

TEXAS DEPARTMENT OF TRANSPORTATION

COMMISSION MEETING

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

Thursday, March 29, 2012

COMMISSION MEMBERS:

Ned S. Holmes, Presiding Commissioner
Jeff Austin III
William Meadows
Fred Underwood

STAFF:

Phil Wilson, Executive Director
John A. Barton, Interim Deputy Executive Director
Bob Jackson, General Counsel
Rose Walker, Chief Clerk
JoLynne Williams, Chief Minute Order Clerk

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a. **Donations to the Department**

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- (2) **Bridge Division** - Acknowledge a donation from the Precast/Prestressed Concrete Institute (PCI) for a department employee's travel expenses to attend the 2012 Committee Days in Chicago, Illinois on March 29-30, 2012 (MO)
- (3) **Austin District** - Consider a donation from Circuit of the Americas for funding of the design, fabrication and installation of permanent signs to direct traffic to the F1 racetrack near the intersection of SH 130 and FM 812 (MO)
- (4) **Bryan District** - Consider a donation from Larry Landry Developer for the engineering design, construction drawings and construction costs to modify the existing raised median to construct a protected left-turn lane from eastbound FM 158 to the new Pecan Ridge Phase 5 commercial development on the north side (MO)
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- (4) **Fort Bend County** - I-10 westbound frontage road at FM 1463, in Katy - Consider the acceptance of a donation of land for a highway improvement

- project (MO)
- (5) **Haskell County** - US 277 north of Haskell - Consider the sale of surplus right of way to the abutting landowner (MO)
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P R O C E E D I N G S

1
2 MR. HOLMES: Good morning, ladies and
3 gentlemen. In the absence of our esteemed Chairman
4 Houghton, I'm going to chair the meeting this morning. It
5 is 9:03 a.m., and I call to order the regular March 29,
6 2012, meeting of the Texas Transportation Commission.

7 Note for the record the public notice of this
8 meeting, containing all items on the agenda, was filed
9 with the Secretary of State at 2:27 p.m. on March 21,
10 2012.

11 As Ted always said, if you wouldn't mind
12 putting your cell phones on either silent or vibrate or
13 off mode, that would be helpful.

14 And if you wish to address the commission,
15 please complete a speaker's card at the registration table
16 in the lobby. If you want to comment on an agenda item,
17 you'd complete a yellow card and identify the item. If
18 it's not on the agenda and your comments would be at the
19 open period at the end of the meeting, it's a blue card.
20 Regardless of the color of the card, we ask that you limit
21 your remarks to three minutes, unless you're a member of
22 the legislature and you can take all the time that you
23 want.

24 As is our custom, we'll start with comments
25 from the commissioners. Commissioner Austin, our

1 traveling commissioner.

2 MR. AUSTIN: Good morning, everyone, and
3 welcome. I know we're happy to see some rain in certain
4 parts of Texas. I call it stock pond economics, and the
5 ponds, their cup runneth over.

6 If you're wondering what we're doing up here
7 with our iPads, I am tuned in to the agenda. Now, my
8 colleague over here, it looks like Angry Birds, I don't
9 know what we're doing.

10 (General laughter.)

11 MR. AUSTIN: If you remember last month,
12 Chairman Houghton tested the system where we're trying to
13 get rid of paper and we're online, so if you see us moving
14 this, we're really not playing games, we're trying to
15 page, and I just hope we're all on the same page, so if
16 you see some challenges, that is true.

17 Also, over the last month I've had the
18 opportunity to visit some additional districts, attend a
19 couple of ground breakings, been up in D.C. visiting with
20 some folks, looking at the federal reauthorization. We do
21 have some challenges with that, and hopefully our members
22 will get that passed, but it is good for Texas, it is good
23 for the country, and we hope to see that move forward so
24 we can move forward with our funding.

25 With that, I'm really proud with some of the

1 reports we've seen and looking at the agenda today, I know
2 the rural planning. I'm really excited to see the results
3 of that. I think you all will be as well.

4 But thank you for being here, and I'll pass it
5 on.

6 MR. MEADOWS: Well, thank you, Commissioner
7 Austin. We're glad you're back here in Austin from a very
8 successful trip to Washington, D.C., I understand. We
9 appreciate that.

10 Also glad to have our chairman for the day,
11 Commissioner Holmes, back from what I understand was a
12 very successful mission trip to Africa. And I know that
13 we all appreciate and thank you for your sacrifice.

14 (General laughter.)

15 MR. MEADOWS: You know, I had over the weekend
16 the opportunity to have some guests from the West Coast of
17 the United States in the car with me driving in the Big
18 Country on the Interstate 20 corridor our in the area
19 where Bill Hale lives, our Dallas District Engineer, and
20 they expressed absolute delight, they were astounded at
21 the wildflowers. And you know, we've had this
22 extraordinarily wet year in many parts of the state, as
23 Commissioner Austin mentioned, which certainly is a
24 factor, and that, in combination with the Creator, has
25 enabled an environment in which these wildflowers

1 flourish.

2 And I just asked a few questions around, just
3 asking, you know, what is involved at the department
4 level, the Texas Department of Transportation, that has
5 actually caused this to occur, in addition to the
6 conditions created by the Creator and the rainfall. And
7 it's really amazing, for over 50 years this agency has
8 actively been engaged in the planting of wildflower across
9 the state in these right of ways. The mowings are timed
10 very carefully, our herbicide applications are very
11 carefully considered, resulting in what is really an
12 extraordinary and beautiful display of nature. And I
13 don't think people realize what it takes, and all the
14 things that this agency does, in addition to the obvious,
15 wildflowers, who would have thought it.

16 Anyway, the next time you see that couple with
17 their kids on the side of the road in that bluebonnet
18 patch, just remember it was our employees that really did
19 work hard to make that happen.

20 Thank you.

21 MR. UNDERWOOD: Good morning, everybody. I see
22 that the front row is empty again. Carolyn, I was looking
23 left, I was not looking at my boss over here, Carolyn.

24 (General laughter.)

25 MR. UNDERWOOD: I just wanted to thank my

1 colleagues for their emails and phone calls. I was a
2 little bit under the weather the last month, and even
3 though my wife cooked for me, I made it so I'm here.

4 So good morning, everybody.

5 MR. HOLMES: Obviously, Pam doesn't watch the
6 televised portion of this.

7 (General laughter.)

8 MR. HOLMES: Good morning. I'm delighted to be
9 here.

10 Bill, as an add-on, not just wildflowers but
11 there's the South Texas native grass seed program which
12 hopefully will be expanded, which is a wonderful addition
13 to the habitat for wildlife that feed along our corridors.

14 We appreciate all of you being here, and let's
15 start our meeting.

16 The first order of business is approval of the
17 minutes from the February 23, 2012, commission meeting,
18 and the February 16 and 17, 2012, Transportation Forum.
19 You have draft minutes. Is there a motion?

20 MR. AUSTIN: So moved as presented.

21 MR. HOLMES: And a second?

22 MR. MEADOWS: Second.

23 MR. HOLMES: All in favor say aye.

24 (A chorus of ayes.)

25 MR. HOLMES: Motion carries.

1 Phil.

2 MR. WILSON: Before we begin, I'd like to pause
3 for a few minutes to take care of some important business,
4 and that is to recognize two of our commissioners for
5 reaching a milestone in their service to TxDOT.
6 Commissioner Holmes and Commissioner Underwood were both
7 appointed by Governor Perry in January 2007. This morning
8 we are presenting them with a plaque, a five-year pin, and
9 the service award of their choice.

10 Please join me in a round of applause to honor
11 their years of service.

12 (Applause.)

13 MR. WILSON: Our first agenda item today is a
14 resolution recognizing Lynn Passmore, who will be retiring
15 from TxDOT on March 31, 2012. I would like to invite our
16 Brownwood Engineer, Lynn Passmore, to come forward so we
17 can present this resolution.

18 "Whereas, the Texas Transportation Commission
19 takes great pride in recognizing Lynn G. Passmore, P.E.,
20 for his outstanding service to the Texas Department of
21 Transportation and the State of Texas after a long and
22 distinguished career of 39 years, six months;

23 "And whereas, Passmore earned his bachelor's
24 degree in civil engineering from Texas Tech University in
25 1972, and began his career with TxDOT as an engineering

1 assistant in the Odessa District;

2 "And whereas, he assisted in managing the
3 construction of more than 40 miles of Interstate 10 in
4 Pecos County while working for the McCamey area office;

5 "And whereas, Passmore moved to the Midland
6 area office and was promoted to area engineer in 1984
7 where he assumed responsibility for design, construction,
8 administration and maintenance operations in Midland,
9 Upton and Martin counties;

10 "And whereas, he directed the design and
11 construction of Loop 250 around Midland and Texas 191
12 between Midland and Odessa and was then promoted to
13 Odessa's district director of operations in 1992 where he
14 oversaw construction, maintenance, materials and tests,
15 traffic operations and contract administration for 13
16 counties;

17 "And whereas, Passmore was named Brownwood
18 District Engineer in 1993 where he oversaw all TxDOT
19 operations and personnel, and under his management the
20 district's pavement condition scores were among the best
21 in Texas;

22 "And whereas, he will always be remembered and
23 admired by his staff for his knowledge, honesty, fairness,
24 approachability and caring management style.

25 "Now, therefore, be it resolved that the Texas

1 Transportation Commission does hereby extend its sincere
2 best wishes to Lynn G. Passmore, P.E., in recognition of
3 his considerable professional achievements and a career of
4 loyal service to TxDOT, on behalf of the State of Texas
5 and its citizens.

6 "Presented this day, Thursday, the 29th of
7 March 2012."

8 Are there any further comments from the
9 commission?

10 (Applause.)

11 MR. AUSTIN: Lynn, thank you for your long
12 tenure and for your years of service.

13 MR. MEADOWS: Lynn, I would like to thank you
14 for so many things, but the expertise, your experience,
15 your knowledge, your dedication, your leadership, your
16 hard work are all recognized and really appreciated. But
17 maybe most important of all, I'm really going to miss your
18 unique, true and classic Texas accent.

19 (General laughter.)

20 MR. UNDERWOOD: Congratulations to you, Lynn.
21 It's well deserved, and thank you for what you have done
22 for the State of Texas and the taxpayers of Texas.

23 Now, were you in Pecos, Texas? Is that right?

24 MR. PASSMORE: It's Fort Stockton in Upton
25 County.

1 MR. UNDERWOOD: I just wanted to hear you say
2 that in that Texas drawl. I appreciate that.

3 (General laughter.)

4 MR. UNDERWOOD: But anyway, in all seriousness,
5 this is a first class gentleman and he's done a great job
6 for the citizens of Texas, and we thank you, sir.

7 MR. HOLMES: Congratulations, Lynn. You
8 represent the finest of TxDOT, and I know all of your
9 colleagues are going to miss you, but I bet you're not
10 going to be a stranger. Thank you for all you've done for
11 Texas and TxDOT.

12 MR. WILSON: Lynn, do you have any comments for
13 us?

14 MR. PASSMORE: Probably shouldn't comment, but
15 I will. I appreciate my 39-1/2 years. People ask me was
16 every day good. No, not every day but almost every day
17 was good. I don't think anyone can say every day. It's
18 been a very enjoyable career. I've got to do a lot of
19 things, I had a lot of people help me, and the very best
20 thing about it all is all the people in the department
21 that are just great. Everyone. So I thank you all,
22 everyone in the department.

23 (Applause.)

24 MR. WILSON: Let's take some photos with Lynn,
25 and then our commissioner service awards.

1 (Pause for presentations and photos.)

2 MR. WILSON: Next is Ed Pensock, interim
3 director of the Turnpike Division, to present discussion
4 item 3a regarding the Dallas Horseshoe Project.

5 MR. PENSOCK: Good morning, commissioners,
6 Bill. For the record, my name is Ed Pensock, interim
7 director of the Strategic Projects Division for TxDOT.

8 Item 3a is an update on the Dallas Horseshoe
9 procurement effort and a discussion regarding the
10 qualification of prospective bidders. A request for
11 qualifications, RFQ, was issued in December of 2011. The
12 request was to solicit qualification statements from teams
13 interested into a design-build contract. Qualifications
14 submittals were received on February 22, 2012. Seven
15 design-build proposer teams made submissions.

16 TxDOT evaluated the seven submittals and has
17 selected the most qualified teams to compete for the
18 design-build contract. Exhibit B in your handout includes
19 a short list of the most qualified teams from which
20 detailed proposals will be requested. Those teams
21 include: NorthGate Horseshoe Constructors, JV, comprised
22 of Kiewit Infrastructure and Zachry Construction
23 Corporation; Pegasus Link Constructors, comprised of Fluor
24 Enterprises and Balfour Beatty Infrastructure; and third,
25 Dallas Horseshoe Solutions, comprised of Granite

1 Construction Company, CH2M Engineers, and Traylor Brothers
2 Construction.

3 The project will replace the deteriorating I-30
4 and I-35 bridges across the Trinity River. It will erect
5 the Margaret McDermott signature bridges in partnership
6 with the City of Dallas.

7 Staff anticipates issuing the request for
8 proposals in July 2012. Conditional award of the design-
9 build agreement is anticipated in October of 2012. The
10 \$818 million estimated project is anticipated to break
11 ground in 2013. This is a greatly accelerated project and
12 will greatly meet the needs of the Dallas-Fort Worth area.

13 Staff is available for any questions you may
14 have on the project.

15 MR. MEADOWS: Ed, I don't have any questions,
16 but I just wanted to take just a second to acknowledge
17 that this is obviously another step forward in addressing
18 one of the serious concerns that we have in the North
19 Texas area. I'd just like to acknowledge the hard work of
20 our staff in Austin, but I noticed that Dallas District
21 Engineer Bill Hale, and also the head of the RTC, Michael
22 Morris is here, and both of those gentlemen have played
23 vital roles in advancing this project.

24 We really appreciate everything that you've
25 done to bring us to the point where we are today. Thank

1 you.

2 MR. PENSOCK: There's no question,
3 Commissioner, Bill Hale and his staff and Michael Morris
4 and his staff were integral. Bill Hale and his staff
5 comprised most of the evaluators for the qualification
6 statements, and they did a tremendous job. They worked
7 tirelessly for a month to help us get to here this
8 morning, and the credit is theirs, completely.

9 MR. MEADOWS: Thank you.

10 MR. WILSON: Moving to item 3b, our Chief
11 Financial Officer, James Bass, will present an update on
12 TxDOT's LAR. James.

13 MR. BASS: Good morning. For the record, I'm
14 James Bass, Chief Financial Officer at TxDOT, and welcome
15 to opening day of LAR seasons.

16 As most of you will recall, every two years the
17 department will submit its Legislative Appropriations
18 Request to the LBB, and we anticipate that that document
19 will be due to the Legislative Budget Board at the end of
20 August, and so our schedule moving forward would be to
21 deliver a full Legislative Appropriations Request in draft
22 mode to the commission in July and then ask for your
23 approval and concurrence in your August meeting.

24 The forum today is really just to give you an
25 early indication of some of the subject matter that we, as

1 staff, are looking at and the direction we're heading on
2 some of those items to give you an opportunity to ask us
3 to continue in that direction or maybe change course or
4 look at any additional topics related to the
5 appropriations request that you would like us to do and
6 report back to you.

7 As a reminder, our current budget structure for
8 2012 and 2013 is up on the screen here and grouped in
9 different goals, and there's about 36 different line items
10 that appear in the budget. This has evolved over the
11 last, really, four to six years and it turns out actually
12 this additional clarity and depth of information has
13 proved to be of benefit in talking with others about how
14 the department operates and where the money within our
15 budget goes.

16 You'll see a separate goal for debt service.
17 Years ago debt service used to be spread throughout a
18 number of the different strategies. This has really
19 brought clarity and ease in having discussions to be able
20 to point to that.

21 Another benefit, if you look in the improvement
22 category, you'll see an existing construction and a new
23 construction, and that helps to define that when we
24 receive an appropriation for whatever biennium, a great
25 deal of that money is for contractor payments for projects

1 that have been awarded in the past, but then some of the
2 money is for projects that will be awarded as we go
3 forward, but the majority of that money is for already
4 active projects.

5 We would not anticipate, back on the structure,
6 any great changes to that structure at this point. I
7 think some of the consideration we're looking at is on the
8 lower right of that first page, and we have a separate
9 goal for State Highway 121, a separate goal for State
10 Highway 130, we'll be adding one for State Highway 161.
11 Some of the internal discussions are uncertain if that
12 amount of definition is required, and maybe we can combine
13 those into one going forward. And if the commission wants
14 to visit that issue and ask for any change on that, it
15 would actually happen through the strategic plan that
16 you'll have discussions on in coming months as part of the
17 overall LAR process.

18 One of the things we've been thinking about is
19 the authority and the ability of the department to make
20 transfers between those budget items during the
21 operational phase of any budget, and as you might imagine
22 and you're well aware, at times priorities change, either
23 directed from the local level on changing of projects,
24 wanting to acquire more right of way or a project slides,
25 for whatever reason, from one month to the next.

1 And right now, if you look at this chart on the
2 transferability, the green arrows show the transferability
3 that the department has and can do on its own, and if you
4 think of our budget in three broad categories of operating
5 strategies, administrative and then project related.

6 Within the operating strategies we can move
7 money within that group, we can also move money from
8 administrative over to operating, and we can move money
9 within the administrative strategies. Where we have
10 limited ability to make adjustments independently is in
11 the project related categories, and sometimes that could
12 potentially slow down delivery of projects.

13 An example in there, back to my existing
14 construction and new construction, as we're developing the
15 LAR, there will be projects that are scheduled to be
16 awarded in August of 2013. They will show up in the LAR
17 as existing construction projects, the payments for those
18 particular projects. If, for whatever reason, that
19 project timeline slides even just one month and goes from
20 August to September, it would move from the existing
21 category down to the new category, and we think we could
22 operate more effectively if we were able to do that
23 independent and make that transfer, but then certainly
24 report back to the Legislative Budget Board and others on
25 those transfers at whatever frequency they would like to

1 see.

2 Lastly, we're all very familiar with the
3 uncertainty of the federal funding going on in the current
4 year, but I wanted to remind everyone that even hopefully
5 when Congress decides the funding level for the current
6 year of 2012, we still do not have a long-range plan in
7 place for the Federal Aid Highway Program. And even in an
8 best case scenario, if the Senate version of authorization
9 or reauthorization passes a two-year bill, it would, at
10 most, cover 2013 and 2014. We're preparing an
11 appropriations request for 2014 and 2015, so even if the
12 Senate version of authorization passed, we would still be
13 right back in the era of uncertainty for 2015.

14 As a reminder, what TxDOT has been doing
15 recently, based upon discussions going on in D.C. and
16 actual bills that have previously been filed by the chair
17 of the House Transportation at the congressional level, is
18 we've assumed that Congress was only going to fund the
19 program at the revenue level that the incoming federal gas
20 tax would support. In the past few years they've actually
21 funded it higher than that. So our assumption that
22 Congress would financially constrain the Federal Aid
23 Highway Program to incoming revenue to the Federal Highway
24 Trust Fund would represent a drop in funding from what the
25 state has recently seen.

1 That is the assumption we're currently
2 operating under, that's the assumption we're taking
3 forward for future years until Congress acts. We're
4 certainly working with our federal affairs section.
5 They're doing a great job monitoring all the activity at
6 the congressional level. If decisions are made at the
7 congressional level, we'll certainly incorporate that into
8 the appropriations request and our other long-term
9 forecasts, but at this point, because of the uncertainty,
10 we've continued to take that conservative approach of
11 Congress is only going to appropriate that dedicated
12 identified revenue from the Highway Trust Fund back out to
13 the states. Then if they do something different, we will
14 adjust if and when that happens.

15 So those are three very broad categories, kind
16 of early on of items staff is thinking about associated
17 with the appropriations request. If you have any
18 questions on those items, or any direction or any other
19 items you'd like us to look at through this process, I'd
20 be happy to answer any of those questions or receive that
21 direction.

22 MR. AUSTIN: James, just a couple of comments.
23 You know, it's frustrating because we can't budget out
24 until we know what's going to happen federally, and I know
25 it's frustrating for you guys and it's frustrating to

1 those in the public that don't understand our budget
2 process.

3 Recently, a couple of items in here as you're
4 looking at the debt service, you have been spending a lot
5 of time looking at some possibilities to reposition, given
6 the current economic conditions, specifically lower
7 interest rates, to help generate and free up some
8 availability of funds. Would you mind addressing that?
9 Because that kind of ties in. That with the federal funds
10 are two very important parts of the equation that folks
11 have heard about the \$2 billion that might be available.

12 MR. BASS: Right. So as a reminder, the first
13 part and largest part of the \$2 billion is associated with
14 what we just talked about on the federal funds. Even
15 though Congress has not taken final action for 2012, from
16 the Association of State DOTs and from other observers,
17 we've been told we should anticipate this higher elevated
18 funding level which to us equates to around \$750 million
19 more than what we had projected would be supported by the
20 federal gas tax. So that's the first big chunk.

21 MR. AUSTIN: But we don't have that yet.

22 MR. BASS: We don't have that yet, and as a
23 matter of fact, as you are all aware, as we're talking
24 here right now, unless Congress has taken some action this
25 morning, the Federal Aid Highway Program ends this

1 Saturday night at midnight, and a large portion of the
2 federal fuel tax would no longer be collected unless
3 Congress takes some action. Note I didn't say that the
4 price of fuel would drop, I just said that tax would not
5 be remitted to Washington, D.C. at that point for whatever
6 time period.

7 Another piece of the overall \$2 billion is
8 related to one of our debt programs, the Texas Mobility
9 Fund, and many of you are aware that one of the
10 requirements to issue debt out of that program is that we
11 first receive a certified revenue estimate from the
12 Comptroller's Office and then in each and every one of the
13 next 30 years, that revenue estimate has to be at least
14 110 percent of the debt service.

15 The position we find ourselves in is for the
16 next three or four years the current already outstanding
17 debt does not leave any headroom, if you will, in those
18 first four years, although farther out within that 30-year
19 horizon there is capacity but there's no way to currently
20 get there. And so an effort we've taken over the last few
21 months is looking at that debt line. We obviously don't
22 control the revenue line but we do have some ability to
23 influence the debt line and maybe restructure or resculpt
24 that debt line, and what we believe is we can resculpt the
25 debt line through savings in the current market rate

1 interest environment and we can create headroom on the
2 front-end by resculpting that debt line that will get us
3 access to approximately \$600 million of additional
4 capacity later on in that curve.

5 MR. AUSTIN: So really, one of our mission
6 statements of the commission is to help oversee and be
7 good stewards of the state's funds, and what you guys are
8 doing, with low interest rates, is looking at
9 repositioning to take advantage of the current rates.

10 MR. BASS: Correct. And through that effort
11 we, of course, visited with some of our best and brightest
12 friends and had staff really focus and look at all of the
13 possibilities within the Mobility Fund, and we thought
14 this was a very rational approach and brought a great deal
15 of benefit, potentially, to the state.

16 MR. AUSTIN: So the impact of all of this going
17 into the request, the new debt service level would be
18 included in the LAR.

19 MR. BASS: Correct.

20 MR. AUSTIN: So all of this put together with
21 the \$2 billion, this is a one-time opportunity, it's not
22 going to be an ongoing next year or the year after.

23 MR. BASS: Correct. The one part, as we talked
24 about, the \$750 million from federal funds in 2012, what
25 is going to happen in 2013, 2014, 2015, as we just talked

1 about, we will not know until Congress takes that action
2 and then the Federal Highway Administration lets all of
3 the states know. And so we're waiting for that as well.

4 MR. AUSTIN: Thank you.

5 MR. HOLMES: James, just for clarification,
6 when the Federal Aviation Bill lapsed, there was a period
7 of time where there were some federal fees that were not
8 being paid, and they were not able to go back
9 retroactively, as I understand it, and capture those. Is
10 that a marker for what could happen in the federal gas
11 tax?

12 MR. BASS: Yes, sir. Currently the federal gas
13 tax rate is 18.4 cents. My understanding is that there's
14 actually two elements that make up that 18.4, and 4.3
15 cents of that has different authorization and it would
16 continue even past Saturday at midnight, but the majority
17 of it, the 14 remaining cents, would no longer be
18 collected and remitted at the federal level. The
19 estimates I've seen on that on a daily basis that accounts
20 for between \$90- to \$100 million in revenue per day that
21 could potentially be lost to the Highway Program
22 nationally.

23 MR. HOLMES: Nationally, and our share of that
24 is 8 percent.

25 MR. BASS: Roughly 8 percent.

1 MR. HOLMES: \$8 million a day.

2 MR. BASS: Yes.

3 MR. HOLMES: That could get to be real money.

4 MR. BASS: Thank you.

5 MR. WILSON: Item 3c is a discussion item
6 regarding the Texas Rural Transportation Plan, presented
7 by Peggy Thurin of the Transportation Planning and
8 Programming Division. Peggy.

9 MS. THURIN: Good morning. My name is Peggy
10 Thurin. I'm with the Planning and Programming Division in
11 Austin.

12 About a year ago after we had finished up the
13 Statewide Long-Range Transportation Plan, the
14 administration came to TPP and asked if we would develop a
15 long-range transportation plan for the rural areas of the
16 state that would be similar to what the MPOs develop in
17 their regions. The TRTP is a component of the SLRTP, the
18 long-range plan, and while it's a stand-alone document
19 this go-round, it will be fully integrated in the SLRTP
20 when we do the next update in 2014.

21 The TRTP will include a ranking of rural
22 highway projects beyond the time frame of the UTP, and
23 while the plan is multimodal in scope, we'll only be
24 identifying the rural transportation needs for the non-
25 automobile, non-highway modes, we won't be actually

1 ranking any projects for them like we're doing for the
2 highway side.

3 Again, this is for looking at the rural
4 sections of the state that are outside the MPO boundaries,
5 as shown in green on the map. It was developed with a lot
6 of input from stakeholders and system users and we're only
7 looking at the unfunded projects that are in the system.

8 As I said, the plan is multimodal, and for the
9 non-highway modes, the goal of the study is to investigate
10 and to plan for non-highway mode opportunities. This
11 ensures that we have a complete picture of all of the
12 rural transportation needs in Texas, and while the report
13 doesn't rank the non-highway projects, we did visit with
14 stakeholders to determine what their needs are and to
15 gather any information on their existing projects.

16 On the highway side, as a starting point for
17 the analysis, we gathered all the added capacity and
18 capacity enhancements out of DCIS with letting dates from
19 2022 out to 2060. We took this list of projects and
20 compared it to the district funding brochures that were
21 developed by the districts in January of 2011 to make sure
22 that there weren't any priority projects on that list that
23 haven't been reflected in DCIS. We also compared that
24 list to the Super Two project report and made sure we
25 picked up any additional Super Two recommendations from

1 that report, and we also included any input we got from
2 the stakeholders. We also took a look at the I-35
3 projects and the I-69 and Ports to Plains to try and make
4 sure we captured any recommendations out of those studies
5 into the analysis.

6 Added capacity improvements are just that.
7 We're adding additional lanes to what's out there now.
8 Capacity enhancements include Super Two improvements,
9 adding frontage roads, two-way left-turn lanes of more
10 than a mile in length, and while these are generally
11 thought of as a safety improvement, the longer mileage
12 also adds to capacity for the roadway. And we also
13 included upgraded any undivided highways to divided.

14 We developed several criteria for analyzing
15 these projects. These criteria were based on the
16 department's goals of addressing congestion which we
17 categorized for this project as mobility, and connecting
18 communities which we categorized as connectivity. We
19 didn't look at safety or maintenance because those tend to
20 be a shorter time frame, something we need to look at
21 sooner rather than later, and both of those also have
22 funding attached with them.

23 For both categories we developed five criteria.
24 For connectivity we looked at trunk system, system gap,
25 freight movement, accessibility to population centers, and

1 hurricane evacuation. For mobility we looked at
2 population near the project, cost effectiveness, volume to
3 capacity ratio, truck and total traffic, and safe passing
4 needs.

5 Some of the criteria were simple yes/no
6 questions: is the project on the trunk system, yes or no.
7 Some of them the project was ranked against the other
8 projects for the category so for cost effectiveness, the
9 construction cost to the VMT for a given project was then
10 ranked against all the other costs per VMT for the other
11 projects.

12 So we took this questionnaire out to the
13 stakeholders in August of last year to get their feedback
14 on what's important out of these criteria, and we asked
15 them to rank the individual criteria on a scale of one to
16 ten. We wanted to get feedback on what defines a good
17 project, and using the results of the questionnaires, we
18 calculated an average importance weighting for each of the
19 criteria.

20 And the results are shown here. The red number
21 indicates the highest score that a criteria received, the
22 blue the lowest, and then the green number reflects the
23 average of the hundred responses we got back from the
24 stakeholders.

25 Again, these results were used to weight the

1 individual criteria. For example, a project in a coastal
2 county on a hurricane evacuation route, for that criteria
3 would receive ten points. And then we took that ten
4 points and weighted it with the 5.9 weighting factor that
5 was developed by the questionnaires, and that, we felt,
6 allowed us to take into consideration the input from the
7 stakeholders.

8 We also did a sensitivity test on all the
9 criteria. We removed each individual criteria one at a
10 time and looked at the impact it would have on the top 100
11 projects to see if any of them are terribly skewing the
12 results, and we found that there really wasn't any impact
13 with removing a single criteria, so we felt pretty
14 confident that we had a good process.

15 So we ran all the nearly 600 projects through
16 the analysis and they're shown here. The magenta reflects
17 the top three projects in each district and the green
18 reflects the other projects that were analyzed.

19 We took all this information back out to the
20 public the beginning of the month. A public meeting was
21 held in each of the districts where we presented these
22 results. We had a total of 205 attendees, we had 34
23 comments back. The bulk of these comments were adding
24 added capacity projects to the analysis. There were
25 comments on alternative transportation. We had some

1 compliments to the process. There were also some
2 suggestions for the criteria.

3 And at this point we're finishing up the
4 writing of the report. We'll be taking it out to a public
5 hearing in May and then we'll be bringing it back before
6 you for your approval probably June or July. And I'd be
7 happy to answer any questions.

8 MR. AUSTIN: One question. I look at the
9 criteria that you used, very similar in some cases going
10 back to when reduced down from 32 categories down to 12.
11 It also looked going back to the Phase 1/Phase 2 trunk
12 system routes, because what that did was look back is
13 there a military base, hurricane evacuation route where we
14 have bottlenecks in the two lanes. And I'm glad to see a
15 lot of that criteria included, specifically the attention
16 because the trunk system statewide still needs a lot of
17 attention, and I'm really happy to see the results of that
18 come back and get some attention. And thank you also for
19 including segments of I-69. It looks like they ranked
20 very well, as well.

21 A lot of great work. Thank you.

22 MS. THURIN: Thank you.

23 MR. WILSON: Item 4 is a Public Transportation
24 item to be presented by Eric Gleason, director of the
25 Public Transportation Division. Eric.

1 I'm sorry, I apologize. I got ahead. Item 3d
2 will provide an update on major project development in
3 Harris County. Ed Pensock, interim director of the
4 Turnpike Division, will present. Ed.

5 MR. PENSOCK: Good morning again. For the
6 record, Ed Pensock, Strategic Projects Division of TxDOT.

7 Item 3d provides an update on the status of
8 major project development in Harris County, including a
9 potential memorandum of understanding with the county
10 regarding the US 290, Hempstead Road, SH 288 and SH 99
11 projects.

12 The US 290 project, along with a detour along
13 the Hempstead Road corridor, and the SH 288 projects will
14 be developed as a collaborative effort between Harris
15 County and TxDOT. Proposed highway improvements include
16 both tolled and non-tolled lanes. A potential memorandum
17 of understanding will be drafted to define each party's
18 responsibilities and obligations in connection with the
19 development, financing, construction, operations and
20 maintenance of these projects. The memorandum of
21 understanding anticipates covering the following key
22 issues and responsibilities for these projects:

23 For US 290 the project anticipates going from
24 Interstate Highway 610, northwest to State Highway 99, the
25 Grand Parkway. The project scope includes building a two-

1 to three-lane, reversible managed lane facility and adding
2 a general purpose lane in each direction along the
3 roadway. The estimated project cost is approximately \$1.4
4 billion. The county's responsibilities will include
5 operating and maintaining the managed lane facility and
6 collecting tolls. The county will provide partial funding
7 for the project, and the county will waive its primacy
8 rights to develop the project.

9 Proposed responsibilities for the state include
10 managing the overall construction of the project,
11 maintaining the non-managed lane, non-tolled portions of
12 the facility, rehabilitating Hempstead Road from east of
13 Washington Avenue to west of Beltway 8 to provide a safe
14 and efficient detour during the US 290 construction.

15 TxDOT will work with Houston-Galveston Area
16 Council of Governments to provide the balance of the
17 funding for the entire project. Should any potential
18 overruns exceed the estimated amount, the county and TxDOT
19 will work together to manage scope, potential reductions
20 and/or cost-sharing responsibilities.

21 For State Highway 288, the project will extend
22 from US 59 to approximately the Brazoria County line. It
23 will include constructing a two-lane, reversible tolled
24 facility. The county's responsibilities will include
25 waiving primacy for the development of the project, allow

1 development of four tolled direct connections linking SH
2 288 tolled facility with the Beltway 8 facility, and if
3 requested, coordinated with the state will install and
4 operate toll collection equipment and process violations
5 for an agreed upon fee.

6 The state's responsibilities will be to operate
7 and maintain the facility, to oversee the construction,
8 and to provide necessary funding to complete the project.
9 The state will develop additional projects along FM 521,
10 FM 685, and direct connections to the Medical Center to
11 facilitate access onto and off of State Highway 288.

12 For the State Highway 99 project, the county's
13 responsibilities will include, if requested by the state,
14 installing and operating toll collection equipment,
15 processing violations along the toll lanes on all tolled
16 segments of SH 99 being constructed by the state for a
17 mutually agreed upon fee. This includes Segments E, F-1,
18 F-2, G and other future segments to be constructed.

19 Specific project agreements will follow that
20 will further detail and define each party's
21 responsibilities in connection with the specific
22 financing, construction, operation and maintenance of the
23 projects. These specific project agreements will follow
24 the obligations described in this memorandum of
25 understanding.

1 Staff is available to answer any questions you
2 may have.

3 MR. HOLMES: Just a comment or two, Ed. First
4 of all, you guys are doing a great job in getting all this
5 pulled together, and as Commissioner Meadows has noted,
6 and I've observed, along with the rest of the commission,
7 there's really been tremendous progress made over the last
8 year on major projects around the state, not just these
9 three in Harris County, but numerous projects in the
10 Metroplex, in El Paso, et cetera, and it's great credit to
11 your staff and the folks that have been working on them
12 and the people out in the districts. They're really
13 making some great progress. It will be a benefit to the
14 entire state.

15 Thank you.

16 MR. PENSOCK: Thank you, Commissioner. And
17 again, it's my pleasure to be here this morning, but
18 myself and my staff support his effort. Again, the hard
19 work, the lion's share of the work, is being done by
20 Houston District Engineer Mike Alford, Eddie Sanchez and
21 his staff, Houston people, Harris County staff, HCTRA,
22 Harris County Toll Road Authority staff. It's truly been
23 a collaborative effort, and the people in Houston have
24 done the lion's share of the work, to be honest with you.

25 MR. MEADOWS: Let me take just a moment. As

1 long as we're passing out the accolades, I think it's
2 really interesting, and sometimes we miss this, in the
3 sense that it takes but a few minutes to actually describe
4 and lay out what this discussion item actually is and what
5 actually is accomplished, and set out to be accomplished
6 in this particular item, but a few minutes to do it, and
7 we're talking countless hours, in fact, years of work on
8 behalf of all of the people you've just described in
9 advancing this.

10 And I actually had the opportunity to visit
11 with our missing-in-action chairman the other day who just
12 observed but for the leadership of Commissioner Ned
13 Holmes, we wouldn't be here discussing this today in this
14 forum. In addition to all of the people you just
15 described, I think we need to acknowledge the fact, and we
16 don't acknowledge it very often, but Ned really has played
17 a really important role in bringing all of these projects,
18 in a really comprehensive and thoughtful way, together at
19 the same time which means that there is a methodology.
20 Not only have we described the scope of the projects, but
21 most importantly, perhaps, we've described the funding
22 methodology that will enable every one of these projects
23 to be delivered in really fairly short order.

24 And again, we would acknowledge and thank all
25 of those that you've just described in the Houston area

1 and certainly in Austin, but Commissioner Holmes, thank
2 you very much for your leadership on this.

3 (Applause.)

4 MR. HOLMES: Thank you. That credit goes
5 around to a lot of folks, including Judge Emmett and some
6 of the folks in Harris County, Commissioner Cagle, Radack,
7 Eversole before he left, El Franco Lee, and Jack Morman.
8 They've all been great contributors too.

9 MR. PENSOCK: Tremendous leadership from all of
10 those people, not to be short-circuited by specifically
11 yourself, Commissioner Holmes, and other commissioners.
12 You have previously allocated Proposition 12 funds in
13 support of several billion dollars worth of proposed
14 construction. You've previously approved Unified
15 Transportation Programs in support of these projects. So
16 thank you for your leadership. The Houston area will
17 greatly benefit from these great projects.

18 MR. WILSON: Thanks, Ed.

19 Item 4 is a Public Transportation item to be
20 presented by Eric Gleason, director of the Public
21 Transportation Division.

22 MR. GLEASON: Good morning. For the record,
23 I'm Eric Gleason, TxDOT's Director of Public
24 Transportation.

25 This minute order awards \$14,000 in Federal

1 Transit Administration Rural Transportation Assistance
2 funds to the City of South Padre Island, and \$8,000 in
3 state funds to the Texas Transit Foundation in support of
4 the 2012 Texas Transit Association Conference Bus Roadeo
5 and Exposition being held in South Texas from April 21
6 through April 24.

7 TxDOT has historically provided funding for
8 technical assistance and logistical support of this annual
9 event. We also take the opportunity at this event to
10 recognize an individual in front of their peers and
11 colleagues for their contribution to public transportation
12 in Texas by announcing the Department's Friend of Texas
13 Transit Award. And I think two years ago, Commissioner
14 Underwood, you joined us in Corpus Christi for that, and
15 we very much appreciated that

16 And we recommend approval of this minute order.

17 MR. HOLMES: Questions? Motion?

18 MR. AUSTIN: So moved.

19 MR. UNDERWOOD: Second.

20 MR. HOLMES: Moved and seconded. All in favor
21 say aye.

22 (A chorus of ayes.)

23 MR. HOLMES: Opposed?

24 (No response.)

25 MR. HOLMES: Motion carries. Thank you, Eric.

1 MR. WILSON: The next item 5a(1) will be
2 presented by Janice Mullenix, Director of the Contract
3 Services section. It's a final adoption of amendments to
4 Chapter 15, Financing and Construction of Transportation
5 Projects. Janice.

6 MS. MULLENIX: Hi. I'm Janice Mullenix,
7 Director of Contract Services in the General Services
8 Division.

9 We're proposing final adoption of amendments to
10 Rules 15.51, 15.52 and 15.55. Essentially, these
11 amendments will accomplish two major objectives: they'll
12 eliminate some unnecessary Austin approvals and help these
13 contracts with local governments to move along a little
14 faster, and they'll provide a bit more flexibility for
15 metropolitan planning organizations to meet federal
16 matching requirements on federal projects, non-
17 construction projects.

18 These were adopted provisionally by the
19 commission in December, published for comment, no comments
20 were received, and we recommend final adoption.

21 MR. UNDERWOOD: What this does is help the
22 smaller communities that don't have the money to be able
23 to do other forms of in-kind. Isn't that correct? They
24 will be able to donate land or something else to a project
25 to make their matching. Isn't that right?

1 MS. MULLENIX: Yes, for non-construction
2 projects.

3 MR. UNDERWOOD: Right. For non-construction
4 projects.

5 MS. MULLENIX: Yes, sir.

6 MR. UNDERWOOD: Thank you.

7 MR. HOLMES: Any other questions or comments?
8 Is there a motion?

9 MR. UNDERWOOD: So moved.

10 MR. HOLMES: Second?

11 MR. AUSTIN: Second.

12 MR. HOLMES: All in favor say aye.

13 (A chorus of ayes.)

14 MR. HOLMES: Opposed?

15 (No response.)

16 MR. HOLMES: Motion carries. Thank you.

17 MS. MULLENIX: Thank you.

18 MR. HOLMES: On this next agenda item 5a(2) I'm
19 going to abstain from acting and pass the gavel to
20 Commissioner Underwood.

21 MR. WILSON: Item 5a(2) is the final adoption
22 of amendments to Chapter 21, Outdoor Advertising rules.
23 John Campbell, director of the Right of Way Division will
24 present. John.

25 MR. CAMPBELL: Good morning. For the record,

1 my name is John Campbell, director of the Right of Way
2 Division.

3 I'd like to present for your consideration this
4 morning item 5a(2) which adopts amendments to the rules
5 concerning the regulation of outdoor advertising. This
6 program is necessary to implement statutory changes that
7 were required by Senate Bill 1420 in the 82nd Legislature
8 in 2011. The changes also correct and clarify issues from
9 the major rule revision that was adopted in March of 2011.

10 Senate Bill 1420 made changes to Transportation
11 Code Chapters 391 and 394 to provide more consistency
12 between the primary and the rural road regulatory
13 programs. Among other items to consolidate and clarify
14 the rules, the changes now require a license for the
15 issuance of rural road sign permits and the authority for
16 the department to issue administrative penalties under the
17 primary road program.

18 The commission, by Minute Order No. 112935,
19 dated December 15, 2011, proposed these amendments. We
20 conducted a public hearing at nine o'clock on January 24,
21 2012. There were no public comments received at the
22 hearing. Written comments were accepted until 5:00 p.m.
23 on January 30, and four written comments have been
24 incorporated into the rules.

25 Staff recommends your approval.

1 MR. UNDERWOOD: As the interim-interim
2 chairman, are there any questions?

3 (No response.)

4 MR. UNDERWOOD: Is there a motion?

5 MR. AUSTIN: So moved.

6 MR. MEADOWS: Second.

7 MR. HOLMES: All those in favor vote by saying
8 aye.

9 (A chorus of ayes.)

10 MR. HOLMES: All those opposed same sign.

11 (No response.)

12 MR. HOLMES: Unanimous.

13 I pass the gavel back to the interim chairman.

14 MR. HOLMES: Thank you.

15 MR. WILSON: Item 5a(3) is the final adoption
16 of amendments to Chapter 31, Public Transportation State
17 Grant Formula. Eric Gleason, director of the Public
18 Transportation Division will present. Eric.

19 MR. GLEASON: Again for the record, I'm Eric
20 Gleason, TxDOT's director of Public Transportation.

21 Agenda item 5a(3) recommends final adoption of
22 amendments to Chapter 31 of the Texas Administrative Code,
23 Section 31.11, concerning Public Transportation State
24 Grant Formula. Specifically, the amendments will allow
25 the commission to target the distribution of additional

1 state grant funding to address decreased state funding
2 allocations, startup system needs for newly designated
3 urbanized areas, and other related impacts of the 2010
4 census.

5 The department has worked closely with the
6 industry on these amendments. A hearing on these
7 amendments was held on January 11, 2012. No comments were
8 received at the hearing. We did receive four written
9 comments, one in support and three suggesting an earlier
10 expiration date for these provisions. The Public
11 Transportation Advisory Committee met on February 9 and
12 agreed with the department on a revised expiration date in
13 response to these comments. PTAC recommends approval of
14 the amended rules.

15 Staff recommends your approval of this minute
16 order.

17 MR. HOLMES: Questions or comments? Motion?

18 MR. AUSTIN: So moved.

19 MR. MEADOWS: Second.

20 MR. HOLMES: Moved and seconded. All in favor
21 say aye.

22 (A chorus of ayes.)

23 MR. HOLMES: Opposed?

24 (No response.)

25 MR. HOLMES: Motion carries.

1 MR. GLEASON: Thank you.

2 MR. HOLMES: Thanks, Eric.

3 MR. WILSON: Item 5b is the proposed adoption
4 of amendments to Chapter 9, Contract and Grant Management.
5 Tamela Saldana, our DBE and SBE Program section director
6 will present. Tamela.

7 MS. SALDANA: Good morning. For the record,
8 I'm Tamela Saldana, the DBE, HUB, SBE Program director.

9 As stated, I am here to propose in line item 5b
10 proposing to repeal current rules and adopt new rules
11 regarding the DBE, HUB, SBE programs to comply with new
12 federal and state regulations and laws.

13 An overview of the rule changes are as follows:
14 the rules have been rewritten to bring them up to
15 compliance with the new federal laws and new state HUB
16 laws to address several concerns that have been previously
17 raised in both internal and external audits; to remove old
18 language and outdated references to the Business
19 Opportunities Program which no longer exists.

20 The structure of the rules have also been
21 changed to make the department's administration of the DBE
22 Program a little more easy to understand and have a more
23 easily coordinated effort between the districts and our
24 office. And then finally, the rules have also been
25 reorganized in three distinct rules, DBE, HUB, SBE rules.

1 We have on the agenda now planned a May 9
2 public hearing for the rules, and our team has also
3 organized outreach information meetings regarding the
4 rules with our key stakeholders in the small, minority
5 business community.

6 Finally, again, I'm requesting your approval to
7 post the changes to the DBE, HUB, SBE rules.

8 MR. HOLMES: Questions or comments? Is there a
9 motion?

10 MR. UNDERWOOD: So moved.

11 MR. HOLMES: Second?

12 MR. AUSTIN: Second.

13 MR. HOLMES: Moved and seconded. All in favor
14 say aye.

15 (A chorus of ayes.)

16 MR. HOLMES: Opposed?

17 (No response.)

18 MR. HOLMES: Good job. Thanks, Tamela.

19 MS. SALDANA: Thank you.

20 MR. WILSON: Item 6 will be presented by
21 Suzanne Mann, director of the Office of Compliance and
22 Ethics. She'll make her monthly report of the
23 department's Compliance and Ethics Report. Suzanne.

24 MS. MANN: Good morning. I'm Suzanne Mann, for
25 the record, director of the Office of Compliance and

1 Ethics for TxDOT.

2 Transportation Code Section 201.452 provides
3 that the Compliance Office has primary jurisdiction for
4 oversight and coordination of all investigations occurring
5 on department property or involving department employees.
6 Transportation Code Section 201.454 requires the director
7 of the Compliance Office to provide a monthly report to
8 the commission regarding investigations and a summary of
9 information relating to trends and recommendations.

10 Effective September 1, 2011, the Human
11 Resources Division and the Audit Office implemented a
12 procedure to notify OCE when investigations are initiated
13 and completed, and in accordance with our modernization
14 plans and the statute, all data is compiled by OCE for
15 supporting purposes. There were 22 complaints received
16 during the month of February and 22 complaint reports were
17 closed during the month. Allegations were substantiated
18 in six of the investigations.

19 No further action is needed at this time.

20 Thank you.

21 MR. MEADOWS: Suzanne, thank you, and also
22 thank you for your input yesterday at the audit meeting.

23 Thank you.

24 MR. WILSON: Next is Carlos Swonke, director of
25 the Environmental Division, to present items on the next

1 two items 7a and 7b. Carlos, item 7a.

2 MR. SWONKE: Good morning. For the record, I'm
3 Carlos Swonke, director of the Environmental Affairs
4 Division.

5 Agenda item 7a relates to the discovery of
6 human remains found during the archaeological
7 investigations for the SH 155 project in Anderson County.
8 The remains have been connected to the Caddo Tribe.
9 Coordination with the tribe has been performed. They've
10 approved moving the remains. The department wishes to
11 purchase ten burial plots in the Frankston City Cemetery
12 to re-inter the remains.

13 We request your approval.

14 MR. AUSTIN: I just have a general question on
15 this. Since we're dealing with the Indian Nation, Caddo
16 Nation, after you move them over, are there any special
17 tombstones, markers, anything that has to be erected or
18 put up? I don't know if I'm framing that the right way.

19 MR. SWONKE: That's a good question. I
20 understand your question but I don't have that information
21 right now. I can find out, but I don't know what the
22 markers will be in the cemetery.

23 MR. AUSTIN: I just thought that was
24 interesting.

25 MR. UNDERWOOD: If there's a ceremony, I would

1 recommend that our esteemed colleague be there for this.

2 MR. AUSTIN: I will accept that.

3 MR. UNDERWOOD: Thank you.

4 MR. AUSTIN: I have family in that cemetery.

5 MR. UNDERWOOD: Exactly.

6 MR. AUSTIN: I know exactly where it is because
7 this is off of Highway 155, and that's why I was just kind
8 of curious because there are a lot of Native Americans in
9 the area. So it's pretty interesting.

10 MR. SWONKE: We'll let you know. I'll get back
11 to you.

12 MR. HOLMES: That's nearly the third rail.

13 (General laughter.)

14 MR. HOLMES: There being no further comment, is
15 there a motion?

16 MR. UNDERWOOD: So moved.

17 MR. MEADOWS: Second.

18 MR. HOLMES: Moved and seconded. All in favor
19 say aye.

20 (A chorus of ayes.)

21 MR. HOLMES: Opposed?

22 (No response.)

23 MR. HOLMES: Motion carries.

24 MR. WILSON: Item 7b, Carlos.

25 MR. SWONKE: Agenda item 7b relates to the

1 execution of a restricted covenant on a five-acre
2 maintenance facility in Dallas. The land is owned by the
3 department but was leased by the North Texas Tollway
4 Authority from 1977 to 2004. The site was contaminated
5 and has undergone partial remediation in accordance with
6 TCEQ standards. The groundwater is still contaminated,
7 though. The restrictive covenant would prohibit
8 groundwater use from the site. With the restrictive
9 covenant, TCEQ would issue a certificate of completion for
10 the remediation.

11 We recommend approval.

12 MR. HOLMES: Questions? Motion?

13 MR. MEADOWS: So moved.

14 MR. AUSTIN: Second.

15 MR. HOLMES: Moved and seconded. All in favor
16 say aye.

17 (A chorus of ayes.)

18 MR. HOLMES: Opposed?

19 (No response.)

20 MR. HOLMES: Motion carries. Thank you.

21 MR. SWONKE: Thank you.

22 MR. WILSON: Item 8 will be the consideration
23 of a public-private partnership agreement for the SH 183
24 managed lanes project. Ed Pensock, interim director of
25 the Turnpike Division will present. Ed.

1 MR. PENSOCK: Good morning again. Ed Pensock,
2 Strategic Projects Division.

3 Item 8 provides for your consideration three
4 critical items on the SH 183 project in Dallas County.
5 Item 8 will approve the department's determination to
6 exercise its option to develop the State Highway 183
7 managed lane projects from State Highway 161 to Interstate
8 35E/Trinity Parkway in Dallas County. The minute order
9 will also authorize the project with CONSTRUCT authority.
10 And finally, the minute order will authorize the
11 department to issue a request for qualifications for the
12 development, design, construction, and potentially
13 financing, maintenance and operations of all or any
14 portion of the project.

15 This project will redevelop approximately 8.9
16 miles of State Highway 183 from SH 161 to I-35/Trinity
17 Parkway. The goals of the project are to facilitate the
18 replacement of existing infrastructure that has reached or
19 exceeded its design life, add additional capacity to an
20 extremely congested corridor, and utilize pricing as a
21 mechanism to operate and fund parts of the project. The
22 goals also include providing an additional link to the
23 growing managed lane network that offers transportation
24 solutions for mobility in the Metroplex.

25 By Resolution 12-25, adopted March 1, 2012, the

1 North Texas Tollway Authority confirmed their previous
2 waivers and declined to exercise their option to develop,
3 finance and construct and operate the project. The
4 department recommends that its option to develop the
5 project should also be exercised. Improvements to this
6 corridor are critical to the regions continued mobility
7 and economic vitality.

8 Staff recommends your acceptance of this minute
9 order.

10 MR. MEADOWS: I'll move approval but just want
11 to make an observation. Express appreciation to the NTTA
12 board and staff for having a special called meeting of
13 their board to pass their resolution, their action which
14 enables us to expedite the project, so just appreciation
15 to our partners.

16 MR. HOLMES: Motion.

17 MR. UNDERWOOD: Second.

18 MR. HOLMES: Moved and seconded. Further
19 discussion?

20 (No response.)

21 MR. HOLMES: All in favor say aye.

22 (A chorus of ayes.)

23 MR. HOLMES: Opposed?

24 (No response.)

25 MR. HOLMES: Motion carries. Thanks, Ed. Good

1 job.

2 MR. WILSON: Next up is James Bass, Chief
3 Financial Officer, to present item 9a, the creation of a
4 Surface Transportation Corporation. James.

5 MR. BASS: Thank you. Again for the record,
6 I'm James Bass, Chief Financial Officer at TxDOT.

7 This particular agenda item would authorize the
8 creation of a Surface Transportation Corporation to
9 possibly assist the department in the development and
10 delivery of the Grand Parkway. In addition, this minute
11 order would approve the corporation's bylaws and also
12 appoint the initial directors.

13 I'd be happy to answer any questions you may
14 have. If not, staff would recommend your approval.

15 MR. UNDERWOOD: The question on the directors
16 that I have, James, are the directors named by person or
17 by title of their job description?

18 MR. BASS: In here they are by individual name.

19 MR. UNDERWOOD: Okay. So that's how it will
20 always be, it will be these three individuals by name, not
21 as to the title of what they hold, whether it be IT or HR.

22 MR. BASS: Correct. And so if we have
23 retirements, and we had this on the Private Activity Bond
24 Corporation where a former board member retired, we would
25 then come back to the commission and ask you to appoint a

1 replacement for that particular person.

2 MR. HOLMES: Is there a motion?

3 MR. UNDERWOOD: So moved.

4 MR. MEADOWS: Second.

5 MR. HOLMES: Moved and seconded. All in favor
6 say aye.

7 (A chorus of ayes.)

8 MR. HOLMES: Opposed?

9 (No response.)

10 MR. HOLMES: Motion carries.

11 MR. BASS: Thank you.

12 MR. WILSON: Ed Pensock will present item 9ba
13 amending a pass-through toll agreement with Hays County.
14 Ed.

15 MR. PENSOCK: For the last time this morning,
16 Ed Pensock, Strategic Projects Division.

17 Item 9b authorizes an amendment to the pass-
18 through toll agreement with Hays County to revise the
19 project's scope by removing a portion of Farm to Market
20 Road 110, a segment of that project, and replacing it with
21 an I-35 at Yarrington Road bridge replacement and
22 turnaround project.

23 The requested amendment to the Hays County
24 pass-through toll agreement is recommended to address
25 changes in the scope of work and project cost. The City

1 of San Marcos determined a need to construct a section of
2 the first phase of FM 110 from Interstate 35 to 1.2 miles
3 east before the entire Hays County project was ready for
4 construction. This section was completed on December 17,
5 2010. Therefore, the completed section needs to be
6 removed from the current agreement's project scope of
7 work.

8 To maintain the agreed pass-through toll
9 agreement reimbursement amount, it is recommended by the
10 department and Hays County to include another project that
11 is comparable cost to the section removed. Therefore, the
12 request is to include I-35 at Yarrington Road bridge
13 replacement and turnaround. This project consists of
14 replacing the existing two-lane structure with a six-lane
15 structure with 12-foot lanes and 5-foot sidewalks, along
16 with constructing two turnaround structures.

17 The estimated total cost of this revised
18 project is \$15.175 million. The Yarrington Road
19 intersection is anticipated to be a future portion of the
20 FM 110 total project. The total amount to be paid by
21 TxDOT for the pass-through agreement remains the same.

22 Staff recommends acceptance of this minute
23 order.

24 MR. HOLMES: Questions? Comments? Is there a
25 motion?

1 MR. UNDERWOOD: So moved.

2 MR. MEADOWS: Second.

3 MR. HOLMES: Moved and seconded. All in favor
4 say aye.

5 (A chorus of ayes.)

6 MR. HOLMES: Opposed?

7 (No response.)

8 MR. HOLMES: Motion carries.

9 MR. WILSON: Item 9c will remove a toll project
10 designation in Brooks County, and Marc Williams, director
11 of Planning, will present. Marc.

12 MR. WILLIAMS: Good morning, commissioners,
13 Phil. For the record, my name is Marc Williams and I
14 serve as director of Planning for the Texas Department of
15 Transportation.

16 Agenda item 9c would remove the toll
17 designation from a segment of US 281 in South Texas from
18 south of FM 3066 northward through the City of Falfurrias
19 to the Brooks County line. The main lanes of this 5.9-
20 mile segment were originally designated as a toll project
21 on the state highway system in 2007 in order to support
22 the segment's improvement from an undivided four-lane road
23 to a freeway.

24 In 2009, previously unanticipated federal
25 funding became available through the American Recovery and

1 Reinvestment Act, and this was used to help expedite and
2 support construction of the freeway project in Falfurrias.
3 In October 2011, a study concluded that the cost to
4 install and maintain an electronic toll collection system
5 on this segment is higher than forecasted toll revenues.
6 Staff, therefore, recommends that the toll designation be
7 removed from the mainlanes of US 281 from 0.9 miles south
8 of FM 3066 northward to the Brooks County line, and that
9 the segment operate as a non-tolled freeway on the state
10 highway system.

11 I'm pleased to address any questions, and staff
12 recommends approval.

13 MR. HOLMES: Questions or comments? Is there a
14 motion?

15 MR. UNDERWOOD: So moved.

16 MR. AUSTIN: Second.

17 MR. HOLMES: Moved and seconded. All in favor
18 say aye.

19 (A chorus of ayes.)

20 MR. HOLMES: Opposed?

21 (No response.)

22 MR. HOLMES: Motion carries.

23 Thank you, Marc.

24 MR. WILSON: Doug Woodall, interim director of
25 the Toll Operations, will present a report for the Central

1 Texas Turnpike system. Doug.

2 MR. WOODALL: Thank you, commissioners. For
3 the record, Doug Woodall, Interim Toll Operations
4 Division.

5 Item 9d accepts the report of the actual
6 traffic and revenue for the Central Texas Turnpike System
7 through February 29, 2012, as required by the CTTS
8 indenture of trust. To date in FY '12 the Central Texas
9 Turnpike System has generated approximately \$35.4 million
10 in revenue and 42.3 million transactions, with revenue and
11 total transactions increasing by 7.5 percent and 6 percent
12 respectively over the same months of the prior year.

13 Your approval is recommended.

14 MR. HOLMES: Any questions or comments? Is
15 there a motion?

16 MR. UNDERWOOD: So moved.

17 MR. AUSTIN: Second.

18 MR. HOLMES: Moved and seconded. All in favor
19 say aye.

20 (A chorus of ayes.)

21 MR. HOLMES: Opposed?

22 (No response.)

23 MR. HOLMES: Motion carries.

24 MR. WILSON: Next up is Carol Rawson, director
25 of Traffic Operations, to present item 10, authorizing

1 temporary one-way operations on FM 565. Carol.

2 MS. RAWSON: Good morning. For the record, I'm
3 Carol Rawson, director of the Traffic Operations Division.

4 This minute order authorizes a quarter mile
5 segment of FM 565 to operate as a one-way route during
6 peak times at the 2012 to 2016 National Hot Rod
7 Association O'Reilly Auto Parts events at the Royal Purple
8 Raceway in Chambers County. That's a mouthful.

9 This plan was developed by a committee of
10 department, county and raceway officials which have
11 recommended the optimum route and traffic control to
12 direct and regulate traffic at this event. Local
13 residents will be given special consideration to get into
14 and out of their homes through two-way access along FM 565
15 west to State Highway 146. We believe that this plan will
16 help reduce congestion to and from the raceway during
17 these events which typically draws in excess of 100,000
18 attendees.

19 We recommend approval of this minute order.

20 MR. HOLMES: They're not using this as part of
21 the drag strip.

22 MS. RAWSON: I hope not. I think it's moving
23 so slow, we don't have a problem with that.

24 MR. UNDERWOOD: You did say quarter mile.

25 MS. RAWSON: Yes, it is a quarter mile.

1 (General laughter.)

2 MR. HOLMES: Is there a motion?

3 MR. UNDERWOOD: So moved.

4 MR. AUSTIN: Second.

5 MR. HOLMES: Moved and seconded. All in favor
6 say aye.

7 (A chorus of ayes.)

8 MR. HOLMES: Motion carries.

9 MR. WILSON: Item 11 will be presented by Jim
10 Randall, director of Transportation Planning and
11 Programming. The item requests the appointment of two
12 members to the Port Authority Advisory Committee. Jim.

13 MR. RANDALL: Thank you, sir. Good morning.

14 As Mr. Wilson said, this minute order appoints
15 two members to the commission's Port Authority Advisory
16 Committee. This seven-member committee provides a forum
17 of exchange of information between the commission, the
18 department, and committee members representing the Texas
19 port industry as well as others who have an interest in
20 Texas water ports.

21 These members need to be appointed to fill two
22 of the Upper Coast positions. The following individuals
23 are recommended to serve for three-year terms expiring on
24 February 28, 2015: Phyllis Saathoff from the Port of
25 Freeport and Larry Kelly from the Port of Port Arthur.

1 Staff recommends your approval of these
2 appointments.

3 MR. HOLMES: Is there a motion?

4 MR. MEADOWS: So moved.

5 MR. AUSTIN: Second.

6 MR. HOLMES: Moved and seconded. All in favor
7 say aye.

8 (A chorus of ayes.)

9 MR. HOLMES: Opposed?

10 (No response.)

11 MR. HOLMES: Motion carries. Thank you.

12 MR. AUSTIN: Mr. Chairman, I just wanted to say
13 as we look at the Port Advisory Committee, we have a great
14 group that's serving there, and I would just say as we
15 begin preparing Texas for the Panama Canal coming up,
16 they're going to have a very important role in looking at
17 how we're going to be ready.

18 MR. RANDALL: Yes, sir. At their last meeting
19 in December we had a robust conversation about the
20 expansion and the impact to Texas, so they'll be an asset
21 to us.

22 MR. AUSTIN: We have some competition from
23 other states and other countries, and I look forward to
24 working with them.

25 MR. RANDALL: Yes, sir.

1 MR. AUSTIN: Thank you.

2 MR. WILSON: The next two items will be
3 presented by Brian Ragland, the director of Finance. 12a,
4 Brian.

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

7 This first minute order is related to our State
8 Highway Fund Revenue Bond Program, or Prop 14. It
9 authorizes the department to move forward with the
10 additional \$1.4 billion of bond capacity remaining in the
11 program. It also authorizes the refunding of up to \$1.7
12 billion of outstanding debt so long as the debt service
13 savings is at least 3 percent. The minute order approves
14 all necessary document preparation, including required
15 applications to the Bond Review Board.

16 And staff recommends your approval.

17 MR. HOLMES: Any questions or comments? Is
18 there a motion?

19 MR. AUSTIN: So moved.

20 MR. UNDERWOOD: Second.

21 MR. HOLMES: Moved and seconded. All in favor
22 say aye.

23 (A chorus of ayes.)

24 MR. HOLMES: Opposed?

25 (No response.)

1 MR. HOLMES: Motion carries.

2 MR. WILSON: Brian, 12b.

3 MR. RAGLAND: Item 12b is a minute order
4 related to the Texas Mobility Fund, or TMF Bond Program.
5 It authorizes the department to move forward with up to
6 \$1.4 billion of refunding bonds on outstanding debt,
7 again, so long as the net present value savings is at
8 least 3 percent. The minute order also approves all
9 necessary document preparation, including application to
10 the Bond Review Board.

11 And staff recommends your approval.

12 MR. HOLMES: Questions? Is there a motion?

13 MR. UNDERWOOD: So moved.

14 MR. AUSTIN: Second.

15 MR. HOLMES: Moved and seconded. All in favor
16 say aye.

17 (A chorus of ayes.)

18 MR. HOLMES: Opposed?

19 (No response.)

20 MR. HOLMES: Motion carries.

21 MR. RAGLAND: Thank you.

22 MR. WILSON: The next items are the award of
23 contracts for maintenance and department building
24 construction and highway construction contracts. Jon Obr,
25 Construction Division director, will present these minute

1 orders.

2 MR. OBR: Good morning. For the record, I am
3 John Obr, director of the Construction Division.

4 Item 13a for consideration of the award or
5 rejection of Highway Maintenance and Department Building
6 Construction contracts let on March 6 and 7 of 2012. We
7 present 33 projects today; the average number of bidders
8 was 3.91; the low bid value was \$46,836,445.79; and we had
9 an overall underrun of 3.02 percent.

10 Staff recommends award of all maintenance
11 projects.

12 MR. HOLMES: Is there a motion?

13 MR. UNDERWOOD: So moved.

14 MR. AUSTIN: Second.

15 MR. HOLMES: Moved and seconded. All in favor
16 say aye.

17 (A chorus of ayes.)

18 MR. HOLMES: Opposed?

19 (No response.)

20 MR. HOLMES: Motion carries.

21 MR. WILSON: John, please proceed with item
22 13b, construction contracts.

23 MR. OBR: Item 13b is for consideration of the
24 award or rejection of Highway and Transportation
25 Enhancement Building Construction contracts let on March 6

1 and 7 of 2012. We present 53 projects today; the average
2 number of bidders was 5.42; the low bid value was
3 \$112,742,977.37. These projects are inclusive the
4 Ochletree project, Project No. STP 2011(262)TE, deferred
5 from the February 23, 2012 commission meeting. The awards
6 are split as: \$848,935.94, or one project, in mobility;
7 and \$111,894,041.43, or 52 projects, in preservation. We
8 had an overall underrun of 2.2 percent.

9 In addition, there was a request for a bid
10 error on the construction project IM 0207(069) in Harrison
11 County. This project is for pavement repairs and
12 resurfacing on a portion of I-20. There were five bids
13 received with a low bid of 7.41 percent under the
14 engineer's estimate. The apparent low bidder requested a
15 consideration of a bid error and in that request they
16 claimed that the project documents were not clear to them
17 so they bid two items incorrectly.

18 We've reviewed this matter and believe the
19 plans sufficiently describe the items in question. The
20 alleged error does not appear to meet the criteria for
21 accepting his outline, and Rule 9.16 of the Texas
22 Administrative Code, and consistent with our previous
23 recommendations, we recommend that we not accept the
24 request for the bid error and award the contract to the
25 apparent low bidder.

1 Staff recommends award of all construction
2 projects with the exception of the following: in
3 Armstrong County, Project No. STP 2011(261)TE. The
4 project received one bid which was 33.07 percent, or
5 \$242,306, over the engineer's estimate. This is an
6 enhancement project involving third party funding provided
7 by Armstrong County.

8 We have communicated with Armstrong County to
9 get a determination as to whether they wish to proceed by
10 funding the overage and awarding the contract. The county
11 has indicated that the decision requires them to meet.
12 Their next meeting is scheduled after our commission
13 meeting; therefore, we are recommending that the decision
14 to award or reject this project be deferred to a later
15 date.

16 MR. HOLMES: Questions or comments?

17 MR. UNDERWOOD: A question on the bid, how many
18 bidders did we have on that particular project?

19 MR. OBR: On that particular project there were
20 five bidders.

21 MR. UNDERWOOD: So four people didn't have a
22 problem but one person did. Is that correct?

23 MR. OBR: One person, they did make an error on
24 their estimate. I talked to the owner of the construction
25 company, I know him personally, and they made an error on

1 their bid. But as such, we've got to proceed with the way
2 we handle these.

3 MR. UNDERWOOD: Rules are rules.

4 MR. OBR: Yes, sir.

5 MR. UNDERWOOD: Thank you.

6 MR. HOLMES: Is there a motion?

7 MR. UNDERWOOD: So moved.

8 MR. AUSTIN: Second.

9 MR. HOLMES: Moved and seconded. All in favor
10 say aye.

11 (A chorus of ayes.)

12 MR. HOLMES: Opposed?

13 (No response.)

14 MR. HOLMES: Motion carries.

15 MR. WILSON: That brings us to item 14, Eminent
16 Domain Proceedings. John Campbell, director of the Right
17 of Way Division, will present this minute order.

18 MR. CAMPBELL: Good morning. Again for the
19 record, my name is John Campbell, director of the Right of
20 Way Division.

21 I'd like to present for your consideration item
22 14 which authorizes the filing of condemnation proceedings
23 necessary to progress the acquisition of 29 parcels by the
24 exercise of the power of eminent domain, 11 of those being
25 non-controlled parcels, 18 of them being controlled

1 parcels.

2 Staff recommends your approval of the minute
3 order.

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

14 MR. HOLMES: Is there a second?

15 MR. UNDERWOOD: Second.

16 MR. HOLMES: All in favor say aye.

17 (A chorus of ayes.)

18 MR. HOLMES: Opposed?

19 (No response.)

20 MR. HOLMES: Motion carries.

21 MR. WILSON: Item 15 contains the routine
22 minute orders, including donations, right of way
23 dispositions and donations, highway designations, transfer
24 of land, and speed zones. Department staff recommends the
25 adoption of all these items and would be happy to explain

1 any of these individual items as needed.

2 MR. HOLMES: Is there a motion?

3 MR. UNDERWOOD: So moved.

4 MR. AUSTIN: Second.

5 MR. HOLMES: Moved and seconded. All in favor
6 say aye.

7 (A chorus of ayes.)

8 MR. HOLMES: Opposed?

9 (No response.)

10 MR. HOLMES: Motion carries. Thank you.

11 MR. WILSON: This concludes the action items on
12 today's agenda, so Commissioner, I will hand the meeting
13 back to you.

14 MR. HOLMES: That includes all action items on
15 the agenda, and we have one person signed up for open
16 comment period. James Von Wolske.

17 (No response.)

18 MR. HOLMES: Well, I guess Mr. Von Wolske is
19 not here.

20 Is there any other business to come before the
21 commission?

22 MR. WILSON: No.

23 MR. HOLMES: If not, is there a motion to
24 adjourn?

25 MR. UNDERWOOD: So moved.

1 MR. AUSTIN: Second.

2 MR. HOLMES: Moved and seconded. All in favor
3 say aye.

4 (A chorus of ayes.)

5 MR. HOLMES: Motion carries, it's adjourned.

6 Note that the time is 10:25 a.m. The meeting stands
7 adjourned.

8 (Whereupon, at 10:25 a.m., the meeting was
9 concluded.)

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C E R T I F I C A T E

MEETING OF: Texas Transportation Commission

LOCATION: Austin, Texas

DATE: March 29, 2012

I do hereby certify that the foregoing pages, numbers 1 through 73, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Nancy H. King before the Texas Transportation Commission.

(Transcriber) 4/3/2012
(Date)

On the Record Reporting
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