

TEXAS DEPARTMENT OF TRANSPORTATION

COMMISSION MEETING

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

Thursday,  
December 15, 2011

COMMISSION MEMBERS:

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

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 November 17 meeting of the Texas Transportation Commission	15
2. <b>Resolutions</b>	
a. Recognize Human Resources Division Director George Ebert upon his retirement from the department after 18 years of state service	16
b. Recognize Commission Support Office Director Roger Polson upon his retirement from the department after 18 years of service	24
3. <b>Discussion Items</b>	
a. Update on TxDOT's modernization project	31
b. Discussion of ongoing studies to identify transportation projects that will significantly reduce levels of congestion on the state's most congested roadways, as required by the General Appropriations Act	39
4. <b>Texas State Railroad</b>	42
Report on transportation enhancements at the Texas State Railroad between Palestine and Rusk	
5. <b>Aviation</b>	52
<b>Various Counties</b> - Award federal and state grant funding for airport improvement projects at various locations (MO_	
6. <b>Public Transportation</b>	
a. <b>Various Counties</b> - Award federal and state funds to designated lead agencies and fiscal agents to support continuation of coordinated regional public transportation planning for FY 2012 (MO)	53
b. <b>Various Counties</b> - Award state planning funds to North Central Texas Council of Governments (NCTCOG) to provide match to federal dollars (MO	54
7. <b>Promulgation of Administrative Rules</b> Under Title 43, Texas Administrative Code, and the Administrative Procedure Act, Government Code, Chapter 2001:	
a. <b>Final Adoption</b>	
(1) <b>Chapter 9 - Contract and Grant</b>	54

	<b>Management (MO)</b>	
	Amendments to §9.33, Notice of Intent and Letter of Interest (Contracting for Architectural, Engineering and Surveying Services); and Amendments to §9.83, Notice and Letter of Interest (Contracts for Scientific, Real Estate Appraisal, Right of Way Acquisition, and Landscape Architectural Services)	
(2)	<b>Chapter 9 - Contract and Grant Sanctions (MO)</b>	56
	Amendments to §9.133, Procedure for Imposing Sanctions (Grant Sanctions)	
(3)	<b>Chapter 21 - Right of Way, Chapter 25 - Traffic Operations, and Chapter 27 - Toll Projects (MO)</b>	57
	Amendments to §21.406, Exemptions for Certain Populous Counties (Control of Signs Along Rural Roads), §25.101, Purpose, and §25.103, Routing Designations by Political Subdivisions (Hazardous Material Routing Designations), §27.40, Purpose, and §27.42, Creation (Regional Tollway Authorities), and §27.73, Commission Approval of County Toll Project (County Toll Roads and Ferries)	
(4)	<b>Chapter 26 - Regional Mobility Authorities (MO)</b>	58
	Amendments to §26.61, Written Reports, §26.62, Annual Audits, §26.63, Other Reports, and New §26.65 Annual Reports to the Commission	
(5)	<b>Chapter 28 - Oversize and Overweight Vehicles and Loads (MO)</b>	60
	Amendments to §§28.90 - 28.92 (Port of Brownsville Port Authority Permits)	
b.	<b>Proposed Adoption</b>	
(1)	<b>Chapter 15 - Financing and Construction of Transportation Projects (MO)</b>	64
	Amendments to §15.51, Definitions, §15.52, Agreements, and §15.55, Construction Cost Participation (Federal, State and Local Participation)	
(2)	<b>Chapter 15 - Financing and Construction of Transportation Projects (MO)</b>	65
	Amendments to §15.86, Conflict of Interest and §15.90, Reports and Audits, and New §15.95, Toll Project Corporations (Transportation Corporations)	

- (3) **Chapter 21 - Right of Way (MO)** 67  
 Amendments to §21.144, §21.146, §21.149, §21.152, §21.155, §§21.158 - 21.160, §21.169, §§21.172 - 21.174, §21.179, §21.180, §21.183, §21.187, §21.193, §21.198, and New §21.204 (Regulation of Signs Along Interstate And Primary Highways); Amendments to §21.405, §21.409, §21.411, §21.416; the Repeal of §21.419 and New §§21.447 - 21.457 (Control of Signs Along Rural Roads)
- (4) **Chapter 31 - Public Transportation (MO)** 70  
 Amendments to §31.11, Formula Program (State Programs)
8. **Internal Compliance Program (ICP) Report** 72
9. **Determination of Conflict of Interest** 73  
 Issuance of a determination as to whether participation by IDC, Inc. as a member of a proposer team for a comprehensive development agreement (CDA) project while performing consulting services for the department in connection with another CDA project would constitute a conflict of interest (MO)
10. **Toll Roads**
- a. **Harris and Montgomery Counties** - Concur in the election of a chair and vice chair of the committee formed pursuant to Transportation Code , 228.013 to make certain determinations concerning the distribution of financial risk, the method of financing, and the tolling structure and methodology for SH 99 (Grand Parkway) initial project in Harris and Montgomery counties (MO) 75
- b. **Travis and Williamson Counties** - Accept the report of Actual Traffic and Revenue for the Central Texas Turnpike System (MO) 75
- c. **Travis and Williamson Counties** - Establish temporary main lane toll rate tables on SH 130 Segments 1-4 and SH 45 Southeast to charge the two-axle rate for all vehicles, regardless of classification (MO) 78
11. **Report on Leasing of Right of Way (Deferred)** 86  
 Report concerning request for competing proposals issued April 8, 2011, concerning lease of right of way for implementation of low-emission freight transportation facility

12. **State Infrastructure Bank (SIB)** 86  
 Various Counties - **North East Texas Regional Mobility Authority** - (NETRMA) - Consider approving an amendment to the SIB loan agreement between NETRMA and the department dated as of March 1, 2011, approved in Minute Order 112475 and amended in Minute Order 112607, to permit an expansion of the Toll 49 project scope (MO)
13. **Toll Equity** 95  
 Various Counties - **North East Texas Regional Mobility Authority** (NETRMA) - Consider approving an amendment between NETRMA and the department dated as of March 1, 2011, approved in Minute Order 112498, and amended in Minute Order 112608, to permit an expansion of the Toll 49 project scope (MO)
14. **Unified Transportation Program (UTP)** 96  
 Approve updates to the 2012 UTP (MO)
15. **Contracts**  
 Award or reject contracts for maintenance, highway and building construction
- a. **Highway Maintenance and Department Building Construction** 97  
 (see attached itemized list) (MO)
- b. **Highway and Transportation Enhancement Building Construction** 98  
 (see attached itemized list) (MO)
16. **Eminent Domain Proceedings** 99  
**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)
17. **Routine Minute Orders** 100
- a. **Donations to the Department**
- (1) **Corpus Christi District** - Consider a donation from NAC Services for the cost to design and construct a left turn, right turn, and acceleration lanes at the NAC development on US 81 in Karnes County (MO)
- (2) **Traffic Operations Division** - Consider a donation for the cost associated with the fabrication and installation of 16 highway signs which designate various highways statewide as the Purple Heart Trail (MO)
- (3) **Tyler District** - Consider a donation

from Luminant Mining Company, LLC., for sufficient funding to construct a new segment of highway parallel to FM 2658 in Rusk County which will then be conveyed to the state in exchange for an approximately 1.46 mile length of highway currently designated as FM 2658 (MO)

b. **Audited Financial Statements**

- (1) **Travis and Williamson Counties** - Accept the audited financial statements of the CTTS, as required by the CTTS Indenture of Trust (MO)
- (2) Accept the audited financial statements of the Texas Mobility Fund (TMF) as required by the governing master resolution (MO)

c. **Right of way Dispositions and Donations**

- (1) **Andrews County** - US 385 approximately 1.0 mile south of Andrews - Consider the exchange of right of way (MO)
- (2) **Coryell County** - US 84 approximately one mile west of CR 158 - Consider the sale of surplus right of way with reservation of an easement interest (MO)
- (3) **Denton County** - FM 423 from US 380 to 0.8 miles south of FM 2934 - Consider the acceptance of a donation of land for a highway improvement project (MO)
- (4) **El Paso County** - SL 375 from 0.038 miles west of I-10 at SL 375 to 0.479 miles east of Franklin Mountain State Park - Consider the acceptance of two donations of land for a highway improvement project (MO)
- (5) **Smith County** - FM 346, approximately 1.0 mile north of FM 344 - Consider the sale of two surplus drainage easements to the owners of the fee in the property (fee owners) (MO)

d. **Speed Zones**

**Various Counties** - Establish or alter regulatory and construction speed zones on various sections of highways in the state (MO)

18. <b>Executive Session</b> (none required)	101
<b>OPEN COMMENT PERIOD</b> (no commenters)	101
<b>ADJOURN</b>	101

P R O C E E D I N G S

1  
2 MR. HOUGHTON: Good morning. It is 9:00 a.m.,  
3 and I call the regular December 2011 meeting of the Texas  
4 Transportation Committee to order. Note for the record  
5 that public notice of this meeting, containing all items  
6 on the agenda, was filed with the Secretary of State at  
7 2:03 p.m. on December 7, 2011.

8 I ask, before we begin today, to please put all  
9 cell phones and other communication devices in the silent  
10 or off mode.

11 And if you wish to address the commission  
12 during today's meeting, please complete a speaker's card  
13 at the registration table in the lobby. To comment on an  
14 agenda item, it's yellow, and in the open session it is a  
15 blue card. Regardless of the color, we need to limit your  
16 remarks to three minutes.

17 As is our custom, we will open with comments  
18 from the commissioners, and I would like to start with our  
19 newest commissioner, to my far right, Commissioner Austin,  
20 from the great eastern part of the state, Tyler, Texas.

21 MR. AUSTIN: Good morning. Thank you, Mr.  
22 Chairman.

23 I'll say this is kind of like coming home,  
24 East Texas day. I see many folks from throughout, under  
25 the great direction of Randy Hopmann, the Tyler District

1 Engineer, here on several projects today and I know there  
2 are some others in process that are flying down.

3 Over I guess the last month, really some great  
4 things. I've had the opportunity to travel to different  
5 parts of the state. First and foremost, several of us  
6 were down in Galveston for the dedication of the new John  
7 Johnson ferry, and what a tremendous event that was and a  
8 great honor. I love riding the ferries. We use it quite  
9 a bit, and it's a great service to the state.

10 Also went down to Corpus for the unveiling of  
11 the Interstate 69, the first segment in Texas, and wow,  
12 what a lot of enthusiasm, a lot of folks coming out, it  
13 was cold. But that is a great deal for Texas, and one  
14 thing I was excited about was to tell my friends in  
15 Northeast Texas that as an East Texan I had to go to South  
16 Texas for the first part, hint, hint, so maybe we can work  
17 on other parts of the state.

18 We also spent some time in Tyler. I know Phil  
19 came up with some of the commissioners' aides.

20 And by the way, Caroline, would you please  
21 stand? I'm happy to announce Caroline Love, who is now  
22 going to move over, I don't know if she knows what she's  
23 getting into, but she's going to be my aide, but I really  
24 appreciate her. And Caroline, welcome. I now have  
25 somebody new in charge of me.

1 (Applause.)

2 MR. AUSTIN: We spent some time in Tyler. Phil  
3 came up, we met with the district, we met with several of  
4 our elected officials, and I want to share one or two  
5 stories that modernization has been working. Listening to  
6 some of the questions with the team under Randy's  
7 direction, a couple of folks really engaged in the  
8 openness to just throw out some questions to Phil, and I  
9 think the quality, being able to speak up and ask  
10 questions was really, really forthcoming.

11 One gentlemen, who just graduated with his  
12 master's, spoke up about one particular issue and I think  
13 it really is to help us tell our story about the needs  
14 around the state. And Caroline is going to work with him,  
15 and Phil heard this, to begin to put the framework  
16 together, and he brought up some really good issues. So  
17 the openness and listening, I really appreciate that.

18 Another issue, I went with Commissioner Holmes  
19 in Houston, the Grand Parkway update, and we heard one  
20 issue where we needed to spend \$5,000 to reserve something  
21 in the future and being able to take action now instead of  
22 wait till the last minute, I think just shows a lot of  
23 progress that's being made. I just want to show that  
24 things are really working, I'm impressed as a newcomer  
25 seeing some of these things.

1           But the staff, everybody I've gone around to  
2 see, I really appreciate the openness and the welcoming  
3 that I've received and look forward to seeing several  
4 others.

5           So Merry Christmas to everybody, and thank you  
6 for being here.

7           MR. MEADOWS: Well, I would echo the Merry  
8 Christmas comment to everyone here, to really all of our  
9 staff, our employees, and all of their families. Hope  
10 they have a joyous Christmas, and certainly want to  
11 encourage everyone to be safe on the roadways during this  
12 holiday season.

13           There are two issues I just want to touch on  
14 just briefly. One I think is really significant for all  
15 of us to know, and I want you all to know, that last week  
16 at the meeting of the RTC in the Metroplex, Michael Morris  
17 took that occasion to recognize the commission, the Texas  
18 Department of Transportation and all of our employees for  
19 the manner in which we have worked with the RTC in  
20 delivering projects across that region of the state in a  
21 true partnership-like fashion, and it really is an  
22 impressive list of projects.

23           When you think about what has been accomplished  
24 in the last few years, I mean, you look at central I-30  
25 between Dallas and Fort Worth, 161, Chisholm Trail, 35W,

1 35E, the Horseshoe project now being advanced, one after  
2 another after another, we're talking about billions,  
3 billions of dollars in infrastructure being delivered as a  
4 result of this partnership, that, in fact, they did take  
5 the time to recognize this commission and this agency and  
6 its employees for the fine work that they've done, working  
7 with them to advance these important projects for the  
8 citizens that live in that part of the state. And we  
9 really do appreciate that partnership and thank them for  
10 their recognition.

11 The other thing I'd just mention is there was  
12 truly a milestone event in the Metroplex earlier this  
13 week -- Phil had the opportunity to be there -- and that  
14 was the celebration of the 50 percentile completion of the  
15 DFW Connector project, an \$800 million project at the  
16 north end of DFW Airport. Every time I look at the map of  
17 that project, I scratch my head, I'm not sure how it all  
18 comes together but apparently it's going to.

19 Mr. Mendez, the head of the Federal Highway  
20 Administration, was there with us, and really in a  
21 briefing before that, before the actual milestone event,  
22 talked about this particular project, the style, the  
23 methodology utilized, the innovation used in the project,  
24 and it really is impressive what it is that we're doing to  
25 have a project that is so well ahead of schedule, I mean,

1 it is well ahead of schedule. Of course, maybe this  
2 drought has something to do with that, but the fact is  
3 that we have worked very well on that project and seen a  
4 lot of progress made.

5 And this is information, techniques and methods  
6 that I think will be exported, if you will, to other parts  
7 of the country, at least according to Mr. Mendez. We were  
8 honored that he was with us and I was certainly  
9 appreciative of Phil making the effort to be up there as  
10 well as some of our other TxDOT employees.

11 But again, Merry Christmas.

12 (Mr. Underwood's microphone was not working;  
13 general talking and laughter; Mr. Meadows moved his  
14 microphone over to Mr. Underwood.)

15 MR. UNDERWOOD: This is a first for Bill, he's  
16 never shared before. I appreciate your Christmas spirit.

17 (General laughter.)

18 MR. UNDERWOOD: And for the record, I just want  
19 Jeff to understand that Randy Hopmann, everything he has  
20 and learned came from Lubbock before he was in Tyler, just  
21 for the record.

22 MR. AUSTIN: Well, actually, he went to Lubbock  
23 from Tyler.

24 MR. HOLMES: I know he had to learn something.  
25 He tried but when he got to Lubbock, I promise you, it

1 really picked up.

2 I do want to wish, on a serious note, everyone  
3 safe and happy holidays. Please drive safe. Remember we  
4 do have men and women working to make it safer to have  
5 better transportation for everyone.

6 Also, I'm excited about I-69, our first step.  
7 It's a small step, 6.2 miles, but as with any step you  
8 take, as if when you first learn to walk, always first  
9 steps are small, but it's great and I'm excited for South  
10 Texas.

11 And on the last part of it, I want to thank  
12 Mario and his staff for all their hospitality and for  
13 their professionalism they showed when I was down there.  
14 And I appreciate all the men and women at Hidalgo and  
15 Cameron County for all their work and taking the time to  
16 meet with me and express their needs and to offer to work  
17 with TxDOT.

18 So thank you very much.

19 MR. HOLMES: Good morning. Does this one work?

20 Well, I'm not going to yell like Fred. But good morning,  
21 happy holidays. I add my safety comments to Bill's and  
22 Fred's and Jeff's.

23 Jeff, appreciate your coming to Houston and  
24 attending the briefings that we had over at Transtar.

25 And Bill, one of the things that I point out to

1 transportation folks in Houston and elected officials is  
2 the cooperative spirit and progress that's being made in  
3 the Metroplex. It really is a testimony to what can  
4 happen if people really work together, and I've given  
5 great encouragement, and we may even have a little  
6 progress here in the next year or so because as we see the  
7 incredible things that are being done in the Metroplex,  
8 that model can be taken not only around the state but  
9 around the nation.

10 The I-69 is a nice start, isn't it, Fred? I  
11 would hope that we're able to progress that section south  
12 of Corpus all the way down to the Rio Grande, and I know,  
13 Phil and John, that you guys are working on getting that  
14 designation, a few additional improvements.

15 It's an exciting time, and we appreciate all of  
16 your attendance. All these guys from East Texas, Jeff, I  
17 worked with a number of them, when I was at Parks and  
18 Wildlife, on the train from Palestine to Rusk. Sounds like  
19 you're making good progress. Congratulations.

20 MR. HOUGHTON: Good morning. And I echo some  
21 of my fellow commissioners' remarks. I do want to welcome  
22 you all, and Bill, with the emphasis multiple times on  
23 billions and billions, I assume that means you're all done  
24 up in the Metroplex for a while. All finished.

25 MR. MEADOWS: Not quite.

1 MR. HOUGHTON: And congratulations, Fred and to  
2 our staff and to the folks in Texas, the first I-69 shield  
3 in the State of Texas. There is one, of course, in  
4 Indiana, and anywhere in between?

5 MR. WILSON: Michigan and Indiana.

6 MR. HOUGHTON: Michigan and Indiana. It's a  
7 long way between Corpus and Indiana. But congratulations  
8 on that.

9 And my heartfelt holiday greetings and wishes,  
10 Merry Christmas and happy holidays and Happy New Year to  
11 you all. And drive safely, please; it's raining outside,  
12 so be careful.

13 Before we move on further, a crass commercial  
14 announcement from the annual Texas Transportation Forum,  
15 Going Places, in San Antonio, at the Hyatt in San Antonio  
16 is my understanding, and it's on the 15th and 17th of  
17 February, and early registration is still available online  
18 until today, the 15th. So hurry, get your stakeholder  
19 place and your seat reserved.

20 Our first order of business is approval of the  
21 minutes from the November 17 meeting. Members, the draft  
22 minutes have been provided to you in the briefing  
23 materials. Is there a motion?

24 MR. AUSTIN: So moved as presented.

25 MR. HOLMES: Second.

1 MR. HOUGHTON: All in favor?

2 (A chorus of ayes.)

3 MR. HOUGHTON: Thank you.

4 Phil, I turn the agenda over to you.

5 MR. WILSON: Thank you, Chairman Houghton.

6 Our first agenda items today are two  
7 resolutions recognizing two members of our senior team who  
8 will be retiring from TxDOT on December 31. I would like  
9 to invite our director of the Human Resources Division,  
10 George Ebert, to come forward so we can present this  
11 resolution. George.

12 MR. EBERT: Good morning.

13 MR. WILSON: "Whereas, the Texas Transportation  
14 Commission takes great pride in recognizing George A.  
15 Ebert for his outstanding service to the Texas Department  
16 of Transportation and the State of Texas after a  
17 distinguished career totaling 18 years of service;

18 "And whereas, as director of the Human  
19 Resources Division since 2009, George has overseen the  
20 department's employment and recruitment programs and  
21 employee services, including training and performance  
22 planning;

23 "And whereas, he represented the department on  
24 the state's Project One Human Resources Management Change  
25 Control Board, has served as interim director of the Civil

1 Rights Office since 2009, and is an active member of the  
2 TxDOT Modernization Leadership Team;

3 "And whereas, he joined TxDOT in 2004 as a  
4 special projects coordinator for the Houston District and  
5 was promoted to assistant director of administration for  
6 the district in 2007;

7 "And whereas, he earned a bachelor's degree in  
8 English from Coe College, a master's degree in human  
9 resource development, human relations from Webster  
10 University, and a master's in divinity from the Episcopal  
11 Theological Seminary of the Southwest;

12 "And whereas, his informative weekly column,  
13 Conversations in Management, has become a valuable  
14 leadership development tool for the department;

15 "And whereas, George Ebert has been a dedicated  
16 and loyal member of TxDOT and a true public servant of the  
17 state of Texas;

18 "Now, therefore, be it resolved that the Texas  
19 Transportation Commission does hereby extend its sincerest  
20 best wishes to George A. Ebert in recognition of his  
21 professional achievements and a career of loyal service on  
22 behalf of the state of Texas and its citizens.

23 "Presented this day, Thursday, the 15th of  
24 December 2011."

25 Are there any further comments from the

1 commissioners?

2 MR. UNDERWOOD: George, I want to thank you on  
3 Ned's and my behalf for all the work you did with Grant  
4 Thornton. We appreciate you and what you did and how you  
5 make it so much easier for us, walking us through all,  
6 helping us dodge the pitfalls and the canyons we tried to  
7 walk up into.

8 And also, I didn't realize that you were also  
9 on the Texas Youth Commission. Is that correct?

10 MR. EBERT: It depends on why you're asking.

11 (General laughter.)

12 MR. UNDERWOOD: When you were in Houston.

13 MR. EBERT: No. That was here in Austin.

14 MR. UNDERWOOD: You also worked with them  
15 before you came to TxDOT. Is that correct?

16 MR. EBERT: And UT.

17 MR. UNDERWOOD: Your family and your wife lives  
18 in Houston and you've been driving back and forth.

19 MR. EBERT: That's right. That's why I'm  
20 opposed to that new fee they're talking about where you  
21 have to pay by the miles traveled.

22 (General laughter.)

23 MR. UNDERWOOD: My point of all this for the  
24 audience is that he's a very dedicated TxDOT employee who  
25 takes care of his job, he doesn't beat his chest and say

1       how wonderful he is, he's not one of these guys that's  
2       always bragging on himself, has tennis elbow from patting  
3       himself on the back. He's just a first class, quality  
4       gentleman, and I wanted you to know how much Ned and I  
5       appreciate everything. And I know the commission, too,  
6       appreciates all your work and you will be missed.

7                 MR. EBERT: Thank you very much.

8                 MR. HOLMES: Thank you, George, for all the  
9       work you did with our subcommittee. Thanks.

10                MR. EBERT: It was an interesting time.

11                MR. HOLMES: No kidding.

12                MR. HOUGHTON: And we're still living it.  
13       George, thank you and thank you for your service and  
14       dedication to this department.

15                MR. EBERT: Thank you.

16                MR. WILSON: George, would you like to say a  
17       few words.

18                MR. EBERT: Well, unaccustomed to public  
19       speaking as I am, thank you for the recognition, I  
20       appreciate that.

21                If you've known me for any length of time, you  
22       know that one of my favorite quotes is from Will Rogers  
23       who said that even if you're on the right track, you're  
24       going to get run over if you just sit there, and under the  
25       stewardship of the commission and the Grant Thornton we've

1 just been talking about, with Phil Wilson's leadership,  
2 now ably assisted by Dee Porter, the Kaepfel consultants,  
3 and my extraordinary colleagues on the Modernization  
4 Leadership Team, there's no doubt in my mind that we're on  
5 the right track and we're certainly moving.

6           That said, there's another part of  
7 modernization that I think bears mentioning, and that's  
8 the cultural transformation that the report talked about.  
9 I think George Bernard Shaw speaks to that in his play  
10 *Pygmalion* which you'll recall is the basis for the  
11 Broadway musical, *My Fair Lady*. Henry Higgins was a  
12 modern man, he was, I guess what I've learned from Scott  
13 Kaepfel, kind of the lean Six Sigma Black Belt speech  
14 pathologist of his time. On a bet he determined to see if  
15 he could take a cockney flower girl and transform her into  
16 a London society lady.

17           Things went swimmingly, he was succeeding, he  
18 was on the point of victory when Liza Doolittle, the  
19 Cockney flower girl, confronted him at the moment of her  
20 debut and she said, Professor Higgins, the difference  
21 between a flower girl and a lady is not the way she speaks  
22 but the way she's treated -- not the way she speaks but  
23 the way she's treated. And I think that's where we are in  
24 TxDOT right now. That part of our cultural transformation  
25 is something we need to play close attention to.

1           I see this in three parts -- I won't be  
2 lengthy. The first is how we understand ourselves as a  
3 community. When people talk about TxDOT losing the family  
4 feel, that's what they're talking about, the loss of a  
5 sense of community, of like-minded people coming together  
6 to do good work for Texans. Secondly, how we make  
7 decisions at the granular level where employees interact  
8 with their supervisors and lead workers. And finally, how  
9 we treat one another, and not what we don't want people to  
10 do wrong, that's my business and that's what I deal with  
11 on a daily basis, all the wrongs, but we need to start  
12 considering what's doing things right with the basics like  
13 treating everyone with dignity, courtesy and respect.

14           And we need to do this not because it's the  
15 easy thing to do, it's not a project we can check off  
16 after three months, it's hard and we need to do it because  
17 it's hard and because it will take deliberative effort to  
18 make it work. And I think that's where we're headed,  
19 that's a big part of what we've been working on, but I  
20 think it's essential to the department's development.  
21 Enough gratuitous advice from a soon to be retiree.

22           I want to thank, first of all, the men and  
23 women in the Human Resource Division and the Office of  
24 Civil Rights. Every day these folks come to work doing  
25 very difficult and challenging things. They do them so

1 well that they make it look easy, and consequently, don't  
2 get a lot of credit for the work they do, and they  
3 certainly deserve it. I want to thank my wife who has  
4 kept the home fires burning and enabled me to come to  
5 Austin, live a bachelor's life, wild and crazy, you know  
6 me.

7 (General laughter.)

8 MR. EBERT: I want to thank Mr. Gary Trietsch,  
9 my Houston DE, whose confidence in me opened up  
10 opportunities I never would have had otherwise. I want to  
11 thank Mr. Jules Budney who had the good sense to hire me  
12 and then whose mentoring and friendship will always be  
13 treasured, Ed Serna who really did a long shot and brought  
14 me to Austin, and finally, Debbie Moore, my deputy, whose  
15 wisdom, insight and loyalty are behind every good thing  
16 we've accomplished. The missteps were all of my own doing  
17 when I didn't consult people, so I take full  
18 responsibility for that.

19 That said, thank you very much for the honor, I  
20 very much appreciate it. TxDOT is a great place to work,  
21 a terrific department. Now like the old soldier I am, I  
22 will fade away, at least in two weeks. Thank you very  
23 much, and Merry Christmas.

24 (Applause.)

25 MR. WILSON: George, if you wouldn't mind

1 staying right there and waiting, and then we're going to  
2 do some photos in a few minutes.

3 The gentleman to my left, if you'd move to the  
4 podium, so we can recognize Roger for his service.

5 "Whereas, the Texas Transportation Commission  
6 takes great pride in recognizing Roger A. Polson for his  
7 outstanding service to the Texas Department of  
8 Transportation after a distinguished career of 18 years;

9 "And whereas, Roger earned a bachelor's degree  
10 in radio, television and film from the University of Texas  
11 at Austin in 1983, and has been active in radio music  
12 production and promotion and event planning in the Austin  
13 area;

14 "And whereas, he began his TxDOT career in 1989  
15 with the Travel Information Division as a travel counselor  
16 at the State Capitol, and later that year transferred to  
17 the Public Information Office as a public information  
18 officer before becoming PIO deputy director in 1994;

19 "And whereas, after leaving in 1997 for a  
20 private sector position, Roger returned in 2001 as a  
21 public information officer with the Vehicle Titles and  
22 Registration Division;

23 "And whereas, Roger has provided high quality  
24 professional narration of many of the department's videos  
25 for a wide variety of internal and external

1 communications, including several short course video  
2 productions;

3 "And whereas, Roger served as executive  
4 assistant to the deputy executive director since 2004, he  
5 has capably provided high-level coordination to Texas  
6 Transportation Commission meetings, including the planning  
7 of many successful out of town commission meetings;

8 "And whereas, in retirement Roger plans to  
9 write a book commemorating TxDOT's 100th anniversary in  
10 2017, travel with his wife, Cash Edwards, and take more  
11 frequent walks with their dog, Banjo;

12 "And whereas, Roger has devoted his  
13 professional life to improving the quality of life for all  
14 Texans;

15 "Now, therefore, be it resolved the Texas  
16 Transportation Commission does hereby extend its sincerest  
17 best wishes to Roger A. Polson in recognition of his  
18 professional achievements and a career of loyal service on  
19 behalf of the state of Texas and its citizens.

20 "Presented this day, Thursday, the 15th of  
21 December 2011."

22 Are there any comments from the commission?

23 MR. AUSTIN: Roger, I know, having been on the  
24 other side standing where you are, giving presentations or  
25 coming to Austin, you've always been extremely gracious,

1 helpful, helping us coordinate, but having joined the  
2 commission, having really a chance to sit down and visit  
3 with you, first and foremost, I know you have family in  
4 east Texas and I hope to see you up there, but little  
5 known facts about Roger, he loves radio, has a radio  
6 background, voice, doing a lot of things, and I hope you  
7 continue to live and fulfill those passions as you go  
8 forward.

9 But thank you for your service to us, and  
10 you've always been very gracious to me and I appreciate  
11 that.

12 And I will share my mike.

13 (General laughter.)

14 MR. MEADOWS: I just want to express my  
15 appreciation for your tolerance and patience in putting up  
16 with us, and particularly me. I understand that could be  
17 challenging. Thank you. Congratulations.

18 MR. POLSON: Appreciate it.

19 Give him all the mikes. This is entirely my  
20 fault, by the way.

21 MR. UNDERWOOD: Roger, you and I both know that  
22 there are things you can't control, and sometimes you're  
23 happily married.

24 MR. POLSON: Have you met my wife?

25 MR. UNDERWOOD: No, but undoubtedly, you've

1 never met mine.

2 For those men and women in Corpus, yes, I was  
3 teasing about her cooking.

4 (General laughter.)

5 MR. UNDERWOOD: But on a serious note, Roger,  
6 thank you for your quiet leadership, appreciate it.  
7 You're always the man behind the scenes, you took care of  
8 business, and I really appreciate that.

9 A question for you, though, will you still keep  
10 your on-air job with -- was it KGSR? Is that right?

11 MR. POLSON: Yes, I have a little show there  
12 and I will continue to do that. I kind of pay them to  
13 work there, so as long as I keep paying.

14 MR. UNDERWOOD: After watching your expertise  
15 here, I don't believe that, I believe that you're an  
16 asset. And I know that you've been an asset to TxDOT and  
17 I want to thank you, sir, for all your years of service.

18 MR. POLSON: Thank you.

19 MR. UNDERWOOD: And to your better half, he's a  
20 class act, and we appreciate it. He really is.

21 So thank you very much, sir.

22 MR. HOLMES: Roger, I really do appreciate that  
23 you were able to put up with Meadows.

24 (General laughter.)

25 MR. POLSON: I am retiring.

1 MR. HOLMES: Well, you are retiring, in fact.  
2 You've done a fine job, very well done, and we appreciate  
3 it.

4 MR. POLSON: Thank you, sir.

5 MR. HOUGHTON: When does the tell-all book get  
6 published?

7 MR. POLSON: I'm accelerating that a little  
8 bit. Actually, the anniversary is 2017, and when I first  
9 came to TxDOT, one of my jobs was to plan the 75th  
10 anniversary, and we sort of put that on the side track  
11 because of the development of the Texas Department of  
12 Transportation. I don't think we can ignore 100, that's  
13 just too big, and so I'm taking it on myself.

14 MR. HOUGHTON: Commissioners as I Knew Them, or  
15 something like that?

16 MR. POLSON: Yes. We will have a special  
17 section for you.

18 (General laughter.)

19 MR. HOLMES: You are going to show the picture.  
20 Right?

21 MR. POLSON: I've begun collecting pictures  
22 already.

23 MR. HOUGHTON: Well, congratulations, Roger.  
24 You'll be missed. We've had a lot of fun and that's what  
25 it should be all about. Now, do you have an on-air radio

1 voice?

2 MR. POLSON: This is it.

3 MR. HOUGHTON: This is it. Okay, I understand  
4 why you're in the position you're in now.  
5 Congratulations, Roger, congratulations.

6 MR. POLSON: Thank you. I have sat up here for  
7 eight years, almost, without a microphone and I'm  
8 unaccustomed to that position because, as we've mentioned,  
9 I have a spent a good amount of time in front of a  
10 microphone, so I've got a few things to say but I'll keep  
11 it pretty brief.

12 First of all, this is the 137th meeting. Me  
13 and Ted came about the same time, I think you were here  
14 just a couple of months before me. We've overseen the  
15 production of 3,326 minute orders during that time, and  
16 it's been quite an ordeal.

17 The first day I went to work for TxDOT was at  
18 the State Capitol. We had the Tourist Bureau set up in  
19 the lobby at that time, it was during a session, and I  
20 have to admit I was pretty impressed walking into that  
21 building, as small as my job was to pass out maps and give  
22 information to people, but it was still a pretty heady  
23 time to walk in there the first day. And I had been  
24 studying up. I'm a bit of a student about the state, and  
25 certainly a Texas tourist, and I thought I was all ready

1 to go for just about anything, and the first person who  
2 walked up to me the question was: Where is the bathroom?  
3 And I didn't know, I had not researched that.

4           There are two things I learned from that in our  
5 planning for the out-of-town meetings, it was always the  
6 first question I asked of the organizer, where are the  
7 bathrooms, so when you guys asked me, I knew. And the  
8 second thing it taught me was that this department is  
9 going to be a continuous surprise and the questions that  
10 you get from people are always going to be a surprise, and  
11 often your first reaction is I don't think we do that, and  
12 then pretty soon you realize oh, yes, we do that. And so  
13 I learned quickly not to be surprised by the questions  
14 about things that this department does and the way we go  
15 about that.

16           I have traveled through all the districts in my  
17 earlier PIO days, wrote a lot of stories about employees,  
18 spent days with the maintenance supervisors and area  
19 engineers and people that are working on the roadways and  
20 in the offices across the state, and it is a remarkable  
21 organization and you are surprised every day by the level  
22 of professionalism and caring and quality of work that  
23 everybody does at every level. And that, I think, is the  
24 thing I take away from this job is that it's quite an  
25 organization and has had a huge impact on me, and of

1 course, the lives of all the people across the state of  
2 Texas.

3 I want to say that the eight years I've spent  
4 in this office, the people who work in the administration  
5 have been a true joy, we've had a great time. Dee  
6 Hernandez was my assistant when I came here and she is the  
7 one who basically taught me what to do, and then for the  
8 last year JoLynne and I have been partnering together and  
9 that has been quite fun too, and hopefully JoLynne has  
10 retained enough information about teaching me what to do  
11 that she'll be able to carry on this along with some  
12 additional assistance. And thank you very much for that.

13 I also, of course, want to thank my wife, Cash,  
14 who is here today. She's a great partner, we've had a  
15 good time. When I came to work for TxDOT, I said, I'll  
16 just go get a state job for a couple of years -- we were  
17 about to get married -- and we'll get kind of settled in  
18 and then we'll go do something else. And now here it is,  
19 it's time to actually retire from the department, and it's  
20 sort of surprising to both of us.

21 But it has been a great decision every step of  
22 the way, and as I said earlier, the passion and the  
23 professionalism and the abilities of the people in this  
24 department today and the ones who came before us have been  
25 a true eye-opening experience, and that's why I look

1 forward, as I said, as the self-appointed ambassador to  
2 write this book, and I do think that that will happen and  
3 I do think it will be something hopefully we will all be  
4 able to hold and be proud of, being some small part of it.

5 I don't have nearly the quotes that George has;  
6 I have to be impressed by him being able to pull that  
7 stuff up. One of my favorite quotes is, though, from a  
8 friend of mine in Lubbock, and his quote is: Well, we'll  
9 just have to jump off that bridge when we get to it. And  
10 so I think it's time to jump off the bridge and I think  
11 it's going to be a good landing.

12 Thank you for everything, and I really  
13 appreciate everything that you have done and shared.

14 (Applause.)

15 MR. WILSON: Why don't we do some photos with  
16 Roger and George.

17 (Pause for presentations and photos.)

18 MR. WILSON: Moving up to item 3, there are two  
19 discussion items. First up is our chief Modernization  
20 officer, Dee Porter, who will bring us a monthly update on  
21 the modernization process.

22 MS. PORTER: Good morning, commissioners. For  
23 the record, my name is Dee Porter, and I'm the Human  
24 Resources and Modernization officer, and I'm here today to  
25 provide you with an update of the department's

1 modernization effort.

2 Briefly, I will provide you an update of the  
3 projects, particularly those that will be completed this  
4 month, John Zimmerman will provide an update on the right  
5 of way streamlining project, then I will continue with an  
6 update on organizational changes, risks to modernization  
7 and an overview of some of the topics we'll be working on  
8 in the January workshop.

9 Currently, 20 modernization projects are  
10 ongoing. Of these, 13 are moving through the five-stage  
11 process and five are moving through an abbreviated  
12 disciplined approach. These seven will be closed by the  
13 end of the year. In addition, we have six additional  
14 projects that will start between now and the first of the  
15 year.

16 The seven projects that are highlighted are the  
17 seven projects that will close out and be implemented by  
18 the end of the month and the first of the year. Four of  
19 these projects are finance projects, we have one to  
20 establish a transportation think tank, an HR project, as  
21 well as a metro area best practice sharing project.

22 Last month we highlighted the environmental  
23 project, this month we're going to highlight Right Of Way,  
24 and I have with me, John Zimmerman, the project co-lead,  
25 and he'll brief you on this project.

1 MR. ZIMMERMAN: Thanks, Dee.

2 For the record, I'm John Zimmerman, the co team  
3 lead, along with Sheila Mills, for the Right Of Way  
4 modernization project. In my regular job at TxDOT, I  
5 serve as the director of the Acquisition Section of the  
6 Right of Way Division.

7 Right-of-way streamlining basically obviously  
8 is to reduce the overall time to acquire right of way  
9 because we can't start construction on a project until we  
10 have legal possession of the land that we're going to  
11 construct the project upon. There are many federal and  
12 state laws and regulations to protect landowners' rights,  
13 and some new state legislation from the last session has  
14 actually added some time periods before some right-of-way  
15 acquisition activities can take place.

16 However, it is still possible to accomplish an  
17 overall reduction in the time it takes to obtain right of  
18 way by beginning some of the Right Of Way activities  
19 earlier, also by concentrating on conducting some of the  
20 steps to acquire possession concurrently with other  
21 required steps rather than waiting on completing and doing  
22 things sequentially. As many times we did in the past, we  
23 waited to see if we needed to go to the next step, many  
24 times we can anticipate that we can start earlier, so  
25 we're really working on a sequential process.

1 I'm just going to describe briefly -- which is  
2 probably too small for you to read and I'm not going to  
3 read it to you, because my understanding is we're doing a  
4 more detailed presentation during your workshop where we  
5 can go into a lot more details of how this is going to go  
6 in January -- basically, early involvement in Right Of Way  
7 activities during the pre-planning process which has not  
8 consistently taken place in the past. Some districts  
9 called in Right Of Way or asked Right Of Way to be there  
10 on a regular basis, other Right Of Way people had to  
11 really beg to be present at the table in some of the  
12 earlier planning processes. If we can consistently have  
13 this happen, many times some Right Of Way parcels can be  
14 eliminated entirely if this is looked at in the early  
15 planning process. If you have less parcels to acquire,  
16 obviously there's going to be less time involved and less  
17 money spent on right of way.

18 The same can occur for utility adjustments. If  
19 the utility adjustment activities and information can be  
20 present at the table when a project is being planned, when  
21 an alignment is being worked on, sometimes you can avoid  
22 impacting an entire utility operation that would be very  
23 expensive to relocate and very time-consuming simply by  
24 saying if you move the alignment this way or that way,  
25 you're eliminating the utility adjustment.

1           Also, the early starting of appraisal  
2 activities, some relocation activities, and even Eminent  
3 Domain preparation are examples of how we can do some  
4 things concurrently to be doing things earlier on and  
5 completing them earlier by doing them all at the same  
6 time.

7           The third item on the list of improving  
8 negotiations will actually help to reduce the number of  
9 cases that we have to go through Eminent Domain to acquire  
10 property. Any time we can acquire voluntarily by a deed,  
11 we have saved significant time because the Eminent Domain  
12 process, as you know, is a very lengthy process at times.

13           Also, the item of improving negotiations and  
14 having an open house with landowners will improve our  
15 relationship with landowners and that also will,  
16 hopefully, improve our success in being able to acquire  
17 property by negotiations. The end result out of a lot of  
18 these is that we can reduce the total number of cases that  
19 we present to you each month for Eminent Domain and save  
20 that much time.

21           As I say, we will present a lot more detail  
22 about this at your workshop, and I'm open to any questions  
23 that you may have.

24           MR. AUSTIN: I just have one comment. I really  
25 like what you're saying on doing things concurrently. You

1 know, there's a lot of processes that can run parallel  
2 tracks and I would just ask one thing, and I look forward  
3 to a more detailed discussion in January, but as you're  
4 looking at all of these, simplifying and expediting  
5 processes, look at them again. Is there any room for  
6 continual improvement so that we can really get it right  
7 and do the best job we can. Just keep looking at it.

8 MR. ZIMMERMAN: Thank you. And I will say that  
9 my experience up to this point with the modernization  
10 procedures that we're following and the very structured  
11 procedures that we're doing, we took a really hard look at  
12 the as-is process to come up with our recommendations, and  
13 we had about 45 recommendations and it's hard to pare them  
14 down. We had a very good brainstorming, we brought people  
15 in from all different areas that had had different Right  
16 Of Way experiences, and we came up with a lot of  
17 suggestions, and they're still being refined. Some of  
18 those will end up being separate projects, but we're  
19 trying to work with what we have to really ensure success  
20 in streamlining this process where we can legally do it  
21 and still protect landowners' rights.

22 Thank you.

23 MR. WILSON: Thank you. Next is Shannon Crum  
24 from the Transportation Planning and Programming Division  
25 who will introduce a study concerning ongoing studies to

1 reduce traffic on the most heavily congested -- I'm sorry.  
2 I apologize, Dee. I got ahead of myself. Please go  
3 forward. I apologize.

4 MS. PORTER: That's okay, sir.

5 MR. WILSON: I was so enamored by Right Of way,  
6 I got lost in the track.

7 (General laughter.)

8 MS. PORTER: If I can get our slide back up  
9 here. Next I would like to highlight some of the  
10 organizational changes recently. A recently implemented  
11 transitional organizational chart demonstrates the  
12 alignment of core functions which helps us to improve our  
13 accountability as well as our performance. In addition,  
14 we have the establishment of a new Office of  
15 Organizational Effectiveness, and this demonstrates our  
16 commitment to modernization. And finally, with these  
17 organizational changes come new leadership which will help  
18 us to establish priorities.

19 When we talk about plan risks, in part, the  
20 success of TxDOT's modernization efforts depend on how  
21 well we can minimize or eliminate the risks. These risks  
22 to modernization remain unchanged from previous months,  
23 but they're still worthy of bringing to your attention.  
24 In addition to the modernization projects, there are a  
25 number of other initiatives that are also a priority. In

1 addition, we have to remember that change takes time but  
2 we are moving rapidly. We are committed to following a  
3 disciplined approach, and in some cases an abbreviated,  
4 disciplined approach, and because of the rapid pace, we're  
5 learning the new methods while we are implementing the  
6 projects.

7           And last but not least, it takes time to learn  
8 new methods and to implement projects, all while we  
9 continue our day-to-day operations. We have to balance  
10 the workload between modernization projects, other  
11 department initiatives and our daily operations.

12           As John mentioned, in January we will have an  
13 opportunity to spend an afternoon with you during this  
14 workshop. We're still drafting the content but here are  
15 some of the highlights we'll be covering in depth that  
16 includes: the status of the new leadership team, an  
17 updated implementation plan, and status of some of the key  
18 projects.

19           And finally, this is a reminder of the  
20 modernization statement and the need that we have for  
21 continued collaboration and improvement of our leadership  
22 model, and this is what we continue to strive for.

23           Thank you for your time, commissioners. I'll  
24 be happy to answer any questions, or I have a team here  
25 that can assist me if needed.

1 MR. HOUGHTON: Thank you, Dee.

2 MS. PORTER: Thank you, sir.

3 MR. WILSON: Next is Shannon Crum from the  
4 Transportation Planning and Programming Division, who will  
5 introduce a discussion concerning ongoing studies to  
6 reduce traffic on the most heavily congested Texas roads.

7 MS. CRUM: Good morning, commissioners. For  
8 the record, my name is Shannon Crum. I'm the director of  
9 Data Management in the Transportation Planning and  
10 Programming Division.

11 The 82nd Legislature allocated \$300 million of  
12 Proposition 12 bond proceeds for right-of-way acquisition,  
13 feasibility studies and project planning and engineering  
14 work to develop transportation projects that will relieve  
15 congestion on the most congested road segments in the  
16 Dallas, Fort Worth, Houston, Austin and San Antonio  
17 metropolitan areas. The legislature further directed that  
18 the Texas Transportation Institute should coordinate  
19 studies to ensure the most effective use of those funds,  
20 as well as to ensure public participation to consider the  
21 widest range of possible funding options for the projects  
22 and to make recommendations to the department at major  
23 decision points.

24 This morning, Bill Stockton is here from TTI to  
25 provide a report on the activities.

1 MR. STOCKTON: Good morning, members of the  
2 commission. My name is Bill Stockton. I'm with the Texas  
3 Transportation Institute where I am executive associate  
4 director.

5 To follow up on what Shannon was briefing you  
6 on, I want to let you know that in your packets we have  
7 provided -- and there may be a slide on this -- I'll show  
8 you a couple of examples, we provided two pieces of  
9 information for each of the five congested cities in  
10 Texas, and they're maps that look like this on the map  
11 that's on the board there. That map shows for Austin, for  
12 example, the segments of freeway or roadway in the Austin  
13 area that are on the TxDOT 50 most congested segment list  
14 for 2010. In green you see the highest priority which  
15 means the most congested segments and in yellow you see  
16 the secondary priorities for the second most congested  
17 segments.

18 On the table that is also attached for each of  
19 the five cities you'll see a recap of data relative to the  
20 congested segments and the work that is currently underway  
21 to address those congested segments in each city.

22 The process that TTI was charged with is  
23 facilitating the activities in each of the metro areas,  
24 working with all of the local entities, the metropolitan  
25 planning organization and the member agencies of those

1 MPOs, TxDOT, the principal cities, transit authorities, et  
2 cetera. What we've done to date is put together a list of  
3 projects under consideration to address each of the  
4 congested segments that are in green for each of the five  
5 major cities, and these include a wide range of projects.  
6 These are items that the local entities, represented  
7 through the MPOs and the local agencies, are attempting to  
8 winnow down to one or two candidate solutions for each of  
9 those congested corridors.

10 When they have reached a point where they agree  
11 on the one or two candidate solutions for those corridors,  
12 then we will be back to the commission with an item in the  
13 final column which is listed as Next Steps. We will be  
14 back to you with a recommendation for what is the next  
15 step for each of those corridors. We won't have it all in  
16 one briefing because it will take time for the local  
17 entities to reach agreement on what they want to proceed  
18 with as solutions to those congested corridors. We will  
19 expect to be back before you two or three times during the  
20 first nine months of 2012 with specific recommendations.

21 Today's briefing is just for information. If  
22 you have any questions, I'll be glad to try to answer  
23 them.

24 MR. AUSTIN: I just want to make one comment.  
25 In looking at this, I know you provided me with the list

1 of the top 100, and one thing that was astonishing, really  
2 eye-opening to me, it's not until you get down to number  
3 61 and 62 that you get outside the Dallas, Fort Worth,  
4 Houston, Austin, San Antonio areas, and 61 is in Hidalgo  
5 County and 62 is in El Paso. So I'm just saying it shows  
6 the need, how congested these major areas area, which ties  
7 back in to some of the initiatives that we're working on.  
8 This is very helpful.

9 MR. STOCKTON: Good. Thanks you very much.

10 MR. HOUGHTON: Thanks, Bill.

11 MR. WILSON: Item 4 is a report about the Texas  
12 State Railroad in East Texas, and the director of the Rail  
13 Division, Bill Glavin, will introduce this item.

14 MR. GLAVIN: Good morning, commissioners. For  
15 the record, I am Bill Glavin, director of the Rail  
16 Division for the Texas Department of Transportation.

17 It is my distinct pleasure to introduce Steve  
18 Presley, president of the Texas State Railroad Authority,  
19 for an update of recent activities of the Texas State  
20 Railroad.

21 MR. PRESLEY: Good morning, commissioners and  
22 director and staff. My name is Steve Presley and I came  
23 to talk to you about the Texas State Railroad Authority  
24 and the Texas State Railroad a little bit today. A couple  
25 of our directors came with me, Mr. Hugh Summers and Al

1 Holmes, and then director of our grant projects, Gary  
2 Traylor, came as well.

3           What we'd really like to tell you about today  
4 is the story a little bit of how this project has worked  
5 and how it's been saved, and you can see a picture of it  
6 as it currently operates on the track with the steam  
7 engine. The next slide is where we're located, between  
8 Palestine and Rusk. The tracks are about 25 miles long,  
9 the train runs between the two most of the time, except  
10 for some weekends sometime in the winter where it doesn't  
11 operate a little bit of time during the winter and when  
12 some of the special events such as Polar Express going on  
13 now.

14           In 2007 what was happening was the legislature  
15 had made a decision to turn the Texas State Railroad to a  
16 static operation. The costs were so great, Parks and  
17 Wildlife was having a difficult time funding that, and Mr.  
18 Holmes and Mr. Austin were two of the supporters that we  
19 had, if my recollection serves me correctly, that were  
20 very helpful in seeing that this got saved. But this is  
21 the condition we saw where tracks were being left, no  
22 maintenance was being done, they were losing about \$2  
23 million a year with about 40,000 paid riders. Basically,  
24 operations got suspended when a bridge had washed out from  
25 one of the hurricanes, and it was proposed that it would

1 just be shut down, these 50 jobs lost to the area, and  
2 loss of a historical transportation asset.

3           So what really happened is at that point is  
4 that the communities came together and decided that we  
5 could do something about this but that we didn't have the  
6 expertise to do it on our own, so we got with Parks and  
7 Wildlife, the legislature, and the legislature set aside  
8 \$10 million in enhancement funds. We were able, with  
9 that, to attract American Heritage Railways to come in and  
10 operate it as a private operator. They also operate the  
11 Durango & Silverton in Durango, Colorado, and Great Smoky  
12 Mountains in North Carolina.

13           And so with their help, and Parks and  
14 Wildlife's help as well, we got to work on restoring the  
15 tracks to operational status, got them up and operating,  
16 and began in 2007. By 2008 regular excursion operations  
17 began with the special events. Since that time, we've  
18 seen our local cities put in money, American Heritage has  
19 put in an investment, and the state has continued to work  
20 with us.

21           Our goals were to increase the ridership and  
22 increase revenues which would lead to more profitability  
23 of the private operator that was in charge of this which  
24 then became a sustainable operation and could become self-  
25 sufficient. So the way they have worked to do this is

1 adding special events. Their main ridership growth has  
2 occurred there. The Polar Express is the main one that we  
3 have. As of last year, we were the second largest Polar  
4 Express event in the nation with about 48,000 paid riders  
5 for that event in particular. More than half our  
6 ridership comes during that six weeks in the middle of  
7 November through the end of December.

8 Some other events that they have that have been  
9 and continue to be are the Lone Ranger, Thomas the Tank  
10 Engine, that's the Little Engine That Could on the bottom  
11 right, and Snoopy's Pumpkin Patch Express and the  
12 Valentine Express.

13 Revenues and ridership are both up, have been  
14 up. We expect for them to break even this year for the  
15 first time on profit and loss basis, and we're looking at  
16 adding, through the grant, some additional capacity with  
17 another train set that's really from a different era.

18 What's happened with the transportation assets  
19 that are there on the ground is that they've been being  
20 restored gradually through the grant program. This is  
21 Engine 300, one of our steam engines. It came in under  
22 budget within the scope of work and well ahead of  
23 schedule, and it was all performed by railroad personnel  
24 that were onsite. They're now undergoing restoration on  
25 another engine. This is one of the cars, you can see

1 before and after with the paint job, and this picture  
2 really doesn't give you as good a clue of what actually  
3 was going on from what really happened, how much  
4 difference there really is in the train. It's absolutely  
5 gorgeous now.

6 This is some of the rail tie and ballast, and  
7 you can see in the picture, the older one, where  
8 everything was being overgrown, it wasn't being take care  
9 of well, and now with the rail crew that we have, that's  
10 what's going on.

11 A lot of these experienced staff that were  
12 there when Parks and Wildlife had it stayed because they  
13 wanted to see this railroad succeed, and it's really in  
14 large part to them deciding to stay with us. Some left  
15 but a lot of the expertise stayed and has managed to keep  
16 it going.

17 Ridership has grown from during 2007 because  
18 part of the year it was closed, they only had 30,000. It  
19 had been averaging about 40,000 paid riders but it was  
20 more than that total because the state at that point gave  
21 away a lot of free rides. The first full year of  
22 operation, ridership rose to 70,000 and it got up over  
23 80,000 last year. This year we've changed operations a  
24 little, allowed them to change operations a little.  
25 Ridership we expect it to be down slightly this year but

1 revenues and profitability up which is what we would like  
2 to see. You can see that revenues have risen as well  
3 during that same time period.

4           Before we finalize this, the main things I  
5 think that we see that has led to the success of this is  
6 we've had a good staff and your staff has been very  
7 cooperative in working through some of the hurdles that we  
8 needed to jump, they've managed to fit us in even though  
9 we're very small project, a very tiny little piece of your  
10 budget. I'm sure we use a lot more time of your staff  
11 time than we should for the amount of money that's being  
12 spent, but it's been a great opportunity to save a piece  
13 of history that we all have.

14           I think that they have been instrumental in  
15 helping us to have some pretty significant cost reductions  
16 through using a force account approach to dealing with  
17 restoration of these projects because this historical  
18 stuff, you don't know what you have to do until you tear  
19 into it and get started. When we tear down a boiler  
20 engine, or when they do, we don't know whether they're  
21 going to have to replace the whole thing or just put a new  
22 screw in here and there. So these methods of allowing  
23 some change and allowing private enterprise to step in and  
24 do it their way have been very instrumental in this being  
25 a successful project.

1           So we feel like that as a result of all of this  
2 that this project has come to fruition and we appreciate  
3 all the support that's been given to us. Bill Glavin from  
4 the Rail Division I know down here has done a lot of work.  
5 Mark Marek, Barry Cogburn, Randy Hopmann in Tyler and Dale  
6 Booth in Tyler, and then Shawn McMahon have all been  
7 instrumental within your department in seeing that we got  
8 hurdles jumped when we needed to. They've gone out of  
9 their way to help us to make this project successful and  
10 we'd like to thank them for that.

11           Now, do you have any questions about how we got  
12 here or where things are going from there or any other  
13 subject?

14           MR. AUSTIN: Steve, thank you for coming. I'll  
15 say to many of you that are here, first and foremost, this  
16 has been a really great asset. I know when Commissioner  
17 Holmes was over at Parks and Wildlife, he really helped  
18 keep this thing going, and it was in jeopardy of being  
19 lost.

20           How many films has this railroad been in?

21           MR. PRESLEY: Thirty-something at the last  
22 count. And American Heritage has tried to continue to  
23 recruit films to come here, and until the legislature  
24 passed increasing incentives, we had been losing them to  
25 Mexico and Louisiana. American Heritage sends a group

1 out, there's a producers' conference in the spring in  
2 California they send them out to every year trying to  
3 recruit people in for films, but have not had a full-  
4 length film done there since they've taken it over yet,  
5 though.

6 MR. AUSTIN: Well, it's truly an asset. I know  
7 I've been out with my niece and nephews, we went to see  
8 Thomas the Train and rode the Polar Express. The only  
9 recommendation I would have, we took the night one, not  
10 the early one, is to get some burners to keep the hot  
11 chocolate hot. Santa Claus came to see all the kids.

12 But just out of curiosity, how many in this  
13 room, just raise your hand, how many have ridden the train  
14 or been there? There's more than I would have expected.  
15 I would encourage you to do that, take your families  
16 because this really is a neat, neat asset.

17 And one other little tidbit, I've been there  
18 three times over time, the opening in the spring when  
19 there's a new governor that takes over, I participated  
20 there, they've always come and helped open the train. I  
21 was there with Richards, Bush and then Governor Perry.  
22 But that's really a neat thing to rally this tremendous  
23 asset.

24 And this goes beyond, right now so many of the  
25 enthusiasts, both from Cherokee, Anderson County and

1 around are involved in the community. One is sitting  
2 right there, a fellow Scouter, Hugh Summers, who has taken  
3 his love of trains and with many others from Palestine up  
4 to the National Boy Scout Jamboree to teach railroading  
5 merit badge, and this is one of the models I know they  
6 talk a lot about and spend a lot of time giving back. So  
7 it is an asset and I want to say thank you for what you  
8 are doing and you're really making an impact, and it shows  
9 in the positive press and the media. So thank you for  
10 what you're doing.

11 MR. PRESLEY: Thank you very much.

12 MR. AUSTIN: How do I operate this?

13 MR. PRESLEY: I'd like to hear all of you do  
14 that in unison, we'll really sound like a train going on  
15 here.

16 MR. HOLMES: Just a quick comment. I became  
17 familiar with this seven or eight years ago when I was at  
18 Parks and Wildlife, and to have moved from the condition  
19 it was in a few years ago, the pictures you showed of the  
20 trackage before and after the repair, you didn't really  
21 show the worst pictures.

22 MR. PRESLEY: No, absolutely not.

23 MR. HOLMES: Because I recall there were some  
24 photographs of small trees growing in the right of way.

25 MR. PRESLEY: There were and still are in that

1 one little piece of it that we don't use anymore. And in  
2 fact, the section that connects back to the Union Pacific  
3 tracks is due next for restoration and will become an  
4 industrial park. We've got some adjoining land that we're  
5 working with several developers right now to provide  
6 industrial jobs, which now we've got, effectively, a 28-  
7 mile long spur off the UP tracks. And so there's far more  
8 than just preservation of a historical asset that we're  
9 trying to work a lot of other ways to help with jobs in  
10 east Texas.

11 MR. HOLMES: Well, to have taken this from a \$2  
12 million a year negative to a break-even I think is a real  
13 achievement and I congratulate you.

14 And just as a point, Jeff, Hugh Summers and I  
15 graduated the same year from Lamar High school. So thanks  
16 for coming.

17 MR. PRESLEY: Thank you very much for having  
18 us. Any further questions?

19 MR. HOUGHTON: Steve, thank you very much.

20 MR. PRESLEY: Let's do it all at once. Just  
21 put your mouth around that and blow real hard. One, two,  
22 three, go. There you go. Thank you.

23 (Commissioners blew train whistles.)

24 MR. PRESLEY: Mr. Summers makes these for all  
25 of us and they're whirly birds, you fly them like that.

1 For kids and grandkids.

2 MR. WILSON: Everyone should bring toys,  
3 requirement next meeting.

4 (General laughter.)

5 MR. WILSON: Item 5 is the award of aviation  
6 grants. Aviation Division Director Dave Fulton will  
7 present this minute order.

8 MR. FULTON: Thank you, Phil, commissioners.  
9 My name is Dave Fulton, director of the TxDOT Aviation  
10 Division.

11 This minute order contains a request for grant  
12 funding approval for eleven airport improvement projects.  
13 The total estimated cost of all requests, as shown in  
14 Exhibit A, is approximately \$7.3 million: approximately  
15 \$1.3 million in federal funds, \$5 million in state funds,  
16 and approximately \$1 million in local funding.

17 A public hearing was held on November 10, no  
18 comments were received. We would recommend approval of  
19 this minute order.

20 MR. HOUGHTON: Motion?

21 MR. UNDERWOOD: So moved.

22 MR. HOLMES: Second.

23 MR. HOUGHTON: All in favor?

24 (A chorus of ayes.)

25 MR. HOUGHTON: Thanks, Dave.

1 MR. FULTON: Thank you.

2 MR. WILSON: Item 6a is the first of two public  
3 transportation related items. Eric Gleason, director of  
4 the Public Transportation Division, will present this.

5 MR. GLEASON: Good morning. For the record,  
6 I'm Eric Gleason, TxDOT's director of Public  
7 Transportation.

8 Agenda item 6a awards a total of approximately  
9 \$267,000 in Federal Transit Administration program funds  
10 and state matching funds to regional lead agencies or  
11 fiscal agents in six of 24 planning regions for fiscal  
12 year 2012 work programs, as shown in Exhibit A.

13 For the past several years, the commission has  
14 awarded grant funds in support of state and federal  
15 requirements for public transportation coordination  
16 planning. On October 10, 2011, the department issued a  
17 competitive call for coordination planning projects to  
18 supplement ongoing efforts throughout the state. Five of  
19 the six awards listed in Exhibit A are as a result of this  
20 competitive call. The sixth award to Central Texas  
21 Council of Governments is based upon an earlier  
22 application received by the Central Texas Council of  
23 Governments and subsequent conclusion of review and  
24 negotiations.

25 Staff recommends your approval of this minute

1 order.

2 MR. HOUGHTON: Motion?

3 MR. AUSTIN: So moved.

4 MR. HOLMES: Second.

5 MR. HOUGHTON: All in favor?

6 (A chorus of ayes.)

7 MR. HOUGHTON: Thank you.

8 MR. WILSON: Item 6b.

9 MR. GLEASON: Agenda item 6b awards \$15,000 in  
10 state planning funds to the North Central Texas Council of  
11 Governments to assist in financing a technical assistance  
12 project for Collin County Area Regional Transit, otherwise  
13 known as C-CART.

14 C-CART provides transit services in the  
15 McKinney urbanized area, the non-urbanized area of Collin  
16 County, and for elderly individuals and individuals with  
17 disabilities throughout Collin County. They receive state  
18 and federal public transportation grant funding from TxDOT  
19 and Federal Transit Administration grant funds from  
20 NCTCOG.

21 The project will focus on assisting staff in  
22 managing the daily operations of a transit system and  
23 developing and implementing policies and procedures to  
24 ensure compliance with all FTA financial, management and  
25 technical grant management requirements. The project is

1 scheduled to begin after the first of the year.

2 Staff recommends your approval of this minute  
3 order.

4 MR. AUSTIN: So moved.

5 MR. HOLMES: Second.

6 MR. HOUGHTON: All in favor?

7 (A chorus of ayes.)

8 MR. HOUGHTON: Thanks, Eric.

9 MR. WILSON: Next is item 7, promulgation of  
10 administrative rules. Bob Jackson, Office of General  
11 Counsel, will present the first of the final adoptions  
12 concerning some contract rules in Chapter 9 of the  
13 Administrative Code.

14 MR. HOUGHTON: It says Joanne Wright here.

15 MR. WILSON: She's sick.

16 MR. HOUGHTON: I heard she has laryngitis.

17 MR. JACKSON: Yes, she does.

18 MR. HOUGHTON: Most lawyers should have  
19 laryngitis. Couldn't help it, Bob.

20 (General laughter.)

21 MR. JACKSON: Bob Jackson, general counsel.

22 The Sunset Advisory Commission recommended that  
23 the department amend its procurement rules to remove the  
24 requirement that a contract notice be published in the  
25 newspaper. The department started that process several

1 months ago. This is the final minute order to remove that  
2 requirement from all of its procurement rules. There were  
3 no public comments received. Recommend adoption of the  
4 minute order.

5 MR. HOUGHTON: Motion?

6 MR. AUSTIN: So moved.

7 MR. HOLMES: Second.

8 MR. HOUGHTON: All in favor?

9 (A chorus of ayes.)

10 MR. HOUGHTON: Thank you, Mr. Jackson.

11 MR. WILSON: For item 7a(2), Angie Parker from  
12 the Office of General Counsel will present rules  
13 concerning grant sanction.

14 MR. HOUGHTON: With the exception of you,  
15 Angie.

16 MS. PARKER: Thank you very much. I was going  
17 to come up and pretend like I couldn't talk.

18 MR. HOUGHTON: No, no. You're the exception to  
19 the rule.

20 MS. PARKER: Again, I'm Angie Parker. And the  
21 amendment to Section 9.133 changes a cross-reference to  
22 another section in the administrative rules. No  
23 substantive changes were proposed to this section and the  
24 department did not receive any comments on the proposed  
25 rules. Staff recommends adoption of the minute order.

1 MR. HOUGHTON: Motion?

2 MR. HOLMES: So moved.

3 MR. AUSTIN: Second.

4 MR. HOUGHTON: All in favor?

5 (A chorus of ayes.)

6 MR. HOUGHTON: Thank you.

7 MR. WILSON: General Counsel Bob Jackson will  
8 present item 7a(3) concerning Chapters 21, 25 and 27.

9 MR. JACKSON: Bob Jackson, general counsel.

10 Because of the new federal census, the  
11 legislature amended statute to revise population brackets  
12 in a number of statutes. The commission now needs to  
13 update its rules to reflect the new population brackets.  
14 No public comments were received. Recommend adoption of  
15 the minute order.

16 MR. AUSTIN: So moved.

17 MR. UNDERWOOD: Second.

18 MR. HOUGHTON: All in favor?

19 (A chorus of ayes.)

20 MR. HOUGHTON: Thank you, Counselor.

21 MR. WILSON: Next up is the interim director of  
22 the Turnpike Division, Ed Pensock, presenting item 7a(4).

23 MR. PENSOCK: Good morning. For the record, Ed  
24 Pensock, interim director of the Turnpike Division of  
25 TxDOT.

1           Item 7a(4) adopts amendments to Chapter 26  
2 concerning reports and audits of regional mobility  
3 authorities. Chapter 26, Subchapter G of the department's  
4 rules requires RMAs to file several reports with the  
5 department. Reports include the annual operating and  
6 capital budgets adopted by the RMA, financial information,  
7 statements of surplus revenue, and independent auditors'  
8 reviews of the reports of investment transactions. An RMA  
9 is also required to submit an annual financial and  
10 compliance audit of its books and records to the  
11 department and any other records and information regarding  
12 these activities that are requested by the commission or  
13 the executive director of the department.

14           While the state statutes require commission or  
15 department approval of some activities of an RMA, neither  
16 the commission nor the department has general oversight  
17 responsibilities for an RMA. Information should be more  
18 appropriately given to the public entity or entities that  
19 oversee the operation of the RMA, a county or a city that  
20 is part of the RMA. The purpose of these amendments under  
21 this rule is to require an RMA to deliver the information  
22 to the public entity or entities.

23           Comments were received supporting the adoption  
24 of the amendments and additions, subject to extending the  
25 time for filing a compliance report from 120 days to 150

1 days. The department agrees to extend the filing deadline  
2 so that Chapter 26.65 is amended to provide within 150  
3 days, after the end of the RMA's fiscal year, it is  
4 required to submit a report that lists each duty that it  
5 is required to perform and it indicates that it has  
6 performed such duties as required in that fiscal year.

7 Staff recommends your adoption of this minute  
8 order.

9 MR. HOUGHTON: Any questions?

10 MR. AUSTIN: Mr. Chairman, I am going to  
11 abstain from this one because this is correcting one issue  
12 from where I was also as chairman of the RMA. And I want  
13 to say thank you for working through some of these. I do  
14 have a little fun with one of these. I think there was one  
15 provision and some documents that may have said things had  
16 to be nationally recognized, and where a lot of the local  
17 CPA or audit firms throughout the state do represent  
18 multiple municipalities, they do perform single audit  
19 tests and also represent a lot of the indebtedness with  
20 other entities that go through peer review and I think  
21 this is a great clarification, and thank you for working  
22 through this.

23 MR. HOUGHTON: Noted that Commissioner Austin  
24 is abstaining. I need a motion.

25 MR. HOLMES: So moved.

1 MR. UNDERWOOD: Second.

2 MR. HOUGHTON: All in favor?

3 (A chorus of ayes, with Commissioner Austin  
4 abstaining.)

5 MR. HOUGHTON: Thanks, Ed.

6 MR. PENSOCK: Thank you.

7 MR. WILSON: The last rule up for final  
8 adoption is item 7a(5) and it relates to some overweight  
9 permit rules at the Port of Brownsville, and Maintenance  
10 Division Director Toribio Garza will present.

11 MR. GARZA: Good morning, Chairman,  
12 commissioners. For the record, my name is Toribio Garza  
13 and I'm the director of the Maintenance Division.

14 This minute order before you relates to the  
15 permits issued by the Port of Brownsville for the movement  
16 of oversize/overweight vehicles on routes between the port  
17 and the Gateway International Bridge and the port and the  
18 International Bridge at Los Tomates.

19 Currently the port can only issue permits to  
20 vehicles that leave through their main entrance. This  
21 revision will allow the port to issue permits for the  
22 operation of these oversize/overweight vehicles at any  
23 point within the state highway system within their port  
24 district.

25 We didn't receive any public comments regarding

1 this revision. Staff would recommend your approval.

2 MR. UNDERWOOD: Got a question for you.

3 MR. GARZA: Yes, sir.

4 MR. UNDERWOOD: Now, is this where they're  
5 allowing the heavier weights, is it up to 120,000 pounds?  
6 Is that correct?

7 MR. GARZA: Hundred and twenty-five, yes, sir.

8 MR. UNDERWOOD: Hundred and twenty-five. And  
9 what this basically does is allows them to extend that  
10 road that's already there anyway farther into the port  
11 which allows them to use actually the whole port now. Is  
12 that correct?

13 MR. GARZA: That's correct.

14 MR. UNDERWOOD: We're not like starting a new,  
15 we're just extending that road, basically.

16 MR. GARZA: The way the rules are now, they  
17 could only issue permits if they left the main entrance,  
18 so we're just changing that to allow them to issue permits  
19 to any new businesses or current businesses within their  
20 jurisdiction which is those state roads within their  
21 jurisdiction.

22 MR. UNDERWOOD: Which will allow for new  
23 businesses to be able to access or entice new businesses.  
24 Is that correct?

25 MR. GARZA: It will help them.

1 MR. UNDERWOOD: Thank you.

2 MR. HOUGHTON: Do we collect the fees on these  
3 overweights?

4 MR. GARZA: The entity collects the fees and  
5 then they report to us weekly summaries of those fees.

6 MR. UNDERWOOD: We don't keep the money,  
7 though, I don't think.

8 MR. HOUGHTON: Do we not keep the money?

9 MR. UNDERWOOD: No. It stays in that area, I  
10 thought.

11 MR. GARZA: It stays for the maintenance of  
12 those roadways that are designated for these overweight  
13 permits.

14 MR. UNDERWOOD: It doesn't go into the general  
15 revenue, so to speak, it stays in that region for those  
16 roads. Isn't that correct?

17 MR. GARZA: That's correct.

18 MR. HOUGHTON: Go ahead.

19 MR. HOLMES: Is it adequate to maintain them?

20 MR. GARZA: You know, I don't have a summary of  
21 the total, but in my previous job, being the director of  
22 Maintenance in the Valley, it seems that there was always  
23 funds available. It's good roads and so it seems like it  
24 was adequate, to answer your question.

25 MR. HOLMES: Were they built originally to

1 handle a 125,000 pound load? Commissioner Underwood has a  
2 view on that.

3 (General laughter.)

4 MR. HOUGHTON: Well, this leads to a bigger  
5 question. On the overweight fees and the permits that we  
6 issue that we keep, is it on state highways, James Bass or  
7 John Barton? What fees do we keep or report to the state  
8 to the general fund? There's a method to this; I'll get  
9 to it.

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

12 For the majority of oversize/overweight permits  
13 issued by the department, there's a revenue split with  
14 some of the revenue going into the State Highway Fund and  
15 some going into the general revenue fund of the state.  
16 Off the top of my head, I believe it's not quite 50-50;  
17 it's about \$55 million going into the State Highway Fund  
18 per year and maybe \$60- or \$65 million going into general  
19 revenue each year from a variety of oversize/overweight  
20 permits.

21 MR. HOUGHTON: But do not include these types  
22 of fees.

23 MR. BASS: No. On these types of fees for the  
24 Port of Brownsville, I believe it's retained by the Port  
25 of Brownsville and as the department then does maintenance

1 on that particular roadway, we are reimbursed by the Port  
2 of Brownsville from the permit fees that they collect for  
3 that purpose.

4 MR. HOUGHTON: So on the overweight fees on a  
5 statewide basis, you're looking at about \$112 million on  
6 an annual basis?

7 MR. BASS: Yes, sir.

8 MR. HOUGHTON: And with the Panama Canal soon  
9 to open, more trucks?

10 MR. BASS: One would expect, yes.

11 MR. HOUGHTON: Okay. Thank you, Mr. Bass.

12 MR. GARZA: Is it enough? Commissioner, I  
13 understand that there's a surplus, as we speak, in that  
14 fund.

15 MR. HOUGHTON: Motion?

16 MR. UNDERWOOD: So moved.

17 MR. HOLMES: Second.

18 MR. HOUGHTON: All in favor?

19 (A chorus of ayes.)

20 MR. HOUGHTON: Thank you.

21 MR. GARZA: Thank you.

22 MR. WILSON: Item 7b contains four proposed  
23 rules up for adoption. The first will be presented by  
24 Janice Mullenix from our Contract Services Office.

25 MS. MULLENIX: Good morning. Janice Mullenix,

1 director of Contract Services, General Services Division.

2 I'm here to recommend proposed changes to rules  
3 in Chapter 15. The goal here is to make a little easier  
4 the process on agreements with local governments for off-  
5 system federally funded roads and also to assist some of  
6 our local governments with meeting the federal match for  
7 non-construction advance funding agreements.

8 We recommend initial approval of these rules  
9 and publication for comment.

10 MR. HOUGHTON: Comments? Questions? Motion?

11 MR. HOLMES: So moved.

12 MR. UNDERWOOD: Second.

13 MR. HOUGHTON: All in favor?

14 (A chorus of ayes.)

15 MR. HOUGHTON: Thank you.

16 MS. MULLENIX: Thank you.

17 MR. WILSON: Next, item 7b(2) will be presented  
18 by Chief Financial Officer James Bass concerning changes  
19 to Chapter 15 and the creation of transportation  
20 corporations.

21 MR. BASS: Thank you. Again, good morning, and  
22 I'm James Bass, chief financial officer at TxDOT.

23 The proposed changes before you deal with the  
24 commission's authority and ability to establish  
25 transportation corporations. The proposed amendments are

1 related to a variety of projects the commission and the  
2 department are currently looking at with our local  
3 partners, and right now we don't know exactly how those  
4 projects will be delivered, but under one of the options  
5 being considered with our local partners, it would be more  
6 efficient if we had these amendments in place establishing  
7 a transportation corporation. So to ensure that if that  
8 is in the future the path chosen that we are well  
9 positioned to move forward quickly, we want to propose  
10 these amendments in the *Texas Register*, receive public  
11 comments and then come back to you in a couple of months.  
12 And that's exactly what we would do if you approve this  
13 minute order, and I'd be happy to answer any questions.

14 MR. HOLMES: James, can you articulate a few of  
15 the efficiencies achieved by these corporations?

16 MR. BASS: On this corporation it would be  
17 staffed by department personnel but primarily under one of  
18 the methods being analyzed and considered, it's possible  
19 there could be a toll equity loan agreement and it  
20 operates more efficiently from a market perspective,  
21 understanding the responsibilities due to it if the  
22 commission is able to contract with such a corporation for  
23 a toll equity loan agreement in the delivery of the  
24 project.

25 MR. HOUGHTON: Any other questions? Motion?

1 MR. UNDERWOOD: So moved.

2 MR. HOLMES: Second.

3 MR. HOUGHTON: All in favor?

4 (A chorus of ayes.)

5 MR. HOUGHTON: Thank you.

6 MR. BASS: Thank you.

7 MR. WILSON: Item 7b(3) represents some  
8 statutory changes to the billboard rules presented by the  
9 director of the Right of Way Division, John Campbell.

10 MR. CAMPBELL: Good morning. For the record,  
11 my name is John Campbell, director of the Right of Way  
12 Division.

13 This morning I'd like to present for your  
14 consideration item 7b(3) providing for the adoption of  
15 amendments concerning the regulatory control of outdoor  
16 advertising. These provisions will implement statutory  
17 changes that were created as the result of Senate Bill  
18 1420 resulting out of the 82nd Legislature. They also  
19 will give us the opportunity to correct and clarify some  
20 of the features of the major overhaul of the rules that we  
21 did last year.

22 We will accept comments on the proposed  
23 amendments until 5:00 p.m. on January 30, 2012, and we'll  
24 conduct a public hearing here in Austin in this exact room  
25 on the 24th of January 2012 at 9:00 a.m.

1 I'm pleased to offer these and our  
2 recommendation for your approval and answer any questions  
3 you might have.

4 MR. HOUGHTON: Any questions?

5 MR. UNDERWOOD: John, have we always done rural  
6 roads, because I didn't remember that.

7 MR. CAMPBELL: Yes, sir. We've had a companion  
8 rural road control program but we really had our  
9 enforcement focused on the federal and primary road  
10 program. A lot of the significant recommendations that  
11 came out of the Sunset legislation was for us to bring  
12 both of those programs together under one set of  
13 consistent rules, so that is a major effect of what we did  
14 and that's also some of the clarifications to bring the  
15 oversight of rural roads more in line with the procedures  
16 for the oversight of the federal roads.

17 MR. UNDERWOOD: So they weren't rural roads  
18 really one at the top of our priority, it was the more  
19 traveled roads, shall we say.

20 MR. CAMPBELL: That's correct.

21 MR. UNDERWOOD: Question for you. Now, when we  
22 have the ability, how far away from the road can they  
23 decide to put a billboard or whatever?

24 MR. CAMPBELL: The billboards that fall under  
25 control fall within 660 feet of the right of way line, so

1 we're always talking about regulatory control of  
2 advertising that is not on the right of way, per se.  
3 That's what makes it such a sensitive regulatory effort  
4 and why Right of Way folks, I think, are the proper people  
5 equipped for this because we're always dealing with  
6 private property ownership issues, we're always dealing  
7 with private business enterprises. So yes, 660 feet is  
8 the extent from the roadway that's typically control to  
9 regulate.

10 MR. UNDERWOOD: You're talking about from the  
11 center of the road.

12 MR. CAMPBELL: From the right of way.

13 MR. UNDERWOOD: From our right of way.

14 MR. CAMPBELL: Yes. And also if it's intended  
15 to be viewed or visible from our roadways, so there's that  
16 flexibility in there too. You've got the dimension and  
17 then you've got was the intent for that sign to be viewed  
18 from that travel line.

19 MR. UNDERWOOD: The reason why I am asking that  
20 is because now as we do more construction and as we're  
21 widening these roads, going from two lanes to four lanes,  
22 that's going to actually reach out even farther, isn't it?

23 MR. CAMPBELL: Yes, it will. It will extend  
24 that length within which we will now control because we  
25 would move our right of way lines out so that's 660 foot

1 of control area is also pushed out.

2 MR. UNDERWOOD: Okay. Thank you.

3 MR. HOLMES: Where does the 660 feet come from?  
4 Who determined that?

5 MR. CAMPBELL: It was originally established in  
6 the Federal Highway Beautification Act. I don't really  
7 know why 660 feet. I think that it was considered at the  
8 time as being that distance with which you could actually  
9 read advertising content on a sign that met the dimensions  
10 that they established.

11 MR. UNDERWOOD: So what you're telling me is  
12 that if you go 660 feet outside that, you better have a  
13 big sign for them to see.

14 MR. CAMPBELL: We call those jumbos.

15 MR. UNDERWOOD: Okay. Thank you, sir.

16 MR. HOUGHTON: And they have different rules  
17 for those. Motion?

18 MR. UNDERWOOD: So moved.

19 MR. HOLMES: 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: Finally, Eric Gleason will return  
25 to propose some changes to the state funding formula for

1 public transportation providers.

2 MR. GLEASON: Again, my name is Eric Gleason,  
3 TxDOT director of Public Transportation.

4 Agenda item 7b(4) proposes the adoption of  
5 amendments to Chapter 31 of the Texas Administrative Code  
6 concerning the public transportation state grant formula.

7 Specifically, the amendments will allow you, the  
8 commission, to target the distribution of additional state  
9 funds to address decreased funding allocations, startup  
10 system needs for newly designated urbanized areas, and  
11 other related impacts of the 2010 census.

12 The department worked closely with the industry  
13 on these proposed amendments. The Public Transportation  
14 Advisory Committee has reviewed them and is recommending  
15 their adoption. A hearing on the proposed amendments is  
16 scheduled for January 11, 2012, and comments regarding the  
17 proposed amendments will be accepted until 5:00 p.m. on  
18 January 30, 2012.

19 Staff recommends your approval of this minute  
20 order.

21 MR. HOUGHTON: Questions? Motion?

22 MR. UNDERWOOD: So moved.

23 MR. HOLMES: Second.

24 MR. HOUGHTON: All in favor?

25 (A chorus of ayes.)

1 MR. HOUGHTON: Thank you, Eric.

2 MR. GLEASON: Thank you.

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

7 MS. PARKER: Good morning. Again, I'm Angie  
8 Parker.

9 As you know, the ICP Office is responsible for  
10 oversight and coordination of all investigations occurring  
11 on department property or involving department employees.  
12 The ICP Office received 13 complaints during the month of  
13 November and a total of 16 investigations were closed  
14 during the month. The allegations in two of those  
15 complaints were substantiated and appropriate action was  
16 taken.

17 That concludes my information for the month and  
18 I'll be happy to answer any questions.

19 MR. HOUGHTON: Fred, do you have anything?  
20 Nothing?

21 MR. UNDERWOOD: Nothing.

22 MR. HOUGHTON: Motion?

23 MS. PARKER: This is not an action item.

24 MR. HOUGHTON: Oh, I'm sorry. No action, just  
25 a report. Thank you.

1 MS. PARKER: Thank you.

2 MR. WILSON: Item 9 will be presented by the  
3 interim director of Texas Turnpike Authority Division, Ed  
4 Pensock, who will explain this minute order.

5 MR. PENSOCK: Good morning again. Ed Pensock,  
6 interim director of the Turnpike Authority Division of  
7 TxDOT.

8 Item 9 makes a determination that IDC, Inc.'s  
9 participation as an equity owner, team member, consultant  
10 or sub-consultant of or to a proposer for a comprehensive  
11 development agreement project for which it has not  
12 provided procurement services, including the I-35E, Grand  
13 Parkway, SH249 and SH288 CDA projects would not constitute  
14 a conflict of interest or create the appearance of a  
15 conflict of interest.

16 On November 22, 2011, IDC submitted a request  
17 for a determination of a conflict of interest regarding  
18 the firm's participation as part of a developer team for  
19 upcoming CDA projects. IDC has requested the commission  
20 determine that no conflict exists if the firm provides  
21 engineering services, design, construction management and  
22 administration and actual construction services on CDA  
23 projects for projects the firm has not provided  
24 procurement services.

25 IDC is specifically seeking to participate on a

1 proposer team for the I-35E, Grand Parkway, SH249 and  
2 SH288 projects. IDC is currently under contract as a sub-  
3 consultant to URS Corporation to perform procurement  
4 services for the SH183 CDA project in Dallas County. As a  
5 Historically Underutilized Business sub-consultant, IDC  
6 has provided preliminary engineering services for the  
7 SH183 project in Dallas.

8 Staff has reviewed the request by IDC. Staff's  
9 determination has indicated that IDC has not been privy to  
10 current sensitive information that could be carried  
11 forward and valuable to future CDAs, IDC has not been  
12 involved with the planning of strategy sessions for the  
13 current candidate CDA projects, and IDC's involvement in  
14 the past is not directly applicable to the current  
15 philosophy in developing CDA procurement strategies.

16 In addition, IDC's involvement in past efforts  
17 resulted in documents that are now public and available to  
18 all prospective bidders. Any sensitive information or  
19 knowledge IDC may have gained during those activities are  
20 either public or no longer current and relevant to future  
21 project discussions.

22 Consideration of these facts, IDC's  
23 participation as an equity owner, team member, consultant  
24 or sub-consultant of or to a proposer for the Grand  
25 Parkway, SH249, SH288 and I-35E projects would not

1 constitute a conflict of interest or create the appearance  
2 of a conflict of interest.

3 The department will also review IDC's scope of  
4 services under their sub-consultant procurement  
5 engineering contract and restrict that scope as necessary  
6 to ensure that neither a conflict nor an appearance of a  
7 conflict is created in the future as a result of IDC's  
8 participation as a part of the proposer team.

9 Staff recommends your approval of this minute  
10 order, and I'll be happy to answer any questions.

11 MR. AUSTIN: I move approval.

12 MR. HOUGHTON: Move? No questions? Second?

13 MR. UNDERWOOD: Second.

14 MR. HOUGHTON: All in favor?

15 (A chorus of ayes.)

16 MR. HOUGHTON: Thank you.

17 MR. WILSON: Ed, please continue with the next  
18 item under the heading of Toll Roads and explain item 10a  
19 relating to the Grand Parkway development.

20 MR. PENSOCK: Yes, sir. Ed Pensock, interim  
21 director of the Turnpike Division.

22 Item 10a provides for the commission's  
23 concurrence with the election of James Patterson as chair  
24 of the SH99 Grand Parkway project in Harris and Montgomery  
25 Counties SB1420 Committee. Texas Administrative Code

1 27.92(c) requires commission concurrence to the SH99 in  
2 Harris County and Montgomery County SB1420 Committee's  
3 election of a chair and vice chair. On November 29, 2011,  
4 the committee elected James Patterson, representing the  
5 MPO for the area, as chair of the committee.

6 The department and local stakeholders are  
7 currently analyzing options for the financing and delivery  
8 of the Grand Parkway project that require the formation of  
9 an SB1420 Committee for the project. The development of  
10 the Grand Parkway project in Harris and Montgomery  
11 counties is a crucial element in responding to the severe  
12 congestion that exists in the Houston metropolitan area.

13 Staff recommends acceptance of this minute  
14 order, and I'll be happy to answer any questions.

15 MR. HOUGHTON: Questions?

16 MR. HOLMES: So moved.

17 MR. UNDERWOOD: Second.

18 MR. HOUGHTON: All in favor?

19 (A chorus of ayes.)

20 MR. HOUGHTON: Thanks, Ed.

21 MR. WILSON: Moving to item 10b, the interim  
22 director of the Toll Operation Division, Doug Woodall,  
23 will present the annual report on traffic and revenue on  
24 the Central Texas Turnpike System.

25 MR. WOODALL: Thank you. Doug Woodall with the

1 Toll Operations Division.

2 This minute order accepts the report of the  
3 Actual Traffic and Revenue for the CTTS as of November 30,  
4 2011, as required by the CTTS indenture of trust. The  
5 report compares current traffic and revenue data with data  
6 from the prior fiscal year, as well as traffic and revenue  
7 projections from the 2002 official traffic and revenue  
8 study.

9 Fiscal year to date, the CTTS generated 21.3  
10 million transactions and \$17.9 million in revenue.  
11 Average weekday transactions for the quarter surpassed the  
12 same period for the prior year by 4.16 percent. Revenue  
13 collected exceeded the same period of the prior year by  
14 5.19 percent.

15 Staff would recommend approval of this report.

16 MR. HOUGHTON: Any questions from the  
17 commission?

18 MR. AUSTIN: I have one question. In general,  
19 looking at the video billing, what is the uncollectible  
20 rate on the video billing, roughly?

21 MR. WOODALL: Generally about a third.

22 MR. AUSTIN: About a third.

23 MR. WOODALL: We generally collect  
24 approximately two-thirds in the first two months. The  
25 rest would go through a collections and courts process.

1 MR. AUSTIN: We just don't have the enforcement  
2 mechanisms really to further enforce those, to penalize  
3 those who choose not to pay.

4 MR. WOODALL: We have a JP courts process, very  
5 similar to a small claims court type process. That's  
6 correct.

7 MR. AUSTIN: Thank you.

8 MR. WOODALL: Yes, sir.

9 MR. HOUGHTON: Any other questions?

10 (No response.)

11 MR. HOUGHTON: Thanks. That's a report.

12 Correct?

13 MR. WOODALL: Yes, sir.

14 MR. HOUGHTON: We have to accept the report?

15 MR. WOODALL: Yes.

16 MR. HOLMES: So moved.

17 MR. AUSTIN: Second.

18 MR. HOUGHTON: All in favor?

19 (A chorus of ayes.)

20 MR. HOUGHTON: Thank you.

21 MR. WILSON: Doug, would you please proceed  
22 with the toll related item 10c?

23 MR. WOODALL: Item 10c, this minute order  
24 authorizes changes to toll rates, temporary changes to  
25 toll rates on State Highway 130, Segments 1 through 4, and

1 State Highway 45 Southeast for the period of December 21,  
2 2011 to no later than January 31, 2012, and provides that  
3 those rates revert back to the current rates on or before  
4 February 1, 2012. The intent of the temporary change is  
5 to encourage greater truck usage on the toll roads during  
6 the holiday season. The department plans to establish  
7 temporary toll rates to charge the two-axle rate for all  
8 vehicles regardless of classification.

9 The department's traffic consultant has  
10 provided a certification indicating that the adoption of  
11 the temporary changes in the toll rates for a two-week  
12 period would not adversely impact the ability of the  
13 commission to meet rate covenants. We have an additional  
14 traffic and revenue study in the works that we hope to  
15 receive early next week that would confirm some period out  
16 to December 31, and that being the case, this minute order  
17 would authorize extension of this toll rate effort  
18 reduction for two-axles for all classifications through  
19 the end of January.

20 Staff recommends your approval.

21 MR. HOUGHTON: Fred?

22 MR. UNDERWOOD: Just a comment to staff. I'd  
23 like staff to be able to look into and see what happens  
24 over the past so many years on I-35 accident rate and then  
25 as we go through this process of trying to get more

1 traffic, especially heavy traffic, heavy equipment, moved  
2 over on this toll road to see if that improves the safety  
3 of I-35 as it goes through Austin. Can we do that study?

4 MR. WOODALL: Yes, sir. We'll be monitoring  
5 that weekly -- daily, actually reporting weekly, and also  
6 the results of this would be used with a research project  
7 through TTI, authorized by Rider 44, to look at methods to  
8 improve revenue on TxDOT-operated toll road projects. We  
9 would compare that data and study.

10 MR. UNDERWOOD: Right. But you're looking in  
11 terms of revenue, I'm looking in terms of public safety.

12 MR. WOODALL: Yes, sir. That is always a  
13 priority of TxDOT, public safety first.

14 MR. UNDERWOOD: You see where I'm coming from.  
15 If we can move the heavier vehicles and not having them  
16 drive through downtown, so to speak.

17 MR. WOODALL: Yes, sir.

18 MR. UNDERWOOD: Okay. Thank you.

19 MR. HOLMES: How do you plan to communicate  
20 this to the trucking community?

21 MR. WOODALL: We do have a marketing plan that  
22 we've been working on in coordination with the Ad Council,  
23 Coby Chase, GPA. We would have several efforts going  
24 forward, a statewide news release, we'd have trucker  
25 brochures, we're in the process of getting those prepared,

1 assuming we get approval for this minute order. We have  
2 newsletter blurbs that would go out to various trucking  
3 associations, social media outlets, Facebook, Twitter,  
4 those types. We also are working with the Austin District  
5 in getting out DMS and VMS boards to have those on the  
6 roadway to indicate to the truckers, providing talking  
7 points to public information officers statewide, and we  
8 would also have a direct outreach effort, just outbound  
9 calling to our top 50 users and any other larger trucking  
10 associations or companies. We would also have billboards  
11 along I-35 and online banner ads through various outlets  
12 as well, and we would have handouts at the toll booths to  
13 try to encourage word of mouth if this extended to a  
14 longer period of time.

15 MR. HOLMES: Presumably we've got pretty  
16 accurate data from a linked period from the prior year's  
17 operation for volume of heavy trucks and we'll be able to  
18 compare on a kind of day-by-day basis the impact.

19 MR. WOODALL: Yes, sir. And we also plan on  
20 comparing the same time period for the prior year and two  
21 weeks prior and two weeks after, or a longer period prior  
22 and after, to try to get a very good idea of that  
23 increased truck volume.

24 MR. UNDERWOOD: So you're saying we can track  
25 the fact that it's a truck even though we're only going to

1 charge as if it's a passenger car.

2 MR. WOODALL: Yes, sir. How we're going to  
3 accomplish this is go through the rate tables actually in  
4 the lane and just put the two-axle rate in for each  
5 classification. We will still capture the classification  
6 of each vehicle.

7 MR. UNDERWOOD: Okay. That's my point. I  
8 appreciate that. Thank you.

9 MR. HOUGHTON: Commissioner Meadows.

10 MR. MEADOWS: I, of course, hesitate to say  
11 anything, I'm somewhat reluctant, but I have a couple of  
12 concerns. And let me begin by saying from my perspective  
13 I absolutely embrace what I think the two overarching  
14 goals are with regard to this initiative. Number one, we  
15 have talked for the last 18 months about addressing a top  
16 line revenue issue. We have a problem, we know we have a  
17 problem, and so how do we address that top line revenue  
18 issue. This may well be one way to do that, I mean, it  
19 may well be, but we don't know that.

20 Second thing, the other piece or the other goal  
21 to me has always been shifting traffic, trying to blend  
22 those two pieces of infrastructure that we have running  
23 north-south through Central Texas, increasing safety more  
24 than anything else, and relieving congestion, particularly  
25 on the 35 corridor. So I'm all for that.

1           You know, what strikes me about this is that  
2 this may well be one piece of the puzzle, this may well be  
3 a part of the solution, but the fact is it's not being  
4 thought of in a really comprehensive fashion. I mean, I  
5 don't know anything about this. We've not been briefed on  
6 it, to my knowledge. We've had discussions about it. I'm  
7 going to certainly support this, but I really think we're  
8 getting the cart a little before the horse here and we can  
9 do a better job, we could do this better. I mean, right  
10 now, let's think about this, we have a marketing effort  
11 that we've just received the responses back. Right?

12           MR. WOODALL: Yes, that's correct.

13           MR. MEADOWS: Okay. So we've just received  
14 them. We can't fit this into a marketing plan. We just  
15 have gone out and received the initial responses back for  
16 a more comprehensive, thoughtful sort of marketing plan.  
17 You would have thought pricing is certainly part of a  
18 marketing plan, it would figure into it. We've talked  
19 about signage. We've talked about signage for the last  
20 year, I guess, and I've seen some examples of what new  
21 signage we might actually be able to put in place that  
22 would represent or alert the public to this other  
23 alternative opportunity. I don't know. It just seems to  
24 me like that we're talking about all these things, whether  
25 it's speed limit signage, pricing, marketing, all of this

1 needs to go together.

2 In fact, I'm not sure to what extent we've  
3 actually communicated to the trucking industry about this  
4 and would this be effective, or are we just going to put  
5 it out there and see if it's effective. I mean, I  
6 actually, when I saw this on the agenda, took the  
7 opportunity to talk to some trucking companies other than,  
8 I'm talking about common carriers, and you may have worked  
9 through an association or something, through the  
10 association, but if you actually talk to individual  
11 operators, they'll tell you this doesn't do anything.  
12 Their biggest challenge is mileage, it's not the toll.

13 So you understand where I'm going with this?

14 MR. HOUGHTON: Hundred percent, yes, sir.

15 MR. MEADOWS: I think we can do this better,  
16 and I would encourage us to do it.

17 MR. WOODALL: I'll agree.

18 MR. HOLMES: Just as a follow-on, I think we  
19 need to try this and then evaluate it, but it seems to me  
20 that the fundamental issue is that 130 really needs to  
21 hook up down to I-35, and until we get that extended south  
22 to a logical point on 35, it's going to be relatively  
23 inconvenient, the mileage issue that Commissioner Meadows  
24 just referenced will continue to be a problem that's going  
25 to plague the results. And so I think we need to look at

1 how 130 is actually lengthened to hook up into 35 at some  
2 appropriate place.

3 MR. AUSTIN: You mean 10?

4 MR. HOLMES: It needs to go beyond 10, down to  
5 35. It isn't enough to hook up to 10.

6 MR. HOUGHTON: 10 is too far; Seguin is too far  
7 east.

8 MR. AUSTIN: I just have one question. Some of  
9 these things, I agree with Commissioner Meadows, maybe  
10 could have been better thought out and presented. I still  
11 support the direction, but I know just in looking back  
12 from the Tyler perspective when we were looking at our  
13 road, how do we encourage more truck traffic, which I  
14 think is great, we know that that puts a lot of stress on  
15 the roadway. I agree with some of the pricing to  
16 encourage it, it will help on 35, but as part of this  
17 study will you begin looking at best practices in other  
18 parts of the country for congestion pricing, maybe giving  
19 incentives to look at other off-peak times to encourage  
20 that truck traffic to use that to get off 35?

21 MR. WOODALL: Definitely. We do have a  
22 research effort that's just kicked off with TTI and we  
23 hope to be looking at all those options, yes.

24 MR. AUSTIN: Got to start somewhere.

25 MR. WOODALL: And hopefully they'll come up

1 with a few more.

2 MR. HOLMES: Do we need a motion?

3 MR. HOUGHTON: We do.

4 MR. HOLMES: So moved.

5 MR. AUSTIN: Second.

6 MR. HOUGHTON: All in favor?

7 (A chorus of ayes.)

8 MR. HOUGHTON: Thanks, Doug.

9 MR. WOODALL: Thank you.

10 MR. WILSON: With the commission's approval, we  
11 will defer the discussion of item 11 and move to the next  
12 items related to the North East Texas Regional Mobility  
13 Authority. Brian Ragland, director of the Finance  
14 Division, will present item 12 concerning the State  
15 Infrastructure Bank loan agreement with the NETRMA.

16 MR. RAGLAND: Thank you. Good morning. For  
17 the record, I'm Brian Ragland, director of the Finance  
18 Division.

19 Item 12 is a minute order that allows for an  
20 amendment to a SIB loan agreement with the North East  
21 Texas RMA. The primary change is to allow the proceeds of  
22 the loan to be used for preliminary work on the Toll 49  
23 Hourglass project, and the other change relates to the  
24 requirement that was discussed earlier about the size of  
25 the audit firm that takes a look at their financials.

1                   And there is no change to the loan amount here,  
2 and staff recommends your approval.

3                   MR. HOUGHTON: We have three people that would  
4 like to speak on this issue, and I'll go to County Judge  
5 Bill Stoudt.

6                   MS. THOMAS: We'd like to start with Thomas.

7                   MR. HOUGHTON: Okay. You've got your own  
8 order. Great. I take it you're Linda.

9                   MS. THOMAS: I'm Linda.

10                  MR. HOUGHTON: Okay, Linda, come on up. I've  
11 been overruled.

12                  (General talking and laughter.)

13                  MS. THOMAS: Thank you. Good morning, Chairman  
14 Houghton, commissioners, staff and guests. For the  
15 record, I am Linda Thomas, and I'm the new chair of the  
16 NETRMA.

17                  I have with me today in support of our RMA,  
18 Judge Bill Stoudt from Gregg County, Harrison County Judge  
19 Hugh Taylor, NETRMA Board Member Keith Honey, NETRMA Board  
20 Member Gary Halbrooks, and *Longview News*  
21 *Journal* publisher, Tom Stamper.

22                  I would like to first of all thank my mentor,  
23 the former NETRMA chairman and current Transportation  
24 commissioner, Jeff Austin, III, for his service to  
25 improving transportation, first in North East Texas and

1 now statewide.

2 I was privileged last week to be in a very cold  
3 Corpus Christi with Commissioners Underwood and Austin and  
4 Mr. Wilson and Mr. Barton down there as part of the Texas  
5 I-69 celebration that took place in Corpus. I attended  
6 with my husband, Charles Thomas, who is a longtime member  
7 of the executive committee of the Alliance for I-69 Texas.  
8 And the NETRMA wants to help make Segment 1 of I-69 Texas  
9 be a reality and we're anxious to help in any way that we  
10 can.

11 As you probably know, the NETRMA is the largest  
12 RMA in the state. We have twelve member counties. Our  
13 initial project is Toll 49 which generally travels from I-  
14 20 south around Tyler, and then eastward upward toward  
15 Upshur, Gregg and Harrison counties, and then over to  
16 potential Interstate 69. We are developing the project in  
17 conjunction with TxDOT, with the RMA handling Segment 3B  
18 through a design-build contract, and with the RMA  
19 scheduled to take over operations of the entire project,  
20 including those which TxDOT has already built and is  
21 operating, once 3B is complete, nearing 40 percent  
22 completion in design and construct since last March on  
23 3B -- that is exciting; I wish you could be there to see  
24 that red dirt being moved all over the place -- and  
25 provides connectivity to the proposed I-69, and of course,

1 safety and air quality are of the utmost importance to our  
2 area, as it is all over the state.

3 One important element of this project is the  
4 potential for the future extension eastward that I  
5 mentioned. That extension which will result in what has  
6 become known as the East Texas Hourglass, is vitally  
7 important to mobility and economic development in the East  
8 Texas region. The items before you today would allow for  
9 amendments to our existing toll equity loan agreement and  
10 our State Infrastructure Bank loan agreement to allow for  
11 project funds to be spent on further study of the East  
12 Texas Hourglass.

13 We had always envisioned that the East Texas  
14 Hourglass study would be an integral part of the  
15 development of Toll 49, so this clarification is needed to  
16 advance what is a critical priority for the region.  
17 Without the ability to advance the study, the region will  
18 be harmed and the expectations for the benefits of Section  
19 3B development will not have been fully realized. So on  
20 behalf of our board, we request your support for these  
21 items and your approval of the minute orders before you.

22 Thank you. I'll be happy to answer any  
23 questions, but I would like to turn this over to Judge  
24 Bill Stoudt.

25 MR. HOUGHTON: And Linda, I was going to ask

1 you your lineup.

2 MS. THOMAS: Thank you, Chair.

3 MR. HOUGHTON: Thank you very much.

4 MR. AUSTIN: You can see I was never really in  
5 charge either.

6 MR. MEADOWS: Quite evident, yes.

7 (General laughter.)

8 JUDGE STOUDT: Good morning, gentlemen. Mr.  
9 Chairman, board members, Mr. Executive Director, thank you  
10 all for allowing me to speak to you today.

11 I'm here on behalf of North East Texas Regional  
12 Mobility Authority, the NETRMA, in support of the  
13 Hourglass study which is a proposed extension of the Toll  
14 49 project in North East Texas in the areas of Smith  
15 County, Gregg County and Harrison County. The Hourglass  
16 project is a continuous study in the connectivity  
17 throughout North East Texas, and it was a short eight  
18 years ago that Gregg County and Smith County joined  
19 together to create the NETRMA. It's since that time,  
20 under the vision of then civilian Jeff Austin and TxDOT,  
21 we created the NETRMA, and now it has grown to over twelve  
22 counties and we're looking to additional counties to join.  
23 Our Toll 49 project in Tyler will significantly  
24 ease the increase in traffic that comes with the growth in  
25 the North East Texas and Gregg County area, and Gregg

1 County is proud to be a partner in the RMA and promote the  
2 connectivity between Toll Highway 49 and the Hourglass  
3 project that will eventually connect to Highway 59 in  
4 Harrison County.

5 Let me stop here and just say Friday Night  
6 Football is very healthy in East Texas between all of our  
7 counties, however, on Monday mornings we come together as  
8 a region to try and make good things happen for our  
9 citizens in East Texas. And I'm very proud of that to  
10 have with us today, my fellow county judge from Harrison  
11 County and representatives from Smith County that would  
12 like to read a letter to you from our county judge in  
13 Smith County as well.

14 I thank you for your consideration and  
15 respectfully request that you support these projects, and  
16 also thank you for Randy Hopmann, our district engineer.  
17 He's been such a driving force in getting these projects  
18 moved forward. And I thank you for what you do for the  
19 State of Texas.

20 I'll be glad to answer any questions.

21 MR. HOUGHTON: Judge, thank you very much.

22 MR. AUSTIN: Mr. Chairman, I know I can't pass  
23 up this opportunity, but for the record, I will be  
24 abstaining on this vote, but I want to say thank you all  
25 for coming up here.

1 I'm sorry, Judge, go ahead. I'll wait. I  
2 didn't realize you were coming up. I'm sorry, go ahead.

3 JUDGE TAYLOR: Good morning, commissioners, Mr.  
4 Chairman.

5 Harrison County would like to point out, of  
6 course, what a cooperative effort throughout our RMA  
7 region can accomplish. Additionally, Toll 49 will impact  
8 several counties, not just Smith County around to the  
9 south, but importantly to Harrison County, will tie into  
10 the possible I-69 route in Harrison County.

11 We appreciate your consideration again, and  
12 would ask you to support items 12 and 13. That's all I  
13 had, Commissioner. Any questions? Thank you.

14 MR. HOWELL: Thank you, Judge.

15 MR. HALBROOKS: I think I'm the last one.  
16 Chairman, commissioners, executive director, my name is  
17 Gary Halbrooks. I'm the finance chair for the North East  
18 Texas Regional Mobility Authority and a representative of  
19 Smith County.

20 County Judge Joe Baker was not able to be here  
21 today, but sent a letter to me last night and asked me to  
22 read it on his behalf.

23 "On behalf of Smith County, thank you for the  
24 opportunity to communicate my support for the regional  
25 efforts of the NETRMA. The commission's approval of the

1 SIB and toll equity loans have allowed us to move forward  
2 with the construction which will provide connectivity to  
3 Toll 49 to I-20 west of Tyler and ease congestion for all  
4 of North East Texas.

5 "Your support of these projects through their  
6 proposed amendments to the SIB and toll equity loan  
7 agreements will allow for us the planning dollars that are  
8 critical for the continued and much needed expansion of  
9 Toll 49 to the east. The eastward expansion will connect  
10 Gregg and Harrison counties which will augment the growth  
11 already taking place in these counties.

12 "All of the governmental authorities in these  
13 and other counties in North East Texas have worked  
14 together for decades on regionally significant projects,  
15 and the East Texas Hourglass is a perfect example of how  
16 regionalism is working. I believe your actions today will  
17 not only be crucial for the future of our region but for  
18 the future of the State of Texas.

19 "Sincerely, Judge Joe Baker, Smith County."

20 Jeff, good to see you.

21 MR. AUSTIN: Thank you, Gary.

22 MR. HOUGHTON: Linda, is that it, or do we have  
23 more?

24 MR. HALBROOKS: That's it.

25 MR. HOUGHTON: That's it. Go ahead,

1 Commissioner.

2 MR. AUSTIN: Yes, sir, now, Mr. Chairman.

3 All of our friends from East Texas, thank you  
4 for coming up, and as you know, I really enjoy this  
5 project, and again, for the record, I will be abstaining  
6 on both of these items on voting because I did sign the  
7 initial contract.

8 I'd love to have a little fun. Is Brian  
9 Cassidy here? There's Mr. Cassidy, who is legal counsel  
10 for the RMA. I enjoyed seeking counsel and asking the  
11 question: What is nationally recognized, is it in a poll  
12 or what-have-you?

13 I really appreciate the staff and everybody  
14 working together on this, solving some of the issues. It  
15 shows what collaboration can do and make things work.  
16 This project is important for the counties, and we did  
17 leave out one county on this roadway, Upshur County, so  
18 there's four counties, and just looking at the  
19 partnership, and moving forward, how to advance a project  
20 where embracing tolling to bring an expedited project has  
21 been really well received thanks to the leadership  
22 primarily of Judge Stoudt in moving this project forward,  
23 and the other county judges and the predecessors. We  
24 really appreciate you being here and supporting this  
25 project.

1 MR. HOUGHTON: Any other questions?

2 MR. AUSTIN: That's it.

3 MR. HOUGHTON: Brian, anything?

4 MR. RAGLAND: I'm done. Staff recommends  
5 approval.

6 MR. HOLMES: So moved.

7 MR. UNDERWOOD: Second.

8 MR. HOUGHTON: All in favor?

9 (A chorus of ayes, with Commissioner Austin  
10 abstaining.)

11 MR. HOUGHTON: Noted for the record that Jeff  
12 Austin abstained.

13 MR. WILSON: Item 13 is also considering the  
14 NETRMA and a toll equity loan agreement. Brian, please  
15 continue.

16 MR. RAGLAND: Thank you.

17 Item 13 is very similar to the previous item.  
18 This minute order allows for an amendment to a toll equity  
19 loan agreement with NETRMA, and again, the primary change  
20 is to allow the loan proceeds to be used on the Hourglass  
21 project and to address the issue with the size of the  
22 audit firm that takes a look at their financials.

23 Again, there is no change in the loan amount,  
24 and staff recommends your approval.

25 MR. HOUGHTON: Motion?

1 MR. HOLMES: So moved.

2 MR. UNDERWOOD: Second.

3 MR. HOUGHTON: All in favor?

4 (A chorus of ayes.)

5 MR. AUSTIN: And I did abstain.

6 MR. HOUGHTON: And again, Commissioner Austin  
7 abstained.

8 MR. WILSON: Brian, if you will continue with  
9 item 14 concerning some updates on the 2012 UTP.

10 MR. RAGLAND: Item 14 is a minute order which  
11 updates the 2012 Unified Transportation Program, or UTP.  
12 This action updates funding allocations based on funds  
13 transfer requests and revises some tiered funding in  
14 multiple categories. It also addresses project-specific  
15 lists in Categories 2, 3 and 10, and it makes some  
16 technical corrections to the document.

17 Public meetings were held on November 10 and a  
18 public hearing was held on November 22 regarding these  
19 changes. The described changes are detailed in the  
20 exhibit, and staff recommends your approval of this minute  
21 order.

22 MR. HOUGHTON: Questions? Motion?

23 MR. AUSTIN: So moved.

24 MR. HOLMES: Second.

25 MR. HOUGHTON: All in favor?

1 (A chorus of ayes.)

2 MR. HOUGHTON: Thanks, Brian.

3 MR. WILSON: The next items are the award of  
4 contracts for maintenance and department building  
5 construction and highway and transportation enhancement  
6 building construction, and John Obr will present this  
7 minute order.

8 MR. OBR: Good morning, Phil, commission. For  
9 the record, I am John Obr, director of the Construction  
10 Division.

11 Item 15a is for consideration of the award or  
12 rejection of Highway Maintenance and Department Building  
13 Construction contracts let on December 1 and 2, 2011. We  
14 present 30 projects today: the average number of bidders  
15 was 5.03; the low bid value was \$35,992,055.42; we had an  
16 overall underrun of 1.5 percent.

17 Staff recommends award of all maintenance  
18 projects.

19 MR. HOUGHTON: Questions of John? Motion?

20 MR. HOLMES: So moved.

21 MR. HOUGHTON: Second?

22 MR. UNDERWOOD: Second.

23 MR. HOUGHTON: All in favor?

24 (A chorus of ayes.)

25 MR. HOUGHTON: Thank you, sir.

1 MR. WILSON: John, please proceed with item  
2 15b.

3 MR. HOUGHTON: John, is this your first time?

4 MR. OBR: Yes, sir.

5 MR. HOUGHTON: Welcome.

6 MR. OBR: Thank you very much.

7 MR. HOUGHTON: Is this permanent?

8 MR. OBR: Permanent.

9 MR. HOUGHTON: Permanent. Congratulations.

10 MR. OBR: I appreciate that.

11 MR. WILSON: John, please proceed with item  
12 15b, construction contracts.

13 MR. OBR: Item 15b is for consideration of the  
14 award or rejection of Highway and Transportation  
15 Enhancement Building Construction contracts let on  
16 December 1 and 2 of 2011. We present 51 projects today:  
17 the average number of bidders was 5.57; the low bid value  
18 was \$237,301,716.19; the awards are split as  
19 \$105,846,942.41, or seven projects, in Mobility dollars,  
20 and the \$131,454,773.78, or 44 projects, are in  
21 Preservation; we had an overall underrun of 4.08 percent.

22 Staff recommends award of all construction  
23 projects.

24 MR. UNDERWOOD: So moved.

25 MR. AUSTIN: Second.

1 MR. HOUGHTON: All in favor?

2 (A chorus of ayes.)

3 MR. HOUGHTON: Passes.

4 John, thank you very much, and welcome.

5 MR. OBR: Thank you.

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

9 MR. CAMPBELL: Good morning. Again, for the  
10 record, I'm John Campbell, director of the Right of Way  
11 Division.

12 I'd like to present for your consideration item  
13 number 16 which authorizes the following condemnation  
14 proceedings to progress the acquisition of 22 non-  
15 controlled and 18 controlled access parcels by power of  
16 eminent domain, for a total of ED parcels under  
17 consideration this month.

18 Staff recommends your approval of the minute  
19 order.

20 MR. HOUGHTON: The most privileged motion,  
21 gentlemen.

22 MR. AUSTIN: Mr. Chairman, I move the  
23 Transportation Commission authorize the Texas Department  
24 of Transportation to use the power of eminent domain to  
25 acquire the properties described in the minute order set

1       forth in the agenda for the current month for  
2       construction, reconstruction, maintenance, widening,  
3       straightening, or extending the highway facilities listed  
4       in the minute order as part of the state highway system,  
5       and that the first record vote applies to all units of  
6       property to be condemned.

7                   MR. HOLMES:   Second.

8                   MR. HOUGHTON:  All in favor?

9                   (A chorus of ayes.)

10                  MR. HOUGHTON:  Thank you, John.

11                  MR. WILSON:  Item 17 contains the routine  
12       minute orders, including donations, audit and financial  
13       statements, right of way dispositions and donations,  
14       establishment of speed zones.  Commissioners, we're asking  
15       to defer item 17b(1) which will be brought back next  
16       month.

17                  Department staff recommends the adoption of all  
18       the other items.  We would be happy to explain any of  
19       these individual items as needed.

20                  MR. HOLMES:  So moved.

21                  MR. UNDERWOOD:  Second.

22                  MR. HOUGHTON:  All in favor?

23                  (A chorus of ayes.)

24                  MR. HOUGHTON:  Thank you.

25                  Do we have any other business?

1           MR. WILSON: This concludes the action items on  
2 today's agenda, so Mr. Chairman, I will hand the meeting  
3 back to you.

4           MR. HOUGHTON: Do we have any executive  
5 session? We do not. Great. Thank you.

6           All the action items on the agenda are  
7 completed. Is there anyone else signed up in open  
8 session, anybody want to speak?

9           (No response.)

10          MR. HOUGHTON: No one. Hard to believe.

11          If there's no other business before the  
12 commission, I'll entertain a motion to adjourn.

13          MR. UNDERWOOD: So moved.

14          MR. AUSTIN: Second.

15          MR. HOUGHTON: All in favor?

16          (A chorus of ayes.)

17          MR. HOUGHTON: And the time is what? Somebody  
18 give me the time. Eleven o'clock, and this meeting stands  
19 adjourned.

20          (Whereupon, at 11:00 a.m., the meeting was  
21 concluded.)

22

C E R T I F I C A T E

MEETING OF: Texas Transportation Commission

LOCATION: Austin, Texas

DATE: December 15, 2011

I do hereby certify that the foregoing pages, numbers 1 through 102, 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) 12/27/2011  
(Date)

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