Presiding Officer, Albert Muller, Oscar Lopez, Alfonso Mendiola, Arturo Dominguez, and Douglas Howland.

Absent: Steve LaMantia, Jose Murillo

Others: Pete Alvarez, TxDOT Laredo District Engineer
Melisa Montemayor, Laredo District Administrator
Carlos Rodriguez, TxDOT Area Engineer
Marissa Montoya, Office Technician, TxDOT Laredo District (note taker)
Araceli Rangel, Staff Assistant, CPA Office of Ruben Soto, Jr. (note taker)
Antonio Rodriguez, HNTB
Dan Gonzales, Estrada Hinojosa & Company

1. Open Meeting and Establish Quorum

After establishing a quorum, Presiding Officer, Ruben Soto, Jr., called the meeting to order at 9:08 a.m. He then announced the following Board Members present: Alfonso Mendiola, Arturo Dominguez, Oscar Lopez, Douglas Howland, Albert Muller. He notified everyone present that a notice of the meeting had been posted in accordance with the Texas Open Meetings Act, and then asked everyone to stand for the Invocation and Pledge of Allegiance.

2. Welcome and Introduction of Board Members -Ruben Soto, Jr. (WC-CL RMA Presiding Officer)

Chairman Soto informed all present that the meeting was being recorded and thanked TxDOT's Mrs. Melisa Montemayor and Mr. Pete Alvarez for hosting the meeting. He also thanked TxDOT's Mike Graham for videotaping, and Marissa Montoya and Araceli Rangel for assisting with the minutes and preparation for the meeting.

3A. Action Item: Discussion, Consideration, and Approval of October 17, 2016 WC-CL RMA Regular Board Meeting Minutes.

Chairman Soto stated that the Board Members had been provided a copy of the October 17, 2016 meeting minutes for review. He then asked for a motion to accept the minutes for the Webb County-City of Laredo RMA meeting that took place on October 17, 2016 as presented.

Alfonso Mendiola made a motion, seconded by Arturo Dominguez to accept the meeting minutes. No discussion was held. Motion passed unanimously.

3B. Action Item: Discussion, Consideration, and Approval of October 26, 2016 WC-CL RMA Industry Review Workshop Minutes

Chairman Soto stated that the Board Members had been supplied with a copy of the October 26, 2016 WC-CL RMA Industry Review Workshop Minutes for review. He then asked for a motion regarding the acceptance of the minutes of October 26, 2016 as presented.

Arturo Dominguez made a motion seconded by Oscar Lopez to accept the workshop minutes. No discussion was held. Motion passed unanimously.

4A. Chairman's Report—Financial Report

Chairman Soto proceeded with an update on the vehicle registration fees. As reported at the last meeting, he had requested from the RMA's legal advisor, Mr. Juan Cruz, to follow up with the County regarding the monthly vehicle registration fee transfers to the RMA. Mr. Cruz e-mailed and copied him on various emails to Webb County staff, but as of yet nothing had been done by the County to have the funds transferred. He went on to mention that he had some interesting statistics on the amount of vehicle registration fees generated since fiscal year September 2014. For fiscal year September 30, 2014, with only 9 months' worth of collections, the amount was \$1,362,456.75. For fiscal year September 30, 2015 the amount collected was \$1,857,520.15. And for fiscal year September 30, 2016 the amount collected was \$2,023,870.00. Currently we have a balance of \$4,343,105.77 as of October 17, 2016. Funds disbursed since last meeting were to HNTB Corporation \$24,087.77 on work authorizations 1, 4, and 6. Locke Lord LLP was paid \$326.64.

4B. Chairman's Report—Surety Bond Requirements for Board Members

Chairman Soto reminded Board members of the option of paying for their own public official bond and having the RMA reimburse them once funds are available for that purpose.

Still pending quotes for some board members. Quotes so far have been \$87.50 for each board member. May be higher for Secretary and Treasurer.

4C. Chairman's Report—Update on Auditing Firm

Mr. Soto stated at the last RMA meeting the Board selected PMB Helin Donovan for the RMA's Auditing firm contingent upon entering into an agreement favorable to the board. He received an engagement letter from PMB Helin Donovan and felt it needed further explanation as to the range of fees. After discussion with its Managing Partner, Don McPhee, a revised engagement letter was prepared where the fees were more in line with the scope of services projected. As instructed by the board at the last meeting, Mr. Soto will sign the engagement letter and start preparations for the upcoming audit in late December/early January.

4D. Chairman's Report—Update on Industry Review Workshop

The workshop was a great success with standing room only at L & F Distributor's meeting room. Thanks to Steve LaMantia and staff for hosting the workshop. Our GEC will address in more detail in an upcoming agenda item.

5. Introduction and Swearing In of New Board Member, Douglas B. Howland

As you well know, City Councilmen for District 5 & 6 appointed Douglas B. Howland as our new board member back on May 10, 2016. However, there were eligibility issues that had to be addressed and have since been resolved on October 27, 2016 when the TTC formally approved the request from the City for Mr. Douglas B. Howland to serve on our Board. With that I wish to formally welcome Mr. Howland to the Board.

Mr. Howland then took the Oath of office with Notary Araceli S. Rangel officiating.

6. Action Item (Resolution 16-27): Discussion, Consideration and Possible Action to Approve the WC-CL RMA Strategic Plan.

Mr. Soto thanked Attorney Brian O'Reilly and Mike Graham from TxDOT for assisting the RMA in developing this Plan.

Mr. Soto stated that the board had been supplied with a Draft of the RMA's Strategic Plan for review. Recommendations and edits suggested from board members were incorporated to the Final Plan found in your notebook.

Mr. Soto ask if there a motion regarding the approval of the RMA's Strategic Plan as presented.

Albert Muller made a motion and Alfonso Mendiola seconded to approve the RMA's Strategic Plan as presented. No discussion was held. Motion passed unanimously.

7. Action Item (Resolution 16-28): Discussion, Consideration and Possible Action to Approve the WC-CL RMA Legislative Agenda for the 85th Legislative Session.

Mr. Soto directed the Board to Attachment A in their notebooks behind resolution 16-28 listing the RMA's legislative priorities for the next session.

Mr. Soto then asked for a motion regarding the approval of the RMA's Legislative agenda as presented.

Albert Muller made the motion seconded by Arturo Dominguez. There was no discussion, motion passed unanimously.

8. Action Item (Resolution 16-29): Discussion, Consideration and Possible Action to Approve Supplemental Work Authorization No. 6.2 with HNTB for Continued Work Related to the Industry Review Meeting for the Loop 20 Project.

Mr. Soto stated that as a result of the Industry Review Workshop and the great interest in the Loop 20 project, many requests for one-on-one meetings and phone conferences have been made. In order to advance to the next level of the Pre-Procurement process, our GEC has provided a supplementary work authorization for our approval.

Mr. Soto then requested that Deputy Project Manager, Antonio Rodriguez of HNTB, provide the board with further information on this work authorization.

Mr. Rodriguez informed the board that this Supplement Work Authorization requests a \$65,144.55 budget increase of WA06. It will increase the WA06 budget from \$45,810.45 to \$110,955.00. This time extension and budget increase is follow-up work resulting from the Loop 20 Pre-RFQ/Industry Review Workshop held on October 26, 2016. The Workshop, which had over 60 attendees, served its purpose in demonstrating the amount of interest the implementation of Loop 20 via Design Build Finance would generate. Now to capitalize on this interest, there are several items that we need to do as a follow-up which this Supplemental Work Authorization will allow HNTB to do on behalf of the RMA. It will allow HNTB to perform the following:

- One-on-One Discussions with Prospective DB Finance Developers (Up to 6 Meetings).
There are only a few Developers that can implement this project which is currently around \$400 Million in Total Project Cost, and based on the results of the Industry Review Workshop, we got interest from almost all of them. To date, we have the following meetings set:
 1. KCI Technologies (10/28/16) - Face to Face
 2. Shikun & Binui (12/5/16) - Conference Call
 3. Lane (12/7/16) - Face-to-to Face
 4. Zachry Construction (12/7/16) - Face-to-Face
 5. Other Parties that expressed interest were Cintra Webber, Kiewitt Construction and Anderson Columbia.

Mr. Rodriguez recommend extending the December 9, 2016 date for closing one-on-one discussions into the first couple of weeks of January.

Mr. Rodriguez also mentioned that one of the main questions that came out of the Industry Review was how solid were the total project costs and when will the funding gap be resolved or finalized. As part of that effort, aspects of the Total Project Cost need to be tighten up, specifically the ROW acquisition cost of the 183 acres. He then further elaborated with the following:

- ROW Acquisition Cost Estimate Services. In the 10 months HTNB has been assisting with Loop 20, the cost of the 183 acres of ROW has never been clearly defined. TxDOT developed a cost of around \$200M for the acquisition. The ROW cost that was presented in the Industry Review was a combination of costs developed from ROW costs shown to the MPO on November 15th and the ROW costs shown to City Council on June 20, 2016. This results in a total ROW acquisition cost of \$119M. This is a huge disparity. It is worthwhile to develop an independent cost. The staff that would be performing this work have over 90 years combined experience performing ROW acquisition following the federal process. The ROW cost that they will develop will be a total ROW cost that will account for all aspects of ROW acquisition. It will account for the following:
 1. Land Value developed from Webb CADD and the purchase of property over the last couple of years.
 2. Improvements performed to the land that will be acquired.
 3. Damages to the value of the land due to the land acquisition if the entire property is not to be acquired.
 4. If the property owners do not want to sell their property, account for cost via eminent domain proceedings
 5. If residential acquisition or commercial business, account for the cost of relocation
 6. If acquiring private utility easements, account for the cost of the utility easement acquisition and facility relocation
 7. ROW Services per parcel acquisition
 8. These items and others will be rolled up into a cost per parcel that will equate to the total ROW acquisition for the 183 acres.
- Update the Loop 20 Financial Plan to reflect the newly calculated ROW Acquisition Costs and update the Financial Plan to reflect the 10-year projected monies allocated to the Laredo Metropolitan Area per the Unified Transportation Program (UTP).
- Following the results of the November Elections, assist the RMA in meeting with all members of City Council and Commissioners Court to begin pushing the Corridor TRZ for the funding of Loop 20.

Mr. Soto then asked for a motion regarding the approval of Supplemental Work Authorization No. 6.2 with HNTB.

Albert Muller made a motion, seconded by Oscar Lopez after discussion. The main topic of the discussion was the question of going forward with Industry Review without having the total financing for the project secured. It was mentioned that it was prudent to go forward with next

steps in the hopes interested parties can come up with options of addressing the funding gap. After discussion, the motion was unanimously approved.

9. Action Item (Resolution 16-30): Discussion, Consideration and Possible Action to Approve a Financial Commitment for the City of Laredo Fastlane Grant Application on the World Trade Bridge and Loop 20/IH 35 Connectors Project.

At the last MPO meeting, Mr. Soto was asked how much could the RMA commit to local funding as part of the FASTLANE grant application.

Mr. Soto replied to the MPO policy committee that it was up to the RMA board to decide. Since then Mr. Soto has been in communications with our Financial Advisor, Don Gonzalez of Estrada Hinojosa & Company, and Attorney Brian Cassidy to discuss what our commitment could be.

After analysis of our present finances, budget, and commitments to other projects, it was advised that no more than \$1.5 million be committed to this grant application.

Oscar Lopez asked if the government wanted us to have a local commitment of \$98 million dollars. Mr. Soto replied no, the total project cost was \$160 million dollars and the grant application could only be up to a total of 60% of total cost which is \$96 million. The RMA is only allowed 80% of the total project cost to come from federal funds. Therefore, some of the CBI monies, \$32 million is also included as part of the allocation. Therefore we are left with \$32 million on the table as the local share. The local share being from the City, Webb County, MPO and the RMA.

Mr. Soto mentioned that the local parties had not discussed how much money each entity would be responsible for. Initially, it was mentioned that each entity would pay 1/3 which amounted to about \$8 million plus or more. The RMA does not have \$8 million dollars. That is why this is presented to the board to see if it was ok for the RMA to put up \$1.5 million.

Oscar Lopez asked Tony Rodriguez about the timeline to start construction should the grant be approved. Mr. Rodriguez replied that at this time, they just want the commitment. They wanted the funds to be identified. Funds will not be disbursed on December 14th. There is still a lot of work to be done before the project will be completed. It could take up to 5 years.

Mr. Rodriguez stated that the last go around for the FASTLANE grant there were three applications submitted by the City of Laredo, the RMA, and TxDOT. The feedback received from the Federal Government was that the three entities were competing against each other, the projects submitted were under the small project category, and they highly recommended one unified application from the Laredo area and to provide a large project over \$100 million. After discussion with Congressman Cuellar it was suggested to include in the grant application the interchanges at Loop 20 and I35. Also to leverage the existing money on hand with CBI dollars for the main lanes of Loop 20 over I35 and also the plan for future improvements on the World Trade bridge with the FASTLANE grant—to add a 3rd lane from the World Trade bridge to I35.

Oscar Lopez then added that 2 million sounded a lot better than \$1.5 million and the project wasn't going to happen right away; it's going to happen when we come up with the money. He asked if there is a way to bump the amount up to \$2 million and still be ok.

Mr. Dan Gonzalez, financial advisor, addressed the board. He mentioned that he and Mr. Soto had spoken on Friday and the thought process was if you had to commit a certain amount of dollars today, then \$1.5 million would get you there, and if you may not have to be releasing funds for another year or longer than he agreed \$2 million was a reasonable amount.

Oscar Lopez mentioned that it was a small amount of money, either way, we don't know how much the city and county were looking for the RMA to come up with. He asked Mr. Rodriguez about the timeline.

Mr. Rodriguez mentioned that at this time it was not the commitment, but the identified funds that were important. He mentioned that the overpass at Loop 20 and I35 was going to let whether they get the grant or not in March. The next step would be the interchange. Roughly, that timeline is well over 2 years away. Also the third main lane of Loop 20 from World Trade Bridge to I35 has no schematics nor documents for that project. Overall, whether done all at once or scaled, the project would take multiple years. So there is time.

Mr. Pete Alvarez from TxDOT mentioned the way the legislation read is that funding has to be committed 18 months after awarding. "Committed" and "spent" meant 2 different things. It was their intention to let the direct connectors and the 3rd lane on Loop 20 by 2020. So basically there will be an additional 3 years of vehicle registration fees and other funding that will be coming into the bank account. But that TxDOT's intention all along was to let the five I35 connectors and the main lane of Loop 20 by September 2020.

Melissa Montemayor mentioned that in their experience with the federally funded projects, once selected the federal government was looking for an obligation of funds and that Mr. Rodriguez was completely correct. They were looking for a ready to let date of about 18 months after the project is officially awarded. Once that date comes forward, it goes to letting contractors bid out and of course the lowest bid wins the contract. It takes about 3 months afterwards for that contractor to collect its materials and its workforce all together. Federally funded projects, even when a portion is federally funded, it very similar to CBI funds that were received in the past by bid. The billings come from construction in a monthly fashion so the state pays the contractor and then we bill the federal government FHWA for that amount on the monthly basis throughout the construction of the project. What the feds are looking for is the obligation or commitment of funds after the award and the payout goes out throughout the construction life of the project.

Oscar Lopez then said to bump up the amount to \$2 million. The motion would read as follows: Tell the city of Laredo that for the FASTLANE grant application on the World Trade Bridge for Loop 20 and I35, the connector project that the motion be a \$2 million dollar commitment.

The motion was made by Oscar Lopez and the second by Alfonso Mendiola. Motion was unanimously approved.

10. General Engineering Consultant Report.

Antonio Rodriguez continued with the following updates on the various work authorizations in place:

- a) WA 01 - Vallecillo Road TRZ - Presentation to the MPO is still pending. The presentation has been postponed at the last 5 MPO Policy Board Meetings. Time permitting, an abbreviated presentation will be provided at this month's MPO Policy Board Meeting.
- b) WA 01 - Vallecillo Road EA
 - Developed a 90% roadway schematic to reflect a 150' ROW that starts at FM 1472 and AF Muller Blvd and extends to the East to the IH 35 SBFR.
 - Mobilized Environmental team to coordinate with the Killam Company to begin the field investigation for the EA. Tentatively targeting the 1st week of November to begin the field investigations.
 - Met with Alberto Ramirez, Roberto Rodriguez and Mike Graham to discuss the tie-ins at TxDOT ROW on 9/28/16. Group discussed allowing for the allocation of additional ROW at FM 1472 to allow for a future overpass (i.e. 400' ROW) and additional ROW at IH 35 SBFR to allow for a future bridge across the IH 35 ROW and UPRR ROW (i.e. 400' ROW).
 - Followed up with a meeting with the Killam Company, TxDOT Representatives and Chairman Soto on 10/4/16 to discuss the tie-ins and the location of the tie-in at IH 35 SBFR to ensure that the location was conducive for a future continuation across the IH 35 ROW and the UPRR ROW via a new location bridge.
 - The group concluded that the location of the IH 35 SBFR location is consistent with the Laredo Long Range Thoroughfare Plan; thus, the location will remain as shown in the schematic.
 - Meeting also concluded with the possibility of widening the Vallecillo Road Corridor from a 5-lane arterial to a full freeway corridor. This would significantly increase the required ROW from 150' to a nominal 400' ROW corridor.
 - Killam Company will discuss internally regarding increasing the corridor width to 400'.
 - The Killam Company has decided to not request the increase to 400'ROW. HNTB needs to finalize the details of the tie-in widths for FM 1472 and IH 35 SBFR. The ROW for Vallecillo Road will need to be increased to accommodate the proposed tie-ins.
 - HNTB will set a follow-up meeting with the Killam Company to resolve the tie-in widths and schedule the environmental field visit.
- c) WA 04 - GEC
 - Attend the Laredo MPO meeting.
 - Conduct One-on-One Discussion with WC-CL RMA Chairman, TxDOT Chief Engineer Bill Hale, County Judge Tano Tijerina, Mayor Pete Saenz, Laredo District Engineer Pete Alvarez and Laredo District Administrator Melissa Montemayor on 10/18/16.
 - Attend FASTLANE Grant Project Selection with Congressman Cuellar at Laredo City Hall.

- GEC attendance at the Laredo MPO Special meeting on 11/7/16.
- d) WA 06 - Loop 20 Industry Review Workshop
- On 10/26/16, the WC-CL RMA conducted a Design Build Pre-RFQ/Industry Review Workshop for upgrading Loop 20. The total project cost is estimated to be greater than \$400 million. Over 60 attendees participated in the Workshop which included Design Build Developers, Engineers and Subcontractors. Our Design Build Subject Matter Expert, Paul Petrich, presented the project to the attendees and fielded questions at the conclusion. Local dignitaries at the event included WC-CL RMA Board Chair Ruben Soto, WC-CL RMA Board Vice Chair Oscar Lopez, WC-CL RMA Board Treasurer Steve LaMantia, WC-CL RMA Board Secretary Arturo Dominguez, City of Laredo Mayor Pete Saenz, TxDOT Laredo District Engineer Pete Alvarez and TxDOT Laredo District Administrator Melissa Montemayor. The main questions regarding the presentation consisted of the following:
 - When will the funding gap be finalized?
 - Will the upcoming elections influence the implementation of the TRZ?
 - When will the ROW acquisition commence? Can part of the available identified funding be used to commence ROW acquisition? If ROW acquisition is not complete upon DB procurement, will the DB be required to finalize the acquisition?
 - Will the utilities be relocated via joint bid?
 - When will the RFQ ultimately be advertised?
 - Who is the point of contact for the one-on-one discussions?

11. Report: Update from TxDOT on the Status of Projects in the TxDOT Laredo District.

Mr. Carlos Rodriguez from TxDOT stated that the SER project is moving forward. There will be a traffic change on the frontage road. First week of December, TxDOT will be shifting traffic. This February TxDOT will have the frontage road open. Estimated completion is still March 2018. On the Oscar Renda project, TxDOT will continue placing beams this coming year. There will be a major traffic change early next summer. On International, TxDOT still has intermediate closures at night or the weekends. Closures will be for placement of beams and underground storm sewers. That project is still on schedule. On FM 1472, TxDOT will be starting that project in January.

12. Open Public Forum/Comment Period.

Mr. Gerry Schwebel stated that he wanted to update the RMA on items and some upcoming meetings that impact the RMA. The I-69 Alliance had their executive meeting on November 3rd and they will be having their annual meeting on December 1-2 in Houston, TX. In that executive meeting, they focused on the I-69 Alliance initiative which includes Laredo's Loop 20 project and all the efforts of I-69W and as the result of the FASTLANE grant application that was submitted. Since they were not awarded the grant, they are working with Houston and their grant application, to make sure they include the Laredo bundle with the Houston bundle as a connectivity of I-69. He invited the RMA Board to attend the I-69 meeting in Houston, TX. He stated that the RMA should also be hearing more about the North American Infrastructure Bank that would focus on

infrastructure and port of entry projects. On December 7th, they have the Border Trade Advisory meeting in Brownsville, TX and December 13th, they have a Texas Freight Mobility meeting in Brownsville.

13. Report: Date/Time/Location of the Next Regular Board Meeting.

Chairman Soto stated that the next meeting will be held on Monday, December 19, 9 a.m. Board will be updated as soon as date is finalized. Location TBD.

14. Adjournment.

Jose Murillo made a motion, seconded by Arturo Dominguez to adjourn the Webb County - City of Laredo RMA meeting at 9:43 a.m. Motion passed unanimously and meeting was adjourned.

MINUTES FOR THE WEBB COUNTY - CITY OF LAREDO REGIONAL MOBILITY AUTHORITY BOARD OF DIRECTORS MEETING HELD ON OCTOBER 17, 2016 WERE APPROVED ON THIS THE 19th DAY OF DECEMBER 2016.

Submitted by:
Marissa J. Montoya
Office Technician
TxDOT Laredo Dist.
& Araceli Rangel, Adm. Assistant to
Ruben Soto, Jr. CPA