

TEXAS DEPARTMENT OF TRANSPORTATION

COMMISSION MEETING

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

Thursday, February 24, 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
Joanne Wright, Deputy General Counsel
Roger Polson, Executive Assistant to the
Deputy Executive Director
JoLynne Williams, Chief Minute Order Clerk

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OPEN COMMENT PERIOD (no commenters) 86

ADJOURN 86

ON THE RECORD REPORTING 2/24/11

(512) 450-0342

P R O C E E D I N G S

1
2 MS. DELISI: Good morning. It is 9:04 a.m. and
3 I call the regular February 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 3:35 p.m. on February 16, 2011.

8 Before we begin today's meeting, I just want to
9 remind you to put your cell phones on the silent mode.

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

13 MR. MEADOWS: Thank you very much, Madam Chair.

14 I know that we covered a lot of this yesterday,
15 but I again wanted to just briefly acknowledge and
16 recognize the good work that was done by our staff in the
17 North Texas area and staff of TxDOT from all of the state
18 that came in and enabled us to very successfully deal with
19 two back-to-back extraordinary snow and ice events that
20 happened to fall right in the middle of the Super Bowl.
21 Those men and women did a herculean job, truly, and kept
22 those roadways open, and I know this commission and this
23 state and all the residents of North Texas appreciate the
24 work that those men and women did.

25 Thank you.

1 MR. UNDERWOOD: I associate myself with my
2 colleague's remarks. I also want to thank Michael Morris
3 for taking the time to come down and express the gratitude
4 of the North Texas area.

5 Thank you.

6 MR. HOLMES: Good morning.

7 The TxDOT staff does yeoman duty on those kinds
8 of events, Commissioner Meadows, not just the ice events
9 around the Super Bowl but there's always a hurricane or
10 two where they spend an amazing amount of time and energy
11 and effort away from their families. These things tend to
12 happen on holidays, for some reason, and major sporting
13 events, and we appreciate all their hard work.

14 I'd also like to welcome a group from Brazoria
15 County and Pearland. They've got a big delegation that's
16 working the halls over in that granite building across the
17 street, and I think Mayor Reid is here.

18 Mayor, would you like to come up and say a word
19 or two? We appreciate all the hard work that you guys do
20 in Pearland and it's a fast-growing metropolitan area just
21 on the edge of Houston.

22 MAYOR REID: Thank you for giving us a chance
23 to visit with you.

24 You're doing a superb job with the finances
25 available and the growth of population that we're

1 experiencing. In Pearland we're just a part of a growing
2 population in the State of Texas, and we're going to have
3 so much more to contend with. As the demographers say,
4 we're going to be doubling our population over the next 20
5 to 25 years.

6 So it's a challenge for all of us, and I can
7 tell you that the Pearland Day and Austin delegation and
8 our group from the Pearland 288 coalition come to you now
9 with a hand out but with a hand out for a partnership and
10 a handshake, and we feel like we need to work with you as
11 much as possible, and we appreciate all the work that you
12 have done.

13 A particular comment on the TxDOT staff that
14 you have in the Houston area. Delvin Dennis has been a
15 superb leader there, he has worked hard, and something
16 that you can be very proud of in executing your policy
17 direction. And Amadeo has been very helpful in making us
18 feel very comfortable in working with the resources that
19 we have to contribute to the resources that you have and
20 completing roadways not only in Brazoria County but in the
21 Gulf Coast.

22 I'm on the transportation policy council which
23 represents the eight-county area, and we are working hard
24 to implement and stay within the guidelines that you have
25 established and within the funding that is local, both

1 federal, state and local.

2 So thank you for giving us a chance to be here.

3 I'd like to ask permission for our delegation to stand,
4 if it is possible.

5 Thank you for having us, thank you for what you
6 do. We appreciate you so much. Thank you.

7 MR. HOLMES: Thank you, and welcome.

8 I'd also like to acknowledge Judge Moseley.
9 Jeff has amazing experience in county government, state
10 government, now with the Greater Houston Partnership. We
11 appreciate you being here, Jeff.

12 MR. HOUGHTON: And welcome to my friends from
13 Pearland. It's been a couple of years since I've been
14 down there, and I was just going to ask the mayor have
15 they built the mainlanes on 288 yet, or is that big swath
16 of green still there.

17 MAYOR REID: We're working on it.

18 MR. HOUGHTON: You're working on it.

19 It's a great community and I was fortunate to
20 have the opportunity to spend about twelve hours in that a
21 region one time a couple of years ago.

22 As we noted our staff and their abilities and
23 capabilities in tough times of taking care of the citizens
24 of this great state and the visitors that come in from out
25 of state, while Meadows was stealing headlines with the

1 Super Bowl in Dallas, we were out in El Paso freezing to
2 death and had record freezes for three consecutive days, I
3 think below 8 degrees, up in the high desert which took
4 down generation and pipes froze, but at the same time
5 overpasses were kept clean and the interstate highway
6 system and the state highway system we were able to
7 traverse Interstate 10 and the state highway system.

8 To our people in far West Texas I want to
9 congratulate them for keeping the motorists in the State
10 of Texas safe and our visitors safe. So to our staff,
11 again I echo the remarks of my fellow commissioners. And
12 welcome to our visitors.

13 MS. DELISI: Welcome to everyone visiting with
14 us today.

15 If you would like to address the commission
16 during today's meeting, please complete a speaker's card
17 at the registration table. If you want to comment on an
18 agenda item, please fill out a yellow card. If you just
19 want to speak at the open comment period, please fill out
20 a blue card. Regardless of the color of your card, we do
21 ask that you try and limit your remarks to three minutes.

22 Our first item of business today is approval of
23 the minutes for the January 26 and 27 commission meetings.
24 Members, the minutes have been provided to you in your
25 briefing materials. Is there a motion to approve?

1 MR. UNDERWOOD: So moved.

2 MR. HOLMES: Second.

3 MS. DELISI: All in favor?

4 (A chorus of ayes.)

5 MS. DELISI: The motion passes.

6 Our next item on the agenda is a public hearing
7 regarding our project selection process, and I'll call on
8 Brian Ragland, our Finance Division director, to conduct
9 the hearing.

1 PUBLIC HEARING

2 PROJECT SELECTION PROCESS

3 and

4 2012 UNIFIED TRANSPORTATION PROGRAM (UTP)

5 MR. RAGLAND: Thank you. Good morning. For
6 the record, I'm Brian Ragland, director of the Finance
7 Division.

8 This is the annual public hearing on the
9 Project Selection Process and the Unified Transportation
10 Program, better known as the UTP. It's being conducted in
11 accordance with Transportation Code Section 201.602 and
12 Title 43 Texas Administrative Code, Chapter 16.

13 Notice of this hearing was published in the
14 Texas Register on February 4, 2011, and the department
15 will continue to receive public comment until March 10,
16 2011.

17 The Project Selection Process lays the
18 foundation for how projects are selected across the state.

19 The UTP is a ten-year program that guides the development
20 and authorizes the construction of roadway transportation
21 projects as well as projects involving aviation, public
22 transportation, and the state's waterways and coastal
23 waters.

24 In your books, on the screen and available in
25 the lobby are copies of a brochure which describes the

1 Project Selection Process and then also three additional
2 pages. The purpose of putting this up on the screen is
3 not for the audience to be able to necessarily read it but
4 just to show what it looks like and give an idea of what's
5 available to them.

6 The brochure contains a dialogue on the major
7 steps involved in the Project Selection Process. It also
8 contains a chart which shows the twelve categories and how
9 projects are selected in each of those categories and how
10 projects are typically funded in each of those twelve
11 categories with federal, state and local dollars.

12 The separate handouts that are available, the
13 first one shows a more detailed description of each of the
14 categories and it also describes the aviation, public
15 transportation, rail and waterway programs. And then
16 there's another sheet that allocates the preliminary
17 funding that you approved last month by year by category,
18 and then there is a final sheet which allocates the
19 preliminary funding levels you approved by region of the
20 state. Again, I'm going to reiterate those are
21 preliminary funding levels and are subject to change.

22 The commission recently adopted new
23 administrative rules related to the planning and
24 development of transportation projects. These rules
25 became effective January 1. These rules provide guidance

1 regarding public involvement related to the Project
2 Selection Process and also the UTP.

3 Just this month we conducted five public
4 meetings, one in each of the department's four regions and
5 then an additional meeting in El Paso. The meetings
6 brought together TxDOT representatives, MPO
7 representatives, local officials and members of the public
8 in an open house style forum to provide information and
9 discuss the Project Selection Process and the UTP
10 development. A second public hearing will be held here on
11 April 28, 2011 to address comments received on the draft
12 2012 UTP.

13 That concludes my remarks for this public
14 hearing, and there is no action required by the commission
15 on this.

16 MS. DELISI: Any questions of Brian?

17 MR. UNDERWOOD: Did you say the second hearing
18 will be in April? Is that right?

19 MR. RAGLAND: That's correct.

20 MS. DELISI: Thanks, Brian.

21 MR. RAGLAND: Thank you.

22 (Whereupon, at 9:15 a.m., the public hearing
23 was concluded.)

P R O C E E D I N G S (Resumed)

1
2 MS. DELISI: With that, Amadeo, I'm going to
3 turn the agenda over to you. And for the audience's
4 benefit, we're going to go a little bit out of order and
5 take up agenda item 7 first. Go ahead, Amadeo.

6 MR. SAENZ: Thank you, Madam Chair.

7 And to the people from Pearland, thank you. It
8 was nice visiting with you last night. Appreciate the
9 hospitality, appreciate the partnerships.

10 Commission, we're going to start off with
11 agenda item number 7 that deals with the Grand Parkway,
12 and John Barton will lead us on this and present a minute
13 order to you on the development of the Grand Parkway.

14 MR. BARTON: Thank you. Good morning, Madam
15 Chair, commissioners, Director Saenz. For the record, my
16 name is John Barton, and I do have the pleasure of serving
17 the State of Texas as your assistant executive director
18 for Engineering Operations.

19 We have an action item before you this morning
20 to consider a minute order that would authorize CONSTRUCT
21 authority on the Grand Parkway in Harris County for
22 Segment E.

23 I have a brief presentation I would like to
24 share with you first. This is just a map of the Grand
25 Parkway which is an approximately 180-mile circumferential

1 route that would circle the Greater Houston area,
2 encompassing roadway segments in seven different counties
3 around the Greater Houston area. Many of you, obviously,
4 are very familiar with this route, and I would just point
5 out that on this map you can see segments that are shaded
6 in gray, there's a segment of Segment D from US 59
7 northward to Interstate 10 on the west side of Houston
8 that has been constructed and is currently under
9 operations and has been for quite some time, and then
10 Segment I-2, a portion of that, over in Chambers County
11 from I-10 southward has been constructed and open to
12 traffic as well.

13 In September of 2009, the seven counties,
14 including Harris County and their neighboring counties,
15 exercised their right to primacy for the development and
16 construction of the Grand Parkway in their various
17 counties. Since that time, two of the counties have taken
18 actions to rescind those rights. Chambers County did so
19 first several months ago, and recently Harris County
20 rescinded their rights to develop portions of the Grand
21 Parkway in Harris County.

22 In response to that, the commission has taken
23 the responsibility for accepting that primacy and has
24 directed staff to move forward with development of these
25 particular roadway segments. Of course, Segment I-2 in

1 Chambers County is already open to traffic and we are in
2 the process of now evaluating the projects in Harris
3 County which is part of the reason for the minute order
4 today.

5 As you can see, Segment D is in Fort Bend
6 County and Fort Bend County is moving forward with the
7 development of some overpasses along portions of Segment
8 D. They have engineering firms selected and in place and
9 performing the design work for a few of those overpasses,
10 and they anticipate continuing that on the remaining
11 overpasses later this year with a plan to move forward with
12 the construction of those overpasses and the tolling of
13 those elements in the next 18 to 24 months, as I
14 understand it.

15 And the Montgomery County which has a portion
16 of Segment G has decided at their commissioners court to
17 accept unsolicited proposals for the development of
18 Segment G. I think they're currently in the process of
19 accepting those, and they did issue an RFP to seek out
20 interest regarding the development of Segment G in
21 Montgomery County.

22 So a status report of where we are today on
23 Segment E that is the subject of this minute order.
24 Harris County is completing the design work for the
25 department. We have an agreement with them that we will

1 reimburse them for those costs. We expect that they will
2 complete their design work with their consulting teams and
3 have that delivered to us by April of this year, so in a
4 few weeks. They also will continue and complete the right
5 of way acquisition for Segment E of the Grand Parkway.
6 They have purchased about 44 percent of the property
7 already.

8 They are in negotiations with one landowner
9 that represents approximately 41 percent of the property,
10 and they expect to close that negotiation soon. And then
11 the remaining 15 percent they are in the process of making
12 offers and negotiating, and they anticipate that by July
13 they will have the right to occupy and use all of the
14 properties and have the properties in fee title by January
15 of 2012, if not sooner.

16 They are also continuing to work with the U.S.
17 Army Corps of Engineers to seek the permit required for
18 this project and they anticipate, based on the work
19 they've done, that they will receive that permit no later
20 than June of this year.

21 So that's kind of the status of where we are on
22 Segment E.

23 In response to your approval of development
24 authority for all of the portions of the Grand Parkway in
25 Harris County last month at your commission meeting, you

1 asked us to move forward with a plan to develop that and I
2 wanted to just briefly share with you where we are.

3 The Houston District and our East Region are
4 moving forward with the mapping of the right of way that's
5 necessary for Segments F-2, G and F-1, all those being in
6 Harris County, and the work there will be to complete the
7 right of way mapping processes, monument the property and
8 start the process of getting appraisals put in place so we
9 can begin the acquisition process of those properties.

10 They also will be working with the East Region
11 and Houston District to go out on a solicitation to hire
12 consulting engineers to complete the schematic design work
13 for Sections F-1, F-2 and the portion of G that's in
14 Harris County. We'll do that immediately, and as we get
15 those consultants onboard, we'll finish the schematic
16 design work, first on Segment F-2 and then on Segment G
17 and F-1 so we can be prepared to go to final design work
18 on those projects rapidly.

19 In terms of right of way acquisitions, I wanted
20 to point out that there is an earmark that was assigned to
21 Segment G of the Grand Parkway. Congressman Brady
22 solicited that on our behalf and got that into the federal
23 authorization in 2005, I believe. The earmark is for
24 approximately \$11.2 million and it is specifically to be
25 used for right of way acquisition and environmental

1 mitigation and preservation activities on Segment G, again
2 which is partially in Harris County and partially in
3 Montgomery County.

4 So Director Saenz has been in conversation with
5 Montgomery County Judge Sadler and has issued a letter to
6 him offering to enter into an agreement like we have with
7 Harris County for the protection of those rights of way so
8 that we can make sure that as development continues to
9 occur those rights of way are protected through the
10 platting process, and then to move forward with the use of
11 this earmark funding to perform some environmental
12 protection and right of way acquisition processes on
13 Segment G.

14 So the minute order before you today
15 specifically would authorize the department to have
16 CONSTRUCT authority for Segment E of the Grand Parkway in
17 Harris County which would allow us to continue the
18 development of final design work with the county and to
19 get the project ready to take bids on so that we can
20 progress in the most timely manner. This benefits not
21 only the state but obviously the traveling public in the
22 Greater Houston area by enhancing the mobility of our
23 system in that area, increasing safety and allowing us to
24 continue to try to reduce air pollution and enhance the
25 quality of life in this particular area of the Greater

1 Houston area.

2 With that, the staff would recommend your
3 approval of this minute order, and I'll be more than
4 happen to answer any questions that you might have at this
5 time.

6 MS. DELISI: Members, we have several people
7 signed up to speak. Before I call them, do you have any
8 questions of John?

9 MR. HOLMES: Just one quick question. John,
10 this focuses on E, but in point of fact, there's a little
11 piece of G that is involved in some of this work, the
12 mapping work, and then in some of the design and
13 construction work there's a piece of D as well, and so
14 that would be included in the CONSTRUCT authority.

15 MR. BARTON: That is correct. I appreciate you
16 pointing that out; I was negligent in mentioning that.
17 This is for the segment of the Grand Parkway from just
18 south of Interstate 10 northward to US 290 which does
19 include a small portion of Segment D that is in Harris
20 County, and that envisioned project would build the
21 connections from south of Interstate 10, over Interstate
22 10 and then northward to US 290 with connections to both
23 Interstate 10 and US 290.

24 MR. HOLMES: And there are two direct connects
25 now being built, but this would include the bridge over 10

1 and then some additional direct connects.

2 MR. BARTON: That is correct. At Interstate 10
3 and the Grand Parkway, yes, sir.

4 MR. HOUGHTON: How hard would it be to get a
5 map put up of the Grand Parkway?

6 MR. MEADOWS: Could you put the map up when
7 you're describing that, please?

8 MR. BARTON: I'm sorry. I don't know if a
9 laser pointer would work here on this particular screen,
10 but I can use the mouse over here perhaps.

11 MR. HOLMES: One of the interesting things is
12 that portions of at least seven segments are actually in
13 Harris County, and we tend to focus on E, F-1 and F-2, but
14 there are other pieces, I-2 which is built, D, a piece of
15 G and a little piece of H. And is there any part of A? I
16 mean, we really don't exactly know where A is likely to
17 be. Right?

18 MR. BARTON: That is correct.

19 MR. HOLMES: I think maybe there might be a
20 little piece of A.

21 MR. BARTON: There may be Commissioner Holmes.
22 I don't believe that under the current preliminary
23 analysis that there is. I think it's all in Galveston
24 County.

25 MR. HOLMES: It's all in Galveston County.

1 MR. HOUGHTON: We're talking about E?

2 MR. BARTON: Yes. The project that we were
3 just talking about, and I apologize for not bringing up
4 the map, as you see this gray area of Segment D that's
5 been built and that we've been talking about is just south
6 of Interstate 10. Of course the roadway now connects to
7 Interstate 10, and we have a project that is building two
8 direct connectors from I-10 to the portion of the Grand
9 Parkway that's already in place and open to traffic.

10 This construction for Segment E that I was
11 referring to is really a portion of Segment E and D, as
12 Commissioner Holmes rightly pointed out, and it would
13 start here just south of Interstate 10 and build an
14 overpass over Interstate 10 and then this route along
15 Segment E till its intersection with US 290 here in the
16 greater Cypress-Barker area. And there will be direct
17 connections with the Grand Parkway here with US 290 as
18 well as additional direct connections from the Grand
19 Parkway of Interstate 10 to Interstate 10. So the project
20 will start just south of Interstate 10 and move forward to
21 US 290 north.

22 MR. HOUGHTON: With the thought of moving then
23 on to F-1, F-2 and G.

24 MR. BARTON: Yes, sir. And the sections that
25 we've accepted primacy on from Harris County, again start

1 here at the Harris County line just south of Interstate
2 10, and then travel on E, F-1, F-2 and G to the Harris-
3 Montgomery county line.

4 MR. HOUGHTON: Where is the proposed new Exxon
5 world headquarters?

6 MR. BARTON: As I understand it, it is west of
7 Interstate 45 and north of the proposed Grand Parkway
8 alignment. It would be in this area here, generally. I
9 do not know specifically but it would be generally in that
10 quadrant.

11 MR. HOUGHTON: Thanks, John.

12 MS. DELISI: Thanks, John.

13 First I'd like to call up Senator Tommy
14 Williams.

15 SENATOR WILLIAMS: Good morning, commissioners.
16 Thank you for allowing me to come and visit with you
17 today. For the record, my name is Tommy Williams. I'm
18 the state senator from District 4, so Segments G, H, I-1
19 and I-2 all are within Senate District 4, and I'm also
20 chair of the Senate Transportation and Homeland Security
21 Committee.

22 As you know, the Grand Parkway project is an
23 important road project for the Houston region and for our
24 state, and having that loop that passes around Houston,
25 whether it's the third or fourth loop depending on where

1 you start counting them, is very important in that it will
2 help reduce congestion and facilitate economic development
3 in the Houston region.

4 As chairman of the Senate Transportation and
5 Homeland Security Committee, it's one of my very highest
6 priorities to see that the Grand Parkway is built, and
7 it's my intention to introduce legislation that will
8 permit TxDOT, if it so chooses, to enter into a public-
9 private partnership to construct the Grand Parkway. We're
10 working on drafts of that already and we've already begun
11 visiting with the members of the delegations that would be
12 affected to enlist their support.

13 I look forward to working with you as we move
14 this project forward. I'd be glad to try to answer any
15 questions if you have some for me.

16 MR. UNDERWOOD: Just wanted to thank you,
17 Chairman, for taking the time from your busy schedule with
18 all that you've got going coming up here, and I understand
19 how important it is to you, sir.

20 SENATOR WILLIAMS: Well, thank you, Mr.
21 Underwood. I appreciate that a lot. Thank you.

22 MR. HOLMES: Thank you.

23 MS. DELISI: Next I'd like to call up
24 Representative Bill Callegari.

25 MR. CALLEGARI: Thank you very much.

1 My name is Bill Callegari. I'm state representative from
2 District 132. I appreciate the opportunity to visit with
3 you and to talk about this Grand Parkway project.

4 Segment E from I-10 to 290 is entirely in my
5 district. It's extremely important, obviously, to my
6 district and to the entire Houston area, so I would really
7 like to encourage you to move forward as quickly a
8 possible on this project, not just that segment but the
9 entire Grand Parkway project because of its great
10 importance to the progress of the Houston area,
11 particularly the area that we've talked about, the
12 proposed project east of I-45.

13 I think it's urgent that we get moving as
14 quickly as possible, and I'd be extremely happy if you
15 were to tell us that it will go out for bids next month.
16 So whatever we can do to encourage and make that easier
17 for you, we'd like to do.

18 And I also want to echo Commissioner Holmes's
19 concern about the access to I-10. That's extremely
20 important to us. I'm on that highway quite a bit when I'm
21 in my area and it's getting to be quite a bottleneck, and
22 I think it's urgent that we get it started as soon as
23 possible.

24 So again, I encourage you to move forward with
25 the entire Grand Parkway project but particularly Segment

1 E is important to me and I think to all of us.

2 So thank you very much. I'd be happy to answer
3 any questions?

4 MS. DELISI: Any questions? Thanks,
5 Representative.

6 MR. CALLEGARI: Thank you very much.

7 MS. DELISI: Jeff Moseley.

8 JUDGE MOSELEY: Good morning, Madam Chair,
9 members. Thank you for this chance to just bring a few
10 remarks related to the Grand Parkway.

11 And may I also just say thank you for what you
12 do at TxDOT. We appreciate deeply your service to the
13 state, and the Greater Houston Partnership supports a
14 strong TxDOT, so we look forward to working with you in
15 this upcoming session.

16 The Grand Parkway is a strategic corridor, 180
17 miles as it will be finally completed, and the Houston
18 area is really depending heavily on this. You work with
19 the demographics and you know that Texas will double in
20 population over the next 30 years, from 25- to 50 million.
21 Our regional economy today is \$440 billion, I think the
22 state's economy is about \$1.2 trillion, and this corridor
23 will literally serve the economy of Texas as much as it
24 serves our region.

25 We're very, very optimistic about the future of

1 Texas and Houston, one of the reasons being that the port
2 is gearing up in 36 months to receive super cargo
3 container vessels as Panama opens its new lane that will
4 allow nonstop shipments of these vessels from ports of
5 call like Shanghai, and Pusan and Yokohama. So literally
6 the Port of Houston which serves today the second largest
7 city and region, San Antonio, and the third largest city
8 and region, Dallas, will literally be serving mid-
9 continental America between the Rocky Mountains and the
10 Ohio Valley.

11 And I'll end on this note, the port that
12 Chicago depends on is Seattle, and Houston is literally
13 half the distance plus you don't have to go through the
14 Rockies, so the calculus starts to work very well, plus
15 the rail is already in place. So Grand Parkway is a
16 strategic corridor that serves not only our region but the
17 state's economy, and as we'll appreciate when the Panama
18 Canal opens, it will serve the national economy.

19 Thank you so much for what you do and letting
20 me come to bring this statement.

21 MS. DELISI: Thanks, Judge.

22 George Purvis and Anthony Francis.

23 MR. PURVIS: Good morning, commissioners. It's
24 my pleasure to be here this morning representing the Katy
25 Area Chamber of Commerce, and we as a group have been long

1 time supporters of the Grand Parkway, especially Segment
2 E.

3 And we just want to voice our continued
4 support, and just acknowledge that in January of this year
5 the Katy area was identified by the Cadbury Report as the
6 number one fastest growing area in the country. And we
7 feel that Segment E is a vital component to continuing our
8 growth. We've been blessed with an outstanding school
9 district and with the plans for this corridor to develop
10 in the future, we feel that it's important to move forward
11 on this project as quick as possible.

12 And we just thank you for the opportunity to
13 speak with you this morning and voice our support for the
14 project. And I'd be remiss if I didn't thank you for the
15 direct connector project at I-10 and 99. When that's
16 done, it's going to help a lot because traffic is a
17 nightmare at that intersection.

18 Thank you.

19 MR. FRANCIS: Good morning, Madam Chair,
20 commissioners. I'm here on behalf of the Katy EDC I'm
21 representing the Executive Committee. And to echo Mr.
22 Purvis's thoughts on behalf of the Katy EDC, I want to
23 support as well as commend you guys for supporting us down
24 in the Katy area.

25 I feel a little bit kind of melancholy this

1 morning because I'm here with the Pearland delegation but
2 of course representing the Katy EDC and Mr. Lance LaCour.
3 So on behalf of Katy EDC, thank you very much for your
4 time.

5 MS. DELISI: Thank you.

6 Mary Evans.

7 MS. EVANS: Good morning, Chair Delisi and
8 members of the commission. My name is Mary Evans and I'm
9 the president of the Cy-Fair Houston Chamber of Commerce.

10 The expansion improvements to US 290 Hempstead
11 corridor and the construction of Segment E of the Grand
12 Parkway are two cornerstone components in the solution to
13 the severe mobility problems facing the residents and
14 businesses in the Cy-Fair area.

15 Cy-Fair Houston Chamber of Commerce was
16 supportive of the waiver of primacy by Harris County over
17 the Grand Parkway segments within its boundaries and was
18 supportive of enabling the Texas Department of
19 Transportation to begin construction of Segment E of the
20 Grand Parkway as soon as possible. Key to this
21 construction is the allocation of funds to Segment E.

22 On behalf of the businesses and on behalf of
23 the 600,000-plus residents and the Cy-Fair Houston Chamber
24 of Commerce respectfully request and strongly urge you to
25 preserve the allocation of these funds for the

1 construction of Segment E on the Grand Parkway.

2 We work with Delvin Dennis in the Houston
3 office, the staff is great. We appreciate all that you
4 do. And Commissioner Holmes, thank you for all that you
5 do to help us as well. Thank you.

6 MS. DELISI: Roger Hurd.

7 MR. HURD: (Speaking from audience.) I yield
8 my time to Ted Nelson.

9 MS. DELISI: Okay. Well, Ted Nelson, come on
10 down.

11 MR. NELSON: Madam Chair, members of the
12 commission, Director Saenz. My name is Ted Nelson. I
13 work for Newland Communities and I am here today
14 representing the West Houston Association and speaking
15 about the Grand Parkway. On behalf of the association, I
16 urge the commission to authorize the Harris County
17 portions of the Grand Parkway for immediate design and
18 construction authority.

19 I want to really take a quick stroll down
20 memory lane because this roadway didn't just come on the
21 radar. 180 miles placed on the map in 1968, I believe was
22 the first time that roadway got there. Segment D, 59
23 South to I-10 West, was the first segment that was
24 partially completed and that was in 1994. The City of
25 Houston's planning department indicated the need for the

1 roadway as being in the '90s and beyond, so we barely made
2 getting the first segment done then. The usage of that
3 roadway which connects the spokes of the wheel has proven
4 to be extremely important in the overall mobility of the
5 Greater Houston area.

6 And I recount this timeline to demonstrate the
7 long-term place of the parkway in the planning and
8 transportation and mobility projects in the Greater
9 Houston region. It was and is planned as an integral part
10 of the region's mobility system and now is the time for it
11 to move forward. We believe it will be a huge asset for
12 the region's mobility, and as a tolled facility it will
13 greatly benefit the Texas Department of Transportation.

14 Based on the preliminary census numbers from
15 the 2010 Census, the Greater Houston region grew by more
16 than 110,000 persons per year during the decade from 2000
17 through 2009, and the Grand Parkway will significantly
18 address the mobility needs of the Houston region well into
19 the future as we continue to grow from 6 million to more
20 than 10 million people.

21 Now, there's been much street talk about the
22 role that a possible ExxonMobil facility may have on this
23 project. This facility may or may not come to fruition.
24 We actually hope that it does very much. But it certainly
25 was not the driving force behind the City of Houston's

1 planning department when they put that roadway on the map
2 in 1968. I would like to suggest it was foresight and
3 vision that were the driving forces for the parkway in
4 1968. And it is not what has driven those of us who for
5 decades have believed that the region's economic vitality
6 and quality of life are always enhanced with the execution
7 of well planned mobility projects.

8 Thank you.

9 MS. DELISI: Thank you very much. That
10 concludes all of our speakers. No one else has signed up.
11 Correct? Okay.

12 John.

13 MR. BARTON: Again, staff would recommend your
14 approval of the minute order.

15 MS. DELISI: Questions for John?

16 MR. HOUGHTON: I just want to make a comment.
17 The first comment the Chair leaned over to me and just
18 said, I wasn't born in 1968.

19 MS. DELISI: The road is older than I am. That
20 makes me feel good.

21 (General laughter.)

22 MR. HOUGHTON: The second comment, I want to
23 congratulate and recognize the guy that has worked on this
24 with focused tenacity is Commissioner Holmes.
25 Congratulations in advance.

1 MR. HOLMES: Commissioner Houghton has worked
2 on it very hard for a long time, and I move approval.

3 MR. HOUGHTON: Second.

4 MS. DELISI: All in favor?

5 (A chorus of ayes.)

6 MS. DELISI: The motion passes.

7 Congratulations, Commissioner.

8 Before we move on to the agenda, members, I
9 notice Representative Armando Martinez is in the room.
10 I'd like to ask him to come up. He's one of our newest
11 members of the House Transportation Committee. I'd like
12 to invite him to the podium

13 MR. MARTINEZ: Good morning, Madam Chair and
14 members. It really is an honor to be here. My name
15 Armando Martinez. I'm state representative from District
16 39. And I was not born in '68 either, so don't let the
17 bald head fool you. I was actually born in '76.

18 (General laughter.)

19 MR. MARTINEZ: But it is a great honor to be
20 here with you. I've been trying to get on Transportation
21 for the past three sessions and I guess the fourth one is
22 the best because now I do sit on Transportation.

23 I mainly wanted to come up here just to
24 congratulate you all on the hard work that you all do
25 every day for the State of Texas and improving the roads

1 for Texas, especially Amadeo. Amadeo has been a great
2 friend and a leader.

3 And I just want to let you know that I am there
4 to work with you. If there's anything I can do from my
5 position to assist TxDOT, I am surely there for you, and I
6 mean that with all sincerity.

7 So with that I just want to say thank you, may
8 God bless you and may God bless Texas.

9 MS. DELISI: Thank you for coming by. We
10 really appreciate it. And we'll be seeing you in your
11 hearing room once a week, every week.

12 MR. SAENZ: Every Wednesday morning.

13 MS. DELISI: All right. Amadeo, I'm going to
14 turn it back over to you.

15 MR. SAENZ: Thank you, Madam Chair. We're
16 going to go back to the agenda and the next item on the
17 agenda, number 3, is a discussion item that I have asked
18 John Barton to lead.

19 If you recall, last month we had a report from
20 the Restructure Council on an implementation plan and you
21 directed me to look into options of how we could get this
22 thing started. Of course, we've moved forward with one of
23 the first recommendations that we were moving forward is
24 to getting our chief information officer and our chief
25 administrative officer. I have completed the interviews.

1 We're still crossing a couple of t's and dotting a couple
2 of i's with respect to reference checks and other
3 requirements that we have to bring them onboard, but I
4 hope to be able to have those two people onboard in the
5 next two weeks. This will get our leadership team in
6 place.

7 The next thing is it is very important as we
8 move forward to make the changes in the department, to get
9 the department to change is to make sure that we have good
10 leadership in that area, and of course, that leadership
11 should be from the top, and in coordinating with Chair
12 Delisi, I have recommended and would like to have John
13 Barton, the chief engineer, kind of be our change leader.

14 And we're going to find a title for John, we just haven't
15 figured it out yet.

16 So John and I have been working on several
17 fronts based on the direction we got last month, and I've
18 asked John to give us a status report of where we are with
19 respect to the restructuring of the department and the
20 change management of the department.

21 John, congratulations.

22 MR. BARTON: Thank you, Director Saenz. Again
23 for the record, my name is John Barton and I do have the
24 distinct privilege of serving the State of Texas now as
25 the change leader for the department if the commission so

1 chooses to give me that privilege.

2 I am honored to have been chosen by the
3 commission and Director Saenz for this very important
4 role, and I realize how important it is to the success of
5 the Department of Transportation as well as the entire
6 transportation industry here in Texas that we successfully
7 go through this revitalization initiative to modernize our
8 agency.

9 I also want to express a deep appreciation for
10 the support that our employees have shown throughout this
11 process and for this initiative. That support has been
12 recognized and shared with you by the Restructure Council,
13 as well as Grant Thornton, when they've made their reports
14 to the commission. And we all know that our employees are
15 our most valuable asset and I certainly commend them for
16 their commitment to excellence and for their commitment to
17 the success of this organization and of this effort.

18 Amadeo asked me to briefly update you where
19 we've been heading in response to the recommendations of
20 the Restructure Council that they provided to you during
21 last month's commission meetings, and we did take action
22 to begin moving forward immediately.

23 In this current date we're in the process of
24 procuring an outside change management expert or experts
25 to assist us in this process. They'll assist this

1 leadership group that we'll put together as well as the
2 staff from across the department and others outside the
3 agency in the development and implementation of the
4 recommendations that you choose to move forward with.

5 We also will be identifying a change leadership
6 team, as Mr. Saenz noted, that will consist of key TxDOT
7 management employees from across the agency and all
8 business sectors to assist us in leading this initiative.
9 We will be providing training on leading organizational
10 change to all of the members of the department's senior
11 management. That's all of our regional directors,
12 district engineers, office directors and executive
13 management, as well as to our employees across the state
14 in the future on how to manage change so that our senior
15 management team leaders can be in leadership positions for
16 this change initiative.

17 And we will be developing a formal
18 implementation strategy, as was recommended by the
19 Restructure Council, that will enumerate the priorities of
20 our efforts, the timelines for accomplishing them, the
21 milestones that we will try to achieve, and the
22 performance measures that we will utilize to help us
23 monitor our progress.

24 We will also work to establish a reliable
25 method of two-way communication between all the parties

1 involved in this, our employees and others that are
2 working on it, and continuing working on the ongoing
3 implementation of the Restructure Council's
4 recommendations that can be implemented in the short term
5 as this plan evolves.

6 Directly, Mr. Saenz has already mentioned it,
7 but he has moved forward with the process of hiring a new
8 chief administrative and human resources officer as well
9 as a new chief information officer, and these new
10 leadership members are important to help us organize our
11 agency to be better aligned to accomplish the mission that
12 we have as a state agency.

13 And as we move forward with this process and
14 initiative, we will, of course, remain committed to
15 reporting our progress to the commission, to our employees
16 and to our public to allow them to understand where we are
17 in our implementation process and the progress that we are
18 making.

19 I am very confident that this effort to
20 modernize our agency will be successful. I will commit to
21 you and to Director Saenz that I will do my dead-level
22 best and give all that I have to make this a successful
23 process. We will always encourage creativity and
24 innovation by all of our employees and people working on
25 this effort with us, including our outside change

1 management experts that we bring onboard to assist us in
2 this process.

3 And as you have noted over and over again, the
4 transportation challenges facing our state and this agency
5 continue to grow and by embracing this initiative that you
6 have embarked us on with an open mind and by involving all
7 the parties involved, including our employees from across
8 the department, our partners in the planning and
9 transportation delivery process and this consultant
10 management or management teams that we will bring in to
11 help us, I'm confident that we'll respond in a way that
12 will allow us to be best positioned to be successful for
13 the benefit of all of Texas.

14 So again, thank you for this honor and
15 privilege. Again, I will do my best to ensure that I
16 won't let you down. And I will be happy to answer any
17 questions that you might have.

18 MR. UNDERWOOD: John, congratulations. I hope
19 you don't feel like the football player when the coach
20 turned to him and said, The bus leaves at four o'clock, be
21 under it. But anyway, congratulations to you, sir.

22 MR. BARTON: Thank you, sir. And I'll be sure
23 to get on the bus and not under it when that time comes.

24 (General laughter.)

25 MS. DELISI: Thanks, John.

1 MR. SAENZ: Thank you, John, and appreciate you
2 accepting and volunteering.

3 Agenda item number 4 deals with Aviation, and
4 Dave Fulton will present a minute order with respect to
5 the awarding of federal and state grants for our Aviation
6 Improvement Program. Dave.

7 MR. FULTON: Thank you, Amadeo.

8 Good morning. For the record, my name is Dave
9 Fulton, director of the TxDOT Aviation Division.

10 This minute order contains a request for grant
11 funding approval for seven airport improvement projects.
12 The total estimated cost of all requests, as shown in
13 Exhibit A, is approximately \$1.1 million: approximately
14 \$300,000 in federal funds, \$600,000 in state funds, and
15 approximately \$200,000 in local funding.

16 A public hearing was held on January 20 of this
17 year. No comments were received. We would recommend
18 approval of this minute order.

19 MS. DELISI: Is there a motion?

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 MR. SAENZ: Thank you, Dave.

1 Agenda item number 5 deals with public
2 transportation and Eric Gleason will present several
3 minute orders dealing with our Public Transportation
4 Program. So Eric, if you can kind of just take them all
5 in order and we'll run through all of them.

6 MR. GLEASON: So you want me to just go through
7 all of them?

8 MR. SAENZ: No. Just go through each item and
9 we'll do the vote. I won't interrupt you between items.

10 MR. GLEASON: Okay. Good morning. For the
11 record, my name is Eric Gleason, TxDOT director of Public
12 Transportation.

13 Agenda item 5.a awards approximately \$3,700,000
14 in federal funds under the Federal Transit Administration
15 Elderly Individuals and Individuals with Disabilities
16 Program, otherwise known as Section 5310, and
17 approximately 354,000 transportation development credits
18 for various public transportation capital projects. The
19 amounts in this minute order are consistent with the
20 published FTA apportionments based on available funds
21 under the current continuing appropriation resolution.

22 The formula for allocating Section 5310 funds
23 is established in Title 43 of the Texas Administrative
24 Code, Section 31.31. Following a reduction for state
25 administrative expenses, the remaining balance plus

1 unobligated funds from previous projects is allocated to
2 all 25 TxDOT districts for the selection of projects.

3 Transportation development credits have been
4 requested by various transportation agencies to match
5 federal funds for eligible capital projects, including
6 fleet, information technology, preventative maintenance,
7 purchase of service and equipment. Use of transportation
8 development credits for these purposes supports the
9 department's goals as currently defined in the Texas
10 Administrative Code.

11 The department is responsible for public
12 involvement and completion of a transit planning process
13 to establish a network of transit services for elderly
14 individuals and individuals with disabilities in their
15 respective areas. Projects are selected based on need for
16 service, available funding, cooperation and coordination
17 with area stakeholders. Projects recommended for funding
18 are listed in Exhibit A.

19 Last year services funded by this program
20 carried over 1.5 million riders and traveled almost 7
21 million miles.

22 Staff recommends your approval of this minute
23 order.

24 MS. DELISI: Is there a motion?

25 MR. UNDERWOOD: 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. GLEASON: Agenda item 5.b awards
6 approximately \$12.9 million of available and an estimated
7 anticipated total of approximately \$20.1 million in
8 federal funds under FTA Section 5311 Non-Urbanized Program
9 to rural transit districts for rural public transportation
10 purposes.

11 The amount available at this time for award
12 reflects FTA apportionments for Fiscal Year 2011 funds
13 consistent with the continuing appropriation resolution
14 passed by Congress, minus a required 15 percent set-aside
15 for Intercity Bus Program needs plus the remaining balance
16 of previous fiscal year Section 5311 federal
17 apportionments. The formula for allocating Section 5311
18 funds is established in the Texas Administrative Code.

19 There are 38 rural transit districts in Texas
20 operating a fleet of almost 1,300 vehicles. Last fiscal
21 year these systems carried more than 5 million riders and
22 operated over 28 million revenue miles of service.

23 The services these transit districts provide
24 are in many cases critically needed mobility options for
25 transit-dependent individuals in the rural areas of the

1 state. They provide access to jobs, healthcare,
2 education, shopping, recreation and social opportunities
3 for persons who have no other means of travel available to
4 them. Additionally, as Texas continues to grow in
5 population and employment, rural transit districts are
6 diversifying their service investments to attract
7 commuters, helping to relieve congestion and improve air
8 quality in congested areas of the state.

9 Staff recommends approval of this minute order.

10 MS. DELISI: Is there a motion?

11 MR. HOUGHTON: So moved.

12 MR. HOLMES: Second.

13 MS. DELISI: All in favor?

14 (A chorus of ayes.)

15 MS. DELISI: The motion passes.

16 MR. GLEASON: Agenda item 5.c awards
17 approximately \$204,000 of Federal Transit Administration
18 funds from various federal programs for regional public
19 transportation coordination planning activities, changing
20 the recipient from a previous award and providing funding
21 to a previously unfunded region of the state.

22 Regionally coordinated public transportation
23 planning is a requirement under state statute as well as
24 for several federal transit programs. The department has
25 supported the effort for the past five years.

1 In August of 2010, the commission awarded funds
2 to 22 regional lead agencies for work through Fiscal Year
3 2011. Since that time, transportation planning
4 stakeholders in the West Central Texas regional planning
5 area have notified the department that they wish to change
6 their lead agency designation from the West Central Texas
7 Council of Governments to the Central Texas Rural Transit
8 District.

9 Additionally, transportation stakeholders in
10 the Coastal Bend regional planning area have requested
11 that the Transportation Coordination Network become the
12 lead agency for the region with Jim Wells County acting as
13 the fiscal agent for the effort.

14 Staff recommends approval of this minute order.

15 MR. HOLMES: So moved.

16 MS. DELISI: Is there a second?

17 MR. UNDERWOOD: Second.

18 MS. DELISI: All in favor?

19 (A chorus of ayes.)

20 MS. DELISI: The motion passes.

21 MR. GLEASON: Agenda item 5.d revises previous
22 Federal Transit Administration Non-Urban or Rural Area
23 Program ARRA award amounts and purpose for selected sub-
24 recipients. There is no net change in total funding
25 award.

1 The department continues to make adjustments
2 with the rural ARRA program as some projects are completed
3 with remaining balances and as other projects become
4 clearer with respect to anticipated costs and purposes.
5 In this instance, completed project residual balances from
6 one agency are being reallocated to another agency to
7 construct an operating facility, and two agencies are
8 adjusting previous award amounts among different
9 expenditure categories.

10 Texas continues to expend its rural transit
11 ARRA funds at a greater rate than the transit industry as
12 a whole. As of yesterday, we have spent approximately 76
13 percent of our funds, whereas nationally the overall
14 expenditure rate for ARRA program transit funds is
15 approximately 56 percent.

16 Staff recommends approval of this minute order.

17 MS. DELISI: Is there a motion?

18 MR. HOLMES: So moved.

19 MR. HOUGHTON: Second.

20 MS. DELISI: All in favor?

21 (A chorus of ayes.)

22 MS. DELISI: The motion passes.

23 MR. GLEASON: Thank you.

24 MR. SAENZ: Thank you, Eric.

25 Moving on to agenda item number 6,

1 commissioners, deals with the promulgation of
2 administrative rules. Agenda item 6.a deals with final
3 adoptions and under 6.a(1) Bill Glavin will present some
4 rules for final adoption dealing with Rail Facilities.

5 MR. GLAVIN: Good morning, commissioners,
6 Amadeo. For the record, my name is Bill Glavin. I'm the
7 director of the Rail Division for the Texas Department of
8 Transportation.

9 Due to the department's increasing
10 responsibilities in rail transportation in Texas, the
11 department created the Rail Division effective December 2,
12 2009. Therefore, the department is amending its rules
13 relating to rail facilities and to correct statutory
14 citations, to make non-substantive changes, and to reflect
15 changes in federal regulations cited in the rules,
16 however, there are several substantive changes relating to
17 the contracting of rail operators and the leasing of rail
18 facilities.

19 The minute order proposes the repeal of Section
20 7.1 and Section 7.13, adopting a new Section 7.13 and
21 making amendments to Sections 7.10 through 7.12, Section
22 7.20 through Section 7.22, Section 7.30 through Section
23 7.42, all relating to rail facilities as codified under
24 Chapter 7, Rail Facilities in Title 43 of the Texas
25 Administrative Code, Part 1.

1 In regard to the contracting with rail
2 operators and leases, Section 7.13, Leasing of Rail
3 Facilities is repealed and replaced with a new Section
4 7.13. This revised section provides that the department
5 may contract with the public or private entity to operate
6 or lease a rail facility acquired or constructed by the
7 department. The new section retains most of the existing
8 language but clarifies that the department will use a
9 competitive process for both contracts with rail operators
10 and for leases.

11 It also adds provisions that exempt the
12 department from the competitive process requirements for
13 certain types of contracts such as when engaging in a
14 competitive process with a rail operator for a period of
15 less than 90 days would hinder unduly the department's
16 ability to hire operators for short periods of time.
17 Transportation Code Section 91.051, 91.052 and 91.0102
18 already exempt the department from the competitive bidding
19 requirements when contracting with public entities.

20 Finally, when the department devotes all rail
21 resources in a region for narrow purposes, for example,
22 the purpose of economic development or safety, it may use
23 its resources to develop the segment and lease it to an
24 adjacent railroad without competition.

25 The first reading of these rules was at the

1 November 18, 2010 commission meeting where the commission
2 authorized publication of the proposed rules for adoption
3 in the Texas Register for the purpose of receiving public
4 comment. These rules were published in the Texas Register
5 on December 3, 2010. No comments were received during the
6 30-day comment period. If approved today, the rules will
7 become effective on April 1, 2011.

8 This minute order is presented for your
9 consideration, and staff recommends approval.

10 MR. HOUGHTON: So moved.

11 MR. UNDERWOOD: Second.

12 MS. DELISI: All in favor?

13 (A chorus of ayes.)

14 MS. DELISI: The motion passes.

15 MR. SAENZ: Thank you, Bill.

16 Agenda item number 6.a(2) deals with Chapter
17 15, Financing and Construction of Transportation Projects,
18 and David Casteel was supposed to present. Where is
19 David? We will go ahead and set that aside for right now.

20 Let's move on to agenda item 6.b which deals
21 with proposed adoption of rules, and Rick Collins will
22 present some proposed rules dealing with the department's
23 advisory committees and the establishment of a new
24 advisory committee.

25 MR. COLLINS: Good morning. For the record, my

1 name is Rick Collins. I'm director of TxDOT's Research
2 and Technology Implementation Office.

3 The minute order proposes amendments to the
4 rules in the Texas Administrative Code concerning
5 department advisory committees. The proposed rule creates
6 a Strategic Research Program Advisory Committee that will
7 give advice and recommendations to the department on the
8 selection of strategic research topics as well as the
9 selection of entities to carry out that research, and
10 staff recommends your approval.

11 MS. DELISI: Are there any questions?

12 MR. HOUGHTON: So moved.

13 MR. UNDERWOOD: Second.

14 MS. DELISI: All in favor?

15 (A chorus of ayes.)

16 MS. DELISI: The motion passes.

17 MR. SAENZ: Thank you, Rick.

18 Commissioners, I'm going to go back to agenda
19 item 6.a(2) which is final adoption, and I will go ahead
20 and present that on behalf of David.

21 If you recall, we proposed rules that would
22 allow us to enter into contracts for some maintenance
23 functions with communities, with public entities, cities,
24 et cetera. We have gone through the process, have not
25 received any comments, and are now ready to finalize the

1 rules that would allow us to enter into contracts with
2 cities that would allow them to perform maintenance
3 functions such as sweeping and mowing.

4 Staff would recommend approval of this minute
5 order.

6 Anything else you want to add, John?

7 MR. BARTON: Just one thing. For the record,
8 John Barton.

9 Amadeo did a great job

10 (General laughter.)

11 MR. SAENZ: Staff recommends approval of this
12 minute order.

13 MR. HOUGHTON: So moved.

14 MR. UNDERWOOD: Second.

15 MS. DELISI: All in favor?

16 (A chorus of ayes.)

17 MS. DELISI: The motion passes.

18 MR. SAENZ: Commissioners, this is a small
19 change in our operation but allows us to really expand on
20 the partnerships that we can, and where communities want
21 to do maintenance work above and beyond, it allows us to
22 combine forces, so this is a great minute order.

23 Commission, moving on to agenda item number 8
24 dealing with Transportation Planning, and Jim Randall will
25 present a minute order dealing with the appointment of two

1 members to the Port Authority Advisory Committee.

2 MR. RANDALL: Thank you, Amadeo. Jim Randall
3 with the Planning and Programming Division.

4 Item 8.a, like you said, this minute order
5 appoints two members to the commission's Port Authority
6 Advisory Committee. The seven-member committee provides a
7 forum for the exchange of information between the Texas
8 Transportation Commission, the department and committee
9 members representing the Texas port industry and others
10 who have interests in Texas' water ports.

11 The two members need to be appointed to fill
12 two of the Lower Coast positions. The following
13 individuals are recommended to serve for three-year terms
14 expiring on February 28, 2014: Eduardo A. Campirano from
15 the Port of Brownsville, and Tony Rigdon from the Port of
16 Victoria.

17 Staff recommends your approval of these
18 appointments.

19 MR. HOUGHTON: So moved.

20 MR. UNDERWOOD: Second.

21 MS. DELISI: All in favor?

22 (A chorus of ayes.)

23 MS. DELISI: The motion passes.

24 MR. SAENZ: Jim will also present agenda item
25 8.b, commissioners, that deals with the approval of the

1 Fiscal Year 2010 Annual Report on the Economically
2 Disadvantaged Counties Program.

3 MR. RANDALL: Transportation Code Section
4 222.053 requires the commission to report annually on the
5 Economically Disadvantaged Counties Program to the
6 governor, lieutenant governor and speaker of the House of
7 Representatives. The annual report documents the use of
8 matching funds and local incentives, as well as savings
9 granted to counties participating in the program.

10 During Fiscal Year 2010, participating counties
11 were granted over \$2.4 million and relieved from local
12 match requirements. Since the program's inception in
13 1998, the department has granted adjustments to over 700
14 projects totaling approximately \$50 million.

15 Staff recommends approval of the Fiscal Year
16 2010 Annual Report, as shown in Exhibit A, and upon your
17 approval the report will be presented to the governor, the
18 lieutenant governor and the speaker of the House of
19 Representatives.

20 MR. HOUGHTON: 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, Jim. Good job.

1 Agenda item 8.c, Brian Ragland will present a
2 minute order dealing with a request for concurrence with
3 the Regional Transportation Council's projects dealing
4 with State Highway 121 project.

5 MR. RAGLAND: Thank you, Amadeo.

6 For the record, Brian Ragland, director of the
7 Finance Division.

8 This minute order is your concurrence of the
9 updated work program of projects funded by the State
10 Highway 121 sub-account and as selected by the Regional
11 Transportation Council. Approximately \$66.5 million in
12 new projects are added to the work program. These
13 projects are funded by cost savings on previously approved
14 projects as well as additional interest earnings. The new
15 projects are detailed in Exhibit A attached to the minute
16 order. The total work program is financially constrained
17 by the NTTA deposit plus the interest earned.

18 Staff recommends your approval.

19 MS. DELISI: Is there a motion?

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.

1 Agenda item number 9, commissioners, deals with
2 Toll Roads. 9.a, Mark Tomlinson will present a minute
3 order that establishes new toll rates for State Highway
4 130 Segments 1 through 4, and the 45 Southeast project
5 here in Central Texas.

6 MR. TOMLINSON: Good morning, commissioners,
7 Mr. Saenz. My name is Mark Tomlinson, director of the
8 Turnpike Authority Division of TxDOT.

9 As Mr. Saenz noted, this minute order does
10 establish new toll rate tables on State Highway 30
11 Segments 1 through 4 and State Highway 45 Southeast based
12 on 2010 Central Texas Turnpike System traffic and revenue
13 forecast report. The 2010 revenue update used for the
14 remarketing of the first tier revenue refunding put bonds
15 considered in the January 5, 2011 special commission
16 meeting incorporated this 25 percent toll discount for
17 trucks.

18 The updated T&R resulted in an overall increase
19 in revenue, slight increase in revenue, and demonstrated
20 roughly a 33 percent increase in truck traffic on these
21 roadways that are an alternate to Interstate 35 through
22 Austin.

23 If approved today, the new rates will become
24 effective on March 1, 2011, and I'd like to emphasize that
25 this does not end our efforts to bring more trucks to the

1 toll system. We continue meeting with the trucking
2 industry and individual trucking companies to ask for
3 their input about other incentives, other changes in the
4 way we manage toll roads that might bring future further
5 truck traffic to our toll system.

6 I'll be happy to answer any questions that I
7 can, and staff would recommend your approval of the minute
8 order.

9 MS. DELISI: Are there any questions?

10 MR. HOLMES: Mark, I assume the trucks that
11 would be adding to 130 would be basically coming off of
12 I-35.

13 MR. TOMLINSON: We believe that, yes, sir.

14 MR. HOLMES: That would be the primary source
15 which would be a good thing on both counts.

16 MR. TOMLINSON: Yes, sir, it is.

17 MR. MEADOWS: Mark, I know very specifically
18 that we have researched this subject and feel confident
19 that, in fact, this will result in additional truck
20 traffic shifting to this roadway. Is that correct?

21 MR. TOMLINSON: That is correct.

22 MR. MEADOWS: And you actually have quantified
23 that and we know what that is, you've just expressed that.
24 I think it's just important to note that our research
25 would indicate, in fact, that that is the case.

1 MR. TOMLINSON: You're correct, that is the
2 case.

3 MR. MEADOWS: And we'll be in a position to
4 monitor this pretty closely over the next several months
5 just to see if, in fact, that really is the reality and
6 then be able to respond accordingly. Because we do have a
7 goal of making sure that this facility parallel to
8 Interstate 35 does function as it was intended to which is
9 basically a traffic reliever.

10 And at the same time as we're looking at this,
11 I think it's just important to note that we're looking at
12 other incentives. That's correct, is it not?

13 MR. TOMLINSON: Yes, sir.

14 MR. MEADOWS: I think it's important to get on
15 the record.

16 I think it's also important to recognize that
17 you and this agency are very actively involved in
18 developing a marketing strategy that would again result in
19 us being able to meet the goal which is to shift more
20 traffic to that facility. And I don't know what the
21 status of that is, I hadn't heard anything about it in
22 several months, but I'm sure I'll hear something about it
23 soon. Would that be correct?

24 MR. TOMLINSON: It would be correct. We're
25 working with GPA now. Yes, sir.

1 MR. MEADOWS: Thank you.

2 MR. HOLMES: Mark, on an associated issue, when
3 is the projected completion of 130-5 and 6?

4 MR. TOMLINSON: The last I've heard, the
5 November 2012 time frame, could be a little sooner but
6 that is what their schedule indicates now, November 2012.

7 MR. HOLMES: Because that clearly will heavily
8 impact it, or at least that's the expectation.

9 MR. TOMLINSON: Certainly so.

10 MS. DELISI: If there are no other questions,
11 is there a motion?

12 MR. HOUGHTON: So moved.

13 MR. MEADOWS: Second.

14 MS. DELISI: All in favor?

15 (A chorus of ayes.)

16 MS. DELISI: The motion passes.

17 MR. SAENZ: Thank you, Mark. Good job.

18 Agenda item number 9.b deals with establishing
19 a policy on the sharing of revenue from toll projects.
20 James Bass had a discussion item yesterday and will
21 present the minute order today.

22 MR. BASS: Good morning. For the record, I'm
23 James Bass, chief financial officer at TxDOT.

24 As Mr. Saenz said, agenda item 9.b is a
25 followup to our discussion item yesterday, and it would

1 establish a policy for the department to either share in
2 the revenue of a toll project or to receive repayment in a
3 toll project of a public entity when the department
4 provides financial assistance from certain statewide
5 funding categories for that toll project.

6 I'd be happy to answer any additional questions
7 you may have from yesterday, and if there are none, we
8 would recommend approval.

9 MS. DELISI: Are there any questions?

10 MR. HOUGHTON: So moved.

11 MS. DELISI: How about a second? Is there a
12 second?

13 MR. UNDERWOOD: Second.

14 MS. DELISI: All in favor?

15 (A chorus of ayes.)

16 MS. DELISI: The motion passes.

17 MR. MEADOWS: Mark me as opposed.

18 MS. DELISI: I'm sorry. What?

19 MR. MEADOWS: I'm against. Thank you.

20 MS. DELISI: Okay. There being four ayes and
21 one nay, the motion passes.

22 MR. SAENZ: Thank you, James.

23 James now will move on to agenda item number
24 10. James Bass will present a minute order dealing with
25 the State Infrastructure Bank.

1 MR. BASS: Currently in the State
2 Infrastructure Bank we have pending loan applications that
3 exceed the current available cash balance in the State
4 Infrastructure Bank. This minute order would direct the
5 department to deposit an additional \$60 million into the
6 State Infrastructure Bank. I'd be happy to answer any
7 questions you might have.

8 MS. DELISI: Is there a motion?

9 MR. HOUGHTON: So moved.

10 MR. MEADOWS: Second.

11 MS. DELISI: All in favor?

12 (A chorus of ayes.)

13 MS. DELISI: The motion passes.

14 MR. SAENZ: Agenda item 10.b, commissioners,
15 deals with the North East Texas Regional Mobility
16 Authority, and Brian Ragland will present agenda item
17 number 10.b and he will also present agenda item number 11
18 because those are related.

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

21 This minute order revises the loan terms on the
22 SIB loan that you approved in October to the North East
23 Texas RMA in the amount of up to \$39.2 million. The
24 attorney general has some concerns with the previously
25 negotiated eight-year term because it relies on the RMA's

1 ability to refinance at that time rather than pay in full.
2 Therefore, the new loan terms call for the same 4.18
3 percent rate for the first eight years and then it's
4 indeed plus 200 basis points for the next 20 years
5 thereafter.

6 This minute also grants the required approval
7 to connect the project to the state highway system.

8 And staff recommends your approval.

9 MR. HOUGHTON: So moved.

10 MS. DELISI: Is there a second?

11 MR. MEADOWS: Second.

12 MS. DELISI: All in favor?

13 (A chorus of ayes.)

14 MS. DELISI: The motion passes.

15 MR. RAGLAND: Number 11 is a related minute
16 order which revises the loan terms on the financial
17 assistance you approved in November to the North East
18 Texas RMA in the amount of up to \$90 million. The reason
19 for these changes is the same in the previous minute order
20 in that the AG has concerns with reliance on the RMA's
21 ability to refinance. Therefore, as in the previous item,
22 the new loan terms call for the same 4.18 percent for the
23 first eight years and then indexing it plus 200 basis
24 points for the next 20 years.

25 And staff recommends your approval.

1 MS. DELISI: Is there a motion?

2 MR. HOUGHTON: So moved.

3 MS. DELISI: Second?

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, Brian.

9 Agenda item number 12, commissioners, deals
10 with our Proposition 12 Bond Program, and John Barton and
11 Randy Hopmann will present a status report on the bond
12 program.

13 MR. BARTON: Thank you, Director Saenz. Again
14 for the record, my name is John Barton.

15 Agenda item 12.a will allow Randy Hopmann to
16 provide a brief update and status report on the
17 department's efforts to implement the priority projects
18 you selected under the Proposition 12 Bond Program. So at
19 this time I'd like to turn it over to Randy and allow him
20 to make his presentation before we present the minute
21 order.

22 MR. HOPMANN: Thank you. For the record, my
23 name is Randy Hopmann. I'm the Tyler District engineer
24 and I've been asked to monitor and manage the overall Prop
25 12 project development program and process, and it's my

1 pleasure to be with you this morning to kind of tell you
2 where we are and what we've accomplished, and I'd like to
3 do that right now.

4 As you recall, in November of 2009 this
5 commission selected \$1.7 billion in construction projects
6 to be funded with the Proposition 12 Bond funds, and then
7 the LBB and the Bond Review Board actually approved \$1.6
8 billion at that time in construction funds for the Prop 12
9 Program within the \$2 billion umbrella. And of course,
10 also they approved \$150 million for Rider 56 which is
11 consultant engineering funds for the top 100 congested
12 roadways that we have in Texas, and then there's also the
13 Prop 12 funds for right of way and consulting engineering
14 as a part of the overall \$2 billion program.

15 And here's how it kind of splits out. There
16 were rehab projects, safety projects, mobility projects
17 and corridor projects, as you recall, and \$254 million of
18 Prop 12 is being used for rehab, \$16 million is being used
19 for safety projects, \$341 million is being used for
20 mobility projects, and then \$920 million is being used for
21 the corridor projects as you selected them in November of
22 2009.

23 Here is where we stand with the actual letting
24 of those projects. Thirty eight of the rehab projects
25 valued at \$210 million have been let to contract. There

1 are six remaining rehab projects valued at \$44 million
2 that we intend to take bids on in the coming months. One
3 hundred percent of the safety projects have been let.
4 There were ten projects and all those have gone to letting
5 already at \$16.8 million. And then on the mobility side
6 of things, two projects have gone to letting already
7 valued at \$47 million. There are three remaining mobility
8 projects that will go to letting in another month or two,
9 and that's valued at \$294 million. On the corridor side,
10 two projects have let for a total of \$265 million, and
11 five projects remain in the coming months valued at \$655
12 million.

13 Here is how we stand. The blue line that you
14 see there was the original letting schedule when we
15 started the program. You can kind of see how it kind of
16 escalated right off the bat and then it sort of flattened
17 out, and now we're beginning the escalation again as we
18 move into the spring letting months and the summer letting
19 months. Right now we have let \$539 million to date as of
20 the February letting, and we are \$106-, \$107 million under
21 what the LBB and the BRB authorized us to be at this time.

22 And here's how those underruns all add up. On
23 the rehab side we're about \$30 million under the LBB/BRB
24 estimate, and on mobility we're running about \$12 million
25 under the estimate, and on corridor projects we are \$65

1 million under the estimate, and on safety we came in a
2 little bit high, we're about \$800,000 over the estimate.
3 So overall, it's about \$107 million is where we are below
4 what we committed to with the BRB and the LBB.

5 Now here is kind of a pie chart. Let me
6 explain this; there's a lot of information on here. Let's
7 just sort of walk through it. If you'll look with me on
8 the right-hand side, the consultant engineering
9 authorization is \$144 million. That includes the \$112.5
10 million that the commission has authorized for Rider 56
11 plus consultant engineering numbers to develop the Prop 12
12 Program, so that all totals \$144 million. The right of
13 way authorization of \$285 million, that work is underway
14 and that was included a part of the original program and
15 we are considering that as obligated.

16 And as I said earlier, we have actually let to
17 date, through February letting, \$539 million, and then we
18 also have some preliminary engineering and construction
19 engineering expenses totaling \$98 million. The
20 preliminary engineering is the cost to develop all of the
21 projects included in the Prop 12 Program, and the
22 construction engineering portion of that \$98 million is to
23 administer and build the projects that have let to date.

24 The remaining part of that chart on the side,
25 the March letting we have about a \$6 million rehab project

1 planned for letting, April we pick up some mobility and
2 corridor projects, May is heavy on the mobility project
3 side, and June, July, August is a lot of the I-35 projects
4 all grouped in there.

5 So where we stand to date, as of today, we have
6 obligated just over \$1 billion of the Prop 12 Program as
7 of right now through the February letting which means that
8 through the March letting and through the remainder of
9 this fiscal year, there remains about a billion dollars of
10 obligation, so right now the entire program is valued at a
11 little over \$2 billion to wrap out the entire program.

12 Now, I do anticipate some continued underruns,
13 so we are definitely the beneficiaries of an economy that
14 is working in our favor as far as letting amounts, so I do
15 believe we will finish out the program under that \$2
16 billion figure.

17 And that's all my slides. I'd be happy to
18 entertain any questions you may have.

19 MS. DELISI: Are there any questions?

20 MR. HOUGHTON: The \$144 million in consultant
21 engineers costs and the PE/CE down at the bottom, is that
22 reflective of the \$1 billion or the \$2 billion?

23 MR. HOPMANN: The \$2 billion. That's the
24 entire program.

25 MR. HOUGHTON: That's the entire program.

1 MR. HOPMANN: That's the entire program where
2 consultant engineering expenses are anticipated. That is
3 the \$112.5 million that the commission has authorized for
4 Rider 56, and the remaining amount is monies to hire
5 consultants to do the planning and design work for the
6 Prop 12 selected projects.

7 MR. HOLMES: Randy, the \$106 million that we're
8 running under estimate, to what extent is that under the
9 estimate of the estimated construction cost versus just
10 slower than expected letting?

11 MR. HOPMANN: Our lettings on the Prop 12 have
12 been following the overall TxDOT lettings where the low
13 bids are coming in about 7 or 8 percent under the
14 engineer's estimate. The \$106 million that we're under is
15 actually relative to what the LBB and the BRB approved us
16 at.

17 MR. HOLMES: So it's all attributable to the
18 pace of letting. I see John shaking his head.

19 MR. BARTON: John Barton.

20 If I understood the question correctly,
21 Commissioner, you were asking how much of the \$106.8
22 million is attributable to underruns at the time we took
23 bids versus how much is attributable to the pace of paying
24 out on projects.

25 MR. HOLMES: Right, pace of paying out, or pace

1 of letting and then paying out.

2 MR. BARTON: And it's my understanding that
3 this number represents the difference between our low bids
4 that we received on the projects we've taken bids on to
5 date and the estimate of those projects when we took those
6 bids.

7 MR. HOPMANN: No. It's the difference between
8 the low bid versus what the LBB and the BRB approved us
9 at.

10 MR. BARTON: Is there a distinction between
11 what the LBB/BRB approved us for on specific bids and what
12 our actual estimate was?

13 MR. HOPMANN: Yes, because it's a moving
14 dynamic. As we are developing the projects, the engineers
15 are constantly adjusting their estimates to the latest bid
16 prices. So the LBB approved it at this amount, our
17 engineers are dropping their estimates because the unit
18 bid prices are lowering, and then we actually have low
19 bids that are coming in 7 to 8 percent below that amount.

20 MR. HOLMES: And the \$2.1 billion was an LBB
21 number or was that our engineering number?

22 MR. HOPMANN: That is the current estimate. It
23 is not the LBB number, it's our current engineering
24 estimates.

25 MR. HOUGHTON: What's the LBB number?

1 MR. HOPMANN: The LBB number, what they
2 approved overall was \$2 billion.

3 MR. HOLMES: And so if we're \$106- under and
4 we're, I don't know, halfway through or a little less, how
5 do we square that? I'm having a difficult time kind of
6 working that out. If the LBB approved \$2 billion, our
7 engineering estimate was \$2.1- but to date we're \$106-
8 below the LBB number.

9 MR. HOPMANN: We're anticipating some continued
10 underruns that are going to bring us in, the overall
11 program, below the \$2 billion fixed amount.

12 MR. HOUGHTON: Well, you're already \$106-
13 under.

14 MR. HOPMANN: Right. We anticipate more
15 underruns.

16 MR. HOLMES: So if we're authorized at \$2- ,
17 we're at \$2.1- but the \$2.1-, does that already take into
18 account the \$106- or not?

19 MR. HOPMANN: Yes, it does.

20 MR. HOLMES: Okay. Which means that we don't
21 take \$2.1- and subtract \$106- from it.

22 MR. HOPMANN: No. It's already been deducted.
23 We anticipate additional underruns to bring us below the
24 \$2 billion. That's correct.

25 MR. SAENZ: In total what will happen is as we

1 continue we will have some underruns. We'll get the
2 projects built that were selected and then we will have
3 enough money to go back and maybe select additional
4 projects to address some additional needs with Prop 12.

5 MR. HOPMANN: We could. The potential is
6 there. Yes, sir.

7 MR. HOLMES: Do we have any sense of what that
8 might be, or is this too early to make a guesstimate?

9 MR. HOPMANN: My guesstimate is that we're
10 going to finish the program with the current selected
11 projects under the \$2 billion cap.

12 MR. HOLMES: How much?

13 MR. HOUGHTON: He's not going to say.

14 MR. HOLMES: Come on, Randy, go for it.

15 MR. HOPMANN: It's difficult to say, but as
16 you're going to hear Mr. Lenz make a comment here in his
17 presentation that overall this past month lettings came in
18 about 8 percent under the engineer's estimate, and I think
19 that's going to continue for a while longer.

20 MR. HOUGHTON: Even with fuel prices moving up?

21 MR. HOPMANN: Yes, I understand that, but our
22 estimates still came in under this month. It's something
23 we're going to have to continue to monitor and manage. We
24 have a fixed amount and we've got to develop the program
25 and deliver the program within that capped amount.

1 MR. BARTON: I think one additional piece of
2 information to give the commission perhaps the best sense
3 of where we stand in our ability to control these dynamics
4 is that approximately \$100 million of the remaining amount
5 is for engineering work that is to advance projects, Rider
6 57 projects, as Randy referred to them. Those are the
7 projects that we were asked to identify to address
8 congestion on the top 100 roadway corridors and that sort
9 of thing.

10 We haven't signed contracts for that
11 engineering work, we won't sign contracts for that
12 engineering work until we see the completion of the
13 bidding process, and so out of that total of \$2.1- that
14 Randy has referred to, I believe it's approximately \$100
15 million for that engineering services that we haven't
16 committed to and we have the ability to pull back on if
17 needed to stay within the budget.

18 MR. HOLMES: I hate to torture this, John, but
19 if the \$2 billion included the rider that said how much
20 would be spent on engineering \$150-?

21 MR. BARTON: That was our program; the rider
22 did not require that.

23 MR. HOLMES: Okay.

24 MR. BARTON: And what we presented to the LBB
25 was a budget for construction projects that were valued at

1 a little less than \$2 billion at the time. The plan that
2 we've always had moving forward was that plan was put
3 together when prices were moving downward in a dynamic
4 fashion, so rather than selecting \$2 billion worth of
5 everything and having to come back to you later saying we
6 need to add \$250 million worth of work, we picked \$2.2
7 billion which included construction and engineering.
8 We've held back on the engineering to see what the
9 construction does, and so far they've been coming in
10 under.

11 MR. HOPMANN: I do agree with Mr. Barton, the
12 flexibility is there in that engineering number if it
13 needs to be used.

14 MR. HOUGHTON: I may have missed the
15 introduction here, Randy. Are you new to this? Where did
16 you come from? I mean, all of a sudden, out of the blue
17 you show up here.

18 MR. HOPMANN: As I said, I've been asked to
19 kind of oversee the Prop 12 Program, so that's what I'm
20 doing on behalf of the administration.

21 MR. SAENZ: Something that falls under other
22 duties as assigned by his supervisor.

23 MR. HOPMANN: That would be correct.

24 (General laughter.)

25 MR. SAENZ: We felt it was important that

1 someone manage the program to keep track of it.

2 MR. HOUGHTON: Are you managing from Tyler?

3 MR. HOPMANN: Yes, sir.

4 MR. HOUGHTON: Via the internet. Isn't it a
5 magical thing?

6 MR. HOPMANN: I spend a lot of time in Austin
7 too.

8 MR. SAENZ: Moving on, commissioners. Agenda
9 item number 12.b deals with a minute order approving some
10 revisions to the Prop 12 Program, and John Barton will
11 present that minute order.

12 MR. BARTON: Thank you, Director Saenz. For
13 the record, my name is John Barton.

14 The minute order that is before you would
15 authorize revisions to the limits of a previously
16 authorized project from the Proposition 12 Bond Program.
17 This is specifically the project on Interstate 610 and US
18 290 in the Houston District, and the commission approved
19 this project as one of the originally funded Proposition
20 12 Bond funded projects.

21 The minute order would revise the technical
22 CSJs assigned to the project. It doesn't change the
23 limits nor the amount of funding, it just allows us to
24 show the appropriate project control numbers within our
25 system and reflect those in the Houston-Galveston Area

1 Council of Governments transportation improvement plan so
2 that we can get federal approval to move forward with the
3 projects.

4 So I would recommend your approval of this
5 minute order and I would be more than happy to answer any
6 questions you might have.

7 MR. HOLMES: So moved.

8 MR. HOUGHTON: Second.

9 MS. DELISI: All in favor?

10 (A chorus of ayes.)

11 MS. DELISI: The motion passes.

12 MR. SAENZ: Thank you, John.

13 Moving on to agenda item 13, commissioners,
14 dealing with our Proposition 14 Bond Program, and John
15 Barton will present a minute order for a project in
16 Williamson County.

17 MR. BARTON: Yes, sir. Again, thank you,
18 Director Saenz.

19 This minute order would also revise the limits
20 of a project that was previously approved under the
21 Proposition 14 Bond Program. It's a project on State
22 Highway 195 in Williamson County. It is a corridor that
23 the commission selected for funding through the
24 Proposition 14 Bond Program, and at the time the funding
25 that was available was limited to a certain amount.

1 As this corridor improvement work has
2 progressed, the first project that we took bids on
3 underran significantly, and we felt like it might be an
4 appropriate time to extend the limits of the remaining
5 project to close that corridor. Without doing that, we'll
6 have a gap. If you will imagine, we'll have a four-lane
7 divided roadway on either end of the corridor and a short
8 two-lane section in the middle.

9 And there's no additional money being assigned,
10 it's simply a change in the limits of the project on State
11 Highway 195 in Williamson County. And at this time I
12 would recommend your approval of this minute order, and
13 I'll be happy to answer any questions that you might have.

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: Thank you, John.

20 Agenda item 14, commissioners, we're going to
21 defer at this time and move on to agenda item number 15
22 that deals with the Obligation Limit Report. We've got
23 some coordination to do on agenda item 14 back with our
24 Houston District folks.

25 MR. RAGLAND: Thank you. For the record, I'm

1 Brain Ragland, director of the Finance Division.

2 This is the monthly report on the status of our
3 obligation limit and then also the motor fuel tax
4 receipts.

5 Year-to-date through February, which is the mid
6 point of the fiscal year, the total amount of the letting
7 cap used is about \$603 million. The remaining amount,
8 excluding the unallocated recent addition of the \$425
9 million, is scheduled to let during the last six months of
10 the fiscal year.

11 Turning to the status of motor fuel tax
12 receipts, for the first time in eleven months we had a
13 decrease of .27 percent. So year-to-date we're up 4-1/2
14 percent which is 3-1/2 percent over what we had projected.

15 Should that hold up, we would finish the year up about
16 \$75 million over what we had originally forecast.
17 However, I will mention that we've seen a lower amount
18 than what we forecast for vehicle registration receipts,
19 so there would be a significant offset of that motor fuel
20 tax increase.

21 I'll also mention that I did a comparison to
22 2008 which was our highest year so far, and we're running
23 right at about flat compared to 2008 year-to-date.

24 On the next page is the diesel and gasoline
25 split. Diesel is up about 10 percent year-to-date, and

1 gasoline is up about 3 percent.

2 That's all I have unless you have questions for
3 me on this.

4 MR. HOLMES: Brian, these lag two months. Is
5 that right?

6 MR. RAGLAND: They do lag two months. Taxes
7 are assessed at the distribution point, so the timing of
8 gas prices going up, there's a two-month lag in any effect
9 that that would have on your receipts.

10 MR. HOLMES: So we're not likely to see the
11 impact of \$100 oil in these numbers for a couple of
12 months.

13 MR. RAGLAND: It depends on the supply at hand
14 at the distribution point, whether they're buying or not
15 buying. So that's hard for me to predict on what the
16 supplies are. I'm hearing we're sitting on a lot at the
17 distribution point, so it could be that there is not a
18 demand right now for additional purchases of fuel, if that
19 makes sense.

20 MR. HOLMES: Which means there could be a
21 decrease sooner just because of demand.

22 MR. RAGLAND: Right.

23 MR. UNDERWOOD: Brian, I can't remember, do we
24 do a correlation with how many more vehicles are on the
25 road compared to how much gas tax we're collecting?

1 MR. RAGLAND: Not on the gasoline side. On the
2 gasoline side we've attempted to do some correlations but
3 we have never been able to pinpoint one that could be
4 predictable going out into the future.

5 MR. UNDERWOOD: Just saying how many more new
6 vehicles were registered yet our gas tax income went down.

7 MR. RAGLAND: Well, you've got the phenomenon
8 of higher efficiency vehicles.

9 MR. UNDERWOOD: I realize. That's what I'm
10 pointing towards.

11 MR. RAGLAND: Right.

12 MR. UNDERWOOD: That would be an interesting
13 trend is that we increase vehicles by 300,000 vehicles a
14 year yet our gas tax goes down. I wonder whether or not
15 we're taking that into consideration when we do our
16 planning as to what kind of income we're going to receive.

17 MR. RAGLAND: We do. I don't know at what
18 level of detail. The gasoline side has behaved within a
19 certain band over time and it really hasn't fluctuated
20 that much, so we've been able to consistently predict the
21 gasoline side. It's really the diesel that's had the wide
22 swings and we've been able to correlate that to retail
23 sales, and so our forecast contains a correlation to that
24 retail sales index on the diesel side.

25 MR. UNDERWOOD: As one of my colleagues said,

1 that's the commerce part of it, though, less goods, less
2 chance for the trucks. But I still feel like there needs
3 to be some kind of correlation as to the vehicles to
4 really prove the fact that as we get more -- which is
5 going to be required by the CAFÉ, you're going to have
6 more fuel-efficient vehicles. That's not going to stop
7 the traffic, it's just going to lower our projected income
8 over the next five and ten years.

9 MR. RAGLAND: We can take that and delve into
10 it a little more. We have an economic firm that we
11 contract with to help us out on our forecasts, and we'll
12 talk to them about that.

13 MR. UNDERWOOD: Okay. Because my point is that
14 we're seeing more and more vehicles yet we're not seeing
15 that much of an increase in gas tax funds.

16 MR. RAGLAND: That's exactly correct. Yes.

17 MR. UNDERWOOD: Thank you.

18 MR. RAGLAND: Thank you.

19 MS. DELISI: Thanks.

20 MR. SAENZ: Thank you, Brian.

21 Agenda item number 16 deals with our contracts
22 that are let this month, and Russel Lenz will present two
23 minute orders, one on maintenance contracts and the other
24 on our regular construction contracts.

25 So Russel, I'll turn it over to you.

1 MR. LENZ: Good morning, Madam Chair and
2 commissioners. My name is Russel Lenz. I'm the director
3 of the Construction Division. This morning I've got two
4 minute orders I'd like to present.

5 Item number 16.a(1) is for the consideration of
6 the award or rejection of Highway Maintenance and
7 Department Building Construction contracts that were let
8 on February 8 and 9 of this year. We present 24 projects
9 today. The average number of bidders per project was six,
10 the low bid value of all projects was \$15,183,650.41, and
11 we had an average overall underrun of 4.13 percent.

12 Staff recommends the award of all these
13 maintenance projects.

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. LENZ: Item 16.a(2) is for the
20 consideration of the award or rejection of Highway and
21 Transportation Enhancement Building Construction contracts
22 also let on February 8 and 9. We present 45 projects.
23 The average number of bidders was 6.42; the average low
24 bid value was \$173,455,431.64. We had an overall underrun
25 of 8.73 percent.

1 Staff recommends the award of all construction
2 projects with the exception of one project. That project
3 is in Ector County project number STP 2011(819)GHES. The
4 project received three bids. The low bidder was 14.38
5 percent over. The project was for the construction of
6 traffic signals and flashing beacons. An error was found
7 in the plans and we recommend that the plans be redesigned
8 and re-let.

9 And I'll be happy to entertain any questions.

10 MR. HOLMES: These were plans that we drew?

11 MR. LENZ: Yes, sir.

12 MR. HOLMES: So we have an error in our plans
13 and we throw them out, and they have an error in theirs
14 and we make them eat it. Right?

15 MR. LENZ: We try not to. I understand. It is
16 a challenge, but that's what the Administrative Code says
17 that we have to do.

18 MR. UNDERWOOD: Are you trying to say heads I
19 win, tails you lose.

20 MR. LENZ: Maybe it's heads I win, heads I win.
21 I'm not sure.

22 MR. UNDERWOOD: Okay.

23 (General laughter.)

24 MR. LENZ: It is a challenge, I grant you. I
25 don't relish having to make those recommendations any more

1 than you like to hear them.

2 MR. HOLMES: Thank you, Russel. Move approval.

3 MR. HOUGHTON: Second.

4 MS. DELISI: All in favor?

5 (A chorus of ayes.)

6 MS. DELISI: The motion passes.

7 MR. SAENZ: Thank you, Russel.

8 Agenda item number 17, commissioners, deals
9 with the routine minute orders that we go through every
10 month. I do want to call to your attention that agenda
11 item 17.e(3) in Harris County dealing with a considered
12 sale of surplus right of way on US 59 is deferred at this
13 time.

14 Staff would recommend approval of all minute
15 orders. We'd be happy to answer any questions on any
16 individual minute order, but staff would recommend
17 approval of all minute orders with the exception of the
18 item that we deferred.

19 MR. HOLMES: So moved.

20 MR. UNDERWOOD: Second.

21 MS. DELISI: All in favor?

22 (A chorus of ayes.)

23 MS. DELISI: The motion passes.

24 MR. SAENZ: That's all, Madam Chair.

25 MS. DELISI: This completes all the action

1 items on the agenda. Is there anyone signed up for open
2 comment?

3 MR. SAENZ: No, ma'am.

4 MS. DELISI: Is there any other business to
5 come before the commission?

6 (No response.)

7 MS. DELISI: There being none, I will entertain
8 a motion to adjourn.

9 MR. HOUGHTON: So moved.

10 MR. HOLMES: Second.

11 MS. DELISI: All in favor?

12 (A chorus of ayes.)

13 MS. DELISI: The motion passes.

14 Please note for the record that it is 10:39
15 a.m., and this meeting stands adjourned.

16 (Whereupon, at 10:39 a.m., the meeting was
17 concluded.)

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C E R T I F I C A T E

MEETING OF: Texas Transportation Workshop

LOCATION: Austin, Texas

DATE: February 24, 2011

I do hereby certify that the foregoing pages, numbers 1 through 87, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Nancy H. King before the Texas Department of Transportation.

(Transcriber) 3/01/2010
(Date)

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