

TEXAS DEPARTMENT OF TRANSPORTATION

COMMISSION MEETING

Room 1A.1  
Riverside Campus  
200 East Riverside Drive  
Austin, Texas 78704

Thursday, October 27, 2011

COMMISSION MEMBERS:

Ted Houghton, Chair  
Ned S. Holmes (absent)  
Fred Underwood  
William Meadows  
Jeff Austin III

STAFF:

Phil Wilson, Executive Director  
John A. Barton, Interim Deputy Executive Director  
Bob Jackson, General Counsel  
Roger Polson, Executive Assistant to the  
Deputy Executive Director  
JoLynne Williams, Chief Minute Order Clerk

I N D E X

| <u>AGENDA ITEM</u>   | <u>PAGE</u> |
|--|-------------|
| <b>CONVENE MEETING</b>   | 7           |
| 1. <b>Approval of Minutes</b> of the September 29 meeting of the Texas Transportation Commission   | 11          |
| 2. <b>Resolution</b><br>Recognize Laredo District Engineer Albert Quintanilla, P.E., upon his retirement from the department after 26 years of service   | 13          |
| 3. <b>Reports</b>  |             |
| a. Update on TxDOT's modernization project   | 16          |
| b. Strategic Research Program Advisory Committee Report  | 27          |
| c. Report on the activities and recommendations of the I-35 Advisory Committee   | 34          |
| 4. <b>Aviation</b><br><b>Various Counties</b> - Award federal and state grant funding for airport improvement projects at various locations  | 50          |
| 5. <b>Public Transportation</b><br><b>Various Counties</b> - Award transportation development credits to LULAC Project Amistad and Mounting Horizons to match federal awards for capital projects for information technology, fleet procurement and purchase of service (MO) | 51          |
| 6. <b>Promulgation of Administrative Rules</b><br>Under Title 43, Texas Administrative Code, and the Administrative Procedure Act, Government Code, Chapter 2001:  |             |
| a. <b>Final Adoption</b>   |             |
| (1) <b>Chapter 1 - Management (MO)</b><br>New §1.12, Negotiated Rulemaking (Procedure for Adoption of Rules)   | 52          |
| (2) <b>Chapter 9 - Contract and Grant Management (MO)</b><br>Amendments to §9.13, Notice of Letting and Issuance of Bid Forms (Highway Improvement Contracts)  | 53          |
| (3) <b>Chapter 9 - Contract and Grant Management (MO)</b>  | 56          |

|     |   |    |
|-----|---|----|
|     | Amendments to §9.21, Purchase of Service (Highway Improvement Contracts)  |    |
| (4) | <b>Chapter 21 - Right of Way</b><br>Amendments to §21.38, Construction and Maintenance (Utility Accommodation)  | 57 |
| b.  | <b>Proposed Adoption</b><br><b>Chapter 3 - Public Information (MO)</b><br>Repeal of §3.20, Purpose, and New §3.20, Purpose; Amendments to §3.21, Applicability, §3.22, Definitions, §3.23, Filing a Complaint, and §3.24, Notice to Consumers and Service Recipients; Repeal of §3.25, Complaint Resolution; and New §3.25, Complaint Resolution, and §3.26, Complaint Data Collection, Analysis and Reporting (Complaint Resolution) | 58 |
| 7.  | <b>Internal Compliance Program (ICP) Report</b>   | 61 |
| 8.  | <b>Design-Build Projects</b><br><b>Dallas County</b> - Authorize the department to issue a request for qualifications for the development, design, construction, and potentially, maintenance of a project with estimated construction costs of \$700 million, providing for the replacement and addition of bridges and lanes on I-35E and I-30 in Dallas County at the Trinity River (MO)   | 62 |
| 9.  | <b>Transportation Planning</b>  |    |
| a.  | <b>Nueces County</b> - Designate a segment of US 77 from I-37 in Corpus Christi to SH 44 in Robstown as Interstate 69 (MO)  | 71 |
| b.  | <b>Various Counties</b> - Certify eligible counties for the 2012 Economically Disadvantaged Counties Program and establish local match adjustments for each county and certain cities (MO)  | 76 |
| c.  | Appoint members to the Bicycle Advisory Committee (MO)  | 77 |
| 10. | <b>Obligation Limit and Quarterly Cash Status Reports</b>   |    |
| a.  | Status report on the FY 2012 Obligation Limit, the actual obligations utilized through the current month, proposed remaining highway maintenance and construction contract letting for the fiscal year and an update on motor fuel tax receipts   | 78 |

- b. Quarterly report on FY 2011 State Highway Fund 6 cash status 80
11. **Contracts**  
Award or reject contracts for maintenance, highway and building construction
- a. **Highway Maintenance and Department Building Construction** 82  
(see attached itemized list) (MO)
- b. **Highway and Transportation Enhancement Building Construction** 84  
(see attached itemized list) (MO)
12. **Eminent Domain Proceedings** 84  
**Various Counties** - Authorize the filing of condemnation proceedings to acquire real property by eminent domain for non-controlled and controlled access highways (see attached list) (MO)
13. **Routine Minute Orders** 85
- a. **Donations to the Department**
- (1) **Bridge Division** - Acknowledge a donation from the Precast/Prestressed Concrete Institute (PCI) for a department employee's travel expenses to attend the 2011 National Bridge Conference in Salt Lake City, Utah, October 20-26, 2011 (MO)
  - (2) **Bryan District** - Consider a donation from HEB Grocery Company, LP, for the cost to design and construct a raised median and protected left turn lane from SH 21 to the new HEB grocery store and commercial development located in Bryan, Texas (MO)
  - (3) **Houston District** - Consider a donation from HEB Grocery Company, LP, for the cost to design and modify raised median opening and protected left turn lane from SS 261 to the new HEB grocery store and commercial development located in Houston, Texas (MO)
  - (4) **Houston District** - Consider a donation from Trendmaker Development Company for the cost to construct right and left turn lanes to access a new Subdivision and commercial sites located on FM 1463 in Fulshear, Texas (MO)
  - (5) **Houston District** - Consider a donation from Waffle House, Inc., for the cost of constructing a right turn lane on

the north side of FM 518 between FM 1128 and Max Road in Pearland, Texas (MO)

- (6) **Traffic Operations Division** - Consider a donation from the 95th Division foundation for the cost associated with the design, creation and installation of two highway signs designating a portion of SH 71 between the eastern municipal boundary of Bastrop and its intersection with County Road 329 as the 95th Division Memorial Highway (MO)
- (7) **Various Districts** - Consider a donation from SH 130 Concession Company, LLC to provide funding for the cost associated with equipment and services to install and maintain microwave vehicle direction sensors (MO)
- b. **Public Transportation**
  - (1) **Various Counties** - Approve changes to public transit projects previously approved for funding from Texas' portion of the American Recovery and Reinvestment Act (ARRAS (MO)
  - (2) **Taylor County** - Award transportation development credits to the City of Abilene to provide a match to a federal discretionary public transportation grant to replace transit fleet (MO)
- c. **Right of Way Dispositions and Donations**
  - (1) **McLennan County** - FM 1637 east of County Road 406 - Consider the sale of surplus right of way with reservation of an easement interest (MO)
  - (2) **Tarrant County** - SH 360 at East Harwood Street in Euless - Consider the sale of surplus right of way to the abutting landowner (MO)
  - (3) **Tarrant County** - SH 121, now designated Chisholm Trail Parkway, along Union Pacific Railroad (UP) in Fort Worth - consider the conveyance of reciprocal easements from UP to the state and from the state to UP for access to maintain retaining wall structures and drainage and water runoff systems in accordance with multi-party agreement (MO)
- d. **Finance**  
Accept the Quarterly Investment Report (MO)
- e. **Highway Designation**

**Polk County** - Extend the designation of FM 2665 along a new location east of US 59 north to FM 1988, in the city of Goodrich (MO)

- f. **Transportation Development Credit (TDC)**  
Award TDC for air quality programs to the Alamo Area Council of Governments funded by the Surface Transportation Program - Metropolitan Mobility (MO)
- g. **Speed Zones**  
**Various Counties** - Establish or alter regulatory and construction speed zones on various sections of highways in the state (MO)

- 14. **Executive Session** Pursuant to Government Code, Chapter 551 86
  - b. Section 551.074 - Discuss the duties and compensation of one or more persons who fill a senior leadership position of the department, other than the position of executive director
- 15. **Compensation of Senior Leadership Positions** 87  
Set the compensation for five or fewer senior leadership positions of the Texas Department of Transportation below the position of executive director (MO)

**OPEN COMMENT PERIOD** (no commenters)

**ADJOURN** 89

P R O C E E D I N G S

1  
2 MR. HOUGHTON: Good morning. The clock in my  
3 pocket says it is 9:00 a.m. sharp, and I call to order the  
4 regular October 2011 meeting of the Texas Transportation  
5 Commission. Note for the record that public notice of  
6 this meeting, containing all items on the agenda, was  
7 filed with the Secretary of State at 3:43 p.m. on October  
8 19, 2011.

9 I ask that before we begin your meeting today,  
10 as customary, please put your cell phone and communication  
11 devices in an off or silent mode.

12 And if you wish to address the commission  
13 during today's meeting, please complete a speaker's card  
14 at the registration table in the lobby. To comment on an  
15 agenda item, please complete a yellow card, and if not on  
16 the agenda and you want to comment in the open period,  
17 it's a blue card. Regardless of the color, we ask that  
18 you limit your remarks and comments to three minutes, with  
19 the exception of members of the legislature, and I'm not  
20 sure any of those folks are present today.

21 I am sure that you've noticed a few new faces  
22 up here, a few, and I'd like to welcome at this time our  
23 new executive director, Phil Wilson, to my left, your  
24 right. Phil, welcome.

25 MR. WILSON: Thank you, Mr. Chairman.

1 MR. HOUGHTON: Strap it on, get ready, here we  
2 go.

3 (Applause.)

4 MR. HOUGHTON: And the Tyler Rose. Jeff Austin  
5 III from Tyler, Texas, the newest appointee by Governor  
6 Perry. Jeff, welcome to the commission. Not yet, Jeff.  
7 Don't speak until the chair asks you to speak. That's the  
8 new world order here -- yeah, right, it will last about  
9 two minutes or 30 seconds.

10 (General laughter.)

11 MR. HOUGHTON: We do, as customary, have  
12 opening remarks by the commissioners, and as customary,  
13 the newest commissioner to my far right will speak first.  
14 Jeff, welcome.

15 MR. AUSTIN: Mr. Chairman, thank you, and it's  
16 an honor to be here with you. Yes, the Tyler Rose. I wish  
17 he was back wearing number 20, as a matter of fact.

18 There's a lot going on and I spent a lot of  
19 yesterday learning a lot. I'm excited. There's a lot of  
20 new initiatives I think that will serve the state well.

21 But one thing that really bothers me, Phil. I  
22 know I'm the new guy here now, I know this probably feels  
23 good, but it looks like you've been losing a little hair  
24 since the beginning. But welcome, congratulations, Phil,  
25 and I really look forward to working with each and every

1 one of you and getting to know those that I have not  
2 already met.

3 MR. MEADOWS: That's it?

4 MR. AUSTIN: That's it.

5 MR. MEADOWS: I was expecting a little more,  
6 actually.

7 MR. AUSTIN: I'll save the best for later.

8 (General laughter.)

9 MR. MEADOWS: Well, I'd like to join Chairman  
10 Houghton and everybody in welcoming Jeff to the  
11 commission. I think you will find it to be a challenge.  
12 It will be rewarding, and you're going to be a real asset  
13 for us, you really are, and we're looking forward to  
14 working with you. So congratulations.

15 And I guess I have to congratulate Chairman  
16 Houghton again on his ascendancy to the chairmanship, and,  
17 Ted, I know that we all appreciate and respect your  
18 leadership and style and I know we're all going to be well  
19 served and I know the citizens of Texas will be well  
20 served.

21 Phil, congratulations, welcome. You too will  
22 have an adventure with us as we try to address the  
23 challenges that the state has.

24 And lastly, I'd like to just stop for a moment  
25 and acknowledge; few people recognize the difficulty and

1 challenge of serving in the role of an interim executive  
2 in an organization. It really is true. You know, it's an  
3 often overlooked position because everybody is focused on  
4 the future, but it's a position that is often  
5 underappreciated and misunderstood, and John Barton  
6 performed this task for this agency admirably and provided  
7 a steady hand and leadership through this leadership  
8 transition.

9 And, John, we recognize, wherever John is, we  
10 recognize and appreciate the good job that you did. Thank  
11 you.

12 (Applause.)

13 MR. MEADOWS: And let me just say on a personal  
14 note, again, I want to compliment you on that speech that  
15 you gave in College Station at short course. I think  
16 everybody really appreciated the fact that they got to  
17 hear it.

18 MR. UNDERWOOD: I associate myself with my  
19 colleagues' remarks.

20 Phil, I'm excited that you're here, excited  
21 with your enthusiasm.

22 Mr. Chairman, I'm excited that you're our  
23 chair. You worked hard for it and you're going to do a  
24 great job, you really are.

25 Jeff and I go back a ways. We're friends, so

1 I'm excited that Jeff is here. He brings a lot in terms  
2 of he understands finance, being in the banking part of  
3 it, and also understands transportation as you were, what,  
4 chairman of your MPO. Is that correct, sir?

5 MR. AUSTIN: Of the RMA.

6 MR. UNDERWOOD: RMA, sorry. Correct me, I need  
7 help. But anyway, excited that you're here, and welcome,  
8 everybody.

9 MR. HOUGHTON: All right. Let me announce, if  
10 I don't, Coby will shut off my microphone for the rest of  
11 the day, remind you of the 7th Annual Transportation  
12 Forum, Going Places, and we will have this year in San  
13 Antonio on the 15th through the 17th of February 2012. So  
14 registration is available online and we encourage you all  
15 to do that quickly because I understand they're going  
16 fast. Right, Coby? We've got limited seating, right, the  
17 first 3,000 people, that's it?

18 Our first order of business is to approve the  
19 minutes of the September 29 meeting. Members, the draft  
20 of the minutes has been provided in your briefing  
21 materials. Is there a motion?

22 MR. UNDERWOOD: So moved.

23 MR. MEADOWS: Second.

24 MR. HOUGHTON: All in favor?

25 (A chorus of ayes.)

1 MR. AUSTIN: Mr. Chairman, I am going to  
2 abstain since I was not there.

3 MR. HOUGHTON: Okay. Thanks.

4 Chair's prerogative, David Casteel, come on up.

5 I know my lawyer is already wrenching his hands  
6 and getting nervous because this is not on the agenda.

7 Are you limping? Somebody asked if you're  
8 limping.

9 MR. CASTEEL: Just a little bit. No problem.

10 MR. HOUGHTON: I was recently notified that  
11 David has chosen to retire after 28 years with TxDOT, 15  
12 different houses that he's owned in 12 different cities.  
13 Now, that's a true indication of the kind of department  
14 employees we have here at TxDOT.

15 David, I wanted to thank you personally for  
16 your service to this organization and to the State of  
17 Texas, and I personally will miss you. And I know next  
18 month you get your plaque and the whole thing, but I  
19 thought it would be fitting today. I wanted to express my  
20 sincerest appreciation for all you have done for the  
21 agency and for me. So thank you, David, and you're  
22 welcome to say anything and everything.

23 MR. CASTEEL: Well, thank you, Commissioner,  
24 and certainly in the usual gentlemanlike manner you  
25 expressed that well. Thank you very much. And it's truly

1 an honor to have worked with you and for you, and I've met  
2 Phil and Phil and I are going to be best friends for a  
3 long time, I can already tell, so I think you picked a  
4 good guy there.

5 And I appreciate the opportunities you've given  
6 me and all the other commissioners and all the guys at  
7 TxDOT, we've had a really good time together and I think  
8 we built quite a few pretty good things along the way.

9 My wife told me it was time to come home for a  
10 while. I have prayed about that for several months and I  
11 kept getting the same answer from that guy up there, so  
12 you know, who am I to argue about that? So we're going to  
13 go do some family stuff for a while, and appreciate  
14 everything, I really do, had a great time.

15 MR. HOUGHTON: We'll see you, I know, next  
16 month to adequately express our appreciation.

17 MR. CASTEEL: Thank you.

18 MR. HOUGHTON: Thanks, David.

19 (Applause.)

20 MR. HOUGHTON: Moving on, I am going to now  
21 turn the balance of the agenda over to our new Executive  
22 Director, Phil Wilson.

23 MR. WILSON: Thank you, Chairman Houghton.

24 Our first agenda item today is a resolution  
25 honoring Laredo District Engineer, Albert Quintanilla, who

1 will be retiring from TxDOT at the end of this month.

2 Mr. Quintanilla, if you can please come up and  
3 I'll be honored to read this resolution.

4 "Whereas, the Texas Transportation Commission  
5 takes great pride in recognizing Albert Quintanilla, P.E.  
6 for his outstanding service to the Texas Department of  
7 Transportation after a distinguished career of more than  
8 26 years, most recently as Laredo district engineer;

9 "And whereas, Quintanilla, a native of  
10 Edinburg, graduated from Texas A&I University in  
11 Kingsville in 1984 with a bachelor's degree in Civil  
12 Engineering and was licensed as a professional engineer in  
13 1990;

14 "And whereas, he began his TxDOT career in 1985  
15 with the Houston District as an engineering assistant in  
16 the design engineer's office in the central design  
17 section;

18 "And whereas, in 1990 he moved to the Pharr  
19 District, Raymondville Area Office, where he held numerous  
20 positions before he was named Hebbronville area engineer  
21 in 1993;

22 "And whereas, Quintanilla became director of  
23 maintenance for the Laredo District in 2006 and served in  
24 the dual role as director of transportation, planning and  
25 development and deputy district engineer in 2008;

1                   "And whereas, in 2009 he was named Laredo  
2 district engineer where he capably led the operations for  
3 the eight-county district;

4                   "And whereas, Quintanilla's engineering and  
5 management talents helped advance TxDOT's mission to  
6 provide the best transportation system possible;

7                   "Now, therefore, be it resolved that the Texas  
8 Transportation Commission does hereby extend their  
9 sincerest best wishes to Albert Quintanilla, P.E. in  
10 recognition of his professional achievements in a career  
11 or loyal service on behalf of the State of Texas and its  
12 citizens.

13                   "Presented this Thursday, the 27th of October  
14 2011."

15                   Congratulations to you and thank you for your  
16 service to TxDOT and the citizens of Texas. Would you  
17 like to say a few words?

18                   MR. QUINTANILLA: For the record, my name is  
19 Albert Quintanilla, the district engineer for the Laredo  
20 District.

21                   The biggest words I want to say is thank you  
22 for the opportunity to have a great career with the  
23 department, to have a career where I could work with such  
24 great individuals and it was a truly great experience.  
25 It's time for me to move on and let somebody else have

1 some of the fun and have their opportunity to have a great  
2 career as well.

3 Thank you all.

4 MR. WILSON: Thank you.

5 (Applause.)

6 MR. WILSON: Are there any comments from the  
7 commission?

8 MR. HOUGHTON: Thank you very much for your  
9 service.

10 MR. WILSON: Thank you. Let's take a moment to  
11 get some photos.

12 (Pause for presentation and photos.)

13 MR. WILSON: Next up on the agenda are a series  
14 of reports. First off, the monthly update on the  
15 department's modernization project which will be presented  
16 by a member of the modernization leadership team, Eric  
17 Gleason.

18 MR. GLEASON: Good morning. For the record, my  
19 name is Eric Gleason, TxDOT director of Public  
20 Transportation. I'm speaking to you this morning on  
21 behalf of the modernization leadership team, which I have  
22 the privilege of serving on, about our continuing efforts  
23 to transform our department into a performance-driven  
24 agency that is not only a great place to work but it's  
25 also recognized for its high quality customer service.

1           As is our custom each month, we will speak to  
2 you on a number of topics. I'll give you a quick overview  
3 of project status, talk about a new effort that we have  
4 spent a lot of time on in this past month to address the  
5 work capacity issue we've spoken to you about on previous  
6 occasions, highlight some opportunities for improvement  
7 from two of our projects. I will ask Cathy Floyd, our  
8 director of the South Regional Support Center, to talk to  
9 you about progress on the environmental streamlining  
10 project. And then project management, this is actually an  
11 opportunity that arose in the context of some other  
12 projects and we took the time to pursue it and we've got  
13 some promising results from that as well to talk to you  
14 about. And we'll finish up with a look at plan risks and  
15 some upcoming milestones.

16           Project status, as you may recall, last month  
17 we reported to you that we had 16 projects underway, 16 of  
18 the 37 that had been identified by our consultant, Capital  
19 Consulting, looking at the Restructure Council  
20 recommendations, and all 16 of those at the time were in  
21 the first step of the five-step project implementation  
22 process we have here. Since that time, five of those  
23 projects have moved on from the first step of concept  
24 definition and into the second step of concept validation,  
25 and so we're beginning to make some progress here.

1           And the key to the second step is this is the  
2 point in the process where we ask ourselves, once we know  
3 enough about this project, does it make sense for us to  
4 continue with it, does it make sense from a business  
5 standpoint to continue to pursue this project. So we'll  
6 be reporting to you over the next several months on each  
7 of these projects as they continue to go through the five-  
8 step process.

9           The next thing I want to talk to you about is  
10 something that we call project assessment, and this, as I  
11 mentioned earlier, is an effort on our part and the  
12 administration to take a look at not only the projects  
13 that are included in the Restructure Council report, but  
14 also other general improvement projects already underway  
15 in the department that are taking people's time, taking  
16 effort and competing priorities, if you will, for what we  
17 need to get done every day.

18           And as we've spoken to you before, one of the  
19 critical issues with this modernization effort is we need  
20 to make sure, as we implement it, that we don't overtax  
21 our capacity as an organization to get our critical day-  
22 to-day work done. The last thing that we need to have  
23 happen is for some critical effort to fall through the  
24 cracks because we were so engaged in some of the  
25 modernization effort. And so this balancing of

1 priorities, this trying to tailor the amount of effort and  
2 to pace the effort to the resources we have will continue  
3 to be a critical issue for us and the team will stay  
4 focused on it.

5           What we've done in the past month is we've  
6 identified a total of about 45 to 50 projects in the  
7 department, and that's a combination of the modernization  
8 projects that you've heard about plus other efforts going  
9 on, about 45 that need to be looked at by the  
10 administration from an overall prioritization standpoint.  
11 And the leadership team has taken a look at those, and  
12 mostly a qualitative sense has grouped them into high,  
13 medium and low from our standpoint in terms of their  
14 priority, and that we will pass those on to the  
15 administration for their look at those over the next  
16 couple of months.

17           Now, the benefits from this effort, from our  
18 standpoint, is that this effort will allow us to focus the  
19 department's resources on high priority projects of  
20 critical importance to the modernization of the agency, it  
21 will help to improve the workload balance between agency  
22 improvements and day-to-day work, it will reduce competing  
23 priorities, and overall, I think, translate into an  
24 improved morale on the part of our staff and their support  
25 for this overall effort.

1           In addition to passing along our thoughts on  
2 these projects with respect to their importance, we also  
3 are going to pass along a list of suggested criteria to  
4 the administration that they look at as they consider the  
5 relative priorities of these projects. And the  
6 significance of this effort is it may be that at the end  
7 of this there may be a number of efforts of importance  
8 that simply need to wait, while other efforts of higher  
9 importance get done first so that we don't overtax our  
10 resources. And the administration has a three-day meeting  
11 scheduled in December to go through this.

12           At this point what I'd like to do is turn the  
13 presentation over to Cathy Floyd, from our South Regional  
14 Support Center, and have her speak to you about some of  
15 the specific efforts that are coming out of the  
16 environmental streamlining project. Cathy.

17           MS. FLOYD: Good morning. For the record, I am  
18 Cathy Floyd and I am serving as the sponsor for the  
19 modernization effort to streamline the environmental  
20 document review process.

21           This team's scope begins with the request for  
22 project classification and moves through the approval  
23 process by TxDOT of the state reviews or submitted to FHWA  
24 for the federal reviews. The goal the team has  
25 established is to reduce our cycle time by 25 percent by

1 May of 2013 and by 50 percent by May of 2014. This team  
2 is represented by eleven individuals from the  
3 Environmental Division group, the regional environmental  
4 coordinators, the district environmental specialists, and  
5 district project development individuals.

6 The team has completed the concept definition  
7 part of the process and received input from our executive  
8 sponsor, Mr. John Barton. In the concept definition part  
9 we have received voice of the customer from the  
10 individuals that are listed on the slide. These  
11 individuals include our stakeholders, our internal and  
12 external customers, and our own commissioners.

13 The team has identified 18 individual  
14 improvements to reduce the cycle time and improve the  
15 quality of our review documents. The primary improvements  
16 include: simplifying the review process by moving the  
17 preparation and the review of these documents to the  
18 lowest possible level of the organization, and our intent  
19 to do that is to eliminate multiple layers and repetitive  
20 reviews, to re-engineer our QC/QA processes earlier in our  
21 process to ensure quality in our documents, and to  
22 institute tools such as checklists where appropriate in  
23 the preparation to improve our efficiencies as well; also,  
24 to authorize our environmental experts to engage and  
25 coordinate with our resource agencies at the lowest level

1 and as soon as possible in the process; to review and also  
2 revise programmatic agreements, MOUs and SOUs, that we  
3 currently use in order to remove any unnecessary steps in  
4 those processes; and finally, to eliminate any unnecessary  
5 three-year re-evaluations for either active and inactive  
6 projects.

7           The team has received the input from our  
8 executive sponsor, Mr. Barton, and we are ready to discuss  
9 our improvement ideas with some key stakeholders,  
10 primarily OGC and FHWA, to get their input, their concerns  
11 and evaluate some risks and some of the changes that we're  
12 looking at doing and involving them before we move forward  
13 and begin our detailed design process of the improvements.

14           That's all I have. With that, I'll turn it  
15 back over.

16           MR. GLEASON: Thank you, Cathy.

17           The second opportunity we have to look at some  
18 possible improvements actually arose as a result of not  
19 only the environmental streamlining project work but the  
20 right of way project work where within each of these  
21 teams, in the context of looking at the process within  
22 their own areas of expertise, it became apparent that  
23 there was a lot of handing off that was occurring between  
24 them and the Design Division as work progressed, and so we  
25 took advantage of that, we thought it would make sense to

1 maybe bring people from each of those areas of the  
2 department together, Design, Environmental and Right of  
3 Way, and take a look at the process across the three areas  
4 to see if we couldn't identify in project delivery and  
5 project management some opportunities to improve the  
6 process.

7           So we did that, we formed a focus team with not  
8 only individuals from those areas in the department, but  
9 we did also have Commissioner Covey from Williamson County  
10 join us, with one of her staff people, for a three-day  
11 meeting to talk about the opportunities. And these are  
12 some of the things that came out of that three-day  
13 meeting, and this is with respect to those projects that  
14 involve new capacity or a new alignment and possibly  
15 managed by local governments. So these are some of our  
16 more complex projects.

17           Some of the conclusions coming out of that  
18 effort was that we need to find a different way of working  
19 with each other collectively at the same time, as opposed  
20 to handing things off to different silos at different  
21 points in the process, we can enhance our project  
22 management between project authorization to letting, and  
23 in combination of these two things, the possibility of on  
24 average reducing cycle time by a year.

25           The next steps for these recommendations is we

1 are going to feed these into our already established  
2 modernization project to establish project management  
3 discipline within the agency, and then just generally  
4 thinking that we could develop, design and implement a  
5 trial or a pilot of this process in the spring of 2012.

6 Shifting now to talk with you about general  
7 plan risks, this is something we do each month. At this  
8 point in time we're looking at four areas of risk. The  
9 first two and the last one focus mostly on this issue of  
10 work capacity that I spoke to you about earlier, and so we  
11 feel as though we're paying a lot of attention to those  
12 three areas of risk right now.

13 And then the third one you see there, the  
14 concurrent training and institutionalizing project  
15 methodology while executing projects, that's something  
16 that's simply going to be with us for a while, that's the  
17 learning-as-we-go part of this. We're learning a new  
18 process with the consultant, we're relying on the  
19 consultant to really help us see and take care of problems  
20 as they arise. We are looking to accelerate the training  
21 of TxDOT staff in these skills so that we can stand that  
22 process up more quickly within the agency. So that is how  
23 we are dealing with that risk.

24 And then looking ahead to some upcoming  
25 milestones and what we expect to be talking with you about

1 over the next several months, we are going to take a look,  
2 as the modernization leadership team, at a set of projects  
3 in the Restructure Council report that are really more  
4 tactical in nature, they're not particularly complex, and  
5 in some cases they really represent work that was already  
6 underway in the agency. And we think we can run those  
7 projects through an abbreviated version of this  
8 disciplined approach to implementing change, and we hope  
9 to be able to come to you over the next several months  
10 with recommendations to close a certain number of these  
11 projects.

12 And then in January that will be our first  
13 opportunity to update the implementation plan that was  
14 prepared in June of this year to acknowledge and  
15 accommodate the changes that have taken place since we  
16 began this effort.

17 And so I'm hoping that you're hearing that the  
18 process is beginning to move forward, some of the possible  
19 improvements are beginning to come into focus, and that  
20 the pace is quickening in this modernization effort, and I  
21 expect it to quicken over the next several months.

22 And with that, I'd be happy to answer any  
23 questions you might have.

24 MR. HOUGHTON: Are there any questions of Eric?  
25 Jeff?

1           MR. AUSTIN: Eric, looking back at the project  
2 assessment criteria, we've got customer satisfaction,  
3 employee satisfaction, productivity, capacity, do you plan  
4 on going back and revisiting these at some future point,  
5 or is this just a one-time assessment?

6           MR. GLEASON: Well, I think this will be  
7 something we'll do on an ongoing basis. This overall  
8 effort like this to look across all the different areas of  
9 the department at improvement projects is new. Right now  
10 everything seems to have the same priority and so we're  
11 really trying to tackle this issue as a department, and so  
12 I would anticipate this being something that was regularly  
13 done and this list might be refined as we get better at  
14 it.

15           MR. AUSTIN: Thank you.

16           MR. HOUGHTON: If no other questions, Eric,  
17 your slides aren't numbered here but you talk about the  
18 environmental review improvements and you look at cycle  
19 time reductions by 25 percent and 50 percent. You're  
20 getting help.

21           MR. GLEASON: This is Cathy's, yes.

22           MS. FLOYD: I may need help too.

23           MR. HOUGHTON: Can you attach a dollar number  
24 or have you attempted to attach a dollar number to those  
25 reductions?

1 MS. FLOYD: Well, right now, sir, it's an  
2 accumulation of 18 different items, individual items that  
3 have a cumulative amount, and primarily we're looking at  
4 time at the moment, but we will transfer that into dollars  
5 at some point. Actually that first one is 2013.

6 MR. HOUGHTON: I was going to say we passed  
7 that deadline.

8 MS. FLOYD: Yes. It's a typo. Sorry.

9 MR. HOUGHTON: Thank you, Cathy.

10 MS. FLOYD: You bet.

11 MR. HOUGHTON: Any other questions?

12 (No response.)

13 MR. HOUGHTON: Thank you, Eric.

14 MR. GLEASON: Thank you.

15 MR. WILSON: Our next report will come from the  
16 Strategic Research Program Advisory Committee. I'll ask  
17 the director of the Research and Technology Implementation  
18 Office, Rick Collins, to introduce this discussion and our  
19 distinguished panel. Rick, please.

20 MR. COLLINS: Good morning. For the record, my  
21 name is Rick Collins. I'm serving as your director of  
22 Research and Technology Implementation. By way of  
23 background, and I'm going to keep my remarks very brief to  
24 maximize the time that you have to interact with these  
25 individuals, but by way of background, the commission

1 established a Strategic Research Program Advisory  
2 Committee to assist us from an outside perspective in  
3 looking at what type of research activities we need to  
4 look at from a more strategic perspective 30 years down  
5 the road and to also assist us with selecting the entities  
6 that will do that research.

7           Let's see how the technology implementation  
8 part of my title works. These are the Strategic Research  
9 Program Advisory Committee members. We have three of them  
10 with us today. On the far right is Rollin Bredenberg. He  
11 is serving as the vice chair; he's with the Burlington  
12 Northern Santa Fe. Ms. Mary Peters, a consultant, former  
13 Secretary of Transportation. And on the end, Mr. Ken  
14 Allen, retired from HEB. Two other committee members, Joe  
15 Wardy from El Paso who is the chair, and Ms. Judy Hawley,  
16 could not be here today.

17           They have met. The first meeting was held in  
18 August, and after what I thought was some very fruitful  
19 discussion, they recommended that we look at these three  
20 topics, and this is what they will be discussing with you  
21 today.

22           A few comments before I turn it over to them  
23 about this research. First of all, this is a fresh  
24 perspective. Typically our research projects are  
25 developed internally and in discussions with universities.

1 This is a complete outside group to help us identify what  
2 are we missing, what do we need to be looking at, are we  
3 outside of our box. It's not a typical research effort.  
4 If you want to see a typical research effort, I could get  
5 you a warm mix asphalt report or something. This is a  
6 very different effort, and I want to talk about the  
7 research brief.

8 What we look to happen the first shot out of  
9 the box here is the development of a research brief.  
10 You're looking at about a 20 to 30 page brief on each of  
11 these topics and it will be basically what I would  
12 consider a to-consider list for the agency: what do we  
13 need to be looking at now to position ourselves  
14 differently, or what do we need to be researching further  
15 so that we're better able to position ourselves.

16 The next steps: after today, we hope to issue a  
17 request for proposals to Texas state-supported  
18 universities. We will go through a process to select  
19 those proposals. The universities will conduct the  
20 research and prepare the briefs, and hopefully within a  
21 year we'll be presenting the findings to this group.

22 So any questions from me? If not, I'll turn it  
23 over to the panel for some discussion.

24 MR. BREDENBERG: Thank you very much, Rick.

25 The one thing that all of these three have in

1 common is the addressing of the lack of sustainability of  
2 the current financial model for maintaining and creating  
3 new infrastructure, and you have to do that on both sides,  
4 both on the demand for the infrastructure side and for the  
5 source of funding. So consistent with the 2030 Commission  
6 report, this really tends to connect what is done in terms  
7 of new infrastructure with the market need for the new  
8 infrastructure, what is the public benefit, and how is  
9 that public benefit paid for by the beneficiaries in that  
10 public segment for whatever new infrastructure is created.  
11 That's high level.

12 Now, some of you know me from the private  
13 sector, from the railroad business, and of course, you  
14 can't run this like a railroad. In some cases that's  
15 good, some cases that's not so good. But you know,  
16 railroads these days are running about four times the  
17 gross tonnage that they did four or five decades ago and  
18 doing it with a lot fewer miles of infrastructure, and  
19 some of that was done by letting go of infrastructure that  
20 was there. If the railroads had maintained all of the  
21 infrastructure that existed in the '60s, you would not  
22 have viable railroads now.

23 To the extent that infrastructure is  
24 maintained, it has to be carefully decided that it is  
25 necessary for the public benefit. Not really making a

1 statement that we don't already know that in the  
2 Department of Transportation, however, we are saying that  
3 we simply have to know all of the ways that that is  
4 addressed when it's necessary, when it is a public  
5 transportation system. That's about it.

6 MR. ALLEN: The last we talked about this  
7 committee, I felt like I was back at HEB because at HEB  
8 every year our wish list was much greater than our ability  
9 to fund and finance. So as we started looking at  
10 strategic research that we think is important for TxDOT's  
11 future, we came up with three subjects.

12 Demand leveling which to me was how do you get  
13 more out of your existing infrastructure, are there ways  
14 that we can use technology to have the flow on existing  
15 highways work better, are there ways we can shift the  
16 demand for use of our highways to hours that are not now  
17 at peak time, so could you get more trucks on to the  
18 nighttime usage of our highways is something we've talked  
19 about. I just call these ideas highway stretchers. How  
20 do you get more out of existing infrastructure?

21 Innovative finance was simply are there ways  
22 that we've not thought of yet to get more funds for TxDOT  
23 to spend on expansion of our highways or maintenance of  
24 our highways.

25 And I even hate to say these words, but

1 managing the decline. I hate using those words. In my  
2 own mind I said it's prioritizing the use of our limited  
3 funds, and so we want to come up with how do you manage in  
4 an environment where you don't have all the dollars you  
5 think you need so you have to spend every dollar as wisely  
6 as possible. And we want to come up with ideas and study  
7 ideas that say how to best spend the \$7 billion or so that  
8 we have in an environment where the 2030 Committee said it  
9 really ought to be about \$14 billion a year. So we've got  
10 to spend that \$7 billion incredibly wisely and we think  
11 some strategic research in this area can be very important  
12 for Texas.

13 MS. PETERS: I'll just add, Commissioners,  
14 thank you for the opportunity to be here today.

15 This may appear to you be a blinding flash of  
16 the obvious about what we need to be looking at and we  
17 don't intend it to be. These are three big bucket areas  
18 that we would like to challenge you to look at, do a very  
19 extensive literature search so we're not reinventing the  
20 wheel or doing a report where say that someone else has  
21 already done, bring that data to bear, and then really  
22 focus down on where this agency and this state can best  
23 use its resources, expand the resource base, and as my  
24 colleagues have said, really get more out of, more  
25 throughput, if you will, through the system that we have

1 today, and there are ways we need to do that, with  
2 technology, with pricing, with some other issues, as well.

3 So we appreciate the opportunity to be with you  
4 this morning. We look forward to getting back to you as  
5 the research develops, and thank you for your time.

6 MR. HOUGHTON: Are there any questions of the  
7 panel?

8 Ken, I'm with you on the word "decline." I have  
9 a problem with that. I would hope that you would  
10 reconsider or consider another description in that third  
11 bullet point.

12 How do you see going out to the university  
13 systems, is it an RFP saying these are the bullet points  
14 and underneath that describe the bullet points? Rick, or  
15 who wants to tackle that?

16 MR. COLLINS: We would deliberately, I think,  
17 keep it very broad for the researchers. We will encourage  
18 them to think outside their box, if you will, so these are  
19 not going to be very detailed work statements. And I  
20 would also encourage them to probably look at the results  
21 of this meeting and see what type of conversation takes  
22 place as they consider the research they'll do.

23 MR. HOUGHTON: Is this a winner-take-all type  
24 deal?

25 MR. COLLINS: We may have one university doing

1 one topic, another one doing another.

2 MR. HOUGHTON: Okay. So it could be multiple?

3 MR. COLLINS: Yes, sir.

4 MR. HOUGHTON: I want to thank the panel very  
5 much for your time, and bringing the retirees out of  
6 retirement. Thank you for your service.

7 MR. BREDENBERG: I thought about coming in my  
8 normal shorts but I decided that would be inappropriate.

9 (General laughter.)

10 MR. WILSON: Thank you all.

11 Item 3c is an update on the activities and  
12 recommendations of the I-35 Advisory Committee. The  
13 director of the Government and Public Affairs Division,  
14 Coby Chase, will make this presentation. Coby.

15 MR. HOUGHTON: Coby, are you going to read to  
16 us again?

17 MR. CHASE: Yes, sir. For the record, my name  
18 is Coby Chase and I prefer to read, but if you have  
19 another means for me to deliver this, sir, I'd be happy to  
20 do that.

21 Good morning. My name is Coby Chase, TxDOT's  
22 director of Government and Public Affairs. I'm here today  
23 to briefly update you on the progress of the comprehensive  
24 work we have going along I-35.

25 I'm pleased to have with us Bell County

1 Commissioner Tim Brown who serves as chairman of the I-35  
2 Advisory Committee. Commissioner Brown will be presenting  
3 the advisory committee's MY35 Plan. Before we get to  
4 that, I'd like to quickly update you on the extensive  
5 progress that's been made along I-35 and what will be  
6 going on in the next few years.

7 As we all know, I-35 serves as a major lifeline  
8 in Texas. This corridor allows for movement of goods and  
9 freight to our communities and allows commuters in cities  
10 and suburbs to travel to work and school every day. The  
11 continued population growth in this state makes the  
12 importance of maintaining and expanding I-35 even more  
13 critical.

14 According to the 2010 U.S. census data, over 11  
15 million Texans live in the counties represented by the I-  
16 35 segment committees. These counties have a higher  
17 population than 43 states. Between 2000 and 2010, many of  
18 these I-35 counties grew at a rate of over 20 percent,  
19 with some growing at 30 or more percent and our neighbors  
20 to the immediate north, Williamson County, growing by an  
21 astounding 69 percent.

22 The population growth creates tremendous demand  
23 on the system from commuters going about their daily  
24 business and it also increases freight traffic as the  
25 expanding population demands more goods in communities

1 along I-35. In 2010, 13 sections of I-35 found their way  
2 onto the 100 most congested sections of roadway in Texas.  
3 These roadway sections were on the most congested list  
4 more than any other road in the state. Three sections of  
5 I-35 are in the top ten most congested sections. These  
6 are: I-35 in Austin between State Highway 71 and US 183,  
7 I-35 West in Fort Worth, and I-35 East in Dallas between  
8 I-30 and State Highway 183. While our college football  
9 teams can't seem to penetrate the top ten in these  
10 regions, I-35 can.

11 (General laughter.)

12 MR. CHASE: The commission continues to provide  
13 leadership on the comprehensive improvements to the I-35  
14 system to relieve this congestion and maintain a high  
15 quality Main Street Texas. Work continues on I-35 through  
16 Central Texas too. Currently 30 miles are under  
17 construction as the roadway is expanded to six lanes. In  
18 the next few years we anticipate having over 60 miles  
19 under construction in this area.

20 Additionally, Proposition 12 funding will allow  
21 the expansion to be completed in the Temple area and  
22 provide a seamless six-plus lane interstate from San  
23 Antonio to the split in Hillsboro. When the expansion  
24 project is complete, I-35 will have about 220 miles  
25 completed to at least six lanes in some of the most

1 heavily traveled sections.

2           In North Texas work continues on the North  
3 Tarrant Express project. As part of this project, work on  
4 the interchange at I-35 West and I-820 will provide for  
5 improved mobility in this heavily congested area. To the  
6 east the LBJ Expressway project will provide additional  
7 capacity for travelers on I-35E by adding a total of four  
8 managed lanes. Also in North Texas we will soon begin on  
9 improvements to Tower 55 providing relief to that  
10 congested rail intersection, allowing for more efficient  
11 freight movement along the I-35 corridor and contributing  
12 to multimodal solutions.

13           I applaud the commission for anticipating the  
14 state's future needs and recognizing that even with the  
15 current and planned construction, the exploding population  
16 of Texas requires leadership and planning years in advance  
17 to meet the needs of our businesses, consumers and  
18 citizens.

19           The I-35 Advisory and Segment Committees have  
20 done a remarkable job of bottom-up grassroots planning  
21 beginning with citizens at a local level and constructing  
22 a plan for I-35's future. The I-35 Advisory and Segment  
23 Committees and the MY35 effort are the first of their  
24 kind. Nowhere in the country has this degree of citizen-  
25 led public involvement been attempted before. This is the

1 first time planning efforts have started with citizens and  
2 their ideas. Others are also recognizing the importance  
3 and uniqueness of this citizen-led planning process. This  
4 summer the MY35 process was presented with the Best Public  
5 Involvement Approach Award at AASHTO's Public Affairs  
6 Conference.

7 The citizen volunteers serving on these  
8 committees, such as Commissioner Brown, are the ones who  
9 make this a successful process. They created a  
10 comprehensive set of recommendations for the future of  
11 I-35 and laid a new foundation for the future of citizen-  
12 driven planning efforts for this department.

13 Commissioners Houghton and Meadows, in  
14 particular, I'd like to thank you for your continued  
15 guidance and vision in this process and the involvement  
16 you have had with the committees and projects on I-35.

17 Now I'd like to introduce someone I've known  
18 for a long time, and he still manages to call me a friend  
19 every once in a while and I appreciate that, Bell County  
20 commissioner and I-35 Corridor Advisory Committee  
21 chairman, Tim Brown, who has provided incredible  
22 leadership and focus on this comprehensive citizen-created  
23 blueprint for the future of I-35. Commissioner Brown.

24 MR. BROWN: Thank you, Coby.

25 When I heard that Coby was going to precede me,

1 I started to run for the parking lot. I never know.

2 (General laughter.)

3 MR. BROWN: Before I get started, I want to  
4 take just a minute, Mr. Chairman, and congratulate you on  
5 your ascendancy to the throne. I have not seen you since  
6 your appointment, and very happy to know that we're going  
7 to continue to work together under your leadership and  
8 look forward to that.

9 Commissioner, congratulations to you, and Mr.  
10 Wilson, to you as well.

11 Transition is a difficult time. I appreciated  
12 your comments, Bill, when you mentioned the role that Mr.  
13 Barton has played in the last few months. He has done a  
14 magnificent job in keeping things moving along in a very  
15 challenging period, very challenging environment. I  
16 appreciate that.

17 I also want to take just a minute to ask  
18 members of the advisory committee and segment committees  
19 who may be in the audience to stand very quickly. We have  
20 a few folks here. And I'm not going to take the time to  
21 introduce everybody, I'm sure you know them all. Thank  
22 you, folks.

23 I did want to mention that these people have  
24 made a substantial commitment of time and effort, and in  
25 some cases money for travel expenses and so forth, to

1 participate in this process and try to keep this thing  
2 moving along. I also want to thank the staff who have  
3 worked in the background to facilitate the process and to  
4 put together a report and try to make some sense out of  
5 what we've put together.

6 For the benefit of the new members of the  
7 commission, I want to mention that this process has been  
8 going on for a couple of years now. I don't know how much  
9 you've had a chance to really dig back into it, but it  
10 started as a novel attempt to do things a little bit  
11 differently. Professional planners sitting up at 50,000  
12 feet looking at problem crunching numbers may come up with  
13 a set of solutions that are perfectly appropriate, but in  
14 some cases may overlook some of the nuances of need that  
15 exist on the ground. This was an attempt to do it the  
16 opposite way: start on the ground with citizens who drive  
17 the highways every day and see what kind of ideas they  
18 bring to the table.

19 As Coby described, we started with four segment  
20 committees who were populated by people from different  
21 areas of the state and those folks met and made specific  
22 recommendations for projects, submitted those to my  
23 committee, and we tried to assimilate those into some sort  
24 of unified plan.

25 One of the weaknesses in this system,

1 admittedly, is that you have a tendency to come up with  
2 nothing more than just a list of projects, and to some  
3 extent that's what this plan is, it's a list of projects.  
4 In a sense, though, that's a good thing because it  
5 illustrates a problem that we discovered actually several  
6 years ago when we started trying to figure out what to do  
7 about the I-35 corridor. We discovered that there is no  
8 one-size-fits-all solution, it's a very complex challenge  
9 and it's a challenge that's going to be met with little  
10 incremental solutions here and there that are going to  
11 change from one geographic region to another.

12 In some parts of the state expanding capacity  
13 along an existing segment of the interstate may be  
14 perfectly adequate. In other cases, a major urban area  
15 like the Dallas-Fort Worth area you've got projects all  
16 over the board and that's because of what happens to that  
17 traffic flow as it hits that urban area. And then there's  
18 the component of rail that's always been out there and is  
19 part of the long-range picture, we think, for what Texas  
20 will need in the future.

21 I'm not going to take the time to go through  
22 the project list. I assume you have the document, I see  
23 one on the table up there, and will have a chance to read  
24 through this thing over time. I expect that we'll have an  
25 opportunity to come back and answer questions later.

1           I do want to mention as we presented this thing  
2 back in January we considered it to be a draft and we  
3 asked to come back and work on it some more which we did  
4 this summer. The primary reason we wanted to work on it  
5 some more is because we felt like the various rail  
6 proposals had not been thoroughly discussed and presented  
7 an we wanted to spend a little more time trying to flesh  
8 some of those out.

9           We had a lot of discussion about rail. There  
10 are those who believe that rail should be put on equal  
11 footing for funding with traditional asphalt projects in  
12 Texas, and the committee is not ready to go that far. We  
13 don't believe it's appropriate to split a pie that's  
14 already too small even further. But we do believe very  
15 strongly that a variety of different rail components are  
16 going to be part of the future solutions for Texas and so  
17 we pushed those projects forward, but we advocate that  
18 we've got to find some new way of funding those projects.

19           And our discussions come back to funding. That  
20 was the other thing that we tried to deal with a little  
21 bit more. I was interested in hearing that the committee  
22 for Strategic Research focused on funding as well. That  
23 seems to be the common denominator that we keep coming  
24 back to. Early on in our deliberations my committee found  
25 ourselves to be frustrated over and over again when we

1 would discuss specific solutions that we thought were  
2 appropriate but for which there was no funding stream, and  
3 we asked ourselves how legitimate is it to propose an idea  
4 that we know we can't build anyway. So eventually we took  
5 the idea that funding was not our challenge, that's  
6 somebody problem, that our challenge was to try and  
7 identify what needs to be done, and then come back around  
8 and see if we can figure out a way to get it funded.

9 We did throw in one little section on funding  
10 but it really is just a listing of all the different kind  
11 of funding ideas that you've already heard anyway. There  
12 are a lot of things out there, there's really nothing new.  
13 But we advocate that, and I think it's consistent to  
14 messages beginning to resonate across the state of Texas,  
15 transportation is so important, particularly a major  
16 corridor like Interstate 35, that we're going to have to  
17 get serious about funding.

18 I submit this report to you for your  
19 consideration. Our committee has essentially gone into  
20 kind of a holding pattern for the time being. We are  
21 eager to continue to work for you. I would say that you  
22 still have a very committed group of people here. Like a  
23 lot of committees of this sort, you start off strong and  
24 then a few people sort of drop out and you lose momentum,  
25 but in this case we've got a nucleus of very, very

1 committed people who are willing to continue to work and  
2 we would await your instructions on where to go next.

3 I did notice that the House interim charges  
4 have been released and the Transportation Committee has  
5 been challenged with looking at the state of  
6 transportation infrastructure in general and looking at  
7 the funding issue as well, so we would be happy to try to  
8 take our message to the legislature on your behalf and on  
9 behalf of the people of Texas and any other ways that we  
10 can continue to try to work to keep the momentum going and  
11 keep these projects moving along.

12 So with that, Mr. Chairman, I'll stand down.  
13 If you have any questions, I'd be happy to try to answer;  
14 otherwise, we will look forward to instruction on how you  
15 feel like we need to proceed in the future.

16 MR. MEADOWS: Commissioner Brown, I certainly  
17 want to thank you and every member of the MY35 initiative  
18 for the good work that you did. The fact is that good  
19 process yields good result, and I think that's the  
20 important thing. What we did, working together with you,  
21 was construct a good process and good process means it was  
22 inclusive of citizenry and citizen-driven. And the fact  
23 that it was acknowledged and recognized, receiving the  
24 award, is of no surprise.

25 But at the end of the day, what really is

1 important is the product and what we have is a strong  
2 document that is, again, based on and constructed on  
3 citizen input and involvement, and I think it's going to  
4 serve us well. It's a dynamic document; I think we all  
5 recognize that. And the answer is what is the committee's  
6 involvement in the MY35 effort in the future, I think it  
7 is dynamic, and I'm not sure that we can define that yet  
8 but we recognize that solutions proposed or crafted today,  
9 by the time we get to a point that we do identify funding  
10 resources necessary to deliver them, we may have to go  
11 back to the citizenry and work through it. Again, it's a  
12 dynamic process.

13 I think another thing that's just important to  
14 note just in recognition of the fact that we all know  
15 that, arguably, the Interstate 35 corridor is the most  
16 important transportation corridor in the state, certainly  
17 traffic flow and demand would indicate that. The  
18 commission has directed approximately \$1.4 billion to  
19 expand the facility in the state, and that has happened in  
20 the last two years. And I think is there is a direct  
21 relation or correlation between those decisions and the  
22 work that you have done? I would suggest yes. I think  
23 that we've recognized that we had to do something, we took  
24 the action, we made the investment. There were some that  
25 criticized that investment, but at the end of the day, we

1 really believe that it's the right thing to do.

2 The report today indicates 30 miles. Well, 30  
3 miles of expansion of the facility is actually what's  
4 under construction. The fact is that we've committed  
5 funding to expand 91 miles, I believe it is, of the  
6 facility to six lanes which brings it to over 200 miles.

7 So again, I really express our appreciation to  
8 you all that provided that sort of leadership and we look  
9 forward to continuing to work with this group in the  
10 future.

11 MR. BROWN: Well, thank you, Commissioner. And  
12 I should have mentioned the fact that you, working with  
13 the legislature, have made a tremendous investment in  
14 Interstate 35, and I realize that in a time when there's  
15 such intense competition for those dollars, getting that  
16 done was not easy, and we're very grateful and flattered  
17 to think that we might have had anything to do with it.  
18 The real credit is yours and I appreciate that.

19 MR. HOUGHTON: Any other comments?

20 (No response.)

21 MR. HOUGHTON: Commissioner Brown, thank you,  
22 and to the committee for the service.

23 MR. BROWN: Thank you, Mr. Chairman.

24 MR. HOUGHTON: We have one speaker signed up,  
25 Grady Smithey, Duncanville. Couldn't miss having Grady.

1 MR. SMITHEY: You notice that Coby didn't  
2 introduce me as one of his friends, and probably the  
3 reason he didn't is his first day on the job I was down  
4 here haranguing the commission about leaving parts of 67  
5 and 287 off the Texas trunk system. This was a long time  
6 ago, and I don't think Coby ever forgave me for that  
7 introduction to the job.

8 Again, I want to echo the congratulations to  
9 all of you that my chairman said, and I want to thank you  
10 for the opportunity to continue to work on 35. Seems like  
11 I've been working on 35 off and on most of the last 25  
12 years in different ways.

13 But I tell you, you've got the report. A  
14 couple of things in the report that I would commend your  
15 attention to, and I'm a representative of the Segment 2  
16 committee which starts at I-20 and goes down to Temple,  
17 and that is one of the things that happened to me last  
18 night. Since the Rangers were not on television, I was  
19 watching all the local news stations at the motel I stayed  
20 at and I happened to see a familiar face, John Barton.  
21 What was John doing? He was at Huston-Tillotson College  
22 talking about how to improve traffic flow in the Austin  
23 area. Hope to God you can do that, having driven in  
24 yesterday.

25 And one of the things he said, one of the

1 things that group said was: Look at all these crossings  
2 that we've got that are at grade, look at all these  
3 intersections that need to be improved. Well, guess what  
4 one of the near-term recommendations is in our report, and  
5 I think it's the number two near-term recommendation in  
6 the Segment 2 corridor is that there are a number of  
7 highway interchanges that need to be greatly improved.  
8 And if you could concentrate on those things, I would  
9 really appreciate that. I think it would improve traffic  
10 flow much more for the amount of money you're going to be  
11 spending.

12 Bill, I used to try to go up 35 north through  
13 Fort Worth as I was trying to kill a deer up close to the  
14 Red River, and I guarantee you, I go south to a deer lease  
15 now. I didn't think anybody could ever get through that  
16 place. I used to say if I was a trucker coming up 35, I'd  
17 go through Dallas one time, then I'd go through Fort  
18 Worth, but I don't know where I'd go now, I'd try to take  
19 a loop around the whole thing if we had one, and we don't.

20 The second thing I want to commend you to look  
21 at is the environmental clearance process. Thank God  
22 you're looking at a way to streamline that because one of  
23 our near-term recommendations is to complete that 37 mile  
24 section of South Loop 9 which will take a lot of those  
25 trucks that want to go from 35 around to 30 to go up

1 toward the East Coast out of the main stream of Dallas  
2 traffic. You know, we've got the fourth most congested  
3 intersection in the whole country in downtown Dallas and  
4 they're getting ready to improve it, and so you know what  
5 this means to us, same thing that you're dealing with on  
6 35 and the North Tarrant Express.

7           And I want to tell you something, we started in  
8 2002 trying to get environmentally cleared this 37 mile  
9 section of Loop 9. There are no snail darters; there are  
10 no Black-capped Vireo. It's just a segment of the  
11 Blackland Prairie where we used to grow cotton. And we  
12 have now gotten a tentative date because of TxDOT and our  
13 congresswoman, Eddie Bernice Johnson. We got everybody  
14 together, we tried to come up with things, we finally got  
15 a tentative date of maybe we'll get it done by May 2013.

16           Do you realize we completed the Manhattan  
17 Project -- we made the atomic bomb to end World War II  
18 quicker than we can clear 37 miles in which there's really  
19 virtually no environmental impediment. So please keep  
20 working on that.

21           Thank you so much for your efforts, and I  
22 appreciate the opportunity. I didn't mention also, I'm  
23 not only on the city council for Duncanville, I'm also  
24 secretary of the Dallas Regional Mobility Coalition and  
25 we're extremely interested in the improvements on 35 that

1 both the Segment 1 and Segment 2 committees have done.  
2 And I'll be glad to answer any questions if anyone has  
3 any.

4 MR. HOUGHTON: Grady, thank you for being here,  
5 thank you very much.

6 Move on.

7 MR. WILSON: That concludes our reports this  
8 morning. The next item, number 4, is the award of airport  
9 improvement projects. Aviation Division Director Dave  
10 Fulton will present this minute order.

11 MR. FULTON: Thank you, Phil, Commissioners,  
12 good morning. For the record, my name is Dave Fulton,  
13 director of the TxDOT Aviation Division.

14 This minute order contains a request for grant  
15 funding approval for eleven airport improvement projects.  
16 The total estimated cost of all requests, as shown in  
17 Exhibit A, is approximately \$18.8 million: approximately  
18 \$14.2 million in federal funds, \$1.9 million in state  
19 funds, and \$2.7 million in local funds.

20 A public hearing was held on September 22. No  
21 comments were received. We would recommend approval of  
22 this minute order.

23 MR. HOUGHTON: Motion?

24 MR. UNDERWOOD: So moved.

25 MR. AUSTIN: Second.

1 MR. HOUGHTON: All in favor?

2 (A chorus of ayes.)

3 MR. HOUGHTON: Thanks.

4 MR. WILSON: Item 5 is an award of  
5 transportation development credits to further public  
6 transportation projects. I'll bring Public Transportation  
7 Division Director Eric Gleason back up to present this  
8 minute order.

9 MR. GLEASON: Once again, I'm Eric Gleason,  
10 director of TxDOT's Public Transportation Division.

11 Agenda item 5 revises the previously approved  
12 funding award to include transportation development  
13 credits for one sub-recipient and adds an additional  
14 category of expense associated with the use of development  
15 credits for another.

16 Minute order 112709, passed in June 2011,  
17 failed to include an award of 34,000 development credits  
18 to Mounting Horizons to assist in their purchase of  
19 service agreement and did not identify vehicle procurement  
20 as an expense requiring development credits in an award to  
21 LULAC Project Amistad. This agenda item supercedes the  
22 awards for LULAC Project Amistad and Mounting Horizons  
23 under the June 30, 2011, minute order. All other awards  
24 remain unchanged.

25 Staff recommends your approval of this minute

1 order.

2 MR. HOUGHTON: Motion?

3 MR. AUSTIN: So moved.

4 MR. UNDERWOOD: Second.

5 MR. HOUGHTON: All in favor?

6 (A chorus of ayes.)

7 MR. GLEASON: Thank you.

8 MR. HOUGHTON: Thanks, Eric.

9 MR. WILSON: Item 6a is the final adoption of  
10 administrative rules. The first will be presented by  
11 General Counsel Bob Jackson.

12 MR. JACKSON: Bob Jackson, general counsel.

13 The department's Sunset bill required the  
14 commission to develop and implement a policy to encourage  
15 the use of negotiated rulemaking procedures. The  
16 commission proposed a rule that did so. It named the  
17 general counsel as the negotiated rulemaking coordinator.  
18 It authorized the general counsel to initiate negotiated  
19 rulemaking on my own initiative or at the request of the  
20 executive director or the commission.

21 This minute order provides for final adoption  
22 of the rule. No public comments were received. I  
23 recommend adoption of the minute order.

24 MR. HOUGHTON: Motion?

25 MR. UNDERWOOD: So moved.

1 MR. AUSTIN: Second.

2 MR. HOUGHTON: All in favor?

3 (A chorus of ayes.)

4 MR. WILSON: Next is the interim director of  
5 the Construction Division, Ken Barnett.

6 MR. BARNETT: Good morning. For the record,  
7 Ken Barnett, interim director of the Construction  
8 Division.

9 Item 6a(2) is for final adoption of rules  
10 related to Senate Bill 1420. This changed the  
11 Transportation Code by removing specific requirements for  
12 the department to advertise our highway construction and  
13 maintenance projects in newspapers. This rule requires  
14 that the commission adopt the most effective method for  
15 providing that notification of upcoming bids. These  
16 changes do not prohibit the use of newspaper ads, it  
17 simply removes the requirement that we do that.

18 The proposed modification to Rule 9.13 was  
19 published in the Texas Register on August 12 and it  
20 provides that notification of bids will be via the  
21 Electronic Business Daily maintained by the Comptroller of  
22 Public Accounts. We do believe this is the most effective  
23 method because it is widely used, easily accessible and  
24 currently used by the department in conjunction with  
25 newspaper ads, internet postings and other notices to

1 bidders. The department does propose to continue with  
2 these other methods and we are not prohibited from using  
3 newspaper ads when deemed necessary.

4 We received 15 comments on these rules from  
5 various newspaper agencies throughout the state, and those  
6 comments are summarized as follows. Some of the comments  
7 reflected that they felt the notice to bids in the  
8 newspapers was the best way for taxpayers to see how their  
9 tax money is being spent. The department believes that  
10 the Electronic Business Daily is the best way to post the  
11 ads and information is available to the public on our  
12 projects via Project Tracker and news releases provided by  
13 our districts.

14 Some also expressed concern over limited  
15 internet access throughout the state, particularly in  
16 rural areas. This may be true, however, 70 percent of our  
17 bids are received electronically via the internet, and  
18 again, our districts provide press releases to local  
19 officials and the newspapers to advise the public without  
20 internet access about our projects.

21 Others proposed that we post an abbreviated  
22 newspaper ad with a URL to where you could see where the  
23 advertisement was. We still believe the Electronic  
24 Business Daily is the best way to advertise our projects  
25 and newspapers can certainly publish a link to that if

1 they so choose for noteworthy projects in their  
2 communities.

3 Most of the other comments related to effects  
4 of small business, reduction in the number of bidders and  
5 integrity of the letting process. The department doesn't  
6 see any detrimental effects to small business. The cost  
7 savings to the department of approximately \$1.7 million  
8 which could be redirected to other projects providing more  
9 opportunities in the private sector for other projects.  
10 We don't see any effect on the process. The Electronic  
11 Business Daily is maintained by another state agency and  
12 the results of our letting process are readily available  
13 through the internet today and will continue to be.

14 I'll be happy to address any questions. Other  
15 than that, staff recommends approval of your minute order.

16 MR. HOUGHTON: Questions?

17 MR. AUSTIN: That \$1.7 million in savings, is  
18 that annually?

19 MR. BARNETT: \$1.7 million annually. Yes, sir.

20 MR. AUSTIN: Thank you.

21 MR. HOUGHTON: Motion?

22 MR. AUSTIN: So moved.

23 MR. UNDERWOOD: Second.

24 MR. HOUGHTON: All in favor?

25 (A chorus of ayes.)

1 MR. HOUGHTON: Thanks, Ken.

2 MR. BARNETT: Thank you, sir.

3 MR. WILSON: Item 6a(3) will be presented by  
4 Glenn Hagler from the General Services Division.

5 MR. HAGLER: Good morning. For the record, I'm  
6 Glenn Hagler, director of purchasing with the General  
7 Services Division.

8 This minute order proposes the final adoption  
9 of amendments to Section 9.21 concerning the department's  
10 ability to award a maintenance contract as a purchase of  
11 services under the State Purchasing and General Services  
12 Act.

13 The amendment addresses changes resulting from  
14 House Bill 3730 of the 82nd Legislature, Regular Session.  
15 The amendments allow the department to provide a more  
16 expedient means to acquire services for highway  
17 maintenance and building maintenance. The change will  
18 stipulate that the dollar amount will align with the  
19 Comptroller's rules for delegated authority to agencies  
20 for informal bids rather than specifying a specific dollar  
21 amounts. Section 9.21 currently allows purchase of  
22 services up to \$15,000. The Comptroller's informal bid  
23 limit is currently \$25,000.

24 The changes were posted in the Texas Register  
25 and no comments were received. Staff recommends approval

1 of the minute order, and I'd be glad to answer any  
2 questions you may have.

3 MR. HOUGHTON: Questions? Motion?

4 MR. UNDERWOOD: So moved.

5 MR. AUSTIN: Second.

6 MR. HOUGHTON: All in favor?

7 (A chorus of ayes.)

8 MR. HOUGHTON: Thanks, Glenn.

9 MR. HAGLER: Thank you.

10 MR. WILSON: The last final adoption of rules  
11 this morning relates to utility accommodations and it will  
12 be presented by director of the Right of Way Division,  
13 John Campbell.

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

17 I'd like to present for your consideration this  
18 morning item 6a(4) which adopts amendments concerning  
19 utility facilities construction and maintenance.

20 Final adoption of these proposed revisions to  
21 Sections 21.37 entitled Design, and Section 21.38 entitled  
22 Construction and Maintenance, clarify the responsibility  
23 of the utility company for the accommodation installation  
24 adjustment of utilities that are impacted by construction  
25 projects. It also more explicitly defines the

1 requirements of the agreement to include utility  
2 facilities in a highway construction contract between the  
3 utility provider and the department.

4 By minute order 112753 on July 28 we proposed  
5 these amendments, we had an open comment period through  
6 September 12 of 2011 and we received no public comments.  
7 Staff recommends your approval of the minute order.

8 MR. HOUGHTON: Questions of John? Motion?

9 MR. AUSTIN: So moved.

10 MR. UNDERWOOD: Second.

11 MR. HOUGHTON: All in favor?

12 (A chorus of ayes.)

13 MR. HOUGHTON: Thank you, John.

14 MR. CAMPBELL: Thank you.

15 MR. WILSON: Item 6b is the proposed adoption  
16 of rules relating to the complaint resolution process. It  
17 will be presented by the director of the Government and  
18 Public Affairs Division, Coby Chase.

19 MR. CHASE: Good morning. Again for the  
20 record, my name is Coby Chase, Government and Public  
21 Affairs.

22 These rules are proposed to be put out for  
23 public comment regarding our complaint resolution process.  
24 The original rules for handling citizen complaints were  
25 adopted by TxDOT in 1996. Back then our directive from

1 the Sunset Commission was listed under a section called  
2 Across the Board Recommendations. So we crafted some  
3 rules, some rather simple rules that defined a complaint,  
4 specified how we were to advertise our complaint process  
5 to the public, and set some basic requirements for  
6 documenting written complaints. In the meantime, our  
7 employees continued to do their job and responded to  
8 complaints as they came in, we just didn't do a thorough  
9 job of collecting and tracking those complaints  
10 internally, rather we just went out and fixed the  
11 problems.

12           During our Sunset review in 2009, Sunset  
13 professional staff asked us for data on the number and  
14 type of complaints, how long it took us to handle them and  
15 how they were received. We couldn't accurately answer  
16 those questions because we had no agency-wide method of  
17 collecting this information. Therefore, based on the 2009  
18 Sunset review, the new language ultimately adopted by the  
19 legislature is far more specific in defining what the  
20 state expects of us regarding complaints. Those  
21 directives required a major overhaul of our complaint  
22 resolution rules which brings us to today.

23           The amendments, repeals and new sections of the  
24 complaint resolution rules before you incorporate the  
25 statutory changes from the 82nd Session of the Texas

1 Legislature. As they directed, the new rules standardize  
2 the complaint process for the agency. They allow for  
3 submission of electronic complaints through email and  
4 through the web. We've also added the Report a Pothole  
5 toll free number and the Ask TxDOT email address as  
6 acceptable ways to submit a complaint. The new rules  
7 require us to collect data, analyze trends and provide  
8 regular reports to the commission and administration.

9           Based on Sunset's findings, we moved quickly to  
10 implement an agency-wide system to collect and track  
11 complaints submitted by citizens. This new system is a  
12 computer database that is used by all our districts,  
13 divisions, offices and regions. I'm pleased to report  
14 we've just completed our first year with the new system  
15 which is called CRAFT for Customer Relationship and  
16 Feedback Tracking System. CRAFT tells us what the  
17 complaints are about, how they came into the agency and  
18 how long it takes us to respond to the customer.  
19 Ultimately the complaint data will be the tool that  
20 informs our decision-making and keeps us abreast of issues  
21 our customers are concerned about.

22           I'm happy to answer any questions about the  
23 proposed rules that we're proposing to put out for public  
24 comment that you may have.

25           MR. HOUGHTON: Questions? Motion?

1 MR. UNDERWOOD: So moved.

2 MR. AUSTIN: Second.

3 MR. HOUGHTON: All in favor?

4 (A chorus of ayes.)

5 MR. HOUGHTON: Thanks, Coby.

6 MR. CHASE: Thank you.

7 MR. WILSON: Moving to item 7, I'll ask the  
8 interim director of the Internal Compliance Office, Angie  
9 Parker, to make her monthly report on the department's  
10 ICP.

11 MS. PARKER: Good morning. I'm Angie Parker  
12 and I'm the interim director of the Internal Compliance  
13 Office.

14 The Compliance Office is responsible for  
15 oversight and coordination of all investigations occurring  
16 on department property or involving department employees.  
17 The ICP Office received 29 complaints during the month of  
18 September, a total of 13 investigations were closed during  
19 the month, and the allegations in three of those  
20 complaints were substantiated and appropriate action was  
21 taken.

22 The Human Resources Division and the Audit  
23 Office also notify ICP when an investigation is initiated  
24 or completed. A total of six investigations were  
25 initiated by those offices during the month of September.

1 I'll be happy to answer any questions regarding  
2 my report.

3 MR. HOUGHTON: Questions?

4 (No response.)

5 MR. HOUGHTON: Thanks, Angie.

6 MS. PARKER: Thank you.

7 MR. WILSON: Item 8 concerns the issuance of a  
8 request for qualifications of the project known as the  
9 Horseshoe in downtown Dallas. The interim director of the  
10 Texas Turnpike Authority Division, Ed Pensock, will  
11 explain this minute order.

12 MR. PENSOCK: Good morning, Chairman Houghton,  
13 Commissioners, Mr. Wilson. It's a pleasure to be with you  
14 this morning. For the record, my name is Ed Pensock. I'm  
15 the interim director of the Turnpike Authority Division of  
16 TxDOT.

17 Item 8 authorizes the department to issue an  
18 RFQ, request for qualifications, to develop, design,  
19 construct, and potentially maintain the Horseshoe Project  
20 in Dallas. I have a very brief description of the project  
21 and a description of what we're doing to share with you  
22 this morning.

23 The Horseshoe Project is the interchange  
24 infamously known as the Mixmaster, I believe, of I-35E and  
25 Interstate 30 close to the central business district in

1 Dallas, the map of it up on the screen. This project  
2 proposes to replace bridges that cross the Trinity River  
3 on IH30 and I-35 as well as connecting roadways where they  
4 converge near the central business district of downtown  
5 Dallas. The purpose of the project is to upgrade outdated  
6 roadway geometry, improve safety, increase capacity and  
7 increase mobility. This project is fully on the North  
8 Central Texas Council of Governments' 2035 metropolitan  
9 transportation plan.

10 Through the area this project carries  
11 approximately 350,000 vehicles per day, a very, very  
12 heavily traveled interchange. It's rated in the top 20  
13 most congested roadways in Texas. I believe this is a  
14 portion of what Coby showed you earlier this morning on  
15 his MY35 plan, the portion of I-35. The structures out  
16 there are aging, they're old, there's a lot of rapid  
17 bridge deterioration going on, and there's every year  
18 increasing maintenance and repair costs for the project.

19 The impetus of what brings us here this  
20 morning, two things: we received legislative authority to  
21 do design-build in different projects in the state and we  
22 want to try to use this tool to expedite this project, and  
23 also last month you authorized Proposition 12 funding for  
24 a majority of the project.

25 To date, environmentally, the department

1 received a finding of no significant impact, or a FONSI,  
2 in July of 2005. We're in the process of updating that.  
3 Unfortunately, that FONSI, because of the year and because  
4 of the split-out nature of the work, has to have a little  
5 bit of effort done to it to update it. The Interstate 30  
6 leg of the project is approximately 30 percent designed,  
7 is complete. The I-35E portion of the project has  
8 approximately 30 percent design underway. We are also in  
9 the process of drafting the request for qualifications for  
10 a design-build effort.

11 The next steps. We are here this morning  
12 requesting your authorization to do a design-build  
13 procurement for this project. We would like to issue that  
14 request for qualifications in November, next month. We  
15 anticipate bringing the project up to about a 30 percent  
16 design completion. We think that will be done in the  
17 summer of 2012. We anticipate a U.S. Army Corps of  
18 Engineers permit. It crosses the Trinity River which is a  
19 particularly sticky issue with some of the flooding that's  
20 happened in the past along the Trinity, but we anticipate  
21 a Corps permit in the fall, and we anticipate completing  
22 that environmental effort in late 2012.

23 Really quickly, a summary of the sources and  
24 uses of the funds of the project. This is really more  
25 applicable to your efforts last month in authorizing Prop

1 12, but we see about a \$700 million construction effort.  
2 It's a huge project, it's a large project. Total project  
3 cost probably over \$800 million. We have that much money  
4 authorized and allocated for the project.

5 We have a fairly detailed schedule. We think  
6 that the design-build process can be streamlined and  
7 expedited and culminate at the same time as the other  
8 elements of this project, environmentally, preliminary  
9 design, Corps permitting issues. We think we can  
10 orchestrate all that to come at the same time and plan to  
11 do that so the construction can be facilitated as quickly  
12 as possible.

13 The development and completion of the Horseshoe  
14 Project can be expedited through a design-build contract.  
15 The employment of innovative methods of delivery of  
16 development, design and construction are available and  
17 will greatly allow us to speed up implementing this  
18 project.

19 As you can see, this is a crucial element in  
20 relieving traffic congestion throughout the Dallas area.  
21 One interesting note is that this project is a split out  
22 of a larger project that the Dallas District has been  
23 working on for quite some time called the Pegasus Project,  
24 and the Interstate 35 leg of the Pegasus Project extends  
25 northerly up to the split with SH 183 which is only

1 relevant because we are also working on CDA to improve  
2 that portion of SH 183 which is also relevant because the  
3 continuation that SH 183 project ties into the North  
4 Tarrant Express component of a CDA project that is ongoing  
5 in Dallas right now. I believe Coby or Commissioner Brown  
6 said earlier that the Dallas area, everything is related,  
7 and that's truly the case. I don't know if we'll ever  
8 truly be able to solve congestion in Dallas, but to help  
9 improve capacity and flow of people and goods through  
10 Dallas, everything becomes related.

11 Completion of the project will improve mobility  
12 to two of the state's 20 most congested in the project.  
13 Staff recommends your acceptance of this minute order.  
14 Are there any questions?

15 MR. MEADOWS: I'd move approval but I had a  
16 comment.

17 MR. PENSOCK: Yes, sir.

18 MR. MEADOWS: Really it's more an  
19 acknowledgment and expression of appreciation to our  
20 Austin staff, to you, to David Casteel, to John Barton and  
21 the cast of characters here that worked in close  
22 coordination and collaboration with Michael Morris and the  
23 COG, the RTC. These funding sources, it is remarkable  
24 when you realize what it takes to advance a project of  
25 this importance and this magnitude. You think about the

1 City of Dallas, the City Manager Mary Suhm and elected  
2 officials in Dallas have worked closely with us. Bill  
3 Hale and the Dallas District staff have worked so hard on  
4 this. I'm sure I'm leaving somebody out, but I know the  
5 major players. Eddie Bernice Johnson was a player on this  
6 with securing earmarked funds that enabled some of the  
7 unique design features of this bridge to move forward, or  
8 a portion of this bridge to move forward. In any event,  
9 we need to acknowledge, and I do acknowledge and express  
10 appreciation on behalf of all of us, and certainly of all  
11 the people that are tied up in that congestion every day,  
12 to advance this project that's so needed.

13 MR. PENSOCK: You're exactly right,  
14 Commissioner, and while I get the pleasure of standing in  
15 front of you this morning, there are many people, Bill  
16 Hale and his staff, that have done the yeoman's work, the  
17 extreme heavy lifting on this, and as you can see 350,000  
18 cars a day are impacted by this project. That's  
19 staggering.

20 MR. MEADOWS: I guess we need to acknowledge  
21 the legislature too for advancing some Proposition 12  
22 funds, specifically acknowledging and recognizing the  
23 importance of this project.

24 MR. PENSOCK: Without a doubt Proposition 12  
25 and Proposition 14 funding is incredibly important, as are

1 the regional toll funds, many, many important components  
2 of it. Yes, sir.

3 MR. UNDERWOOD: I just want to reinforce what  
4 Bill said. If I understood correctly, Fort Worth was able  
5 to help in part on this project. Isn't that correct?

6 MR. PENSOCK: Yes, sir, it is.

7 MR. UNDERWOOD: I just want to make sure the  
8 audience understands. This is another example, similar to  
9 what I spoke about last month, where districts working  
10 together for a common goal for Texas, not for their  
11 individual district. And that's really critical. I hope  
12 the citizens out here understand that our department is  
13 working as One TxDOT, not 25 fiefdoms. That's going to  
14 get me in trouble saying that. But I just appreciate the  
15 work that everybody has done on this, sharing the  
16 resources.

17 Also, I liked your part, Ed, talking about as  
18 you work through this process we are streamlining how we  
19 do it, we are going to be working on multiple fronts going  
20 towards the goal. Instead of just stepping one step, one  
21 step, one step, we're going actually be doing multiple  
22 steps in concert as we go which allows us to get it done  
23 fast. Isn't that correct?

24 MR. PENSOCK: Many concurrent paths of critical  
25 activities going on at the same time, and that's truly the

1 OneDOT component of this that allows us to do that.

2 MR. UNDERWOOD: Exactly, and that's what we're  
3 seeing now with the change in TxDOT, how we're being more  
4 responsive and we're taking care of the taxpayers' dollar  
5 better.

6 MR. PENSOCK: It's very rewarding to see  
7 everyone working together and it's very rewarding to see a  
8 project of this magnitude getting pushed closer to the  
9 goal line.

10 MR. UNDERWOOD: Right. Appreciate everything  
11 everyone has done. Thank you very much.

12 MR. HOUGHTON: Jeff, did you have something?

13 MR. AUSTIN: I second the motion.

14 MR. HOUGHTON: I have a question. Not so fast.  
15 (General talking and laughter.)

16 MR. HOUGHTON: Let me ask, Ed, I hope you can  
17 answer these questions. Is this part of the new  
18 legislation that allows the department to procure design-  
19 build authority?

20 MR. PENSOCK: Yes, sir. It's Senate Bill 1420  
21 that gives us the authority to use a design-build tool to  
22 expedite the delivery.

23 MR. HOUGHTON: And how many of those design-  
24 builds can we have within a year?

25 MR. PENSOCK: We're allowed statutorily up to

1 three a year for projects that are larger projects. They  
2 have to be over \$50 million.

3 MR. HOUGHTON: Fifty million. Now, something  
4 that you said that caught my ear was the fact that you're  
5 in design of 35 percent?

6 MR. PENSOCK: About 30 percent.

7 MR. HOUGHTON: Is that a redundancy if this is  
8 a design-build? How much do you design before you'll turn  
9 it over to the successful bidder?

10 MR. PENSOCK: Always a good question and always  
11 a little bit of an issue to be resolved with every single  
12 project. This is an extremely large and complex project.  
13 To use the design-build tool most effectively, they have  
14 to have enough design done when they turn in their bids to  
15 have price certainty, so truly if we do more work early  
16 on, if the department does more work early on, that will  
17 actually allow for cheaper bids to be prepared which means  
18 that they can put their money into the construction of the  
19 project as opposed to trying to do design work. So truly,  
20 it's a double-edged sword: the more design you do,  
21 potentially the more design risk you inherently retain.  
22 But 30 percent is about the right number for a design-  
23 build project and 30 percent will allow this project to go  
24 forward very well.

25 MR. HOUGHTON: My congratulations, as my fellow

1 commissioners expressed, to the folks in the Metroplex  
2 area, and for Fort Worth giving up all that money. Thank  
3 you, Commissioner Meadows. That was very nice of you.

4 (General laughter.)

5 MR. HOUGHTON: Is there a motion?

6 MR. MEADOWS: So moved.

7 MR. AUSTIN: Second.

8 MR. HOUGHTON: All in favor?

9 (A chorus of ayes.)

10 MR. HOUGHTON: Thank you, Ed, thank you very  
11 much.

12 MR. WILSON: Item 9 involves three minute  
13 orders dealing with Transportation Planning and  
14 Programming, and division director Jim Randall will  
15 present these items.

16 MR. RANDALL: Good morning. I'm Jim Randall of  
17 the Transportation Planning and Programming Division.

18 Item 9a, this minute order designates I-69  
19 concurrent with US 77 from I-37 in Corpus Christi  
20 southward to State Highway 44 in Robstown, a distance of  
21 approximately 6.2 miles.

22 On August 25, 2011, the commission authorized  
23 the submission of an application to the American  
24 Association of State Highway and Transportation Officials  
25 requesting this segment be added to the interstate highway

1 system as I-69. During its October 15 meeting, the  
2 AASHTO's Special Committee on US Route Numbering and  
3 Standing Committee on Highways approved the application.  
4 Upon approval of this minute order, I-69 will be  
5 designated on the state highway system concurrent with US  
6 77 from I-37 in Corpus Christi southward approximately 6.2  
7 miles to State Highway 44 in Robstown, as shown in Exhibit  
8 A.

9 Staff recommends approval of this minute order.

10 MR. HOUGHTON: There is a speaker signed up.  
11 John Wood, who is vice chair of the Cameron County  
12 Regional Mobility Authority.

13 MR. WOOD: Good morning, Chairman,  
14 commissioners, thank you very much. My name is John Wood.  
15 I do serve as vice chairman for the Cameron County  
16 Regional Mobility Authority.

17 And Mr. Chairman, I want to congratulate you on  
18 your accepting the position as chair. That's a great  
19 deal, I think it will be good for all of us, we'll all  
20 enjoy that.

21 And Commissioner Austin, I congratulate you for  
22 taking your position. I know serving as chair of your  
23 regional mobility authority, you'll bring a unique  
24 positive perspective to TxDOT's commission.

25 Mr. Wilson, you've served Texas in a lot of

1 different capacities and I know that you're going to enjoy  
2 this one. This is unique probably from anything else  
3 you've been able to do, but it is very rewarding.

4 I do want to thank all of you for this  
5 designation of this one section, the first Texas section  
6 of I-69, 6.2 miles, and I know it won't be too long in the  
7 future where we'll have a designation for some area around  
8 the Houston area that will be I-69 officially designated.  
9 I have worked with the I-69 Coalition for many, many  
10 years, in fact, prior to 1990 been working on this, so to  
11 see something like this come to fruition makes me really  
12 feel good; it's a great moment.

13 I think that the people who have worked on  
14 this, the previous commissioners, the previous executive  
15 directors, all of the TxDOT staff, the different districts  
16 that fall in the I-69 corridor, have been committed to  
17 this and I know will continue to be committed to it. I  
18 know in our area, the Corpus Christi District and the  
19 Pharr District -- the Pharr District is where I'm at --  
20 have worked very, very closely to pool money and work  
21 together, Commissioner Underwood, as you mentioned. We've  
22 been working together and pooling money and trying to get  
23 things accomplished, and those are coming about.

24 I do want to again thank you. I am going to be  
25 leaving in a minute so I can drive over this new

1 designated 6.2 miles, and once I finish driving over that  
2 I'll be about halfway home and there won't be any  
3 interstate beyond that point, but we're working toward  
4 finishing it all. Thank you.

5 MR. HOUGHTON: Thank you, John.

6 MR. WILSON: Mr. Chairman, at this point I have  
7 a letter from Congressman Farenthold that I'd like to read  
8 into the record.

9 "Dear Chairman Houghton: Today I am pleased  
10 that the Texas Transportation Commission is taking formal  
11 action to designate a segment of US 77 from I-37 in Corpus  
12 Christi to SH 44 in Robstown as Interstate 69. I would  
13 like to personally thank the Texas Department of  
14 Transportation and the Alliance for I-69 Texas for their  
15 vision and dedication to provide a long overdue interstate  
16 system in Texas.

17 "I-69 has been a national priority for over 20  
18 years and still remains uncompleted. This is a great step  
19 in expanding the interstate system to meet the needs of  
20 Texas. Its development is essential to the state's job  
21 growth and economic development.

22 "As the only Republican member from Texas on  
23 the Transportation and Infrastructure Committee, my  
24 highest priority has been the development of I-69 in south  
25 Texas which is critical to the growth of the area. The

1 Rio Grande Valley is the largest metropolitan area in the  
2 country not currently served by an interstate highway.  
3 Extending I-69 to the Valley will aid in other  
4 transportation goals such as meeting the needs of Texas  
5 ports after the expansion of the Panama Canal. The  
6 completion of I-69 will create jobs and economic  
7 opportunities in South Texas, improve interregional  
8 connectivity and enhance safety on existing highway  
9 routes.

10 "As Congress moves towards a multi-year  
11 transportation reauthorization bill, I look forward to  
12 working with TxDOT, the Alliance for I-69 Texas and the  
13 Texas congressional delegation to continue expanding the  
14 interstate system to meet the transportation needs of  
15 Texas and the nation. I've worked with Chairman Micah to  
16 get language in the transportation reauthorization bill  
17 which will make it easier for future completed sections of  
18 US 59, US 77 and US 281 to be upgraded to interstate  
19 standard in the years ahead.

20 "I encourage the commission to vote favorably  
21 on designating this segment of US 77 from I-37 to SH 44 as  
22 Interstate 69 so I-69 in Texas can become a true reality.  
23 With personal regards, Blake Farenthold, Member of  
24 Congress."

25 MR. HOUGHTON: Jim, did you bring a shield with

1 you to present?

2 MR. RANDALL: No, sir. I think they're going  
3 to have a ribbon-cutting down there in Corpus Christi.

4 MR. HOUGHTON: Are they?

5 MR. RANDALL: Yes, sir.

6 MR. HOUGHTON: Great. Look forward to it.

7 Motion?

8 MR. AUSTIN: So moved.

9 MR. UNDERWOOD: Second.

10 MR. HOUGHTON: All in favor?

11 (A chorus of ayes.)

12 MR. HOUGHTON: Passes.

13 Thanks, Jim. You're still up.

14 MR. RANDALL: Yes, sir.

15 Item 9b, this minute order certifies the  
16 counties eligible to participate in the Economically  
17 Disadvantaged Counties Program for fiscal year 2012.

18 Transportation Code Section 222.053 directs the  
19 commission, when evaluating a highway improvement project  
20 in a political subdivision that consists of all or a  
21 portion of an economically disadvantaged county to adjust  
22 the minimum local matching funds requirement after  
23 evaluating the political subdivision's effort and ability  
24 to meet the requirement.

25 The Comptroller has provided the necessary data

1 to determine the eligible counties for the 2012 program.  
2 The counties' efforts and their ability to provide a local  
3 match has been considered in determining the adjustment  
4 for each county using the criteria contained in 43 TAC  
5 Section 15.55.

6 Staff recommends the local match adjustments  
7 for the list of counties shown in Exhibit A, and using the  
8 methodology shown in Exhibit B for the cities within those  
9 counties. Staff recommends approval of this minute order.

10 MR. HOUGHTON: Questions? Motion?

11 MR. AUSTIN: So moved.

12 MR. UNDERWOOD: Second.

13 MR. HOUGHTON: All in favor?

14 (A chorus of ayes.)

15 MR. HOUGHTON: Thank you. Thanks, Jim.

16 MR. RANDALL: One more, sir.

17 MR. HOUGHTON: One more?

18 MR. RANDALL: Yes, sir. Busy month.

19 Item 9c, this minute order appoints four  
20 members to the Bicycle Advisory Committee.

21 The committee's primary mission is to advise  
22 the commission on bicycle issues, to provide a forum for  
23 communication among the department, bicyclists and the  
24 public. The committee also serves to evaluate projects  
25 submitted to the Safe Routes to School Program and make

1 recommendations to the commission on the development of  
2 bicycle tourism trails in the state.

3           Upon your approval, the following members will  
4 be appointed for terms expiring on August 31, 2014: Tommy  
5 Eden of Austin, Sheila Holbrook-White of Austin, Annie  
6 Melton from Dallas, and Regina Garcia from Houston.

7           Staff recommends approval of this minute order.

8           MR. HOUGHTON: Motion?

9           MR. UNDERWOOD: So moved.

10          MR. AUSTIN: Second.

11          MR. HOUGHTON: All in favor?

12          (A chorus of ayes.)

13          MR. RANDALL: Thank you, sir.

14          MR. HOUGHTON: Thanks, Jim.

15          MR. WILSON: Moving to item 10, the director of  
16 the Finance Division, Brian Ragland, will present this  
17 month's obligation limit report and the quarterly Fund 6  
18 status report.

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

21                 Item 10a is my monthly report to you on the  
22 agency's utilization of its letting caps and also how our  
23 motor fuel tax receipts are doing.

24                 Through October, the first two months of the  
25 year, we've utilized \$571 million of our approximately

1 \$2.8 billion letting cap. That 2.8 is the number as  
2 adjusted by you at last month's commission meeting, mainly  
3 by rolling forward some remaining amounts from last year.  
4 So we're about 20 percent utilized which is a very good  
5 jump on the fiscal year.

6 Again, to mention that this report looks a  
7 little differently than last year, the letting caps are  
8 now tracked not only at the district and division level  
9 but they're also tracked at the MPO level. So that's why  
10 you've got a couple of pages there of a lot of detail.

11 Moving on to motor fuel taxes. For the month  
12 of October total motor fuel tax receipts were up almost 5  
13 percent over October of last year. That brings the year  
14 to date, only two months, up 1.58 percent. The following  
15 page shows the split between diesel and gasoline  
16 collections. Diesel is up year to date 4.1 percent and  
17 gasoline is up .8 percent.

18 And that's all I have for this report. No  
19 action is necessary. Happy to answer any questions.

20 MR. HOUGHTON: Questions?

21 (No response.)

22 MR. HOUGHTON: Thanks, Brian.

23 MR. WILSON: The next items are the award of  
24 contracts for maintenance and department building  
25 construction and highway construction contracts. The

1 interim director of the Construction Division, Ken  
2 Barnett, will present these two items.

3 MR. RAGLAND: Actually, I have one more.

4 MR. WILSON: I apologize. 10b.

5 MR. RAGLAND: 10b is our quarterly report on  
6 how we're doing against our cash forecast. This  
7 particular report is for the quarter ending August 31, so  
8 it's the full year report against FY 2011. As a reminder,  
9 this forecast is prepared monthly and updated based on  
10 changes and assumptions and actual activity as it occurs  
11 throughout the year, and this is basically a report card  
12 against how we did against our forecast prepared in  
13 September 2010.

14 The first page shows the actual cash activity.  
15 At the top is a summary of activity showing actual cash  
16 inflows of \$5.9 billion versus the projection of \$6.4  
17 billion, and actual cash outflows of \$5.8 billion versus  
18 the projection of \$6.3 billion. The bottom half of the  
19 page shows activity broken out into some high level  
20 categories. And then the second page shows some variances  
21 from our predicted amounts. I plan to mention a few of  
22 these with some explanation and then answer any questions  
23 you may have of some of the others.

24 On the expenditure side on the right-hand side,  
25 the contractor payments amount was \$327 million lower than

1 forecast. There's three primary things going on there.  
2 We forecasted our CDA obligations to be at their maximum  
3 payout curve and there were some delays in that part of  
4 the business that moved the timing of those payments into  
5 this year. Second thing sort of related is we forecast  
6 our pass-through toll payments also at the worst case  
7 scenarios: earliest opening date of the roadway and  
8 maximum amount payable. So those did not come in at those  
9 worst case levels. And then finally, the lettings for the  
10 year occurred later in the year than originally forecast.  
11 The biggest part of that was that \$425 million that you  
12 added late in the year that was forecast to be spread more  
13 evenly, so that affected the payouts on those particular  
14 projects.

15 On the expenditure side there's also a figure  
16 tied to debt which shows \$46 million more paid in debt  
17 than we expected. That is because we issued Prop 14 bonds  
18 earlier than we had forecast in order to take advantage of  
19 the Build America Bonds Program, so we ended up with a  
20 higher debt service obligation during the year than we had  
21 forecast.

22 And then finally, one more item on the revenue  
23 side, on the left-hand side that stands out is FHWA  
24 reimbursements. As you know, we only received federal  
25 dollars once we've expended the cash on any eligible

1 projects, so this variance is a direct tie to lower than  
2 projected payouts to our contractors and to our outside  
3 engineers, et cetera that work on right of way and that  
4 sort of thing. And so there's absolutely no loss of  
5 federal funds which some may take from this report, it's  
6 more just the timing of receiving those dollars.

7 And that's all I have here. Happy to answer  
8 any more questions. Again, no action required, just a  
9 report.

10 MR. HOUGHTON: Questions of Brian?

11 (No response.)

12 MR. RAGLAND: Thank you.

13 MR. HOUGHTON: Thank you, Brian.

14 MR. WILSON: The next items are the award of  
15 contracts for maintenance and department building  
16 construction and highway construction contracts. The  
17 interim director of the Construction Division, Ken  
18 Barnett, will present these two items.

19 MR. BARNETT: Again for the record, Ken Barnett  
20 from the Construction Division.

21 Item 11a is the consideration of award or  
22 rejection of Highway Maintenance and Department Building  
23 Construction contracts let on October 6 and 7. We present  
24 32 projects today. We had an average number of bidders of  
25 5.28 and a low bid value of \$23,840,520, and we did have

1 an overall underrun of 9.31 percent.

2 We are recommending award of all the  
3 maintenance projects with one exception, a project in Wood  
4 County, a routine maintenance project, 623017001. This  
5 project is for tree trimming on various roadways within  
6 the Tyler District, it was 30 percent over the estimate.  
7 The reason we believe that happened is the particular unit  
8 bid price is paid by the centerline mile and we had about  
9 15 miles of Interstate 20 in there that's dual roadway and  
10 we think they had to adjust their price up to account for  
11 that in their bid. So we'd like to recommend that we  
12 reject that project, pull it out and redesign it and pull  
13 out Interstate 20 from that project. So that's why we'd  
14 like to recommend rejection and re-let.

15 Other than that, we recommend approval of this  
16 minute order.

17 MR. HOUGHTON: Questions? Motion?

18 MR. UNDERWOOD: So moved.

19 MR. AUSTIN: Second.

20 MR. HOUGHTON: All in favor?

21 (A chorus of ayes.)

22 MR. WILSON: Next up is item 12, the eminent  
23 domain proceedings, John Campbell.

24 MR. HOUGHTON: He's got one more.

25 MR. WILSON: Sorry.

1 MR. BARNETT: Item 11b is the consideration of  
2 award or rejection of Highway and Transportation  
3 Enhancement Building Construction contracts let on October  
4 6 and 7. We have 34 projects. The average number of  
5 bidders was 4.47, with a low bid value of \$243,170,996,  
6 and those are split: approximately \$53,862,000 are three  
7 projects in mobility and \$189,308,000 are 31 projects in  
8 system preservation. We had an overall underrun of 9.11  
9 percent.

10 And we are recommending award of all the  
11 construction projects. Staff recommends your approval of  
12 this minute order.

13 MR. AUSTIN: So moved.

14 MR. UNDERWOOD: Second.

15 MR. HOUGHTON: All in favor?

16 (A chorus of ayes.)

17 MR. HOUGHTON: Thanks, Ken.

18 MR. WILSON: Next up is item 12, the eminent  
19 domain proceedings. John Campbell, director of the Right  
20 of Way Division, will present this minute order.

21 MR. CAMPBELL: Again, my name is John Campbell,  
22 director of the Right of Way Division.

23 I'd like to request your consideration of item  
24 12 which authorizes the filing of condemnation proceedings  
25 necessary to progress the acquisition of nine individual

1 properties, all of them controlled access properties this  
2 month, through the exercise of eminent domain.

3 Staff recommends your approval of the minute  
4 order, and I again respectfully remind you of the special  
5 form of the motion that must be made in order to comply  
6 with the requirements of Senate Bill 18.

7 MR. HOUGHTON: Commissioner Austin, will you  
8 pleasure us with the motion?

9 MR. AUSTIN: I would be happy to, Mr. Chairman.

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

19 MR. MEADOWS: Wow. Second.

20 MR. HOUGHTON: All in favor?

21 (A chorus of ayes.)

22 MR. HOUGHTON: Thanks, John.

23 MR. CAMPBELL: Thank you.

24 MR. WILSON: Item 13 is our routine minute  
25 orders, including donations, public transportation awards,

1 right of way dispositions, the quarterly investment  
2 report, highway designations, award of transportation  
3 development credits, and establishment of speed zones.

4 Commissioners, department staff recommends the  
5 adoption of these minute orders and we will be happy to  
6 answer any questions regarding individual items.

7 MR. HOUGHTON: Motion?

8 MR. AUSTIN: So moved.

9 MR. UNDERWOOD: Second.

10 MR. HOUGHTON: All in favor?

11 (A chorus of ayes.)

12 MR. HOUGHTON: Thank you.

13 At this time we will recess into executive  
14 session under Government Code Section 551.074 to discuss  
15 the duties and compensation of one or more persons who  
16 fill a senior leadership position in the department and  
17 other positions other than the position of executive  
18 director. For the record, the time is 10:41.

19 (Whereupon, at 10:41 a.m., the meeting was  
20 recessed, to reconvene this same day, Thursday, October  
21 27, 2011, following conclusion of the executive session.)

22 MR. HOUGHTON: The meeting of the Texas  
23 Transportation Commission is reconvened. For the record,  
24 the time is 11:06. The commission has concluded its  
25 executive session.

1           We will take up item 15 concerning the  
2 compensation of senior leadership within TxDOT, excluding  
3 the executive director.

4           Phil, do you want to lay this out?

5           MR. WILSON: Sure.

6           MR. HOUGHTON: And then I'll ask for discussion  
7 and then a motion.

8           MR. WILSON: It's our desire to continue to  
9 recruit and/or retain the very best talent in the 21st  
10 Century TxDOT, continue to modernize and be the very best  
11 DOT in the United States and best agency in the State of  
12 Texas. As part of that process, there is a desire to go  
13 out and make compensation levels for the talent to go  
14 recruit and/or retain some key positions which I'm asking  
15 the commission's permission to go and do.

16           One of those key positions would be posted as  
17 the new deputy executive director with permission to go up  
18 to \$273,000 for that position.

19           There are some other key strategic positions  
20 that we also would like to post and to recruit and/or  
21 retain, the first being the CFO, with the opportunity to  
22 create new roles and responsibilities of that mission-  
23 critical position as we go forward, with permission to go  
24 up \$250,000. We look forward, also within the Finance  
25 Division, as it's mission-critical for our organization

1 going forward, the opportunity for a position that's  
2 enhanced of innovative financing and debt management up to  
3 \$250,000. A third position being mission-critical and a  
4 new position would be chief planning and projects or major  
5 projects officer that will be integrating both engineering  
6 and finance in a way to take on the most mission-critical  
7 projects in our state, with permission to go recruit up to  
8 \$250,000 for that position.

9 And then one position, a key leadership role  
10 that is still to be determined as we see our organization  
11 continue to evolve and our needs are presented, with  
12 permission, once presented to the commission, to recruit a  
13 candidate up to \$250,000 for that spot also that will be a  
14 leadership directed position.

15 Mr. Chairman, I'm happy to answer any questions  
16 from you or the other commissioners.

17 MR. MEADOWS: Phil, I'd just like to see  
18 clarification of a couple of things just to make sure that  
19 I understand. I just want to clarify that these are caps.  
20 That is correct?

21 MR. WILSON: Yes, sir.

22 MR. MEADOWS: These are the caps that were set  
23 statutorily by the legislature.

24 MR. WILSON: Actually, the caps were set for up  
25 to five new positions, up to \$292,000. I am asking for a

1 lower cap as permission from the commission to go up to  
2 but not necessarily to that number in the process.

3 MR. MEADOWS: So this merely gives you the  
4 flexibility to attract the sort of talent that you would  
5 like to attract.

6 MR. WILSON: Yes, sir. With an agency of our  
7 size, the legislature has entrusted us as stewards of the  
8 taxpayer dollars and the challenges before us of a \$19.8  
9 billion biennium budget and 12,000 employees, as we treat  
10 ourselves as a company in many ways as taking the very  
11 best of the public and private sector, we want to be able  
12 to retain and/or recruit the best talent we can to manage  
13 this agency.

14 MR. MEADOWS: And these are consistent with the  
15 salary study that we commissioned by the firm of Grant  
16 Thornton?

17 MR. WILSON: Yes, sir, it is.

18 MR. MEADOWS: Okay. I just want to make one  
19 comment, and just again, I guess, more clarification from  
20 my perspective, and that is that the intent here is not to  
21 take an existing position occupied by a person without  
22 significant expansion in duties and responsibilities and  
23 use this to give them a raise.

24 MR. WILSON: Absolutely. This is part of how  
25 we can continue to make sure the agency is transforming

1 and that with those new possibility of compensation it may  
2 go to that number, it's permission from you to do so, that  
3 there will be obviously expectations of even greater  
4 performance by any individuals in these roles.

5 MR. MEADOWS: Okay. Thank you very much. I  
6 appreciate it.

7 MR. HOUGHTON: Any other questions?

8 (No response.)

9 MR. HOUGHTON: Is there a motion?

10 MR. AUSTIN: So moved.

11 MR. UNDERWOOD: Second.

12 MR. HOUGHTON: All in favor?

13 (A chorus of ayes.)

14 MR. HOUGHTON: Passes.

15 Is there any other business?

16 (No response.)

17 MR. HOUGHTON: Is there a motion to adjourn?

18 MR. UNDERWOOD: So moved.

19 MR. MEADOWS: Second.

20 MR. HOUGHTON: All in favor?

21 (A chorus of ayes.)

22 MR. HOUGHTON: We are adjourned until next  
23 month.

24 (Whereupon, at 11:10 a.m., the meeting was  
25 concluded.)

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

C E R T I F I C A T E

MEETING OF: Texas Transportation Commission

LOCATION: Austin, Texas

DATE: October 27, 2011

I do hereby certify that the foregoing pages, numbers 1 through 91, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Penny Bynum before the Texas Transportation Commission.

\_\_\_\_\_  
(Transcriber) 11/03/2011  
(Date)

On the Record Reporting  
3307 Northland, Suite 315  
Austin, Texas 78731