

TEXAS DEPARTMENT OF TRANSPORTATION

COMMISSION MEETING

Ric Williamson Hearing Room  
Dewitt Greer Building  
125 East 11th Street  
Austin, Texas

Thursday, August 25, 2011

COMMISSION MEMBERS:

Deirdre Delisi, Chair  
Ted Houghton  
Ned S. Holmes  
Fred Underwood  
William Meadows

STAFF:

Amadeo Saenz, Executive Director  
Steve Simmons, Deputy Executive Director  
Bob Jackson, General Counsel  
Roger Polson, Executive Assistant to the  
Deputy Executive Director  
JoLynne Williams, Chief Minute Order Clerk

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(2) **Rail Division** - Consider a donation From White Stallion Energy Center, LLC for site inspection, plan review and agreement preparation for a proposed spur track rail crossing of FM 3057 in Matagorda County (MO)  
(3) **Rail Division** - Consider a donation from Union Pacific Railroad Company to improve the roadway grade of the highway approaches to the highway-rail grade crossing of FM 818 a the Union Pacific Railroad, west of Big Spring (MO)  
(4) **Right of Way Division** - Acknowledge a donation from the National Alliance of Highway Beautification Agencies (NAHBA) for a department employee's travel expenses to attend the NAHBA Annual National Conference in Charlotte, North Carolina from August 7-10, 2011 (MO)  
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- (2) **Johnson County** - State Spur 50 from SH 174 east to I-35W in Burleson - Consider removal from the system, transfer of control, jurisdiction and maintenance to the city and transfer of surplus right of way to the City of Burleson (MO)
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20. **Executive Session** Pursuant to Government Code, 121 Chapter 551

- a. **Section 551.071** - Consultation with and advice from legal counsel regarding any item on this agenda

- b. **Section 551.074** - Deliberate on the search for a new executive director
  - c. **Section 551.074** - Deliberate on the election and compensation of an interim executive director
  - d. **Section 551.074** - Deliberate on the appointment of an internal auditor
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P R O C E E D I N G S

1  
2 MS. DELISI: Good morning. It is 9:04 a.m.,  
3 and I call the regular August 2011 meeting of the Texas  
4 Transportation Commission to order. Note for the record  
5 that public notice of this meeting, containing all items  
6 on the agenda, was filed with the Secretary of State at  
7 3:51 p.m. on August 17, 2011.

8 Before we begin today's meeting, please take a  
9 moment to put all your cell phones and electronic devices  
10 on the silent mode, please.

11 As is our custom, we'll begin with comments  
12 from the commissioners, and we'll start with Commissioner  
13 Meadows.

14 MR. MEADOWS: First of all, let me see if I can  
15 get this turned on, which apparently I have. And second,  
16 I think we need to acknowledge our staff and our  
17 contractor and the workers involved in transforming the  
18 Williamson Conference Room. This is our first opportunity  
19 to be here and we really appreciate all the folks that  
20 worked so hard to get this done on time and done in such a  
21 quality fashion.

22 And second of all, I'd like to just take a  
23 moment and make a very special presentation. As we all  
24 know, and many of you in this room know that for almost 40  
25 years now the Texas Department of Transportation has

1 occasionally awarded a very special recognition called our  
2 Road Hand Award to people that truly have played a hand in  
3 advancing transportation as a public policy issue in this  
4 state, have been real champions for transportation in this  
5 state and have supported transportation both at this  
6 agency and at our sister and partner agencies that provide  
7 transportation infrastructure in this state, and it's a  
8 privilege for me to have the opportunity this morning to  
9 make a presentation of that award to Paul Wageman. Paul  
10 is here with us this morning and we welcome Paul.

11 I just want to make a few comments about the  
12 sort of contributions Paul has made to transportation as a  
13 true advocate for and a champion for transportation in  
14 this state that has manifested an infrastructure on the  
15 ground that the citizens of this state have the benefit  
16 and privilege of enjoying using every day.

17 Paul was one of the true founders of the North  
18 Texas Tollway Authority, served on the Dallas Regional  
19 Mobility Council, went on to serve ten years as a board  
20 member and two terms as chairman of the North Texas  
21 Tollway Authority. And you know, in that ten years I  
22 would have to say that I had the opportunity to serve as  
23 the vice chairman of the Tollway Authority under the  
24 leadership of Mr. Wageman, so I often got direction from  
25 him, tried to follow it as best I could.

1 MR. UNDERWOOD: That's a first.

2 (General laughter.)

3 MR. MEADOWS: Well, I know, it wasn't easy.

4 But I will say what is amazing in that decade time period  
5 that Paul served on the NTTA and two terms as chairman is  
6 the NTTA went from a transportation agency with some basic  
7 very successful assets on the ground, and through Paul's  
8 leadership that agency really transformed, it became a  
9 regional provider of transportation infrastructure and  
10 many, many projects advanced. Over that period of time in  
11 excess of \$5 billion in bonds sold, projects on the  
12 ground, projects under construction, and in fact, there  
13 are several important projects that are under construction  
14 today or soon will be that basically under Paul's  
15 leadership and with his involvement did advance.

16 But saying all that, that in and of itself, I  
17 think, is noteworthy from a transportation perspective,  
18 but as importantly as all of that, Paul really played a  
19 principal role in defining what partnership really was  
20 between our transportation agencies. Paul was a wonderful  
21 advocate for transportation, an advocate for the agency,  
22 but at the end of the day recognized that no agency is  
23 going to be able to meet the transportation needs of the  
24 citizens of Texas alone. And through Paul's leadership,  
25 the NTTA staff, working with our staff and our leadership,

1 we began to forge a better working relationship between  
2 these agencies, and I think the citizens of Texas are  
3 enjoying that better working relationship today.

4 And saying all that, I'd like for you to come  
5 and I'll make this presentation to you now.

6 (Pause for presentation of award and photos.)

7 MR. WAGEMAN: Chairwoman Delisi, with your  
8 indulgence, and members of the commission, I just wanted  
9 to make a few remarks to thank you for this honor.

10 I appeared before this body in 2007, and I have  
11 to tell you after that meeting I never imagined that four  
12 years hence I would be here today to receive such a  
13 distinguished award from this agency.

14 We've had many interesting times together, not  
15 always smooth running, sometimes fractious disagreement  
16 frequently, but at the end of the day, NTTA and TxDOT came  
17 together to try to advance transportation in North Texas  
18 for the citizens that both our agencies serve. That could  
19 not have happened without the leadership of this agency  
20 and each one of you on this commission, but most  
21 importantly Commissioner Meadows and Commissioner Houghton  
22 who took a keen personal interest in seeing these projects  
23 move forward in North Texas. They both reached out to our  
24 board and our agency, and through that partnership, as  
25 Bill said, many significant projects have moved forward

1 for North Texas and in this region.

2 I also wanted to acknowledge the leadership of  
3 your staff. Amadeo Saenz, who is serving his final  
4 meeting today as executive director, Amadeo and Steve and  
5 John, the district engineers, Maribel and Bill Hale, all  
6 contributed to this partnership and do so today.

7 It was really a privilege of a lifetime to be  
8 able to serve on the NTTA Board and to work with such fine  
9 people as you have here at TxDOT, and I'm very honored by  
10 this award today. Thank you very much.

11 (Applause.)

12 MR. MEADOWS: I believe I'm finished.

13 MR. UNDERWOOD: I didn't want to step on you.

14 Paul, this honor is well deserved. The mere  
15 fact that you worked with Bill, my hat's off to you.  
16 You're my hero.

17 (General laughter.)

18 MR. UNDERWOOD: Also, I want to recognize the  
19 fact, I just want to bring forth, we're going to recognize  
20 some gentlemen today that are retiring -- is that a subtle  
21 hint? (Referring to construction noise in background.)  
22 It reminds me of when my wife was learning to cook, and it  
23 was thrilling. Our motto was if you can't eat it, you can  
24 wear it. Just making sure everybody is listening.

25 (General laughter.)

1 MR. UNDERWOOD: I want to recognize our  
2 employees that are going to be recognized today. I want  
3 to thank them for the commitment they've made. To me, it  
4 was an honor to be part of their retirement last week,  
5 Amadeo, Steve, Owen. The dinner was completely full; if  
6 we'd have had more people, it would have been in the  
7 parking lot. I loved that atmosphere.

8 I really respect the commitment these men have  
9 made for decades, 20, 30, almost 40 years of their life to  
10 TxDOT, to the employees of TxDOT, to the citizens of  
11 Texas, and I want to compliment them on that, Amadeo. It  
12 was very obvious how well you're loved, and we appreciate  
13 everything you've done for the state, and you will be  
14 missed as we go forward.

15 Last, a sad deal but ending on a happy note, I  
16 would like everybody here to offer prayers for our Lubbock  
17 employee, Gerald Battenhorst who was injured while he was  
18 in a work zone. Just keep him in your prayers, and his  
19 family.

20 And for our employees, please be safe, be  
21 smart. For the drivers, watch out. When you see those  
22 caution lights, that's exactly what they mean, that  
23 doesn't mean sight down on it, that means slow down and  
24 watch out for our workers on the road.

25 And I'll turn it over to my colleague.

1 MR. HOLMES: Thank you, Fred.

2 Paul, congratulations. I enjoyed our many  
3 conversations back as you were chairing NTTA. You did a  
4 great job and an honor well deserved.

5 And I want to echo Fred's comments about Steve  
6 and Amadeo, Owen, Russel, Dianna. The number of retirees  
7 this month is pretty astonishing. It's a little scary,  
8 quite frankly, because there's going to be a pretty  
9 significant change in the leadership of this agency and  
10 those are times of transition that carry risk but they  
11 also carry opportunity. And it, to some extent, is an  
12 opportunity to continue to move forward, and to some  
13 extent it's going to be a pretty difficult transition. I  
14 believe that the TxDOT team is up to it.

15 And in that regard, I'd like to acknowledge  
16 three members of the team that have received kind of  
17 national recognition of late: Darlene Goehl, who is a  
18 TxDOT pavement engineer, winner of an AASHTO award; and  
19 also winners of awards are Randy Hopmann and Raquelle  
20 Lewis. And I want to congratulate them on being recognized  
21 by the industry for their outstanding service to the  
22 transportation industry.

23 Appreciate all of you being here. It's always  
24 nice to see Commissioner Meyers, and we appreciate you  
25 being here. And the whole team from Cameron County, all

1 the Davids and John and Pete, we always appreciate your  
2 help and support.

3 MR. HOUGHTON: Congratulations, Paul. That was  
4 well deserved, and the recognition, it's about time. And  
5 the time that you put in in the job and in the Metroplex  
6 is unbelievable with the different interests that you have  
7 to serve.

8 And the people that do serve in those positions  
9 at our RMAs, get ready, it's coming. All they have to do  
10 is look at a great example of what can happen with  
11 collaboration in the Dallas-Fort Worth region.

12 And to our retirees, my congratulation. And I  
13 echo the sentiments of Commissioner Holmes, it's a good  
14 thing and a bad thing. We'll be the loser of those faces  
15 and the experience, and it's a good thing for them. I've  
16 got to believe we'll be seeing some of those folks on the  
17 trail somewhere, I just believe that.

18 And welcome all, our friends from Cameron  
19 County and other points of the state of Texas, Fort Bend  
20 County, glad to have you all here. Thank you.

21 MS. DELISI: One of the bad things about going  
22 last is you say everything. So rather than repeating all  
23 of that, I want to agree with everything the commissioners  
24 have said. And congratulations, Paul. I think it's a  
25 great testament to how far the relationship between NTTA

1 and TxDOT that today you are standing up before us  
2 receiving the Road Hand Award, and I recognize that and I  
3 hope our other transportation partners recognize that as  
4 well. It's good to see you today.

5 I know we have several retirements to go  
6 through, so with that, I will turn it over to Amadeo.  
7 Sorry, getting ahead of myself. Before we get to the  
8 retirements, if you wish to address the commission during  
9 today's meeting, please complete a speaker's card at the  
10 registration table. To comment on an agenda item please  
11 complete a yellow card and identify the agenda item. If  
12 it's not an agenda item, we'll take your comments at the  
13 open comment period, and for open comments please complete  
14 a blue card. Regardless of the color of card, we ask that  
15 you limit your remarks to three minutes.

16 The first order of business is approval of the  
17 minutes from the July 28 meeting. Members, the draft  
18 minutes have been provided in your briefing materials. Is  
19 there a motion to approve?

20 MR. UNDERWOOD: So moved.

21 MR. HOLMES: Second.

22 MS. DELISI: All in favor?

23 (A chorus of ayes.)

24 MS. DELISI: The motion passes.

25 So with that, Amadeo, I will turn it over to

1 you.

2 MR. SAENZ: Thank you, Madam Chair.

3 Good morning everyone. Welcome back to the  
4 Greer Building, the new and improved icebox. It's  
5 certainly great to be back here in the Greer Building.

6 First of all, Paul, congratulations. I guess I  
7 was trying to remember when we first met, I guess it was  
8 in Laredo when we were trying to work on that property  
9 deal, so a long relationship. Look forward to continuing  
10 our relationship and look forward to working with you in  
11 the future, but congratulations.

12 You know, we tried to schedule this thing so  
13 that we could surprise you up in the Metroplex and you're  
14 a hard man to get to go to meetings. Ever since you left  
15 NTTA, you're a hard man to get to this meeting. We wanted  
16 to have surprised it and done it up there, but maybe we  
17 still will do another one up there so that we can also  
18 give you due recognition in front of your peers that you  
19 work very hard for. So thank you and congratulations, my  
20 friend.

21 Thank you, Madam Chair. Before we get into the  
22 minute orders today, we have several members of the  
23 department's senior leadership who are retiring from the  
24 state service at the end of the month. We presented four  
25 resolutions last month. I would like to take a few

1 minutes today to recognize each of them that will be also  
2 retiring this month, and I would like to invite Dianna  
3 Noble, Russel Lenz, Mark Tomlinson, Mary Meyland, Owen  
4 Whitworth and Steve Simmons to kind of make your way up  
5 here. Don't be bashful. You are up here, okay.

6           These folks, along with the four that we  
7 recognized last month which is David Hohmann, Terry  
8 Keener, Chuck Berry and Delvin Dennis, represent 337 years  
9 of experience that will be walking out the door at the end  
10 of this month, and I guess these are what we call the  
11 retiring class of the senior leadership for 2011, and it's  
12 been my pleasure to work with each of you, in particular  
13 the last three years, and you are great people. And I  
14 look forward that we continue to stay in touch and go  
15 drink coffee at Whataburger -- I think we can still get  
16 like five cent coffee or something like that. But thank  
17 you for your state service.

18           As is our custom, we have commission  
19 resolutions that will be presented to you in a little bit.  
20 I would like to read the highlights of each resolution for  
21 each employee, so first up, I would like to read some of  
22 Dianna Noble's resolution or some of the highlights of  
23 Dianna's career.

24           Dianna has worked with the department for 27  
25 years and has been director of the Environmental Affairs

1 Division since 1993 where she has overseen the  
2 department's efforts to balance the state's multimodal  
3 transportation needs with the environmental sensitivity  
4 and responsibility that we have to address. She got her  
5 degree in civil engineering from the University of Texas  
6 at Arlington in 1984 and went to work as an engineering  
7 assistant in the regional planning office in Arlington  
8 where she directed transportation modeling for Dallas and  
9 Fort Worth districts. She worked in the El Paso District  
10 for a time before moving to Austin and becoming the  
11 director of the Environmental Affairs Division.

12 She is a recognized leader on national  
13 environmental issues and has chaired AASHTO's  
14 Environmental Process Subcommittee and the Natural Systems  
15 and Ecological Communities Subcommittee and has served on  
16 the UT Arlington Engineering Advisory Board and the TTI  
17 Advisory Council.

18 Dianna, this resolution -- and I'll hand them  
19 all out in a little bit and we'll take some pictures -- is  
20 signed by all our commissioners and myself, and we wish  
21 you the very best. Be careful.

22 Dianna kind of is going to go out traveling.  
23 One of the things that you all may not know,  
24 commissioners, is she is an avid motorcycle rider, she  
25 only has two wheels, and she plans to do some traveling,

1 so be careful when you ride motorcycles out there.

2 So Dianna, I thank you very much from my part,  
3 for your friendship, your support, your leadership. You  
4 will be missed, and the organization is a much better  
5 place because of people like you. So I will give you the  
6 resolution in a little bit. Dianna, before we go on, say  
7 something.

8 MS. NOBLE: Well, when you love the people that  
9 you work with and the work that you do and you think that  
10 it matters, it just doesn't get any better than that. And  
11 I thank you so much for the opportunity.

12 MR. SAENZ: Thank you, Dianna.

13 (Applause.)

14 MR. SAENZ: Next up, Russel Lenz. Russel has  
15 more than 31 years with the department. Russel has been  
16 the director of the Construction Division since 2010.  
17 Russel joined the department as a summer hire in 1979 and  
18 became a full-time employee after getting his civil  
19 engineering degree from the University of Texas Austin in  
20 1982. He worked in Austin and Waco districts before being  
21 named Abilene district engineer in 2004. In 2008 Russel  
22 moved to Corpus Christi as district engineer where he put  
23 in a lot of time working on the I-69 Corridor.

24 Russel, it seems appropriate that your last  
25 commission meeting we will be taking up a designation of a

1 segment of I-69 on the corridor that you worked on.

2 I join the commission in thanking you for your  
3 service and I wish you the very best. Would you like to  
4 say a few words?

5 MR. LENZ: Sure. It's been a great ride. You  
6 blink and time passes. It's been a lot of fun, it's been  
7 a lot of hard work. One thing I will say, obviously with  
8 the resolution that Mr. Saenz just read from it may seem  
9 like I couldn't hold a job, but I had a great time.

10 One thing that I will say, working around the  
11 state in multiple districts is there's one common  
12 denominator and it's the people of this agency. They're  
13 the backbone, they're the ones who get it done. Great,  
14 outstanding people that would willingly give you the shirt  
15 off their back and meet every challenge that's put in  
16 front of them. I doubt that's going to change. We've  
17 done some great projects, undoubtedly this agency is going  
18 to do some great things in the future, and I look forward  
19 to seeing that and saying that I did work with those  
20 folks. I thank you again for the opportunity.

21 There have been many mentors along the way and  
22 I'd be remiss if I even tried to start naming them because  
23 I'd forget some of them. But one thing I do want to say  
24 is that I can't ignore my family, my wife and my kids.  
25 They sacrificed a lot for me moving around the state in

1 pursuit of a career and working for the people of this  
2 great state and this commission. I've had a great time,  
3 and thank you very much.

4 (Applause.)

5 MR. SAENZ: You know, Russel, you say it looks  
6 like you couldn't hold a job anywhere, and really it was  
7 because of your unselfishness and your willingness to give  
8 that you would gladly move to the different parts of the  
9 state that made you special. So thank you for your  
10 support, thank you for your friendship, and again, good  
11 luck, my friend.

12 Mark Tomlinson. Get up there, Mark.

13 Mark is the director of the Texas Turnpike  
14 Authority Division. He is another UT graduate who began  
15 his department career in San Angelo in 1982. You might  
16 remember that 1982 year, commissioners, it kind of gets  
17 repeated here quite often. He rose through the district  
18 ranks and was named Amarillo district engineer in 1996  
19 where he oversaw the major rehabilitation project on  
20 Interstate 40, the completion of Loop 335 around Amarillo,  
21 and the 76-mile expansion of US 87. He came to Austin in  
22 2008 to become the division director during the intense  
23 time of toll road development and the use of the new  
24 public private partnerships and innovative financing  
25 methods.

1           Mark, thank you for your 29 years of service  
2 and long list of accomplishments. My best of luck to you,  
3 and I thank you also for your support, I thank you for  
4 your wittiness.

5           Mark, also you will recall, there were three  
6 trees in the Amarillo District, now there's only one. He  
7 decided that two of them needed to be removed because of  
8 safety. It was a hard sell.

9           (General laughter.)

10          MR. SAENZ: But thank you, Mark, for your  
11 support, thank you for your help, thank you for leading us  
12 as we had a very successful public private partnership in  
13 the projects that are on the ground now. You will be  
14 missed, and good luck, my friend.

15          MR. TOMLINSON: Thank you very much, Amadeo. I  
16 feel blessed in so many ways to have worked with TxDOT,  
17 and kind of have a unique blessing that a number of  
18 friends that I made in college and throughout the time  
19 that we all graduated together have remained friends and  
20 colleagues and have become leaders of this agency all  
21 throughout the state. Russel and I worked summers  
22 together for TxDOT here in the Austin area, and David  
23 Hohmann, who you honored last month, he and I were  
24 classmates, Carlos Lopez, district engineer in Austin,  
25 lifelong friends now, and Mary Meyland who you'll be

1 honoring soon for her retirement, Phil Russell. It's a  
2 big list and that's not all of them, but I feel uniquely  
3 blessed to have been able to have that kind of friendship,  
4 have that kind of relationship over a 29-30 year career, I  
5 just feel uniquely blessed.

6 I've been thinking about leadership a lot  
7 lately and I wanted to mention some of the men and some of  
8 the people who have helped me in my career. Doc Watson,  
9 who is not with us anymore, hired me in San Angelo and  
10 always kind of suspected it might be because we were from  
11 the same hometown but I took the job anyway and really  
12 enjoyed a great time growing up really in San Angelo. It  
13 was, my wife and I, our first job really out of college  
14 and that's where our kids were born, and it always has a  
15 little of a home feel there, but they allowed us to grow  
16 up there and develop.

17 And Walter McCullough, fairly recently retired  
18 from TxDOT, just a tremendous leader. The strength of the  
19 department was always exemplified in the way Walter went  
20 about his business, and I learned so much from him, just  
21 observing how he worked with people every day.

22 And Bill Burnett selected me as district  
23 engineer in Amarillo. I really appreciate the fact that  
24 he never let on -- it was obvious how shocked I was that  
25 he picked me for that job, but he never made fun of me for

1 that.

2 Wes Heald came in, strong leadership, steady,  
3 felt a little bit like your dad, you know, you know he  
4 loves you but it's tough to see that sometimes, but he was  
5 a great leader as well. And then Mike Behrens thankfully  
6 didn't fire me for cutting down trees in the Panhandle and  
7 I appreciate that.

8 And then finally, Amadeo and Steve, and I  
9 really have to thank Phil Russell for allowing me to come  
10 to Austin. It is a challenging place to work, chaotic  
11 sometimes, but it's what I wanted to do and the next  
12 challenge that I really was looking forward to. So I need  
13 to really thank Amadeo and Steve for their leadership  
14 through a very tough, chaotic time within TxDOT. We  
15 wouldn't be the agency we are and we wouldn't be the  
16 agency that you will be without Amadeo's and Steve's  
17 leadership, so I can't thank them enough for that.

18 I do look forward to a new chapter in my career  
19 and hopefully I'll be able to stay close to TxDOT. It  
20 will always be in my heart regardless of whether I'm close  
21 or not. I appreciate the chance here in Austin and to  
22 work throughout the state, and had a great time working  
23 with the folks in Cameron County, their RMA there, the  
24 folks out in El Paso, there were a lot of challenges, a  
25 lot of fun to work there, and also up in the Dallas-Fort

1 Worth area too.

2           It was truly an honor and I feel blessed and  
3 will always be close to the people of TxDOT. They are the  
4 strength of this agency and everybody who's been around  
5 any time says that. They're ready for change, they know  
6 there needs to be change, and they know that the TxDOT of  
7 tomorrow will be better than it is today, and I'm proud of  
8 that because that is the legacy of this department.

9 Thanks very much.

10           (Applause.)

11           MR. UNDERWOOD: Mark, that's the most I've ever  
12 heard you talk. Congratulations, Mark. Thank you for  
13 your help.

14           MR. SAENZ: Owen Whitworth, come on up. We'll  
15 be able to watch The Price is Right.

16           Next up is Owen Whitworth who moved to Texas  
17 from Idaho and went to work for the department in 1981. It  
18 was almost 1982, 1981. He graduated from Idaho State  
19 University with a degree in accounting. He became  
20 director of the Audit Office in 1984, just three years  
21 after coming to Austin, and has served in that position  
22 since that time. In addition to his duties here at TxDOT,  
23 he served as chair of the AASHTO Internal and External  
24 Audit subcommittees and he served on the ERS Board of  
25 Trustees for the past twelve years.

1 Owen, we really have counted on your steady  
2 guidance and your integrity and I proudly join the  
3 commissioners in presenting you this resolution and  
4 wishing you the best of luck in the future.

5 You and I have talked a little bit in the last  
6 couple of days, but I also want to thank you for your  
7 leadership, for your support, for helping us and looking,  
8 as we move forward, that the department had the controls  
9 in place to make sure that the programs were administered  
10 fairly, equally in a transparent fashion. So thank you.  
11 So look forward to continuing our talks over coffee some  
12 mornings. Thank you so much for your help.

13 MR. WHITWORTH: To follow up on a previous  
14 comment, some folks can't keep a job, some people can't  
15 get another one.

16 (General laughter.)

17 MR. WHITWORTH: It's been a great pleasure to  
18 have served as the audit director. I've seen a lot of  
19 change in TxDOT. Sitting here reminiscing in my mind, the  
20 first assignment that I had that was outside of the  
21 accounting area that I signed on for was me and a team of  
22 other folks were assigned to go to a district that the  
23 announcement had just been made that it was going to be  
24 closed and we had the assignment to go down there and see  
25 that things were taken care of and the transition happened

1 correctly. And in reflecting, I think that's been a  
2 continual theme in my career here is change. We're  
3 continually changing and trying to do things better, and  
4 it's just been a great ride.

5 I've worked for seven executive directors,  
6 countless commissioners and they've all given me great  
7 counsel and direction and support. And I've had a great  
8 staff helped me. It's been a wonderful time to serve.

9 And I would thank you. As the commissioners I  
10 know you all have pretty full agendas in your other lives,  
11 other parts of your lives, and I know it's a sacrifice of  
12 love to serve here, and I thank you, as well as prior  
13 commissioners. And just show us the way as TxDOT  
14 employees and we'll deliver for you.

15 So I thank the Lord that I got to serve here.  
16 Thank you.

17 (Applause.)

18 MR. SAENZ: Commissioners, Mary Meyland, our  
19 director of our Strategic Policy and Performance  
20 Management Office is also retiring at the end of August.  
21 Unfortunately, she could not be with us today, but I do  
22 want to take a second to go over some of the highlights of  
23 her career and thank her so that it is on the record that  
24 we recognized her.

25 Mary has been director of the Strategic Policy

1 and Performance Management Office since 2009 where she  
2 played a key role in developing a strategic direction for  
3 the future of transportation in Texas and leading the  
4 ongoing assessment of TxDOT's performance measures. Mary  
5 is also a graduate of UT Austin with a degree in civil  
6 engineering, but she didn't stop there, she also has a  
7 degree in public administration from UT Dallas and a  
8 master's degree in civil engineering from UT Arlington.

9 Mary has 29 years with the department,  
10 beginning in the Dallas District in 1982 where she worked  
11 on the High Five, SH 190 and 161 and the LBJ projects.  
12 She moved to El Paso to become district engineer there in  
13 1993 and then went all the way back to East Texas to  
14 become Tyler district engineer in 1995. Mary, as you  
15 know, has been involved in some of TxDOT's biggest  
16 projects and we have appreciated her help as she has led  
17 us in the Strategic Planning Office when she came to  
18 Austin. So on behalf of the commission, Mary,  
19 congratulations on your accomplishments and best of luck  
20 in the future.

21 You know, Mary is a great friend. She became  
22 district engineer at the same time that I became district  
23 engineer in South Texas, she went to West Texas, or  
24 eastern New Mexico, as we knew it then, and she's done a  
25 lot of great things for us. She's very energetic and

1 we're going to miss her.

2 (General talking and laughter.)

3 MR. SAENZ: But Mary has done a great job for  
4 us and she's been a great supporter and a visionary in  
5 trying to get our strategic direction moving, and the  
6 implementation of performance plans and performance  
7 measures, and she will be missed but I'm sure that the  
8 work that has started in her office will continue and will  
9 help the department become a much better agency.

10 So Mary, I know you're not here today, but  
11 thank you for what you do.

12 (Applause.)

13 MR. SAENZ: Next up, of course, Mr. Steve  
14 Simmons. Get up, Steve.

15 Steve has been deputy executive director here  
16 in Austin for the past ten years. He is a proud Cougar,  
17 and he'll let you know about it, graduated from the  
18 University of Houston and is TxDOT's Eagle Scout. He was  
19 recognized by his alma mater for his long list of  
20 professional accomplishments by becoming one of the  
21 inaugural inductees into the Academy of Distinguished  
22 Civil and Environmental Engineers at U of H Cullen College  
23 of Engineers.

24 He joined the department in 1982 as a project  
25 manager in the Northwest Harris/Waller Area Office in the

1 Houston District and rose to become deputy district  
2 engineer before he was selected to be the district  
3 engineer in Fort Worth in 1998. Under his leadership,  
4 Fort Worth was awarded the TxDOT Design Excellence Award  
5 for Metropolitan Districts three years that he was there  
6 in 1998, 1999 and 2000. I guess you just beat Dallas left  
7 and right.

8 As deputy executive director, Steve has  
9 implemented and managed the agency's policies and  
10 programs, overseeing the essential support operations and  
11 daily administrative and engineering functions for the  
12 department, and he has repeatedly represented TxDOT and  
13 the State of Texas on federal transportation issues in  
14 Washington.

15 Steve has twice served as secretary-treasurer  
16 of the Western Association of State Highway and  
17 Transportation Officials and has also served on the Civil  
18 Engineering Advisory boards of both the University of  
19 Houston and the University of Texas in Arlington.

20 Steve, congratulations on your exemplary 29-  
21 year career. I am proud to have worked with you directly  
22 for the last ten years and I'm proud to call you my friend  
23 and my brother. I will join the commission in signing the  
24 resolution and wish you the best in whatever your future  
25 endeavor holds. I also look forward to long conversations

1 and playing golf, and hopefully I'll learn how to play  
2 golf one of these days so I can keep up with you. But  
3 thank you for what you've done for the department. The  
4 department is a much better place because of the  
5 leadership and the work that you've done for us. Thank  
6 you, my friend.

7 (Applause.)

8 MR. SIMMONS: I guess, Commissioner Meadows,  
9 thank you for recognizing the hard work that went into  
10 getting this room done. If you'd seen it on Monday, but  
11 our contractor really did an outstanding job, and I thank  
12 you for recognizing them. But don't blame me because the  
13 men's and women's restrooms have been now switched. So  
14 please be mindful of that. I only have a few more days as  
15 the ICP director and I don't want any more problems.

16 (General laughter.)

17 MR. SIMMONS: You know, Mark talked a little  
18 bit about how he was hired in the department. I have to  
19 be honest with you, and I've told this story many times,  
20 this was going to be a temporary job for me, and 29 years  
21 later it's a pretty good temporary job. Leonard Vinsek  
22 called me in for an interview, it was a very detailed  
23 interview. He asked me: Do you hunt? And I said, No,  
24 sir. He said, Good, somebody has got to be around here  
25 while we go hunting.

1 (General laughter.)

2 MR. SIMMONS: Commissioner Holmes, you made a  
3 comment about concern with so many people leaving the  
4 department. That concern has occurred many times over the  
5 history. I know a lot of people were concerned when I  
6 became a manager of this department too as a young man.  
7 But I know that there are many, many, many more Dianna  
8 Nobles, Russel Lenzes, Mark Tomlinsons, Mary Meylands out  
9 there to step in and continue to move this department  
10 forward and make it a much better department.

11 You know, somebody told me there was a wise man  
12 once that said you can take away all my money, my  
13 building, my machinery, but give me my people and I'll  
14 have it back in a very short time. And I think that is  
15 very appropriate for the department.

16 So thank you all for everything.

17 (Applause.)

18 MR. SIMMONS: And I have my lovely wife with me  
19 here.

20 MR. HOLMES: That was close.

21 (General laughter.)

22 MR. SIMMONS: I do want to recognize my wife  
23 for all the support she's given me over the years. Lisa.

24 (Applause.)

25 MR. UNDERWOOD: Steve, one final thought. You

1 know, the University of Houston is a great school, but be  
2 sure and wear those Texas Tech jeans with pride.

3 (General laughter.)

4 MS. DELISI: All right. We have saved the best  
5 for last, there's one more, and for the first time I get  
6 to read the resolution. Now I have the great honor of  
7 honoring Amadeo Saenz who also is retiring.

8 Amadeo has served as executive director of this  
9 agency since 2007. Amadeo, you've seen a lot of change  
10 and innovation in that time and you've taken on some very  
11 large challenges.

12 Amadeo graduated from the University of Texas  
13 at Austin in 1978 and came to work for the department in  
14 the Pharr District as an engineering laboratory assistant  
15 33 years ago. He worked his way through the ranks of the  
16 district in Pharr before he was named district engineer in  
17 1993.

18 Amadeo's greatest challenge came in 2001, and  
19 that challenge is what put him on all of our radar  
20 screens, when a barge collided with the Queen Isabella  
21 Causeway causing several spans to collapse and cutting off  
22 the only highway access to South Padre Island. Amadeo  
23 pulled together the resources from across the state and  
24 had the causeway repaired and back in service in two  
25 months. Shortly after that he was selected to come to

1 Austin to become the assistant executive director for  
2 Engineering Operations.

3 As executive director he's had the unique -- I  
4 guess unique privilege of going through two legislative  
5 sessions and two Sunsets. He's overseen the department  
6 through a time of intense innovation in TxDOT's project  
7 delivery methods, served as a national leader among state  
8 departments of transportation, and guided department  
9 employees through a period of great change and  
10 introspection.

11 Amadeo has served this state with honor and  
12 integrity, including terms as president of WAASHTO and as  
13 chair of the AASHTO Standing Committee on Highways, as  
14 well as being a member of the University of Texas Civil,  
15 Architectural and Environmental Engineering Academy of  
16 Distinguished Alumni, and the Texas Transportation  
17 Institute Advisory Council. Amadeo, I can truly say that  
18 TxDOT is a better agency today thanks to your leadership.

19 So today the commission does hereby extends its  
20 sincerest best wishes to Amadeo Saenz, Jr. in recognition  
21 of his professional achievements and a career of loyal  
22 service on behalf of the State of Texas and its citizens.

23 (Applause.)

24 MR. SAENZ: Thank you all. I guess I'm going  
25 to make sure I don't mess up, so I want to introduce my

1 wife. This being my last commission meeting, I said I  
2 would like you to be there so you can see what I was doing  
3 on every last Thursday of every month for the last three  
4 years. But I want to thank her for her support, as she  
5 supported ourselves and our family as I moved from place  
6 to place, very similar to what Russel did within the  
7 district, and she was always a trooper, and basically  
8 she's part of the TxDOT family.

9 I think Steve said it exactly right. The  
10 people of TxDOT are what make this agency what it is.  
11 Without the people then we would not be able to accomplish  
12 anything, because we can have all the equipment in the  
13 world, we can have all the computers in the world, but it  
14 is the people that make those pieces of equipment work,  
15 those pieces of machinery work, and they're the ones that  
16 use their ingenuity and their powers to be successful. I  
17 will put any TxDOT employee over anybody else and I can  
18 assure you that we will whip their pants.

19 So I want to thank the employees, and it has  
20 been my pleasure to work with them and for them during my  
21 33 years, and I've learned from every single employee that  
22 I've dealt with, I've learned something from them and I  
23 take something with me from what I've learned. So thank  
24 you very much.

25 And of course, commissioners, I want to thank

1 you for giving me the opportunity to lead the agency. You  
2 know, it's been an interesting almost four years, two  
3 Sunsets. We thought the sun was never going to set, and  
4 for a little while there, there was someone wanting to  
5 play a joke no that about not signing that Sunset bill. I  
6 said, No, we can't go through a third one. I think my  
7 only solution there was to steal all pens in the room,  
8 walk out and lock everybody up there until after the past  
9 due date.

10 But I want to thank you for the opportunity and  
11 I thank you and I look forward to it. I think as we move  
12 forward, the initiatives that we've started over the last  
13 three or four years, the initiatives that we've started in  
14 particular the last three months to modernize the  
15 department are going to make this agency a much, much  
16 better agency. But just remember, the people of TxDOT are  
17 the ones that are going to get us where we need to be, and  
18 we always need to remind them of that.

19 So thank you very much. It has been my  
20 pleasure to be a member of the Texas Department of  
21 Transportation, part of the TxDOT family, and I look  
22 forward to a continued relationship with everybody. The  
23 people that are retiring today, the class of 2011, thank  
24 you, it's been a great ride, and now we move on to our  
25 next adventure to see what that brings to us. So good

1 luck to all of you. Commission, good luck to you all in  
2 your leading of the department. And I know our paths will  
3 cross again in the future and I'm sure that we can sit  
4 down and reminisce maybe over a cold one or a warm one or  
5 something like that. But thank you all very much. It has  
6 been my pleasure to work with you all.

7 (Applause.)

8 MS. DELISI: Indulge me for one second. I have  
9 something that I want to give to Amadeo. This was a  
10 picture that appeared in the Austin American Statesman.  
11 It was a picture taken of Amadeo and his wife on the floor  
12 of the House the day Amadeo was honored by the legislature  
13 for his service, and I was struck the tremendous look of  
14 pride on your face in this picture. It's a wonderful  
15 picture and I think it's pride in a job well done, and so  
16 congratulations, Amadeo.

17 (Applause.)

18 MR. SAENZ: Okay. I want to hand out some  
19 resolutions and take some pictures. Commissioners, if you  
20 could join us down here.

21 (Pause for presentations and photos.)

22 MR. MEADOWS: Madam Chair, I just had to stop  
23 and pause looking at that group up there and I kind of  
24 chuckled, I was reminded of a movie that many people here,  
25 of course, won't remember because they're too young -- you

1 wouldn't remember, Madam Chair, but certainly all of us  
2 do -- The Magnificent Seven.

3 MS. DELISI: You're right, I don't remember.

4 MR. MEADOWS: I know you didn't remember The  
5 Magnificent Seven. But it's not the content of the movie  
6 so much, it's just the coincidence of the fact that  
7 there's seven of you guys and that you're all magnificent.  
8 You really think, Amadeo, as you talked about these people  
9 that are retiring, they have all provided truly  
10 magnificent service to the State of Texas and we've all  
11 benefitted from it. Texans have benefitted from the  
12 service that you all have provided, and you all should  
13 know that that's your legacy, you should be proud of it,  
14 and we appreciate it.

15 MR. SAENZ: Thank you, sir.

16 MR. HOUGHTON: Unlike The Magnificent Seven,  
17 they all survived their tour of duty.

18 MR. MEADOWS: Well, actually that's true.

19 MR. SAENZ: I'm trying to figure out which of  
20 The Magnificent Seven. I wanted to make sure I picked one  
21 that did survive.

22 Anyway, thank you all very much. Gentlemen,  
23 ladies, congratulations. There's Owen. You missed the  
24 last picture; we'll have to photo-shop you in there.

25 (General talking and laughter.)

1           MR. SAENZ: All the other department employees  
2 who are also retiring, and there's a lot of department  
3 employees, congratulations to all of you, good luck in  
4 your future. I wish you luck in your future endeavors,  
5 and remember that you will always be part of the TxDOT  
6 family. So thank you for your service. Texas and TxDOT  
7 are much better places because of the work that you all  
8 did. So congratulations.

9           Now let's get back to the agenda. The next  
10 item will be we'll take up our regular update on our  
11 modernization efforts, and Lonnie Gregorcyk is our project  
12 manager and will lead this presentation for us. Lonnie,  
13 good morning.

14           MR. GREGORCYK: Good morning, commissioners,  
15 Chair Delisi, Mr. Saenz. And before Mr. Saenz leaves, I'd  
16 like to thank you for all your leadership and I'm a better  
17 engineer and a better person because of you, and I thank  
18 you for that, sir. And all my colleagues, it was great  
19 working with them over the years.

20           For the record, I'm Lonnie Gregorcyk. I'm the  
21 district engineer in Yoakum for the department and I serve  
22 on the modernization leadership team and I'm managing that  
23 team's efforts, and I'm here to give you a brief update on  
24 the progress we're making and some of the things that are  
25 going on with it.

1           Today I'll cover an update on the project as  
2           it's going along, and specifically I'll ask Scott Kaeppel  
3           to talk on the projects on environmental, right of way,  
4           IT, and he'll cover the plan risks, and then at the end  
5           I'll cover the outreach and answer any questions you may  
6           have.

7           We have 15 of the 37 projects underway. We do  
8           have a new start project that began at the first of August  
9           to establish an Office of Compliance, and our expected  
10          implementation, our target implementation on this project  
11          would be in August of '12. The project itself will assess  
12          laws and regulations governing TxDOT operations, looking  
13          at procedures for a comprehensive bottom to top risk  
14          assessment, identifying office responsibilities for  
15          internal investigations, and assigning, monitoring and  
16          coordinating investigations and also a reporting mechanism  
17          back to the commission, and also the office development,  
18          staffing needs and such.

19          Nine of the projects are within scope and on  
20          schedule, they're following the pace. We do have six  
21          projects that are in the yellow. We're ranking them  
22          green, yellow and red. And that's some capacity and  
23          they're working on that problem statement and making sure  
24          we get it right. We don't want to rush beyond the concept  
25          into solution. So that's kind of where we're at today.

1 All of these projects are following a five-step process  
2 and they're following the same disciplined approach.

3 At this point I'd ask Mr. Scott Kaepfel to come  
4 up and cover the specifics on the environmental, IT and  
5 right of way, as well as risks.

6 MR. KAEPFEL: Thank you, commissioners, for  
7 your time. For the record, I'm Scott Kaepfel.

8 We are increasing our focus. We recognize that  
9 we are focused on the core, delivering core functions at  
10 TxDOT and we are trying to manage capacity and make sure  
11 that we give time to the core. So modernization, what  
12 we're doing is we're trying to streamline a few efforts  
13 and we're trying to focus in on them.

14 So the two complex ones that have a direct  
15 impact on our project ability, as you are all aware, are  
16 environmental and right of way. Those two are hot topics,  
17 so we're trying to free up some capacity to really what we  
18 call blitz, but we're going to concentrate our resources  
19 on them and we're going to focus them for a week's effort.  
20 Out of that one week effort we're hoping to get some quick  
21 wins and get some improvements out there so we can start  
22 to see some changes in the cycle time on the right of way  
23 process and environmental.

24 We're maintaining the original schedules in the  
25 plan although we are focused on getting some results out

1 quickly because we want to help the core functions of  
2 getting those projects through quicker. So I just wanted  
3 to give you an update on those two projects, that we're  
4 increasing our focus on those two.

5 We hope to have some recommendations on changes  
6 by the Thanksgiving time period, and as I talked with some  
7 of you, Mr. Houghton, I've talked with you about it, that  
8 we'll be finding recommendations toward the end of this  
9 year but the rollout of those recommendations will  
10 probably be into the first quarter of next year, by March  
11 of next year.

12 Another area where we're doing great progress,  
13 Lewis is doing a great job as the new CIO. We have a  
14 project on the books coming out of the recommendations,  
15 it's improve IT operations and development of policies and  
16 procedures, number IT-02. We are in the concept  
17 definition phase, we're fleshing out the scope of that  
18 effort, but it's likely going to move forward. And we  
19 said we'd come back to you with all projects before we  
20 move forward and recommend viability of them. IT is a  
21 strategic asset to this agency and we are looking at  
22 following industry best practices for policies and  
23 procedures and implementing those within TxDOT. So this  
24 project is doing very well.

25 To help look at capacity, as we talk about

1 capacity again, we want to make sure we're managing  
2 capacity, we just completed an inventory of all project  
3 work in IT. There's 60 identified projects that have been  
4 prioritized. Inventorying all work in the districts is  
5 next so that we can maintain the right capacity on the  
6 right work to move the agency forward. And we also  
7 established new governance, so the admin team is looking  
8 at all the IT work as well, making sure we're working on  
9 the right priorities for the agency.

10 Focused on risks. The number one risk is  
11 capacity management. We want to make sure we have  
12 capacity to do the right things that the agency is working  
13 on or projects for the State of Texas and give the right  
14 people the right amount of time to do their normal job, so  
15 these change efforts we're looking at capacity to work on  
16 change. We've inventoried all activities that are not  
17 core, we're looking at those that are change projects for  
18 the agency, we're prioritizing those and doing the  
19 appropriate resource planning so that we make sure we have  
20 enough resources to deliver core functionality as well as  
21 enough resources to deliver change.

22 Change in leadership stays as a top risk. As  
23 we go through all these changes in leadership, continuity  
24 of our efforts is going to be important, and we look to  
25 you guys to help us support that.

1                   Rapid pace of execution, training and  
2 institutionalizing this method in the agency, and resource  
3 availability for TxDOT resources is a continual risk that  
4 we're managing.

5                   With that, I'm going to turn it back over to  
6 Lonnie.

7                   MR. GREGORCYK: Thanks, Scott.

8                   We had briefed you last month about the  
9 outreach and meeting with our employees around the state,  
10 and we're well along the way in completing that task. We  
11 will be complete with meeting with every district,  
12 division, office and regional office by the end of  
13 September, probably sooner rather than later because  
14 there's a handful left.

15                  There is going to be some presentations at the  
16 short course during our DDOR meeting, as well as some of  
17 the breakout sessions. Mr. Kaepfel will speak at one of  
18 those, as well as five of those key projects, will give a  
19 flavor of how the process is going, educating the larger  
20 crowd on the particulars of each of those. So that's  
21 going well.

22                  And we have a video that we're sharing with  
23 employees as we meet with employee groups around the  
24 state. It has some of the comments that you have made at  
25 the commission meetings, as well as an introduction by Mr.

1 Barton, and then we get into the details and have a short  
2 slide presentation with them. We also have some posters;  
3 it just gets the message out there, and there will be a  
4 series of four posters that talk about the concept in  
5 general.

6 And so with that, I'll leave this slide up  
7 there. This is a statement that we had worked up and it  
8 kind of captures what we were looking for throughout this  
9 process, implementing a disciplined approach and to take  
10 our agency to the next level.

11 I'd like to thank you for your leadership and  
12 support through this effort, the administration and the  
13 commission, you have all been there. We've had the  
14 opportunity to visit with many of you. And I really want  
15 to take a moment to thank the employees for their patience  
16 and support, and a lot of them are having to work extra  
17 helping out in this effort, and there's a lot of energy  
18 out there and the endeavor is being embraced by folks so  
19 it's good.

20 At this point I'd ask for any comments or  
21 questions that you may have. If I can't answer it, I'll  
22 ask Scott to come help.

23 MR. SAENZ: Thank you, Lonnie. Good work.  
24 Appreciate all you do.

25 Commission, moving on to agenda item number 3b,

1 we have Ed Pensock who will give us a presentation and an  
2 update on the public private partnership procurement  
3 process that we are currently initiating. Ed.

4 MR. PENSOCK: Good morning, Chair,  
5 commissioners and Mr. Saenz. My name is Ed Pensock, for  
6 the record. I'm the director of corridor development for  
7 the Turnpike Division of TxDOT. It's a pleasure and an  
8 honor to be here this morning, Mr. Saenz, on your last  
9 day, Mr. Simmons and distinguished people. Thank you very  
10 much for all you've give us as staff through the years.

11 I really quickly wanted to give you an update  
12 on where we are on two specific projects in our public  
13 private partnership program, the SH 99 Grand Parkway and  
14 the I-35E project. These are two projects that our  
15 legislature has given us the authority this past session  
16 to contemplate and to deliver as public private  
17 partnerships, and I'll talk to you briefly about those for  
18 a second.

19 State Highway 99 Grand Parkway, many of you  
20 know it very well. It's 180-mile circumferential loop  
21 around the Houston metropolitan area. It's been divided  
22 into eleven segments for environmental purposes, and many  
23 of you, again, are very familiar with that project. In  
24 contemplating a public private partnership for the Grand  
25 Parkway, we wanted to look at a couple of major objectives

1 and kind of guiding principles, if you will. There's a  
2 market valuation waiver agreement that was agreed upon by  
3 the counties in the region and that's been the big guiding  
4 portion of our thought process.

5 Our goals in looking at a PPP on Grand Parkway  
6 is to build the project to a minimum scope as quickly as  
7 possible, and that minimum scope is defined in the market  
8 valuation waiver agreement. Our goals are to have  
9 Segments D, E, F and G open as soon as possible, no later  
10 than late 2014 or 2015. Our goals are to acquire right of  
11 way for the ultimate scope for all 180 miles as soon as  
12 possible. And our goals are to provide funding for the  
13 construction of that ultimate scope. Again, 180-mile  
14 project will be developed in phases, and our goal is to  
15 have those phases come on as quickly and as appropriately  
16 as you and the region determine.

17 Some of the financial goals are with the tools  
18 of innovative finance to try to minimize the requirements  
19 and the reliance on state public funding, Fund 6  
20 obligations, and to try to minimize the reliance on  
21 federal government subsidies on the project. The goal is  
22 to try to make the project pay for itself as much as  
23 possible.

24 I'll quickly talk about project status and the  
25 public private partnership agreement that we

1 contemplate --

2 MR. HOUGHTON: I want to stop you, Ed.

3 MR. PENSOCK: Yes, sir.

4 MR. HOUGHTON: I want to go back to that last  
5 slide. Is that goals and objectives consistent with the  
6 agreements that we have with the counties and the region  
7 and the statute that was passed on building the entire  
8 Grand Parkway, is it consistent with building the entire  
9 Grand Parkway?

10 MR. PENSOCK: Good question, Commissioner  
11 Houghton, and the answer is yes, sir. These goals are  
12 consistent with the agreements that we've entered into  
13 with the counties and the region and with statutes that  
14 have guided us in this process.

15 Again, those agreements, the statutes define a  
16 minimum scope that does include 180 miles of the Grand  
17 Parkway. We would like to try to develop this project in  
18 a fashion such that it gives us the greatest likelihood of  
19 delivering all 180 miles in the shortest time possible.  
20 And there's an ultimate scope that in essence is a wider  
21 project with additional direct connections and  
22 interchanges and some of those kinds of things that  
23 probably aren't necessary in the first five or ten years  
24 of operation, but we want to try to deliver this such that  
25 there are revenues available on the project and from the

1 project that allow us to realize those future widenings as  
2 soon as needed.

3 MR. HOLMES: Ed, it may be possible to  
4 interpret the objectives as stated in this slide to be  
5 consistent with the market valuation waiver agreement, but  
6 I think you ought to say that, actually. I think you  
7 should reference the fact that there is a market valuation  
8 waiver agreement and that we will perform the activities  
9 consistent with that.

10 MR. PENSOCK: Commissioner Holmes, you're  
11 exactly right, and I apologize for not being specific  
12 enough, that we have used that market valuation waiver  
13 agreement and those binding commitments with the counties  
14 and the region as our guiding principles, and we intend to  
15 live up to every one of those agreements.

16 MR. HOLMES: That wasn't to disregard Senate  
17 Bill 792, as well. I think you probably should mention  
18 that also.

19 MR. PENSOCK: Yes, sir.

20 MR. HOLMES: Because we've got both of those as  
21 controlling pieces.

22 MR. HOUGHTON: So we're not telegraphing to the  
23 private sector any one preferred method of delivery of  
24 this project, are we?

25 MR. PENSOCK: Well, we're getting to that in a

1 second. Yes, sir. We are contemplating several different  
2 delivery methods for both projects, for Grand Parkway and  
3 I-35E, and we're having discussions right now, and I'll  
4 give you a little bit more detail in just a quick second  
5 about that.

6 MR. HOUGHTON: Okay.

7 MR. PENSOCK: Again, a quick update. Segment  
8 E, the department was able to let four construction  
9 contracts, thanks to Delvin Dennis and James Koch and Mike  
10 Alford of the Houston District, and those four  
11 construction contracts were awarded this summer and it  
12 will be underway soon.

13 We have Segment D that is under development and  
14 under construction. The mainlanes over I-10 was part of  
15 the last Segment E construction contract. We have two  
16 direct connections at the Interstate 10 interchange that  
17 were also part of that last Segment E contract that has  
18 been awarded. We have two direct connections funded by  
19 Recovery Act funds that are currently under construction.  
20 We are doing design work on the remaining four direct  
21 connections at I-10.

22 Fort Bend County also has awarded two contracts  
23 on Segment D this summer, and I believe they have six  
24 additional contracts that will be following fairly shortly  
25 on portions south of I-10 in Fort Bend County.

1           On Segments F-1, F-2 and G, which we  
2           contemplate as part of a potential future public private  
3           partnership agreement, we are doing preliminary  
4           engineering at this time. We are looking at defining  
5           right of way and starting the right of way acquisition  
6           process, trying to move the right of way acquisition  
7           process along. Basically, we're trying to do enough  
8           advance work that we are able to try to contemplate the  
9           environmental permits that are necessary and try to  
10          achieve the environmental permits that are necessary for  
11          construction.

12           We also have Segment I-2 that we are working on  
13          and we anticipate tolling Segment I-2 later this year.

14           Any other questions on Grand Parkway?

15           MR. HOLMES: Before you leave the Grand  
16          Parkway, the four additional direct connects at I-10 that  
17          are now being designed -- is that correct?

18           MR. PENSOCK: Yes, sir.

19           MR. HOLMES: Is there a funding capacity to add  
20          either any or all of those four remaining direct connects?

21           MR. PENSOCK: I'm not aware of any funds that  
22          have been identified that would allow those to move  
23          forward, but I know there are many of us that are working  
24          very hard to try to get those opportunities in front of  
25          you.

1 MR. HOLMES: As you know, Ed, I've been a  
2 proponent of moving those faster rather than slower simply  
3 because if we come back five or six years from now in the  
4 middle of a very, very congested intersection and begin to  
5 work on four additional direct connects, it's going to be  
6 highly disruptive. So I encourage you to look hard for  
7 other funding.

8 MR. PENSOCK: Yes, sir. We'll take that under  
9 strict advisement. And the four direct connections that  
10 are under construction and that have been awarded are all  
11 on the east side towards the major population center of  
12 the Houston metro area. As a person who goes to Houston a  
13 lot and comes from the west side, I understand the  
14 importance of those other four direct connections.

15 MR. HOLMES: There are a lot of people that  
16 live out in Katy too.

17 MR. PENSOCK: There are a lot of good people  
18 that live in Katy and come into town. Yes, sir.

19 MR. SAENZ: Commissioner, with this last  
20 legislative session and the additional Proposition 12  
21 bonding programs, the MPOs as well as the districts  
22 received some money, so there could be some possibility  
23 out of that process that we're going through now that  
24 could identify some funding to do those direct connects in  
25 advance of the project itself. So it's something that

1 could be commingled into the project and thrown into the  
2 mix, or could be done separately like some of the projects  
3 are being done right now.

4 MR. HOUGHTON: I want to go back again. So the  
5 telegraph on the preferred financing is a design-build  
6 procurement?

7 MR. PENSOCK: The telegraph is that we are  
8 working very hard with the regions and we would like to  
9 try to deliver projects with the state and the public  
10 entities involved taking as much responsibility and  
11 authority as possible. I don't believe all the decisions  
12 have been made on if it's going to be fiscally better to  
13 contemplate delegating some of those responsibilities to  
14 the private sector.

15 MR. HOUGHTON: That was clear as mud.

16 MR. SAENZ: I think, Commissioner, all the  
17 procurement models are still open.

18 MR. HOUGHTON: That's my point.

19 MR. SAENZ: And we will move forward in a  
20 systematic way to start, say, with a design-build, see  
21 what that model brings to us, what are the benefits, what  
22 are the dis-benefits, and then come to you all and show  
23 you that, and basically at some point, with the input of  
24 the stakeholder group, to come up with which is the best  
25 model that will help us meet the objectives of the project

1 that you have identified.

2 MR. HOLMES: I think the point is we don't want  
3 to predetermine what is the best model.

4 I heard an interesting one proposed yesterday  
5 that was a design-build that once that is underway and you  
6 have fixed times and pricing, then you can look at a  
7 privatized piece because you've taken quite a lot of the  
8 risk off of the table. And so I would enter that into the  
9 realm of possibilities as well.

10 And just one other final note, we've got a 1420  
11 committee that actually isn't legally sitting until, what,  
12 September 1, and so we have input yet to receive from that  
13 committee.

14 MR. PENSOCK: Yes, sir.

15 MR. HOLMES: Ed, can you name offhand the  
16 entities represented on that committee?

17 MR. PENSOCK: I can, sir. Senate Bill 1420  
18 created this opportunity for regions to have some  
19 decision-making authority on these projects, and any  
20 project that a private sector developer has a financial  
21 interest in the performance of the project is required to  
22 go through the 1420 committee process. So a design-build  
23 project that is 100 percent funded by TxDOT or TxDOT  
24 revenue bonds would not be a project that the private  
25 sector has a financial interest in the performance of it.

1 A concession, an availability payment, anything that is  
2 financed by the developer would likely be a project that  
3 would be deemed as having a compliance with that law.

4 So any project that the developer has a  
5 financial interest in the performance has to go through  
6 the 1420 committee process, and those committees are  
7 obligated to be staffed by a representative from any local  
8 tolling authority that's in the region, any local MPO  
9 that's in the region, any county or municipality that has  
10 a financial interest in the project, that has put up  
11 revenues for the project, right of way or revenues for the  
12 project, and TxDOT has a voice on that 1420 committee.

13 MR. MEADOWS: Ed, it's probably important to  
14 note that I know that with regard to the preliminary steps  
15 that we have taken in advancing the Interstate 35E project  
16 that de facto you've got that sort of participation  
17 already directly involved in the process. You have the  
18 MPO at the table, you have the counties at the table, you  
19 have those stakeholders already sitting at the table with  
20 us as we advance those and go through the process.  
21 Clearly the statute speaks to it but we're already ahead  
22 of that, and I think that that sort of inclusiveness is  
23 going to serve us well in terms of being able to deliver  
24 that project.

25 MR. PENSOCK: Yes, sir, Commissioner Meadows,

1 you're exactly right, and we've actually spent a lot of  
2 effort to try to engage the correct appropriate  
3 stakeholders so that the process can move along quickly  
4 and we can try to keep it going.

5 MR. MEADOWS: We're very appreciative of  
6 hearing that, and I thank you all for doing that.

7 MR. PENSOCK: Well, and these are big projects.  
8 The regions, the millions of people that are affected by  
9 these projects need to have a voice in them. These are  
10 big projects that the state overall has to have a voice  
11 in. So there's actually very good logic in the process,  
12 and even if it wasn't codified in statute, it's a good  
13 process to follow.

14 Very quickly on the I-35E project, it's a 28-  
15 mile long urban freeway reconstruction project, a little  
16 bit different than the Grand Parkway, it's a managed lane  
17 project. From an environmental clearance and development  
18 perspective, it's been segmented into three portions:  
19 north, middle and south.

20 We have identified project and procurement  
21 objectives on this one, just like we have on Grand  
22 Parkway, and again, our goal on I-35E is to deliver the  
23 entire project if possible with the available public  
24 funds, try to get this project to help pay for itself as  
25 much as possible, and to try to use what have been

1 identified as available public funds to try to get as much  
2 of the project and the entire project done if possible.

3 MR. HOUGHTON: Has this project been waived by  
4 NTTA?

5 MR. PENSOCK: The question of primacy has come  
6 up, and our recent legislation kind of redefined the  
7 primacy process for us, and the local tolling authority,  
8 North Texas Tollway Authority, is having one last look at  
9 what they think the viability of the project might be.  
10 They've asked us to take about a six-week pause in our  
11 procurement so that we all can get our hands around the  
12 project.

13 To answer your question, Commissioner, no, they  
14 have not waived primacy yet but they're looking at it and  
15 we're working with them very closely to try to make sure  
16 everyone's questions are answered.

17 MR. MEADOWS: I think it's important to point  
18 out that the position the Tollway Authority has taken with  
19 regard to this question was motivated by and at the  
20 request of the stakeholders, the counties specifically. I  
21 recall Denton County, Dallas County, DRMC and those other  
22 entities asked the NTTA to engage in this process and do  
23 this analysis, and they have agreed to do so, working in  
24 concert with us. So we're in this process, there is a  
25 time period, the six-week period that you mentioned, but I

1 think it is as a result of a local request that they are  
2 doing this.

3 MR. PENSOCK: The project has been under  
4 development for some time. We have received an  
5 environmental finding of no significant impact on the  
6 middle portion, and the northern segment and the southern  
7 segment we anticipate environmental clearance coming in  
8 the very near future, anticipate it later this year.

9 I'll talk a little bit about the procurement  
10 efforts that have been underway, and not formally a part  
11 of the procurement process but an idea that we had was to  
12 go to the industry and ask them their opinions on these  
13 two projects, and we crafted a request for information, or  
14 an RFI process, for both projects where we put out some  
15 pointed questions to known industry representatives and  
16 anybody that wanted to participate, asked them things  
17 about optimal project delivery model --like you were  
18 talking about, Commissioner Houghton -- feasibility of the  
19 scope, value engineering ideas, some of those kinds of  
20 things.

21 In July we received 23 responses to our RFI on  
22 Grand Parkway, we received 11 responses to the RFI on  
23 I-35E. We held one-on-one meetings with some of those  
24 respondents on both projects in July and August, and we're  
25 working with stakeholders now to make those final

1 decisions.

2 We are working on developing a request for  
3 qualifications for the Grand Parkway as we stand here, and  
4 we are evaluating the funding and delivery models and  
5 scoping ideas that we heard from industry with the  
6 stakeholders on the I-35E project. We anticipate issuing  
7 request for qualifications on both projects. Industry  
8 will have to respond with their experience, their  
9 financial capacity and their technical approach to  
10 delivering the process, and then we would evaluate those  
11 statements of qualifications when they were submitted to  
12 us.

13 MR. HOLMES: Are you moving forward with an RFQ  
14 on I-35E, or are you pausing? I think you mentioned  
15 pausing for four to six weeks, or something to that  
16 effect.

17 MR. PENSOCK: We are contemplating an RFQ for  
18 I-35E, but we want to make sure that -- we don't want to  
19 get ahead of the region. We don't officially have primacy  
20 yet, and we want to make sure that everyone is comfortable  
21 with how the process will go forward before we start  
22 getting too far down the line. So we are developing an  
23 RFQ for Grand Parkway and we can start developing an RFQ  
24 for I-35E very quickly shortly after.

25 MR. HOLMES: Shortly after?

1 MR. PENSOCK: Primacy would be given, if it  
2 were so.

3 We did talk a little bit about the 1420  
4 committees and I think we said everything on this slide  
5 and they are charged with making decisions on distribution  
6 of the project's financial risks, the method of financing  
7 of the project and the tolling structure and methodology  
8 of any project that the private developer has a vested  
9 interest in the project's performance, financial interest  
10 in the project's performance.

11 We've got a target of next steps how we want to  
12 proceed with both projects, and again, we would like to  
13 issue requests for qualifications on both projects in the  
14 near future. Again, I-35E is 100 percent dependent on the  
15 department getting primacy back to it, if that is the  
16 direction it were to go. If that was the direction we go,  
17 we think we can keep to the schedule that we've shown on  
18 the screen, issuing requests for qualifications later this  
19 year for both projects. We would ask proposers to submit  
20 qualification statements either late this year or early  
21 next year. TxDOT would evaluate those statements of  
22 qualifications, as we talked about, and would short-list  
23 or pre-qualify a subset of the people that submitted  
24 qualification statements in possibly late '11 or early '12  
25 for Grand Parkway and probably more likely the spring, if

1 that would be the case, in the 35E project.

2 Our next step would be to issue a draft request  
3 for proposals to those short-listed developers. We would  
4 have some discussion about the project with those short-  
5 listed developers and would anticipate issuing a final  
6 request for proposals, with your concurrence -- we need to  
7 come back to you and get your concurrence before we can  
8 issue that final RFP -- and we would anticipate submission  
9 of those final proposals in the summer of 2012 and award  
10 of a contract in late summer or fall of 2012.

11 If there are no other questions, Mr. Barton is  
12 going to talk to you a little bit about how we proceed to  
13 obtain all these things.

14 MR. BARTON: Thank you, Ed. You did a great  
15 job and you answered some difficult questions very well,  
16 so I'm proud of you.

17 I've got just a short bit of information to  
18 share with you about how we will proceed with the  
19 procurement and implementation of the public private  
20 partnerships here in the State of Texas, and this is a  
21 responsibility that you asked Mr. Saenz to work on and he  
22 brought in myself, David Casteel, our assistant executive  
23 director for District and Field Operations. And for the  
24 record, I'm John Barton, interim deputy executive director  
25 for the department. And we talked to our colleagues that

1 are implementing these projects in the Metroplex and in  
2 the San Antonio and Austin area, as well as other staff,  
3 and we currently have a bifurcated system. I just kind of  
4 wanted to discuss that quickly.

5 On the procurement side our current practice  
6 has been to have a CDA steering committee. I have the  
7 responsibility of chairing that committee and the members  
8 that are on there with myself are our chief financial  
9 officer, the director of the Turnpike Division and the  
10 district engineers where some of the CDA projects are  
11 located. Ed Pensock is our statewide CDA coordinator for  
12 the procurement process. And as you can see, all the  
13 projects that we have underway and those that we would be  
14 working on, under our current structure we would have  
15 teams looking at the engineering aspects, the financial  
16 and legal aspects and right of way aspects, both with  
17 internal resources, as well as consultant staff, to help  
18 us go through these procurement processes.

19 On the implementation side, we have a separate  
20 CDA or public private partnership project board, and that  
21 is chaired by the deputy executive director, and then  
22 myself as the assistant executive director for Engineering  
23 Operations, Mr. Casteel as our assistant executive  
24 director for Field and District Operations, our chief  
25 financial officer, the Turnpike Authority Division

1 director, and the district engineers from where those  
2 projects exist are members of that board. We are  
3 supported by legal counsel from our Office of General  
4 Counsel. Mr. Casteel is our statewide CDA coordinator for  
5 implementation activities, and he has working underneath  
6 him two individuals that are doing a great job, Mr. Frank  
7 Holzmann who is overseeing our State Highway 130 project,  
8 and Mr. Randy Redmond who is overseeing the DFW  
9 comprehensive development agreements or public private  
10 partnerships, and the three of those, as you know, are the  
11 North Tarrant Express, the DFW Connector, and the LBJ/  
12 I-635 project, and each of them have project managers  
13 underneath Mr. Redmond responsible for those independent  
14 projects.

15 So the question that you asked Mr. Saenz was to  
16 come up with a plan of how we would move forward over the  
17 long term as we evolved into the procurement and  
18 implementation of these various projects, as well as the  
19 operational aspects. And this particular organizational  
20 chart is one that has been envisioned. We would have a  
21 unified public private partnership project board that  
22 would be chaired by a chief operating officer, if you  
23 will, as we contemplate changes to the organizational  
24 structure as suggested by not only Grant Thornton but the  
25 Restructure Council. That individual would chair the

1 project board, and then these assistant executive  
2 directors, myself over Engineering Operations, Mr. Casteel  
3 over Field Operations, and our chief financial officer  
4 would be board members, as well as the district engineers  
5 where these projects are being procured and implemented.

6 This envisions the creation of a Major Project  
7 Office that would be a new office or division, if you  
8 will, that would oversee all of the activities for these  
9 types of projects that would be supported with experts  
10 from the engineering arena that provide for the planning  
11 and development of projects, the financial arena to handle  
12 the financial implications of these innovative delivery  
13 methods, right of way activities that help support the  
14 acquisition of these rights of way in a timely and  
15 proficient manner, and then the operations of the projects  
16 once they're in place and open to traffic. Of course we  
17 would still need the support of legal counsel from our  
18 Office of General Counsel, and all these activities would  
19 be managed by this statewide oversight division or office,  
20 if you will.

21 Underneath them would be individuals locally  
22 located in regional offices so that we have a presence in  
23 those regions to be the direct oversight of the  
24 procurement and implementation and operations at the  
25 regional/local level, and as you can see here, we've

1 envisioned, for the time being, at least, three regional  
2 offices, one in Houston, one in the Metroplex, and one in  
3 Central Texas and South Texas, because that's where we  
4 currently have projects that are either in the making or  
5 are anticipated to be coming forward, and those projects  
6 are listed below each of those particular regional  
7 offices.

8           So what are we going to do in the interim? And  
9 I think that's the question that you needed to have the  
10 staff to describe our plan to ensure that we are effective  
11 in delivering these very significant projects that the  
12 public has asked us to move forward with and that the  
13 legislature has given us the authority for doing. And  
14 this interim solution would have this unified public  
15 private partnership project board that would be chaired by  
16 the interim deputy executive director and would be  
17 supported with some membership from our assistant  
18 executive director for Field Operations as well as our  
19 chief financial officer, and again, the district engineers  
20 from the areas where projects are being located.

21           We also would continue to have the support of  
22 general counsel; obviously that's critically important for  
23 us to be successful. And that we would create this  
24 statewide public private partnership coordination group,  
25 and depending on roles and responsibilities at the time

1 and whether it's primarily implementation or primarily  
2 procurement, that's a responsibility that Mr. Casteel and  
3 myself have been doing and would continue to work on. It  
4 may be one or the other, or a single individual at any  
5 given time based on the things that are going on.

6 We think that with the work that is beginning  
7 to wrap up on the delivery of the system on State Highway  
8 130, Segments 5 and 6, that Mr. Holzmann will be able to  
9 provide a lot of direct support and assistance as an  
10 assistant coordinator, working with Mr. Casteel, as part  
11 of the immediate time frame. And then as you know, we've  
12 got these offices in place, the one in the Metroplex with  
13 Mr. Redmond and the three projects he has underway. We  
14 are in the process of securing someone to oversee the  
15 procurement of the Interstate 35 East project in the  
16 Metroplex. Of course, we still have Mr. Holzmann working  
17 on State Highway 130, and we've recently retained Mr.  
18 Eddie Sanchez to be our office manager or director for the  
19 projects in the Houston area.

20 So this would be the interim structure that we  
21 would work with in order to continue to move forward with  
22 some consistency, uniformity and control.

23 And then moving back just briefly to the long-  
24 term organizational structure that we are contemplating  
25 and considering implementing that's shown there to the

1 left, if you will, I wanted just to point out that within  
2 this structure underneath those regional offices, on any  
3 of those projects, whether it's the Grand Parkway project  
4 in the Houston area, the I-35 East project in the  
5 Metroplex, or perhaps one of the projects that we are  
6 supporting a regional mobility authority moving forward  
7 with in South Texas, we would put together a project  
8 manager with a team of individuals supporting them in  
9 assessing the development and procurement issues, the  
10 construction issues, the maintenance and operation issues  
11 so that we would have the diversity of professionals  
12 necessary embedded in each of those teams with a specific  
13 individual project manager and team working on individual  
14 projects.

15 And this is the approach that anticipate taking  
16 and wanted to just brief you on that as you had requested  
17 Mr. Saenz to bring forward to you, I believe at our last  
18 meeting. I'll be happy to try to answer any questions, or  
19 Mr. Saenz or Mr. Casteel may be able to help me if I'm not  
20 able to. No questions is always a good thing. Thank you.

21 MR. SAENZ: Good job, John. And Ed, great job.  
22 Was this your first presentation?

23 MR. PENSOCK: No, sir.

24 MR. SAENZ: Well, you did good.

25 All right. Commission, moving on to agenda

1 item number 4, Dave Fulton, director of the Aviation  
2 Division, will present three minute orders concerning our  
3 Aviation program. Dave, I'll turn it over to you.

4 MR. FULTON: Thank you, Amadeo. For the  
5 record, my name is Dave Fulton, director of the TxDOT  
6 Aviation Division.

7 The first minute order contains a request for  
8 grant funding approval for three airport improvement  
9 projects. The total estimated cost of all requests, as  
10 shown in Exhibit A, is approximately \$2.7 million:  
11 approximately \$2.5 million in federal funding and \$200,000  
12 in local funding.

13 A public hearing was held on July 12. No  
14 comments were received. We would recommend approval of  
15 this minute order.

16 MS. DELISI: Is there a motion?

17 MR. HOUGHTON: So moved.

18 MR. UNDERWOOD: Second.

19 MS. DELISI: All in favor?

20 (A chorus of ayes.)

21 MS. DELISI: The motion passes.

22 MR. FULTON: Thank you.

23 The second minute order is a request for  
24 approval of the Aviation Capital Improvement Plan for 2012  
25 through 2014.

1           TxDOT is required by Section 21.109 of the  
2 Transportation Code to prepare and update annually a  
3 multi-year aviation facilities capital improvement  
4 program, a plan for general aviation airport development  
5 in Texas. The 2012-2014 plan includes approximately \$229  
6 million of general aviation airport improvement projects.  
7 Over the three-year period this represents projected  
8 funding of about \$174 million in federal funds, \$23  
9 million in state funds, and \$32 million in local  
10 contributions.

11           A copy of the draft CIP was posted on TxDOT  
12 Aviation's website for review and comment. No substantive  
13 comments were received.

14           I would point out that approval of the CIP does  
15 not commit any funding as all projects recommended for  
16 grants must be presented individually to the commission  
17 for approval at the appropriate time.

18           The Texas Aviation Advisory Committee approved  
19 the plan during their meeting on August 19 of this year.  
20 We would recommend approval of the FY 2012-2014 Aviation  
21 Capital Improvement Plan.

22           MR. HOLMES: May I ask a question, please?

23           MS. DELISI: Certainly.

24           MR. HOLMES: Dave, it looks like a great plan,  
25 you have funds disbursed really across the state. Can you

1 talk a little bit about how you evaluate a project, how  
2 you determine the allocation of funds, what are the  
3 important criteria that you look at in order to allocate  
4 \$10 million one place and a couple hundred thousand  
5 another? Talk a little bit about the process.

6 MR. FULTON: All right. I'll be glad to.

7 We basically have a priority system that has  
8 been followed for many years that's a federal FAA priority  
9 system, we use a similar priority system. Safety is the  
10 highest priority, then preservation, then new capacity, so  
11 we prioritize all the projects. Of course, since we are a  
12 grant organization we must have a request, and once we  
13 have evaluated and prioritized all of our projects, we  
14 then select those that we and the community feel have  
15 merit and place them usually three to five years out in a  
16 capital improvement program which is the plan we're  
17 presenting today.

18 Based on the funding we have, we feel that we  
19 can reach virtually most, if not all, of the projects that  
20 should be submitted to you. There are very few projects  
21 we can't do because of funding so we don't have to pick  
22 and choose very much, quite frankly. We also get  
23 additional help from the FAA with discretionary funding on  
24 large projects that we could not fund ourselves, such as  
25 the McKinney new runway project that's somewhere in the

1 range of \$30- to \$40 million.

2           So I hope I'm answering your question. Once we  
3 accept a project, at least at our level, as being valid  
4 and significant, we put it into the Capital Improvement  
5 Plan based on anticipated funding at the federal and state  
6 level. So again, I would point out that it is very rare  
7 that we cannot do a project. I know that maybe isn't the  
8 best thing to say, but it's worked quite well over the  
9 years. I'm glad you asked.

10           We've just reached a threshold. Since TxDOT  
11 has had the aviation responsibility over the last 20  
12 years, we've just exceeded \$1 billion in investment of  
13 federal and state funds in general aviation airports in  
14 Texas, and we think the system, both in its utility and  
15 appearance, reflects that investment. Although we're  
16 certainly small compared to highways, we have reached a  
17 significant level of investment over the last 20 years.

18           Is there more specificity I can go into on that  
19 issue?

20           MR. HOLMES: No. I appreciate your kind of  
21 walking through it. I think it's comforting to know that  
22 we have adequate funding to address the requests that come  
23 in.

24           MR. FULTON: No one ever feels you have enough  
25 funding.

1 MR. HOLMES: But it's unlike highways which is  
2 about 10 cents on the dollar, this is relatively close.

3 MR. FULTON: We are funded by a formula that's  
4 very attractive for Texas. It's based on population and  
5 geographical area on a relative basis among the 50 states,  
6 so we do fairly well at the federal level.

7 MR. UNDERWOOD: Dave, one other comment. One  
8 of the things that TxDOT brings to the table for these  
9 communities, we help them get their federal funding, we  
10 help them go through the steps. Isn't that correct?

11 MR. FULTON: We are a block grant state so we  
12 receive the federal funds and you decide who receives  
13 those federal funds in accordance with federal eligibility  
14 requirements. So once those grants are made by you, we  
15 build the product for the sponsor and do a turnkey  
16 delivery, so we're not a typical grant organization. Is  
17 that what you meant, Commissioner?

18 MR. UNDERWOOD: Yes, that's what I'm getting  
19 at, that's one of the services we provide to the citizens.

20 MR. FULTON: We do.

21 MS. DELISI: If there's no more questions, is  
22 there a motion?

23 MR. HOLMES: So moved.

24 MR. UNDERWOOD: Second.

25 MS. DELISI: All in favor?

1 (A chorus of ayes.)

2 MS. DELISI: The motion passes.

3 MR. FULTON: Thank you.

4 The final minute order is for the purpose of  
5 continuation of the Routine Airport Maintenance Program  
6 for Fiscal Year 2012. The program allows the department  
7 to match local funds for airport maintenance and small  
8 capital improvement work items on a 50-50 basis up to an  
9 approved amount in state funds. No changes in the program  
10 are recommended for the coming year

11 I would also say this is, I feel, a very  
12 important program as we had to rebuild the rural state  
13 system in Texas and the purpose of the maintenance program  
14 is to ensure no one ever has to do that again.

15 MS. DELISI: Is there a motion?

16 MR. HOLMES: So moved.

17 MR. UNDERWOOD: Second.

18 MS. DELISI: All in favor?

19 (A chorus of ayes.)

20 MS. DELISI: The motion passes.

21 MR. FULTON: Thank you.

22 Amadeo, good luck in your future life and  
23 career.

24 MR. SAENZ: Thank you, Dave.

25 Agenda item number 5, commissioners, deals with

1 the promulgation of administrative rules. 5a deals with  
2 final adoption, 5a(1) deals with final adoption of rules  
3 dealing with Management, Chapter 1, and Bob Jackson,  
4 general counsel, will present the minute order.

5 MR. JACKSON: Bob Jackson, general counsel.

6 State law requires the commission to adopt  
7 policy separating its policymaking duties from the  
8 administrative duties of the staff. The commission has  
9 done so by rule. After every legislative session we  
10 review any statutory changes that require changes to the  
11 rules. There were several, such as the requirement that  
12 we have a CFO and a Compliance Office, which we had  
13 anyway.

14 There were no public comments on the proposed  
15 rule changes. We recommend adoption of the minute order.

16 MR. HOUGHTON: So moved.

17 MR. HOLMES: Second.

18 MS. DELISI: All in favor?

19 (A chorus of ayes.)

20 MS. DELISI: The motion passes.

21 MR. SAENZ: Thank you, Bob.

22 Agenda item 5a(2) deals with Chapter 2,  
23 Environment Policy, Contract and Grant Management, and  
24 Mark Tomlinson will present the minute order.

25 MR. TOMLINSON: Good morning again. My name is

1 Mark Tomlinson, director of the Turnpike Authority  
2 Division for TxDOT.

3 Item 5a(2) is final adoption of amendments of  
4 the rules relating to the Trans-Texas Corridor. House  
5 Bill Number 1201 of the 82nd Legislature Regular Session  
6 2011 repealed the authority for the establishment and  
7 operation of the Trans-Texas Corridor and it removed all  
8 references in state statutes to the Trans-Texas Corridor.  
9 The purpose of these amendments is to remove all  
10 provisions in the rules of the department relating to the  
11 Trans-Texas Corridor.

12 During the comment period we received thousands  
13 of comments from people who want us to bring back the  
14 Trans-Texas Corridor. Just kidding. We didn't receive  
15 any comments at all, and staff would recommend your  
16 approval of the minute order.

17 (General laughter.)

18 MS. DELISI: Do you want to ask any question  
19 for old time's sake? Last chance.

20 MR. MEADOWS: It is our last chance.

21 MS. DELISI: Oh, no. He's got another one.

22 MR. TOMLINSON: I regret to say you'll have one  
23 more shot.

24 MS. DELISI: Is there a motion?

25 MR. HOLMES: So moved.

1 MR. UNDERWOOD: Second.

2 MS. DELISI: All in favor?

3 (A chorus of ayes.)

4 MS. DELISI: The motion passes.

5 MR. SAENZ: Thank you, Mark. You've gotten  
6 wittier in your old age and getting closer to retirement.

7 Agenda item number 5a(3) deals with the Right  
8 of Way, Chapter 21, and Suzanne Mann will present that  
9 minute order.

10 MS. MANN: Hello. For the record, my name is  
11 Suzanne Mann and I'm an attorney in TxDOT's Office of  
12 General Counsel. I'm here to speak to you about agenda  
13 item 5a(3), Chapter 21, Right of Way rules.

14 Today's proposed minute order includes  
15 amendments to various sections of Chapter 21 that were  
16 made to comply with changes in the law as set forth in  
17 Senate Bill 18 which is the Eminent Domain bill which  
18 passed last session and it was signed by the governor on  
19 May 19, 2011.

20 The public comment period ended on August 15,  
21 2011 and no comments were received. Staff recommends  
22 approval of this minute order.

23 MR. HOUGHTON: So moved.

24 MR. UNDERWOOD: Second.

25 MS. DELISI: All in favor?

1 (A chorus of ayes.)

2 MS. DELISI: The motion passes.

3 MR. SAENZ: Thank you, Suzanne, and thank you  
4 for all your efforts during the session dealing with  
5 Senate Bill 18 and the Eminent Domain process.

6 Agenda item number 5a(4) deals with Chapter 25,  
7 Traffic Operations, and Carol Rawson will present a final  
8 minute order adopting rules for the Safe Routes to School  
9 Program.

10 MS. RAWSON: Good morning. I'm Carol Rawson,  
11 TxDOT's Traffic Operations Division director.

12 This minute order proposes final adoption of an  
13 amendment to the existing Safe Routes to School Program  
14 rules, deleting the existing definition of political  
15 subdivision. This amendment will allow any entity in  
16 Texas that is considered a political subdivision to  
17 participate in the program.

18 The proposed amendment was published in the  
19 June 10 edition of the Texas Register and we received no  
20 public comments. Staff recommends approval of the minute  
21 order.

22 MS. DELISI: Is there a motion?

23 MR. UNDERWOOD: So moved.

24 MR. HOUGHTON: Second.

25 MS. DELISI: All in favor?

1 (A chorus of ayes.)

2 MS. DELISI: The motion passes.

3 MR. SAENZ: Thank you, Carol.

4 Agenda item 5a(5) deals with Chapter 27, Toll  
5 Operations, and Jack Ingram, Office of General Counsel,  
6 will present this minute order for final adoption of rule  
7 changes.

8 MR. INGRAM: For the record, I'm Jack Ingram,  
9 associate general counsel.

10 This minute order provides for the final  
11 adoption of rules relating to the Senate Bill 1420  
12 committee that Ed Pensock talked about earlier. Again,  
13 those rules require a committee comprised of  
14 representatives from TxDOT, the MPO, the local toll  
15 project entity, and any city or county that's provided  
16 funding or right of way for certain department toll  
17 projects to make a determination concerning the  
18 distribution of the project's financial risks, method of  
19 financing for the project, and the tolling structure and  
20 methodology. The rules would define the circumstances in  
21 which the committee must be established and would also  
22 define the process for a committee's issuance of a report  
23 that contains this determination.

24 Comments on the proposed rules were received  
25 from the North Texas Tollway Authority and are addressed

1 in the rule preamble and the rules themselves. Staff  
2 recommends approval of the minute order and I'd be happy  
3 to answer any questions you have.

4 MS. DELISI: Is there a motion?

5 MR. UNDERWOOD: So moved.

6 MR. HOLMES: Second.

7 MS. DELISI: All in favor?

8 (A chorus of ayes.)

9 MS. DELISI: The motion passes.

10 MR. SAENZ: Thank you, Jack.

11 Agenda item 5b deals with the proposed adoption  
12 of administrative rules. 5b(1) deals with Chapter 1,  
13 Management, and Bob Jackson will come back and present  
14 this proposed minute order on Advisory Committees.

15 MR. JACKSON: Bob Jackson, general counsel.

16 State law requires the commission to create  
17 advisory committees by rule. State law also provides that  
18 committees must be sunset at least every four years. By  
19 rule the commission has opted to sunset its committees  
20 every two years to coincide with the end of each  
21 legislative session. The divisions have reviewed the  
22 viability and need of each advisory committee and have  
23 recommended that we repeal the Intelligent Transportation  
24 Systems Committee as we have none and we work through the  
25 MPOs, and also the Trans-Texas Corridor Committee, yet

1 retain all other advisory committees, including the  
2 corridor committees and the corridor segment committees.

3 Recommend adoption of the minute order.

4 MR. UNDERWOOD: So moved.

5 MR. HOLMES: Second.

6 MS. DELISI: All in favor?

7 (A chorus of ayes.)

8 MS. DELISI: The motion passes.

9 MR. SAENZ: Thank you, Bob.

10 Agenda item 5b(2) deals with Chapter 11,  
11 Design, dealing with our Statewide Transportation  
12 Enhancement Program, and Mark Marek will present a minute  
13 order on the proposed adoption.

14 MR. MAREK: For the record, my name is Mark  
15 Marek. I'm the director of TxDOT's Design Division.

16 The minute order before you today relates to  
17 proposed department rules concerning transportation  
18 enhancement projects. Specifically in Title 43,  
19 Subchapter E, we're proposing the repeal of existing  
20 Sections 11.200 through 11.205, and new proposed Sections  
21 11.200 through 11.221.

22 Currently the rules regarding the  
23 Transportation Enhancement Program are found in Title 43  
24 and recent changes were made to the department's rules  
25 regarding the planning and development of transportation

1 projects found in this section and these transportation  
2 planning rules were in Chapter 16 specifically relating to  
3 provisions which allocate Transportation Enhancement  
4 Program funds to metropolitan planning organizations  
5 operating in transportation management areas. These  
6 changes necessitate a need to modify the process for  
7 selecting projects under the Transportation Enhancement  
8 Program.

9 In addition, there is a need to clarify and  
10 refine the existing language to improve the effectiveness  
11 of the program. These provisions presented an opportunity  
12 to reorganize the sections so that the new rules will be  
13 easier to understand and follow.

14 There are a few substantive changes. As  
15 mentioned, due to the changes in the department's rules  
16 regarding the planning and development of transportation  
17 projects which specifically provide for the allocation of  
18 one-half of the Transportation Enhancement Program funds  
19 to metropolitan planning organizations in transportation  
20 management areas, a new section has been added. These  
21 MPOs will now be responsible for direct recommendation of  
22 projects located within their planning areas. Projects  
23 which are not selected by the metropolitan planning  
24 organizations can still be considered in the department's  
25 competitive program.

1           Clarification has been added to limit the use  
2 of federal funds for construction-related project  
3 expenditures. Exceptions are provided for those  
4 transportation enhancement activities that specifically  
5 address planning, right of way, environmental mitigation,  
6 or expenditures for routine operations and maintenance.  
7 The department is proposing this change because in past  
8 program calls much of the funding for selected projects  
9 was expended on the development of plans and  
10 specifications. As a result, many projects were left with  
11 inadequate funding and could not be built as originally  
12 proposed.

13           The local funding match is now limited to a  
14 cash match provided by and through the nominating entity.  
15 In-kind donations will no longer be considered part of the  
16 local funding match. The use of in-kind items, such as  
17 plans, property and materials is eliminated because this  
18 type of local match is difficult to properly account for  
19 and quantify as shown in program audits. While an in-kind  
20 contribution appears to help the nominator reach the  
21 minimum cash match requirement, it still does not provide  
22 the cash needed to ultimately develop the project.

23           Further, an in-kind match reduces the amount of  
24 cash that is available for plans or construction of the  
25 project. Unless specifically authorized by statute or

1 regulation, funds from other federal programs may not be  
2 used as a local funding match. Donated services will not  
3 be accepted as match but may be used to reduce the overall  
4 project cost.

5 Specific guidance is offered with respect to  
6 expected time frames for award or a construction contract  
7 or initiation of construction. The existing language  
8 regarding time limits was vague and difficult to  
9 administer.

10 At the administration's direction, an informal  
11 group was formed to represent a variety of stakeholders  
12 with respect to this rule revision. Members of this work  
13 group included MPOs, a bicycle coalition group, a rural  
14 county, and our federal transportation partners. This  
15 committee worked with the department staff to offer input  
16 on the development of these draft and the proposed rules.

17 Members of staff and myself are here and  
18 prepared to answer any questions you may have. Staff  
19 recommends approval of this minute order.

20 MR. HOLMES: So moved.

21 MR. UNDERWOOD: Second.

22 MS. DELISI: All in favor?

23 (A chorus of ayes.)

24 MS. DELISI: The motion passes.

25 MR. SAENZ: Thank you, Mark.

1                   Agenda item number 5b(3) Carol Rawson will  
2 present a proposed minute order on proposed adoption of  
3 rules dealing with Chapter 25, Transportation Operations,  
4 dealing with the Memorial Sign Program.

5                   MS. RAWSON: For the record, I'm Carol Rawson,  
6 director of TxDOT's Traffic Operations Division.

7                   This minute order proposes preliminary adoption  
8 of amendments to the existing rules for the department's  
9 Memorial Sign Program for Victims of Impaired Driving to  
10 implement the provisions of two bills from the 82nd  
11 Legislature.

12                   House Bill 1486 requires the department to  
13 extend the time period that a sign would be installed for  
14 a victim of impaired driving from one year to two, as long  
15 as the FHWA determined that this change would not result  
16 in a sanction of our federal funds. The FHWA has advised  
17 us that the extended sign posting period would not result  
18 in such a sanction.

19                   House Bill 2469 creates a new signing program  
20 for persons killed while riding or operating a motorcycle.  
21 This new program will operate very much like the current  
22 Victims of Impaired Driving memorial sign program,  
23 although as per the statute, the sign will be installed  
24 for a period of one year.

25                   Staff recommends approval of this minute order.

1 MS. DELISI: Is there a motion?

2 MR. HOUGHTON: So moved.

3 MR. HOLMES: Second.

4 MS. DELISI: All in favor?

5 (A chorus of ayes.)

6 MS. DELISI: The motion passes.

7 MR. SAENZ: Thank you, Carol.

8 Agenda item number 5b(4), Bob Jackson will  
9 present a proposed minute order dealing with proposed rule  
10 changes concerning Regional Mobility Authorities.

11 MR. JACKSON: Bob Jackson, general counsel.

12 State law requires the commission to approve  
13 the creation of a regional mobility authority. The  
14 commission has adopted rules governing that process.  
15 Those rules include requirement that the petition from the  
16 county or the city describe its appointment process. In  
17 the minute order approving the creation of the RMA, the  
18 commission approves the appointment process for the,  
19 quote, initial board. There has been some concern that  
20 perhaps the intent of the rules was to allow the  
21 commission to have continuing jurisdiction over the  
22 appointment process. That was not our intent. This rule  
23 explicitly clarifies it is not the commission's intent to  
24 have continuing jurisdiction or an interest over the  
25 appointment process for a regional mobility authority.

1           Recommend adoption of the minute order that  
2 proposes this change.

3           MR. HOUGHTON: So moved.

4           MS. DELISI: Is there a second?

5           MR. HOLMES: Second.

6           MS. DELISI: All in favor?

7           (A chorus of ayes.)

8           MS. DELISI: The motion passes.

9           MR. SAENZ: Thank you, Bob. I think you broke  
10 a record at this meeting, you've come up three times.

11           Agenda item number 6 deals with our Audit Plan,  
12 and Owen Whitworth will present the 2012 Audit Plan to the  
13 commission for approval.

14           MR. WHITWORTH: My name is Owen Whitworth, I'm  
15 the director of the Audit Office.

16           And the minute order that we have today is the  
17 annual Audit Plan. State internal audit statute requires  
18 that the commission approve a developed audit plan, a plan  
19 that was based on a risk assessment process and it  
20 requires that the commission periodically review our audit  
21 plans to see that we have enough audit resources to cover  
22 the significant risks in a timely manner.

23           This plan has been vetted through the Audit  
24 Subcommittee and I recommend your approval.

25           MS. DELISI: Is there a motion?

1 MR. UNDERWOOD: So moved.

2 MR. HOUGHTON: Second.

3 MS. DELISI: All in favor?

4 (A chorus of ayes.)

5 MS. DELISI: The motion passes.

6 MR. SAENZ: Thank you, Owen.

7 Agenda item number 7 deals with our Internal  
8 Compliance Program, and Angie Parker from our Office of  
9 General Counsel and interim Internal Compliance Office  
10 director will present a minute order concerning  
11 establishing policies and concerning the program and the  
12 Office of Internal Compliance.

13 MS. PARKER: Good morning. I'm Angie Parker  
14 with the General Counsel's Office, and effective September  
15 1, I'll be the interim director of Internal Compliance  
16 Office.

17 In November 2007 the commission directed the  
18 department to develop an Internal Compliance Program with  
19 the mission to prevent and detect criminal conduct and  
20 otherwise promote an organizational culture that  
21 encourages ethical behavior and a commitment to compliance  
22 with the law. The department's Sunset bill created a  
23 statutory requirement for the agency to establish a  
24 compliance program and office to oversee the program and  
25 set forth the responsibilities of the office.

1           The purpose of this minute order is to comply  
2 with the Sunset bill by formally establishing the program  
3 and the office reporting to the executive director which  
4 was responsible for the following activities: acting to  
5 prevent and detect serious breaches of departmental  
6 policy, fraud, waste and abuse of office, including any  
7 acts of criminal conduct within the department; reviewing,  
8 overseeing and coordinating all investigations occurring  
9 on department property or involving department employees;  
10 overseeing the operation of the TxDOT Watch telephone  
11 hotline; ensuring that members of the commission and  
12 department employees receive appropriate ethics and  
13 compliance training; reporting to the commission, as  
14 appropriate, on any internal compliance matter as well as  
15 the status of pending investigations and providing the  
16 commission with a summary of information relating to  
17 investigations; and finally, performing any other duties  
18 as assigned by the commission or the executive director.

19           Staff recommends adoption of the minute order  
20 and I'd be happy to answer any questions.

21           MS. DELISI: Any questions?

22           MR. HOUGHTON: So moved.

23           MR. UNDERWOOD: Second.

24           MS. DELISI: All in favor?

25           (A chorus of ayes.)

1 MS. DELISI: The motion passes.

2 MR. SAENZ: Thank you, Angie.

3 Agenda item number 8, Carol Rawson will present  
4 a minute order requesting approval of our Highway Safety  
5 Plan.

6 MS. RAWSON: For the record, I'm Carol Rawson,  
7 TxDOT's Traffic Operations Division director.

8 The minute order before you seeks approval of  
9 the FY 2012 Highway Safety Plan. The Highway Safety Plan  
10 is designed to reduce the number and the severity of  
11 traffic crashes, injuries and fatalities through  
12 enforcement, training and education efforts. The 2012  
13 program consists of a budget of approximately \$139 million  
14 that will fund an estimated 326 traffic safety projects  
15 covering such areas such as occupant protection, selected  
16 traffic enforcement, DWI countermeasures and roadway  
17 safety.

18 Staff recommends approval of this minute order.

19 MR. HOUGHTON: So moved.

20 MR. HOLMES: Second.

21 MS. DELISI: All in favor?

22 (A chorus of ayes.)

23 MS. DELISI: The motion passes.

24 MR. SAENZ: Thank you, Carol.

25 Agenda item number 9 deals with Transportation

1 Planning, and Jim Randall, director of the Transportation  
2 Planning and Programming Division, will present a minute  
3 order from Angelina County concerning State Highway Spur  
4 339.

5 MR. RANDALL: Good morning, commissioners. Jim  
6 Randall with the Planning and Programming Division.

7 The Lufkin District, in cooperation with the  
8 National Forest and Grasslands Texas Division of the U.S.  
9 Department of Agriculture, has requested that 1.1-mile  
10 segment of State Highway Spur 339 in Angelina County be  
11 designated as a Forest Highway.

12 The National Forest and Grasslands local office  
13 is in the process of relocated its operations to a ten-  
14 acre site in northwest Lufkin along Spur 339. The project  
15 includes the construction of administrative offices and a  
16 new visitor education center. To accommodate the  
17 additional traffic generated by the planned facility and  
18 promote public safety, Spur 339 will require resurfacing  
19 and the construction of a dedicated turn lane. In order  
20 for these improvements to be eligible for Federal Forest  
21 Highway funds, this segment of Spur 339 needs to be  
22 designated as a Forest Highway.

23 This minute order nominates this segment of  
24 Spur 339 for designation as a Forest Highway on the  
25 National Forest Highway System. With your approval of

1 this minute order, the nomination will be forwarded to the  
2 Federal Highway Administration for designation and  
3 consideration as a Forest Highway. Staff recommends  
4 approval of this minute order.

5 MS. DELISI: Is there a motion?

6 MR. HOLMES: So moved.

7 MR. MEADOWS: Second.

8 MS. DELISI: All in favor?

9 (A chorus of ayes.)

10 MS. DELISI: The motion passes.

11 MR. SAENZ: Thank you. Jim will now present  
12 agenda item number 10, also dealing with highway  
13 designations for a segment of I-69 in Nueces County.

14 MR. RANDALL: This minute order seeks approval  
15 to submit an application to AASHTO to recognize a segment  
16 of US 77 in Nueces County as I-69.

17 In accordance with federal law and the policies  
18 of FHWA and AASHTO, it is recommended that a 6.2-mile  
19 segment of US 77 in Nueces County be added to the  
20 Interstate Highway System and designated as I-69. US 77  
21 from the Rio Grande to its intersection with US 59 in  
22 Victoria has been identified as part of High Priority  
23 Corridor 18 to be designated as I-69. Based on a  
24 technical report prepared by the department which  
25 evaluated the existing design features and operational

1 conditions of US 77, this segment qualifies for inclusion  
2 on the Interstate Highway System because it meets current  
3 interstate design standards and connects to the existing  
4 interstate system.

5           Upon approval of this minute order, the  
6 department will submit an application to AASHTO's Special  
7 Committee on U.S. Route Numbering. This application  
8 requests recognition of I-69 on the current location of US  
9 77 from I-37 in Corpus Christi southward to State Highway  
10 44 in Robstown, a distance of approximately 6.2 miles.  
11 Staff recommends approval of this minute order.

12           MS. DELISI: We have some people signed up.  
13 Are there any questions of Jim before?

14           MR. HOUGHTON: I've got one question. Jim, why  
15 is it that AASHTO approves the designation.

16           MR. RANDALL: They work in conjunction with  
17 FHWA on all interstate U.S. highway designations. They're  
18 kind of the keeper of the information or the records of  
19 all the U.S. highways and interstate highways in the  
20 country.

21           MR. HOUGHTON: Is it a formality? FHWA has  
22 authority. Correct?

23           MR. RANDALL: Yes, sir.

24           MR. HOUGHTON: Is AASHTO a formality or just  
25 you go through the process?

1 MR. RANDALL: I think it's an understanding and  
2 it's a way to get it in front of all 50 states. All 50  
3 states are members of AASHTO and it gives them an  
4 opportunity to review it and agree to it. In fact, Mr.  
5 Behrens used to be the head of this special routes  
6 committee at one time.

7 MR. HOUGHTON: Well, do they have veto  
8 authority?

9 MR. RANDALL: Yes, sir, but I doubt if they'll  
10 do it on this one.

11 MR. HOUGHTON: I'm just curious.

12 MR. RANDALL: Yes, sir. For example, one rule  
13 they're trying to look at is that how we have I-5 East and  
14 West, they're trying to eliminate that kind of routing.  
15 In other words, they don't like it to be split and stuff  
16 like that, so they're kind of policing the system for  
17 things like that.

18 MR. HOUGHTON: Are you likely to use your W  
19 over there, 35W, Commissioner Meadows?

20 MR. MEADOWS: No comment.

21 (General laughter.)

22 MR. HOUGHTON: Thanks.

23 MR. HOLMES: The next step is to work with FHWA  
24 on some turnarounds in Kenedy County. Do we have to go  
25 through AASHTO on that as well?

1 MR. SAENZ: Commissioner, not the actual design  
2 or approval of the design exceptions. That would be just  
3 a Federal Highway Administration function and approval  
4 process. Now, when we do get that approval process that  
5 we want to continue the designation of I-69 further south,  
6 we would have to go through AASHTO, but at that point they  
7 would approve this one, this is just a continuation down  
8 to the south, so it should not be really any kind of an  
9 issue.

10 MS. DELISI: John Wood.

11 MR. WOOD: Madam Chair, commissioners, I  
12 appreciate the opportunity to be here today. As always,  
13 it is good to be in Austin and to appear before your  
14 group.

15 The designation of this 6.2-mile segment of 77  
16 to I-69 is almost a lifelong project for many of us. I  
17 know some of us have lost a lot of hair over it, and what  
18 I have left has turned gray. I've still got some more  
19 left, though, and I'm willing to continue working on it  
20 till we can get I-69 designated from Texarkana to the  
21 border with the U.S.-Mexico border, and so there's a lot  
22 of work left to be done.

23 I want to thank you all for the work you've  
24 done to see that this happens. I know it's not going to  
25 be very long before you're going to have a minute order

1 before you to go to AASHTO again to get a segment of US 59  
2 designated as I-69. So I appreciate your work there,  
3 appreciate your time.

4 And I want to say also, aside from that, that I  
5 appreciate all the Administration that TxDOT has and the  
6 way they've worked with us in the past, not only on this  
7 project but all sorts of projects. And I know in talking  
8 to people throughout the United States, TxDOT is  
9 recognized as the leading state highway department in the  
10 United States. We appreciate all your effort and all your  
11 work. Thank you.

12 MS. DELISI: Thank you.

13 David Garza.

14 MR. GARZA: Good morning, Commission. Glad to  
15 be here today. Had the opportunity to visit with some of  
16 you yesterday and I appreciate some of the comments made  
17 by the commissioner.

18 But also, I want to inform you that yesterday  
19 the I-69 Statewide Advisory Committee met in the morning.  
20 We had the pleasure of having John Barton with us there  
21 giving us updates on some of the issues in regards to the  
22 I-69 challenges and some of the successes, just as John  
23 mentioned, especially the 6.2-mile segment that will  
24 become now part of the interstate system if everything  
25 goes well.

1           We hope that you will keep a date in November  
2 open. John Casey with the Corpus District is looking at  
3 putting an event together for a ribbon-cutting, and  
4 hopefully some of you can join us on that day because it  
5 will be a joyous occasion.

6           But on another note, the Cameron County RMA and  
7 Cameron County Commissioners Court has had some meetings  
8 with Chairman Mike in regards to designating or including  
9 in the authorization bill some language that would allow  
10 for an interstate to not have to have connectivity to an  
11 interstate but be able to originate on the international  
12 border and be signed as an interstate.

13           We have from the McAllen area to the  
14 Brownsville area and then upwards to the Willacy County  
15 line almost done up to interstate standards, and we wish  
16 to include language in that federal authorization bill to  
17 allow for that signage to occur in the very near future,  
18 with the comments that you made, Commissioner Holmes, in  
19 regards to the turnarounds and some of the other things  
20 that are being considered.

21           But I want to thank you all for the support  
22 that you've given us in allowing us to get closer to  
23 having that interstate in a large area of Texas that is  
24 not served by an interstate. Without your support, none  
25 of this would have ever happened.

1           The I-69 Advisory Committee will be here at the  
2 next meeting, I know, because they committed yesterday to  
3 being here to make some comments in regards to this, so  
4 we'll be here again then.

5           I do want to make mention of one thing, and  
6 that is John mentioned, you know, we were having some  
7 discussions with officials that do business in all 50  
8 states in the transportation industry, and they say by  
9 far: I don't know why they want to improve any more,  
10 TxDOT and the State of Texas is the easiest, friendliest  
11 and most sensitive group of people that we deal with in  
12 all 50 states of the United States. So you need to know  
13 that.

14           And a lot goes to people like Amadeo who has  
15 been with you, and all his predecessors. All these folks  
16 that are leaving today have been great to work with for us  
17 on the local level, they've been available, they've come  
18 and visited and been present when we've needed them, and I  
19 cannot say enough about the quality of folks that you  
20 have.

21           In the process of procurement, we at the local  
22 level want to make sure that whatever you choose to do  
23 with your leadership that you have here is that they need  
24 to remember that where the rubber meets the road is at the  
25 local level, and they have to remember that. And I think

1 that's been the success of what we've been able to do with  
2 your help in our area.

3 So we continue and will continue to be  
4 available to work with you in any endeavor that we can to  
5 help you. Thank you so much.

6 MR. HOUGHTON: I want to make sure you put the  
7 focus on sensitive, a very sensitive group up here.

8 MR. GARZA: Sensitive.

9 MR. HOUGHTON: Very sensitive, right.

10 MS. DELISI: I think he was talking about me.

11 MR. GARZA: Well, I learned a new word from  
12 John Barton, he said bi-fractional, or what was it,  
13 bifurcated? It's just like I've got to go look that one  
14 up.

15 MR. HOUGHTON: And if you want anybody or  
16 certain members of the commission to show up to your  
17 ribbon-cutting, you maybe not ought to do it during  
18 hunting season.

19 MR. GARZA: We've already got that request.

20 MR. HOLMES: Early December, around the 12th.

21 (General laughter.)

22 MR. GARZA: Okay, sounds good. But we thank  
23 you.

24 MS. DELISI: Thanks, Commissioner.

25 Any other questions for Jim. Comments?

1 MR. RANDALL: Can I add one more thing?

2 MS. DELISI: Yes, sir, go ahead.

3 MR. RANDALL: Since I told you I felt confident  
4 that it would be designated is that this was laid out in  
5 ISTEA, the Intermodal Surface Transportation Efficiency  
6 Act of 1991, to be a future part of the interstate system.  
7 In other words, Congress is telling everybody that they  
8 want this to be on the system, so that's why I show this  
9 confidence that it will make it through AASHTO.

10 MR. HOUGHTON: Well, I still don't understand  
11 the inclusion of AASHTO if it's by statute that this is an  
12 interstate highway, and if FHWA says it is an interstate  
13 highway, then AASHTO's role in the process, I don't know.

14 MR. RANDALL: I'll look into it further, but it  
15 is not designated by statute. We looked into that.

16 MR. HOUGHTON: By Federal Highways designated.

17 MR. RANDALL: AASHTO's responsibility on this,  
18 it's not by statute. It's the relationship between FHWA  
19 and AASHTO in looking at the system and make sure there  
20 isn't, I guess, an I-69 in Texas and another one someplace  
21 in the northeast part of the country.

22 MR. HOUGHTON: We'll send them a map.

23 MR. SAENZ: We'll send them the entire route.

24 MR. HOUGHTON: Yes, send them the route.

25 Thanks.

1 MS. DELISI: So is there a motion?

2 MR. HOUGHTON: So moved.

3 MR. HOLMES: Second.

4 MS. DELISI: All in favor?

5 (A chorus of ayes.)

6 MS. DELISI: The motion passes.

7 MR. RANDALL: Thank you.

8 MR. SAENZ: Commission, agenda item number 11,  
9 all four sub items under 11 are deferred at this time. In  
10 discussing these items with the submitters of the  
11 requests, they've decided to pull them down at this time,  
12 and so therefore, we don't have requests to act on, so  
13 we're deferring agenda item number 11.

14 We did have someone who had signed up to speak  
15 for 11d. John Kelly, do you still want to come up since  
16 we have deferred it? I think he's gone.

17 Agenda item number 12, commissioners, deals  
18 with toll roads. Mark Tomlinson will present agenda item  
19 number 12a.

20 MR. TOMLINSON: Good morning again. My name is  
21 Mark Tomlinson, director of the Turnpike Authority  
22 Division.

23 I'd like to take a moment to commend the  
24 members of our toll operations staff led by Doug Woodall,  
25 Linda Sexton and others. They've done a tremendous job

1 over the last three years lowering our costs and costs to  
2 collect, operational costs on the CTTs and the roads that  
3 we operate. This is the next step of that process. One of  
4 the main goals in procuring this toll operations contract  
5 was to further lower our costs and increase our  
6 efficiency.

7 We currently have seven contracts that perform  
8 the work shown on the screen, cash collection, et cetera.  
9 In this effort we'll combine all of those into one  
10 contract, one comprehensive contract, one project manager  
11 that we can go to if we have problems and concerns and  
12 issues, but all of these duties, all of these processes  
13 will be done out of that one contract.

14 The process we followed, this is not a  
15 comprehensive development agreement but it is a very  
16 similar contracting procedure, it has an RFI, RFP process.  
17 We started back in September of 2010 and went through the  
18 various steps to get to recommend your approval today on a  
19 choice of a vendor. If we have your approval today, we'll  
20 move into a negotiations term in September, and then  
21 hopefully issue a notice to proceed in October.

22 The procurement manager for this contract is  
23 Kathy Garrett of our TTA staff. Also, Doug Woodall that I  
24 mentioned led the effort. We had a number of teams looking  
25 at various different aspects of the contract. Also really

1 appreciate the tremendous support we also receive from the  
2 General Counsel's Office, the Audit Office, Finance  
3 Division, General Services Division, Tech Services  
4 Division, the Austin District, and our consultants, KPMG  
5 and Atkins.

6 As I mentioned, we really focused on reducing  
7 our costs, there was a heavy emphasis on that, but we also  
8 have performance measures in the contract so that we will  
9 ensure that we can maintain the customer service that we  
10 have today. It was an open procurement. We took efforts  
11 up front to engage the industry and have them make  
12 suggestions to us about ways to lower our costs and  
13 increase our efficiency. It is a performance score based  
14 on indicators in the contract that we hope were very well  
15 defined. I mentioned the single program manager. I think  
16 that's going to be a huge improvement for us. And we  
17 allowed vendors some option to proposed hosted solution  
18 and other cost-reduction approaches and we think that will  
19 be very beneficial for us.

20 Just briefly, I'm not going to talk about all  
21 these folks, but the pass/fail responsiveness team, we had  
22 a financial review team, pricing evaluation, key personnel  
23 evaluation and then back office and technical approach  
24 team that looked at the contract, evaluated it from all  
25 those different aspects.

1           The three teams that we had that finally  
2 proposed on the project, one led by ACS and Xerox, Federal  
3 Signal Technologies, and then TransCore with URS. So  
4 after the teams did all their work and made all their  
5 evaluations, Federal Signals Technologies with MSB came  
6 out as the successful proposers and they're the team we  
7 would recommend to you today. I'll be happy to try to  
8 answer any questions you might have.

9           MS. DELISI: Are there any questions? No. Is  
10 there a motion?

11           MR. UNDERWOOD: So moved.

12           MS. DELISI: How about a second?

13           MR. HOLMES: Second.

14           MS. DELISI: All in favor?

15           (A chorus of ayes.)

16           MS. DELISI: The motion passes.

17           MR. TOMLINSON: You let me off easy. Thanks.

18           MR. SAENZ: Thank you, Mark.

19           Agenda item number 12b deals with a final  
20 approval for a toll equity request for a project in Fort  
21 Bend County, and Brian Ragland will present this minute  
22 order.

23           MR. RAGLAND: Thank you. For the record, I'm  
24 Brian Ragland, director of the Finance Division.

25           This minute order gives final approval to a

1 request from Fort Bend County for financial assistance of  
2 \$4 million per year for ten years to pay for costs  
3 relating to Westpark Toll Road Phase II. The minute order  
4 contains a condition that all environmental clearances be  
5 received and it requires the county to deliver an adjacent  
6 project with a value exceeding \$40 million. And staff  
7 recommends your approval.

8 MS. DELISI: There's one person signed up. Are  
9 there any questions for Brian before I call him up?

10 (No response.)

11 MS. DELISI: Then at this point I'd like to  
12 call up Commissioner Andy Meyers.

13 MR. MEYERS: Thank you. For the record, my  
14 name is Andy Meyers. I'm a county commissioner of  
15 Precinct 3 for Fort Bend County.

16 Fort Bend would like to reiterate its support  
17 for and commitment to this project. We'd also like to  
18 thank Amadeo Saenz and John Barton and their staff for the  
19 tremendous amount of work they've put into this project to  
20 get it to this point, and I personally would like to thank  
21 Commissioner Ned Holmes for his personal efforts to move  
22 this project forward.

23 The two projects that we're going to be doing  
24 will total approximately \$150 million, of which TxDOT is  
25 committing \$40 million and Fort Bend County and its toll

1 road authority is committing \$110 million. Fort Bend has  
2 already spent about \$400,000 on environmental and  
3 engineering on this project and we're simply awaiting the  
4 hopeful approval of this commission and the agreement to  
5 continue moving forward.

6 This project serves the fastest growing area in  
7 Fort Bend County and one of the fastest growing in the  
8 State of Texas. The four subdivisions that front on this  
9 two-lane farm to market road sold 1,400 new homes last  
10 year, and they're projected to sell 20 percent more this  
11 year. We already have significant traffic congestion out  
12 there and it's only getting worse. Fort Bend County  
13 strongly supports this project and urges this commission  
14 to approve it.

15 I'll be happy to answer any questions if you  
16 have easy ones.

17 (General laughter.)

18 MR. HOLMES: No questions, Commissioner Meyers,  
19 but I want to acknowledge the fact that your persistence  
20 and creativity has really allowed this to move forward.

21 MR. MEYERS: Thank you, Commissioner.

22 MR. HOLMES: I know your neighbors and  
23 constituents will greatly appreciate it.

24 MR. MEYERS: Good. I'll have them give you a  
25 call.

1 MR. HOLMES: Do.

2 (General talking and laughter.)

3 MS. DELISI: So is there a motion?

4 MR. HOLMES: So moved.

5 MR. MEADOWS: Second.

6 MS. DELISI: All in favor?

7 (A chorus of ayes.)

8 MS. DELISI: The motion passes.

9 MR. SAENZ: Thank you, Brian.

10 Brian will now present agenda item number 12c  
11 dealing with the approval of the CTTS annual operating and  
12 management budget.

13 MR. RAGLAND: Thank you, Amadeo.

14 Item 12c is a minute order that approves the  
15 2012 operating and maintenance budget and also the five-  
16 year capital budget for the Central Texas Turnpike System.  
17 This budget is an annual requirement of the indenture of  
18 trust and is a collaborative effort between TxDOT and the  
19 general engineering consultant. And staff recommends your  
20 approval.

21 MS. DELISI: Is there a motion?

22 MR. HOUGHTON: So moved.

23 MR. HOLMES: Second.

24 MS. DELISI: All in favor?

25 (A chorus of ayes.)

1 MS. DELISI: The motion passes.

2 MR. SAENZ: Thank you.

3 Brian will continue to present item agenda item  
4 number 13 dealing with the State Infrastructure Bank.  
5 Item 13a deals with preliminary approval for a State  
6 Infrastructure Bank loan to the City of Magnolia.

7 MR. RAGLAND: Thank you. This minute order  
8 gives preliminary approval for a SIB loan requested by the  
9 City of Magnolia in the amount of \$2 million for the  
10 rehabilitation and relocation of water and sewer  
11 facilities along FM 1774. And staff recommends your  
12 approval.

13 MS. DELISI: Is there a motion

14 MR. HOUGHTON: So moved.

15 MR. HOLMES: Second.

16 MS. DELISI: All in favor?

17 (A chorus of ayes.)

18 MS. DELISI: The motion passes.

19 MR. SAENZ: 13b deals with final approval of a  
20 State Infrastructure Bank loan, and Brian will also  
21 present this item.

22 MR. RAGLAND: Thank you. This minute order  
23 gives final approval of a request by the City of  
24 Weatherford for a SIB loan in the amount of \$650,000.  
25 This one is also related to moving water and sewer

1 facilities on State Highway 171 in Parker County. And  
2 staff recommends your approval.

3 MR. MEADOWS: So moved.

4 MR. UNDERWOOD: Second.

5 MS. DELISI: All in favor?

6 (A chorus of ayes.)

7 MS. DELISI: The motion passes.

8 MR. SAENZ: Thank you, Brian.

9 Agenda item 14, commissioners, James Bass, CFO,  
10 will present a minute order dealing with our Private  
11 Activity Bond Surface Transportation Corporation.

12 MR. BASS: Good morning. For the record, I'm  
13 James Bass, chief financial officer for TxDOT.

14 The Private Activity Bond Surface  
15 Transportation Corporation was created by the commission  
16 back in October of 2008 for the purpose of serving as a  
17 conduit issuer on comprehensive development agreements of  
18 the department. Due to retirements and the expiration of  
19 some terms, it's necessary to have the commission make new  
20 appointments and a reappointment to the corporation. This  
21 minute order before you would reappoint myself as a member  
22 of the corporation, along with appointments of Dee Porter  
23 and Lewis Carr, two other members of TxDOT's  
24 administration.

25 Staff would recommend your approval and would

1 be happy to answer any questions you might have.

2 MR. HOUGHTON: That's a novel thought,  
3 nominating yourself. That's neat, James. So moved.

4 MR. HOLMES: Second.

5 MS. DELISI: All in favor?

6 (A chorus of ayes.)

7 MS. DELISI: The motion passes.

8 MR. SAENZ: Thank you, James.

9 Agenda item number 15, commissioners, deals  
10 with the Grand Parkway Project, and James Bass will  
11 present a minute order.

12 MR. BASS: Thank you. This particular minute  
13 order is a declaration of the intent to reimburse  
14 associated with the Grand Parkway Project. What this does  
15 is if a particular delivery model for the Grand Parkway is  
16 selected in the future, this would keep open the  
17 commission's options as far as reimbursing the department  
18 for any expenditures from this date forward. It in no way  
19 predetermines or gives preference to one delivery model  
20 over any of the others, it simply keeps the options open  
21 for the commission if the municipal delivery model does  
22 happen to be selected in the future.

23 Staff would recommend your approval, and again,  
24 I'd be happy to answer any questions you might have.

25 MR. HOUGHTON: So moved.

1 MR. HOLMES: Second.

2 MS. DELISI: All in favor?

3 (A chorus of ayes.)

4 MS. DELISI: The motion passes.

5 MR. SAENZ: Thank you, James.

6 Agenda item number 15b deals with the annual  
7 review and approval of our investment policy, and Brian  
8 Ragland will present the minute order.

9 MR. RAGLAND: Thank you. For the record, Brian  
10 Ragland, director of the Finance Division.

11 Item 15b, this minute order is the annual  
12 approval of the investment policy and also the strategies  
13 of the commission as required by the Public Funds  
14 Investment Act. The policy and strategies include all the  
15 necessary elements required by the Public Funds Investment  
16 Act, as amended by this past legislature.

17 The primary objectives are preservation and  
18 safety of principal, liquidity and yield, in that order,  
19 and the policy includes reporting requirements, authorized  
20 institutions, authorized investments and strategies for  
21 each the Texas Mobility Fund and also the Central Texas  
22 Turnpike System. And staff recommends approval.

23 MS. DELISI: Is there a motion?

24 MR. HOUGHTON: So moved.

25 MR. HOLMES: Second.

1 MS. DELISI: All in favor?

2 (A chorus of ayes.)

3 MS. DELISI: the motion passes.

4 MR. SAENZ: Brian will continue and present  
5 agenda item 15c dealing with the department's adoption of  
6 the 2012 Operating Budget.

7 MR. RAGLAND: Thank you, Amadeo.

8 This minute order approves the 2012 annual  
9 Operating Budget for the department. The General  
10 Appropriations Act provided funding to TxDOT's strategies  
11 and the budget presented here contains those exact  
12 amounts. The total budget for 2012 is \$10.5 billion, and  
13 that includes all methods of finance. The minute order  
14 gives the executive director the authority to manage the  
15 budget in accordance with the limitations and guidelines  
16 in the General Appropriations Act. And staff recommends  
17 your approval.

18 MR. HOUGHTON: Ten point five.

19 MR. RAGLAND: All funds, includes.

20 MR. HOUGHTON: So moved.

21 MR. HOLMES: Second.

22 MS. DELISI: All in favor?

23 (A chorus of ayes.)

24 MS. DELISI: The motion passes.

25 MR. SAENZ: Thank you. Brian will now present

1 agenda item number 15d dealing with our debt management  
2 and derivative management policies.

3 MR. RAGLAND: Thank you. This minute order is  
4 the annual approval of the commission's debt management  
5 and also derivative management policies. The debt  
6 management policy establishes parameters for administering  
7 the department's various debt programs, including the  
8 priorities of maintaining acceptable levels of risk,  
9 minimizing costs, optimizing future flexibility and  
10 maximizing our credit ratings. The derivative management  
11 policy establishes responsibilities, objectives and  
12 guidelines for the use of interest rate swaps. And there  
13 are very minor changes to both of these policies from what  
14 is currently in place, and unless you have questions,  
15 staff would recommend your approval

16 MS. DELISI: Is there a motion?

17 MR. HOUGHTON: So moved.

18 MR. HOLMES: Second.

19 MS. DELISI: All in favor?

20 (A chorus of ayes.)

21 MS. DELISI: The motion passes.

22 MR. SAENZ: Thank you, Brian.

23 Brian will continue with agenda item number 16.

24 He and Bob Jackson were kind of racing to see who could  
25 present more agenda items this month. He'll present our

1 Obligation Limit report.

2 MR. RAGLAND: Yes. This is the monthly report  
3 on our Obligation Limit and also the final report for  
4 Fiscal Year 2011, and the it's also an update on motor  
5 fuel tax receipts.

6 Amounts counted against the letting caps for  
7 the year totaled \$1.9 billion. Another \$200 million or so  
8 will be carried into and added to the letting caps for  
9 2012.

10 MR. HOUGHTON: I'm sorry. How much?

11 MR. RAGLAND: Total counted?

12 MR. HOUGHTON: Carrying over.

13 MR. RAGLAND: Two hundred, approximately. I  
14 think that the letting efforts for 2011 are very  
15 commendable, especially given some midstream changes we  
16 made to the process. And that's all I have on letting  
17 caps unless you have further questions.

18 Moving on to motor fuel taxes, we ended the  
19 year up 2.17 percent. That's approximately 1 percent  
20 above what our forecast predicted at the beginning of the  
21 year, so approximately \$20- to \$23 million to the good on  
22 motor fuel taxes. The split, on the next page, between  
23 diesel and gasoline was an increase of 6-1/2 percent on  
24 the diesel side and about 1 percent on gasoline receipts.

25 And that's all I have on this item, there's no

1 action required, and happy to answer any questions.

2 MR. SAENZ: Thank you, Brian. Congratulations.  
3 I guess September 1 you start your term on the ERS Board,  
4 so good luck.

5 MR. RAGLAND: Thank you. Appreciate it.

6 MR. SAENZ: Take care of our money. Make sure  
7 you make payments regularly.

8 MR. RAGLAND: Your payments?

9 MR. SAENZ: Yes, at least mine, start with  
10 mine.

11 (General laughter.)

12 MR. SAENZ: Thank you, Brian.

13 Agenda item number 17, commissioners, deals  
14 with our contracts that we let for projects that were let  
15 this month, and Russel Lenz will present two minute  
16 orders. The first minute order deals with our Highway  
17 Maintenance and Department Building Construction  
18 contracts. The second minute order will deal with our  
19 Highway and Transportation Enhancement Building  
20 Construction contracts.

21 MR. LENZ: Good morning. Item 17a is for  
22 consideration of the award or rejection of Highway  
23 Maintenance and Department Building Construction contracts  
24 let earlier this month on August 9 and 10. We're  
25 presenting 26 projects today. The average number of

1 bidders per project was 4.31; the low bid value was  
2 \$25,354,521.12; and we experienced an overall underrun of  
3 6.37 percent. Staff recommends the award of all  
4 maintenance projects.

5 MS. DELISI: Is there a motion?

6 MR. HOUGHTON: So moved.

7 MR. HOLMES: Second.

8 MS. DELISI: All in favor?

9 (A chorus of ayes.)

10 MS. DELISI: The motion passes.

11 MR. LENZ: Item 17b is for the consideration of  
12 the award or rejection of Highway and Transportation  
13 Enhancement Building Construction contracts also let  
14 earlier this month. We present 147 projects today. The  
15 average number of bidders per project was 4.54; the low  
16 bid value was \$408,641,147.76; the awards are split as  
17 \$132,110,501.03 on eight projects in what could be  
18 categorized as mobility, and the remaining \$276,530,646.73  
19 was split on 139 projects more aptly identified as  
20 preservation work; we had an overall overrun of 0.16  
21 percent on all the lettings.

22 MS. DELISI: Point one-six percent.

23 MR. LENZ: Outstanding estimating. And staff  
24 recommends the award of all construction projects.

25 MR. HOUGHTON: So moved.

1 MR. HOLMES: Second.

2 MS. DELISI: All in favor?

3 (A chorus of ayes.)

4 MS. DELISI: The motion passes.

5 MR. SAENZ: Thank you, Russel.

6 MR. LENZ: You're very welcome. I have to  
7 admit doing this part was a whole lot easier than doing  
8 the first part earlier in the agenda. Thank you so much.

9 MR. SAENZ: Thank you, Russel. Great job.

10 Agenda item number 18, commissioners, deals  
11 with our eminent domain proceedings, and John Campbell  
12 will present the minute order.

13 MR. CAMPBELL: Good morning. For the record,  
14 my name is John Campbell, director of the Right of Way  
15 Division.

16 And I'd like to present for your consideration  
17 item 18 which authorizes filing and condemnation  
18 proceedings necessary to progress the acquisition of real  
19 property required through the exercise of eminent domain.  
20 We have 14 non-controlled parcels and 14 controlled access  
21 project parcels for your consideration today. The staff  
22 recommends your approval of the minute order, and I am  
23 again pleased to invite you to the interactive portion of  
24 our eminent domain minute order and remind you of the  
25 special form of the motion that must be explicitly made in

1 order that we can proceed in accordance with the revisions  
2 of Senate Bill 18. I'm happy to answer any of your  
3 questions.

4 MR. UNDERWOOD: Any questions?

5 MS. DELISI: No questions. Is there a motion,  
6 Commissioner Underwood?

7 MR. UNDERWOOD: I move that the Texas  
8 Transportation Commission authorize the Texas Department  
9 of Transportation to use the power of eminent domain to  
10 acquire the properties described in the minute order set  
11 forth in the agenda for the current month of construction,  
12 reconstruction, maintenance, widening, straightening or  
13 extending the highway facilities listed in the minute  
14 order as a part of the state highway system, and that the  
15 first record vote applies to all units of property to be  
16 condemned.

17 MR. HOLMES: Second. Well done.

18 MS. DELISI: All in favor?

19 (A chorus of ayes.)

20 MS. DELISI: The motion passes.

21 MR. CAMPBELL: Thank you very much. And  
22 congratulations, Amadeo. It's been a pleasure and an  
23 honor to serve with you.

24 MR. SAENZ: Same here, John. Thank you.

25 Agenda item number 19 is the routine minute

1 orders. Staff would be happy to answer any questions on  
2 any individual item, but staff would recommend approval of  
3 all routine minute orders at this time.

4 MS. DELISI: Is there a motion?

5 MR. HOLMES: So moved.

6 MR. UNDERWOOD: Second.

7 MS. DELISI: All in favor?

8 (A chorus of ayes.)

9 MS. DELISI: The motion passes.

10 MR. SAENZ: We do have executive session.

11 MS. DELISI: This completes all the action  
12 items on the agenda. The commission will be recessing  
13 into executive session in a few minutes, and it is likely  
14 that we will take up item 21 on the agenda when the  
15 executive session concludes.

16 Before we recess I would like to take any open  
17 comments. Are there any speakers signed up?

18 MR. SAENZ: No, ma'am.

19 MS. DELISI: There are none. So at this time  
20 we will recess into executive session.

21 (Whereupon, at 11:39 a.m. the meeting was  
22 recessed, to reconvene this same day, Thursday, August 25,  
23 2011, following conclusion of the executive session.)

24 MS. DELISI: The meeting of the Texas  
25 Transportation Commission is reconvened. For the record,

1 the time is 12:57 p.m. The commission has concluded its  
2 executive session.

3 We will take up item 21a at this time. Fred,  
4 can I have a motion on 21a?

5 MR. UNDERWOOD: Yes, ma'am. Madam Chair, I  
6 move to appoint Cathy Floyd to be the interim internal  
7 auditor of the Texas Department of Transportation.

8 MR. MEADOWS: Second.

9 MS. DELISI: All in favor?

10 (A chorus of ayes.)

11 MS. DELISI: The motion passes.

12 Now, Commissioner Underwood, can I get a motion  
13 on item 21b?

14 MR. UNDERWOOD: I move to appoint Benito Ybarra  
15 as the internal auditor of the Texas Department of  
16 Transportation.

17 MR. HOUGHTON: Second.

18 MS. DELISI: All in favor?

19 (A chorus of ayes.)

20 MS. DELISI: The motion passes.

21 MS. DELISI: And finally, Commissioner  
22 Houghton, can I get a motion on 21c?

23 MR. HOUGHTON: I move to elect John Barton as  
24 the interim executive director of the Texas Department of  
25 Transportation at a salary of \$192,000 a year.

1 MR. HOLMES: Second.

2 MS. DELISI: All in favor?

3 (A chorus of ayes.)

4 MS. DELISI: The motion passes.

5 Is there any other business to come before the  
6 commission? There being none, I will entertain a motion  
7 to adjourn.

8 MR. HOLMES: So moved.

9 MR. UNDERWOOD: Second.

10 MS. DELISI: All in favor?

11 (A chorus of ayes.)

12 MS. DELISI: The motion passes. Please note  
13 for the record that it is 12:59 p.m., and this meeting  
14 stands adjourned.

15 (Whereupon, at 12:59 p.m., the meeting was  
16 concluded.)

C E R T I F I C A T E

1  
2  
3 MEETING OF: Texas Transportation Commission

4 LOCATION: Austin, Texas

5 DATE: August 25, 2011

6 I do hereby certify that the foregoing pages,  
7 numbers 1 through 124, inclusive, are the true, accurate,  
8 and complete transcript prepared from the verbal recording  
9 made by electronic recording by Nancy H. King before the  
10 Texas Transportation Commission.  
11  
12  
13  
14  
15

16 \_\_\_\_\_ 8/29/2011  
17 (Transcriber) (Date)

18  
19 On the Record Reporting  
20 3307 Northland, Suite 315  
21 Austin, Texas 78731  
22  
23