

TEXAS DEPARTMENT OF TRANSPORTATION COMMISSION
SPECIAL MEETING

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

Wednesday, January 5, 2011

COMMISSION MEMBERS:

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

STAFF:

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

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P R O C E E D I N G S

1
2 MS. DELISI: Good afternoon. It is 2:33 p.m.
3 and I call this special meeting of the Texas
4 Transportation Commission to order. Note for the record
5 that public notice of this meeting, containing all items
6 on the agenda, was filed with the Office of the Secretary
7 of State at 4:19 p.m. on December 28, 2010.

8 Before we begin, please take a moment to place
9 your cell phones and other communication devices on the
10 silent or off mode.

11 During today's meeting we will accept public
12 comment that is relevant to the posted agenda items but
13 will not have an open comment period at the end of the
14 meeting. To comment on an agenda item please complete
15 yellow speaker's card and identify the agenda item on
16 which you'd like to speak. You can find these cards at
17 the registration table in the lobby. We ask that you
18 limit your comments to three minutes.

19 Before we begin, commissioners, do any of you
20 have any comments?

21 (No response.)

22 MS. DELISI: Okay. Then, Amadeo, I'll turn it
23 over to you.

24 MR. SAENZ: Okay. Thank you, Madam Chair.

25 Agenda item number 1 is a minute order to be

1 presented by John Muñoz requesting your approval of the
2 remarketing of the Central Texas Turnpike System First
3 Tier Revenue Refunding Put Bonds.

4 MR. MUÑOZ: Thank you, Amadeo.

5 For the record, my name is John Muñoz. I am
6 the deputy director of the Finance Division.

7 Agenda item 1 would approve the remarketing of
8 \$140,275,000 of Central Texas Turnpike System debt. This
9 approval includes the remarketing agents which are Wells
10 Fargo, Piper Jaffray, and Southwest Securities, and the
11 documents relating to the remarketing.

12 The reason for the remarketing at this time is
13 to avoid an increase in the interest rate on the debt that
14 will go from 5 to 15 percent on February 15 of 2011. This
15 remarketing is basically taking in all of the currently
16 outstanding put bonds and then re-offering the debt for
17 another fixed period of time. The current fixed period
18 that is expiring on February 15 is 24 months, and we are
19 going to have a remarketing for another 18- to 30-month
20 period with a final decision on the duration made closer
21 to the pricing. We expect at this time the interest rate
22 to be around 3 to 3-1/2 percent.

23 The only significant difference between this
24 remarketing and the original debt issuance is that we are
25 considering an enhancement to the debt which would be a

1 letter of credit which is being offered by J.P. Morgan.
2 We will make a decision this week on the estimated benefit
3 of providing the enhancement of the letter of credit
4 versus the cost of the enhancement.

5 Staff recommends approval, and I would be glad
6 to answer any questions you have.

7 MS. DELISI: Any questions?

8 MR. HOUGHTON: So moved.

9 MR. HOLMES: Second.

10 MS. DELISI: All in favor?

11 (A chorus of ayes.)

12 MS. DELISI: The motion passes.

13 MR. SAENZ: Agenda item number 2, John will
14 continue and make a presentation requesting your
15 acceptance of the annual continuing disclosure report for
16 the State Highway Fund.

17 MR. MUÑOZ: Agenda item 2 would accept the
18 annual continuing disclosure report for the State Highway
19 Revenue bonds. This continuing disclosure report includes
20 an update of the debt outstanding and TxDOT's ability to
21 meet that service requirement, as well as its past history
22 of meeting those debt service requirements, tables
23 reflecting current and historical revenues by source and
24 unaudited financial statements of the department.

25 Staff recommends approval, and I would be glad

1 to answer any questions.

2 MS. DELISI: Questions?

3 MR. HOUGHTON: So moved.

4 MR. HOLMES: Second.

5 MS. DELISI: All in favor?

6 (A chorus of ayes.)

7 MS. DELISI: The motion passes.

8 MR. SAENZ: This is the John Muñoz commission
9 meeting. Agenda item number 3 is John will present a
10 minute order requesting your acceptance of the annual
11 continuing disclosure report for the CTTS system.

12 MR. MUÑOZ: Agenda item 3 would accept the
13 annual continuing disclosure report for the CTTS. This
14 continuing disclosure report includes an update of the
15 condition of the facility, revenue and expenditure
16 information, and information related to TxDOT support of
17 the project through financial and toll collection
18 services, as well as information related to TxDOT's
19 ability to continue to fulfill those obligations.

20 The CTTS continues to perform well, with latest
21 estimates of operations and maintenance expenses expected
22 to be \$1 billion less over the next 31 years and revenues
23 to be \$1 billion, approximately, more over that same
24 period, resulting in a \$2 billion reduction in estimated
25 TxDOT support for the facility over the next 31 years when

1 compared to the fiscal year 2009 estimates.

2 Staff recommends approval, and I would be glad
3 to answer any questions you have.

4 MR. HOUGHTON: So moved.

5 MS. DELISI: Is there a second?

6 MR. MEADOWS: Second.

7 MS. DELISI: All in favor?

8 (A chorus of ayes.)

9 MS. DELISI: The motion passes.

10 MR. SAENZ: Agenda item number 4, John will
11 present a minute order requesting preliminary approval of
12 a request for financing from the North Texas Tollway
13 Authority for a project on State Highway 121.

14 MR. MUÑOZ: Agenda item 4 would give
15 preliminary approval of a request from the North Texas
16 Tollway Authority for financial assistance in the amount
17 of \$25 million to pay for a portion of the cost of
18 developing and constructing the Southwest Parkway/Chisholm
19 Trail project. This \$25 million being requested by NTTA
20 is to access a federal earmark for the SH 121 Highway near
21 Cleburne that was part of the TEA-21 federal
22 transportation bill. That's the 1998 through 2003
23 transportation bill.

24 This portion of the State Highway 121 is within
25 the limits of the Southwest Parkway/Chisholm Trail

1 project. Staff recommends approval and I would be glad to
2 answer any questions you have.

3 MS. DELISI: Questions? Motion?

4 MR. MEADOWS: Move approval.

5 MR. HOLMES: Second.

6 MS. DELISI: All in favor?

7 (A chorus of ayes.)

8 MS. DELISI: The motion passes.

9 MR. SAENZ: Thank you, John.

10 Agenda item number 5, commissioners, John
11 Barton will present a report on the status of the
12 development of the Grand Parkway in the Houston and
13 Beaumont districts. John.

14 MR. BARTON: Thank you, Director Saenz.

15 Madam Chair, commissioners, for the record, my
16 name is John Barton. I have the pleasure of serving as
17 the state's assistant executive director for Engineering
18 Operations.

19 And I have just a really brief presentation
20 about the status of State Highway 99, also referred to as
21 the Grand Parkway in the Greater Houston Area. I have a
22 few slides that I would like to put up, if you don't mind.

23 This is a slide of the Grand Parkway alignment
24 that's been evaluated and is under evaluation around the
25 Greater Houston Area, as I mentioned. Those segments that

1 are shown as Segments A, B, C, H and I-1 -- for those of
2 you that are color-blind, for those of you that are not,
3 that are highlighted in red -- are segments that currently
4 have no environmental studies completed on them.

5 Segments D, E and a portion of I-2 on the east
6 side of Houston that are highlighted in green -- for those
7 of you that are not color-blind -- are the ones that have
8 environmental clearance and also have design work
9 underway.

10 And then finally, Segments F-1, F-2 and G have
11 environmental clearance. I wanted to share with you that
12 we recently received notice of a record of decision on
13 Segment G, but those segments do not have design
14 activities underway on them. So that's just a graphical
15 representation of the overall general status of the
16 projects.

17 You'll notice two areas in gray, a portion in
18 Segment D between the Westpark Toll Road, effectively, I
19 believe, and north up towards I-10 is gray, that's a
20 segment of the Grand Parkway that is already in place and
21 for all intents and purposes completed. And then Segment
22 I-2, a portion of that over in Chambers County, from
23 Interstate 10 southward, has also been constructed, open
24 to traffic and is completed for all intents and purposes.

25 Just a very quick status report: In September

1 of 2009, all seven counties surrounding Harris County,
2 including Harris County, exercised their right to primacy
3 for the development and delivery of the Grand Parkway, and
4 did so with the department in entering into a joint
5 agreement that waived market valuation and concluded that
6 as these projects were developed with a minimum of two
7 lanes of the Grand Parkway configuration that any excess
8 revenues generated from the tolling of this particular
9 corridor would be used to facilitate the completed
10 construction of all segments before those revenues were
11 returned to the benefit of their county.

12 Chambers County recently rescinded their right
13 to primacy after further evaluation of Segment I which
14 lies in Chambers County.

15 And just real quickly, Segment D, the portion
16 that's in Fort Bend County is currently being developed.
17 I believe that Fort Bend County has design teams working
18 on that aggressively and are progressing towards the
19 opportunity to take bids for construction in the
20 relatively near term, within the next year or so.

21 Segment E is also currently being developed by
22 Harris County. It is also very well along in the design
23 phase. They are actively acquiring rights of way, and are
24 pursuing a timeline that would allow them to proceed with
25 a construction project on Segment E later this calendar

1 year, if not sooner.

2 And then Montgomery County has recently issued
3 a request for proposals, I believe, for the development of
4 Segment G there in Montgomery County. No design work has
5 been done to date but they are exploring opportunities
6 with private sector firms for the development of that
7 particular project.

8 So there's been a lot of conversation recently,
9 a lot of discussion locally in the Houston area about the
10 Grand Parkway and its status, and I just wanted to take
11 this opportunity to quickly brief you on that.

12 I also wanted to share with you that Director
13 Saenz has discussed with at least one of the county judges
14 in the Houston area the possibility of taking advantage of
15 a piece of legislation that was passed in 2007 which would
16 enable the department and a county to enter into an
17 agreement for projects of this nature and character,
18 corridor projects.

19 Upon doing so, once those corridors receive
20 environmental clearance, then the county would have the
21 legal authority under Chapter 232 to do a couple of
22 things: one, it would be able to refuse to approve a
23 subdivision plat in all or a part of that corridor if the
24 subdivision lies within that corridor alignment, or two,
25 to approve the plat on the condition that the plats

1 specifically state in that subdivision notice that those
2 particular parcels lie within the impact area of this
3 alignment. And in essence, it would help to protect that
4 right of way from further development into the future
5 until the project was ready to acquire rights of way to
6 move forward to construction.

7 So as I said, Director Saenz has been in
8 communication with at least one of the counties, if not
9 more. He might want to speak to that a little more than I
10 am, but it looks like there's at least one county that is
11 looking at entering into an agreement with us to provide
12 this flexibility and options to them for those segments of
13 the Grand Parkway that already have environmental
14 clearance.

15 And with that, that concludes my presentation.
16 I'll be happy to answer any questions that the commission
17 may have.

18 MR. HOLMES: John, I've heard that there is a
19 proposal that is likely to go before commissioners court
20 in Harris County to rescind primacy on E, F-1, F-2. Were
21 that to happen, would TxDOT be in a position to move
22 forward on E, F-1, F-2?

23 MR. BARTON: If that were to happen, we would
24 certainly be in a position to consider exercising the
25 right to move forward with that. As I understand the

1 status of E, F-1 and F-2, they all have records of
2 decision on them. Segment E, as I said, is very far along
3 in the design phase. We would be able to work with Harris
4 County to purchase, if you will, or to acquire from them
5 in some way the design work that's been done, and could
6 take that particular design package and move forward to
7 construction on a project, if the commission was
8 interested in doing so.

9 We would have to work with our chief financial
10 officer to identify the available funding resources to do
11 so, but it is something we could move forward with if that
12 was the desire of the commission. And similarly on
13 Segments F-1 and F-2, we would need to evaluate the
14 funding opportunities for that, and of course, with the
15 environmental clearance in place, we would be able to move
16 forward with design activities. But I think it would be
17 important to put together a financial package on how we
18 think the project may be delivered before we make too many
19 decisions about moving forward.

20 MR. HOLMES: I would encourage you to do that
21 with all haste because my sense is, unless there's a
22 change of heart in Harris County, they're likely to
23 rescind primacy.

24 I think one of the challenges that Harris
25 County faces is expending funds in counties that are not

1 Harris County, and so the conclusion that I understand
2 that they are considering is that it really should be a
3 statewide agency that pursues this project. And it would
4 be, in my judgment, unfortunate if we did not take it up
5 were they to rescind primacy.

6 Just to remind you and others, ExxonMobil is
7 looking to move out onto F-2 their North American
8 operation. It's about 14- to 15,000 employees, many of
9 which are already in the region but a number of which,
10 about 4,000-4,500 would be coming from out of state. It's
11 conditioned on 10 to 59 being completed, 59 North. I
12 don't see that happening unless we are committed and
13 aggressive, and so I would very much encourage you to move
14 with all haste.

15 MR. BARTON: Yes, Commissioner Holmes. And
16 I've already asked staff to work on total project cost
17 estimates, potential revenue analysis for the tolling of
18 those segments, and we will be happy to bring back to the
19 commission quickly an analysis of the financial situation
20 and how that might affect our ability to deliver the
21 project.

22 MR. HOLMES: Some of that has been done.
23 Right? I mean, there were some initial T&R studies, et
24 cetera.

25 MR. BARTON: Yes, sir. We had some sketch-

1 level traffic and revenue studies, as well as capital cost
2 evaluations done in, I believe, 2008, and perhaps as late
3 as 2009, and if I remember correctly, for these particular
4 segments, E, F-1 and F-2, and G, I think, is the segment
5 that we looked at, but in looking at going from US 59 to
6 US 59, if you will --

7 MR. HOLMES: Yes, 59 to 59.

8 MR. BARTON: -- that was about a \$1-1/2
9 billion total project cost, and of course, by the time you
10 finance it and pay off the debt and those sorts of things,
11 additional costs would be brought to bear. I think those
12 analyses show that on an aggressive approach, again at a
13 very sketch level, it's possible that that would over time
14 be a revenue-positive approach and you could issue debt
15 based on the anticipated revenues to cover costs. But
16 we'll get a more up-to-date and better level of analysis
17 for the commission's consideration quickly.

18 MR. HOLMES: The immediate issue would be
19 Segment E, isn't that correct, because the plans are well
20 underway?

21 MR. BARTON: Yes, sir. And if I understand
22 correctly, the current estimate of construction costs only
23 for Segment E that Harris County is working on would be
24 roughly in the \$350- to \$400 million range. Of course,
25 there's still a few pieces of rights of way to be

1 acquired, but then you would be able to deliver that. And
2 so that's something we can look at individually, look at
3 the revenues that the tolling of that would generate, and
4 see where we stand in light of that from a revenue bond
5 perspective.

6 And. of course, there may be other revenues
7 that the department, through the commission's direction,
8 could bring to bear.

9 MR. UNDERWOOD: A follow-up on Ned's comment.
10 When you say, how promptly are we looking at getting this
11 information, John?

12 MR. BARTON: I've asked staff to get that
13 analysis done in the next two to three weeks, knowing that
14 Harris County is poised to take action next week. Until
15 that decision is made, we don't know what their position
16 will be, but once that decision is made, if it is to offer
17 back or rescind their primacy and offer back to the
18 department the opportunity to deliver the project, we need
19 to be able to move quickly, so we would hope that we would
20 have a better level of information for the commission to
21 consider later this month.

22 MR. UNDERWOOD: Okay. Thank you.

23 MR. HOLMES: I think the language was to
24 challenge TxDOT to deliver the project.

25 MR. BARTON: I have heard and actually seen a

1 letter that indicated that one member of their county
2 staff would encourage the commissioners court to challenge
3 us to deliver the project. So that's a pretty strong
4 word, but we're always willing to take on a challenge.

5 MR. HOLMES: I would concur with that, John.

6 MR. HOUGHTON: John, if the moon and the stars
7 all lined up, what is the earliest you could let on E?

8 MR. BARTON: If the commission asked us to move
9 forward and made the funding available, we could, I would
10 think, based on my understanding of where the county
11 stands on the design of the project, move forward with a
12 normal design-bid-build approach probably by August, if
13 not sooner, of this year.

14 MR. HOUGHTON: That's quick.

15 MS. DELISI: Can you put the map back up?

16 MR. BARTON: Sure. Segment E which runs from
17 Interstate 10 northward to US 290, and as I understand it,
18 again, the county is currently having that project
19 designed. There is a couple of issues that still have to
20 be addressed: the completing of the right of way
21 acquisition; there also has to be the design completed.

22 And as I understand it, the design does not
23 include the overpass of Interstate 10 for the Grand
24 Parkway, or State Highway 99, it just has direct
25 connectors from Interstate 10 onto the Parkway, and vice

1 versa. So if we were to be given the opportunity to take
2 the project over, there may be some minimal design changes
3 we'd like to add to make it more of a complete system
4 rather than the individual piece that was currently being
5 developed by the county.

6 And again, this is all based on staff's
7 conversations with Harris County staff. We haven't seen
8 the design plans to know exactly, but that's my
9 understanding.

10 MS. DELISI: Where on the map is ExxonMobil
11 looking at?

12 MR. BARTON: ExxonMobil, I'll point it out for
13 you. ExxonMobil is looking at locating, as I understand
14 it, just to the west of Interstate 45 along the Grand
15 Parkway area, and that would be in the eastern portions of
16 F-2.

17 MS. DELISI: Okay.

18 MR. BARTON: And Director Saenz, I didn't know
19 if you wanted to talk any more about the agreements with
20 the counties to allow them the ability to protect rights
21 of way.

22 MR. SAENZ: Just this week I was able to speak
23 with Judge Emmett, while we were at the Forum, to discuss
24 that there's two pieces of legislation that would allow
25 for the protection or the identification of corridors, and

1 he sounded very interested. I told him that we would have
2 staff set up a meeting to kind of go over the process.

3 But this would allow for the county and the
4 department to be able to: one, identify through a public
5 process which we already have that the Grand Parkway
6 Corridor, since it's already environmentally cleared, we
7 know that the exact route has been cleared; and then the
8 county could protect, as the developers begin to plat, to
9 either deny the plat, or if nothing else, request that the
10 plats show the location of the corridor with respect to
11 their development.

12 And that will help in a couple of ways, and a
13 lot of times when we are in the process of purchasing
14 land, the property owner says well, we never knew this was
15 going to come by here, and in other areas the county could
16 deny the actual plat if the developer is platting over the
17 previously cleared corridor, so the county would have some
18 options.

19 So those are the things that we want to go sit
20 down and discuss with them over the next week or so and
21 initiate the process so that we can get that in place, and
22 then, of course, once we have that one in place we can
23 look at other potential corridors that are being developed
24 elsewhere in the state.

25 MR. BARTON: Thank you.

1 MR. SAENZ: Thank you, John.

2 Commission, agenda item number 6 is an agenda
3 item for you to receive the final report from the
4 Restructure Council, and I think Mr. Wolf from the
5 Restructure Council will make that presentation.

6 MR. WOLF: Good afternoon. For the record, my
7 name is Howard Wolf, and today I will be presenting to you
8 the overview of the recently completed report of the
9 Restructure Council. I believe you've received copies of
10 the report. Also, today with me in the room are other
11 members of the council, David Laney and Jay Kimbrough.

12 First of all, starting off with an
13 introduction, I think it's important to note that TxDOT's
14 most valuable asset is its employees. From elected
15 officials to transportation stakeholders, everyone
16 complimented the dedication and the work of the employees
17 of TxDOT. The council's recommendations will help
18 strengthen this asset.

19 Steps to revitalize TxDOT have already begun.
20 TxDOT should be commended for having already begun
21 implementing numerous changes suggested by Grant Thornton
22 and recommendations that were encouraged in their report.

23 At the council's urging, TxDOT proceeded with
24 creating two new administrative positions: chief
25 administrative officer and chief information officer.

1 These positions, which are expected to be filled by the
2 end of this month, are part of the structural changes that
3 will lead to a more efficient agency.

4 TxDOT's process can be publicly monitored. To
5 facilitate a review of reports and audits examining
6 TxDOT's operations, an online database has been created
7 that catalogs all recommendations contained in the most
8 relevant reports in recent years. The creation of this
9 database was the outgrowth of a suggestion by Jay
10 Kimbrough, and he worked diligently to follow through to
11 get that put in place, with great help from TxDOT
12 employees. And we believe that this is a fantastic tool
13 to be used in implementing changes that the commission
14 wants to make.

15 The challenges facing TxDOT fall into two broad
16 categories: organization and finance. Since the
17 council's scope was limited to the non-legislative issues,
18 its recommendations only cover the broad spectrum of
19 organizational issues.

20 The recommendations that we present were
21 prioritized as those with the most value and lasting
22 impact on TxDOT's organizational performance. From the
23 Grant Thornton report, the most recent and comprehensive
24 examination of TxDOT, the council identified approximately
25 62 recommendations as the highest priorities for TxDOT.

1 The council also included additional recommendations that
2 will enhance and add value to TxDOT's revitalization
3 efforts.

4 The majority of the council's recommendations
5 do not include legislative action. While the council
6 focused mainly on entire range of non-legislative
7 organizational issues, two recommendations require
8 legislative authority. Those are raising the salary cap
9 for senior positions and combining the internal compliance
10 and the Office of the Internal Auditor. Organizational
11 issues that the council focused on are set forth in a
12 format that tracks the Grant Thornton report for ease of
13 reference and focus.

14 From an executive summary standpoint, the
15 change in senior leadership is the first and foremost
16 identified recommendation that the council makes there.
17 It was originally identified by Grant Thornton as the core
18 issue needing attention. A change in leadership will come
19 from identifying new business oriented leadership within
20 and outside of TxDOT. This should be done at a pace and
21 manner that is in the best interest of the department.

22 Culture. TxDOT leadership must change its
23 culture. The department should recast outdated views and
24 beliefs and encourage open-mindedness and innovation as
25 well as value individual initiative. Cultural change will

1 require a sustained effort by leadership, as well as the
2 need for complimentary organizational architecture and
3 policies.

4 Implementing change. Undertaking a significant
5 change initiative should be an enterprise-wide approach in
6 the entire department over an extended period of time.
7 The involvement of change experts in designing and
8 implementing change should be one of the first orders of
9 business of the department.

10 Organizational structure. TxDOT's
11 organizational structure should be better aligned with its
12 mission. The report contains a suggested organizational
13 chart and we would urge you to look at that and seriously
14 consider the organizational changes that we recommend.

15 Financial management. Increasing financial
16 controls and oversight will further ensure TxDOT's role as
17 a responsible steward of taxpayer funds. An important
18 step is the consolidation of all financial functions under
19 the clearly defined authority of the chief financial
20 officer. We make some other recommendations in that
21 domain.

22 Information technology should be viewed as a
23 strategic asset of TxDOT. A new IT strategy should be
24 developed so that it can be tied to the department's
25 mission and become the foundation for an integrated,

1 enterprise-wide technology system. TxDOT has taken the
2 first step in creating a new leadership position for chief
3 information officer so that the advanced systems planning
4 approach can be undertaken.

5 Human resources should be recognized as a
6 strategic partner within TxDOT's leadership team. Human
7 resource functions should be elevated in the organization
8 to help support TxDOT's mission. TxDOT has taken the
9 first steps in creating a chief administrative human
10 resources officer.

11 Communications. A comprehensive communications
12 policy should be developed that is responsive and engages
13 all stakeholders. The first step in improving
14 communications efforts should be the separation of the
15 governmental relations and communications functions.

16 Plan, design, build. Steps to improve the
17 planning process have been taken but improvements are
18 still needed. The council encourages TxDOT to take these
19 improvements further.

20 Procurement. Procurement functions require
21 centralized oversight and development of consistent
22 processes and procedures. We address that in the report
23 and make some important suggestions in this regard.

24 Implementation. Implementation should begin
25 immediately. Since the recommendations are interrelated

1 and extensive, the first steps should be the engagement of
2 a professional change management firm who will assist the
3 commission and TxDOT senior leadership in developing a
4 comprehensive plan, as well as oversee the effort.

5 In conclusion, we'd say that there's a
6 challenging road ahead. This agency is strong and diverse
7 and has successfully seen through many challenges in its
8 long history, and the challenge today is no different.
9 The council encourages and urges the commission's
10 consideration and prompt action to keep moving forward in
11 this regard.

12 Our report is available immediately following
13 this meeting online. Copies have been delivered to you
14 all. And as you well know, Mr. Kimbrough, Mr. Laney and I
15 will be available at your request to aid you in any way
16 possible.

17 With that, if there are any questions.

18 MS. DELISI: Any questions?

19 MR. WOLF: Thank you.

20 MS. DELISI: Thank you.

21 MR. MEADOWS: I don't know that since we just
22 got the report that we'd have any questions, but I'd just
23 like to take a moment to thank you, Howard, and David and
24 Jay for engaging in this enterprise.

25 I think it's important to note at this juncture

1 that when this commission made the decision to create the
2 Restructure Council, we were seeking independent,
3 objective, knowledgeable individuals who had the
4 experience from both the public and private sector to come
5 to the table and make recommendations that would help us
6 achieve our goal as a commission which, I think simply
7 stated, is to have a superior transportation agency that
8 is effective, that is efficient, and is open to the people
9 that we serve, and those are the citizens of the Great
10 State of Texas.

11 And I think that the recommendations that you
12 make here and the council makes here are going to be taken
13 extremely seriously by this commission, and I think that
14 we're going to find that those that do make sense, those
15 that enable us, help and facilitate our achieving the very
16 simple goal that we have, I think you're going to see
17 those implemented very quickly. And I just appreciate all
18 of your efforts.

19 MR. WOLF: Well, thank you very much. And let
20 me just say that, as you may or may not recall, when I
21 first appeared before you last summer I said that I viewed
22 the Grant Thornton report as an invitation to a
23 reorganization of TxDOT. Mr. Kimbrough and Mr. Laney and
24 I worked very hard in order to take your request that we
25 examine this seriously and we did that.

1 I think it's important to point out that we did
2 not receive any sort of pressure or even suggestions of
3 any significance or magnitude from outside sources. We
4 sought a lot of opinions, we got all kinds of input from
5 all kinds of stakeholders in Texas, and we synthesized
6 that and tried to put together, to the best of our
7 ability, something that would be a usable, workable tool
8 for you in your activities as commissioners of TxDOT.

9 And we're presenting that to you on that basis
10 today, and we urge you to do what we know you're capable
11 of doing which is apply your good judgment and your views
12 and your background and knowledge of TxDOT to this report
13 and do what needs to be done to restructure TxDOT for the
14 21st Century.

15 MR. HOLMES: I'd like to add my thanks to you
16 and Jay and David for the time and effort and energy you
17 put into it. We really appreciate it.

18 MR. WOLF: Thank you very much.

19 MR. UNDERWOOD: Again, Howard, thank you very
20 much. Be sure and pass that on to your colleagues. Thank
21 you.

22 MR. WOLF: I certainly will do that.

23 MS. DELISI: Thanks, Howard.

24 That concludes the posted items on today's
25 agenda. Is there any other business to come before the

1 commission?

2 (No response.)

3 MS. DELISI: There being none, I will entertain
4 a motion to adjourn.

5 MR. HOUGHTON: So moved.

6 MR. HOLMES: Second.

7 MS. DELISI: All in favor?

8 (A chorus of ayes.)

9 MS. DELISI: The motion passes.

10 Please note for the record that it is 3:06 p.m.
11 and this meeting stands adjourned.

12 (Whereupon, at 3:06 p.m., the meeting was
13 concluded.)

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C E R T I F I C A T E

MEETING OF: Texas Transportation Commission Meeting
LOCATION: Austin, Texas
DATE: January 5, 2011

I do hereby certify that the foregoing pages, numbers 1 through 29, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Nancy King before the Texas Transportation Commission.

(Transcriber) 1/104/2011
Date)

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