

MINUTES
FORT BEND GRAND PARKWAY TOLL ROAD AUTHORITY

September 19, 2018

The Board of Directors (“Board”) of the Fort Bend Grand Parkway Toll Road Authority (“Authority”) met in regular session, open to the public, on September 19, 2018, at the offices of The Muller Law Group, PLLC, 202 Century Square Boulevard, Sugar Land, Texas 77478, and the roll was called of the members of the Board:

James D. Condrey, DDS	Chairman
Bobbie A. Tallas	Vice Chairman
Charles Rencher	Secretary
Dean Hrbacek	Assistant Secretary
William D. Kee, III	Treasurer/Assistant Vice Chairman

and all of the above were present, thus constituting a quorum.

Also present for all or part of the meeting were: Louis Sherrod, a member of the public; Josh Hargrave and Corrie Aday of Harco Insurance Services (“Harco”); Colin Parrish of Statehouse Consultants, LLC; David Gornet of Gornet Consulting, LLC; Richard Ramirez and Joe Morrow of Hilltop Securities, Inc.; William “Trey” Cash, III of Masterson Advisors, LLC; James Thompson of Lucrum Investments, LLP; Gary Gehbauer of Brown & Gay Engineers, Inc. (“BGE”); Mike Stone and Megan Browne of Mike Stone Associates, Inc.; and Richard L. Muller, Jr., Shima Jalalipour and Keely Campbell of The Muller Law Group, PLLC (“MLG”).

Director Condrey called the meeting to order.

RECEIVE PUBLIC COMMENTS

Director Condrey opened the meeting to receive public comments. There being no public comments, Director Condrey closed the meeting to public comments.

CONSENT AGENDA

Director Tallas moved to approve the following items on the consent agenda: (1) the meeting minutes from the special Board meeting held on August 8, 2018 and the regular Board meeting held on August 15, 2018; (2) the bookkeeper’s report, including payment of bills, account reconciliation, budget, flow of funds, and summary of construction pay estimates; and (3) the operating report. Director Kee seconded the motion, which was approved by unanimous vote.

Copies of documents related to the consent agenda items are included in the attached Board Book.

BUDGET FOR FISCAL YEAR ENDING SEPTEMBER 30, 2019

Ms. Browne and Mr. Stone discussed and reviewed the budget for fiscal year ending September 30, 2019. Mr. Stone stated that changes to the budget were made as discussed. Following review and

discussion, Director Kee moved to approve the budget for fiscal year ending September 30, 2019, subject to the revision of a clerical error in projected year end IOP (Tag) Revenues, and subject to approval by Commissioners Court. Director Hrbacek seconded the motion, which was approved by unanimous vote.

SUPPLEMENTAL ENGAGEMENT LETTER WITH MLG

Mr. Muller presented a supplemental engagement letter from MLG, increasing the Authority's fixed fee for general counsel services by \$559 per month, beginning October 1, 2018. Following review and discussion, Director Hrbacek moved to approve the supplemental engagement letter with MLG, subject to approval by Commissioners Court. Director Tallas seconded the motion, which was approved by unanimous vote.

AGREEMENT FOR THE PROVISION OF TOLL ENFORCEMENT, INCIDENT MANAGEMENT, AND LAW ENFORCEMENT SERVICES ON THE FORT BEND GRAND PARKWAY TOLL ROAD

The Board reviewed an Agreement with Fort Bend County, Texas and Fort Bend County Constable, Precinct Four for the Provision of Toll Enforcement, Incident Management, and Law Enforcement Services on the Grand Parkway Toll Road ("Agreement"), for services commencing October 1, 2018 and ending September 30, 2019. Following review and discussion, Director Kee moved to approve the Agreement, subject to approval by Commissioners Court. Director Hrbacek seconded the motion, which was approved by unanimous vote.

RENEWAL OF INSURANCE POLICY

Mr. Hargrave presented and reviewed a renewal insurance proposal for property, liability and worker's compensation insurance. In response to Director Hrbacek's concern regarding the reduction of policy limits from \$57,575,800 to \$5,000,000 in the event of a flood and/or earthquake, Mr. Hargrave advised that, since Hurricane Harvey, he has been unable to locate available insurance policies with limits over \$5,000,000. He added that the Authority does not own an item valued at more than \$5,000,000; however, he will be contacting the Authority with options for additional policy coverage shortly after the meeting. Mr. Hargrave explained that flood insurance would cover any item on the Authority's scheduled list, but would not cover something like bridge erosion, the damages for which would fall under a workmanship claim. Mr. Muller inquired about increasing the deductible to decrease the premium. Mr. Hargrave agreed to return at a later date with a proposal regarding same, and advised that the coverage can be modified mid-year as needed, but should be renewed now. He stated that the proposal is based on replacement cost, so that repairs and replacement can be made at today's costs. In response to Mr. Stone's question regarding policy language relating to flood insurance limitations and exclusions, Mr. Hargrave explained that the language in question only applied to items not on the Authority's scheduled list. Mr. Muller advised that the Authority would not be liable for acts of law enforcement officials as they are hired contractors; however, an increase in coverage would provide for legal fees in the event the Authority was sued in relation to said officials. Following review and discussion, Director Hrbacek moved to approve the renewal proposal, subject to an increase in law enforcement liability to \$10,000,000 and approval by Commissioners Court. Director Kee seconded the motion, which was approved by unanimous vote.

PEEK ROAD OVERPASS

Mr. Gehbauer stated that BGE is currently evaluating the existing design plans for the overpass at Peek Road. He stated that the cost for BGE to update the design should not exceed \$35,000. Mr. Thompson reported that Commissioner Patterson and the Fort Bend County Engineer are planning to submit a request for funding of this construction project to the Houston Galveston Area Council's Transportation Improvement Program 2018 Call for Projects in October 2018. Following review and discussion, Director Hrbacek moved to authorize BGE to update the design of the Peek Road overpass at a cost not to exceed \$35,000. Director Kee seconded the motion, which was approved by unanimous vote.

SUPPLEMENTAL AGREEMENT NO. 2 WITH RS&H, INC.

Ms. Browne presented and reviewed Supplemental Agreement No. 2 with RS&H, Inc., for extension of ongoing toll systems maintenance and operations consulting support through September 30, 2019 regarding Grand Parkway, Westpark Tollway, and Fort Bend Parkway. Following review and discussion, Director Tallas moved to approve Supplemental Agreement No. 2 with RS&H, Inc., subject to approval by Commissioners Court. Director Rencher seconded the motion, which was approved by unanimous vote.

SUPPLEMENTAL AGREEMENT NO. 3 WITH TRANSCORE, LP

Ms. Browne presented and reviewed Supplemental Agreement No. 3 with TransCore, LP, for repair of the video monitoring equipment installed on the Grand Parkway, as necessary. Following review and discussion, Director Tallas moved to approve Supplemental Agreement No. 3 with TransCore, LP, subject to approval by Commissioners Court. Director Rencher seconded the motion, which was approved by unanimous vote.

ADDITIONAL OPERATING MATTERS

STORM SEWER PROJECT UPDATE

Mr. Stone reported that TNT Miller Construction Services, LLC has not been able to commence the repair of the manhole in the underpass at SH-99 due to adverse weather conditions. He noted that construction should commence at such time that the weather conditions would allow continuous work on the project to completion.

CANYON GATE SOUND WALL

Mr. Muller reported that the tri-party agreement between the Authority, Fort Bend County, and the Canyon Gate Homeowner's Association, regarding construction and maintenance of the sound wall is currently under review by Fort Bend County.

SPECIAL PROJECTS

WEST AIRPORT BOULEVARD EXIT RAMP

Mr. Muller reported that Johnson Development plans to close on the sale of commercial property up to the right-of-way line in October and that the commercial buyer has asked for confirmation from the Authority that the contractor will hold the agreed-upon price of construction until November 2018 and that the project can be completed by July 31, 2019, if the Authority receives the necessary (i) right-of-way and (2) funds for same from Johnson Development and Fort Bend County Municipal Management District No. 1 within the November/December timeframe.

ALIANA ENTRY AND EXIT RAMP

Mr. Gehbauer reported that BGE is currently reviewing the legal descriptions from LJA Engineering, Inc. for proposed right-of-way dedications for the exit ramp and extended frontage road. He shared his concern that, because of developer delays, the project might not reach completion before school starts in August 2019. Mr. Gehbauer added that he is working with NewQuest Properties regarding potential access points north of West Airport Boulevard.

BRAZOS RIVER EROSION

Mr. Stone reported that he met with Fort Bend County Levee Improvement District No. 7 ("LID 7") and representatives from the City of Sugar Land regarding the Authority's interests and potential assistance in LID 7's proposal to redirect the Brazos River in an attempt to prevent erosion.

There being no further business to come before the Board, the meeting was adjourned.



Asst. Secretary, Board of Directors

LIST OF ATTACHMENTS

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Any documents referenced in these minutes and not attached herein are retained in the Authority's official records, in accordance with the Authority's Record Management Program, and are available upon request.