

TEXAS DEPARTMENT OF TRANSPORTATION

COMMISSION MEETING

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

Thursday, April 26, 2012

COMMISSION MEMBERS:

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

STAFF:

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

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P R O C E E D I N G S

1
2 MR. HOUGHTON: Good morning. It is 9:02 a.m.,
3 and I call to order the regular April 26, 2012 meeting of
4 the Texas Transportation Commission. Note for the record
5 that public notice of this meeting, containing all items
6 on the agenda, was filed with the Secretary of State at
7 3:24 p.m. on April 18, 2012.

8 I ask that before we begin today's meeting that
9 you place all cell phones and other communication devices
10 in their silent mode or in the off position.

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 item on the agenda, it's a yellow card, and in the open
15 comment period it is a blue card. Regardless of the color
16 of the card and the item, please limit your remarks to
17 three minutes.

18 Before we open for comments by my fellow
19 commissioners, I'd like to turn the mike over to Phil
20 Wilson, our executive director.

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

22 I would like to ask John Barton to come forward
23 and provide a quick safety briefing. John.

24 MR. BARTON: Thank you, Director Wilson, and
25 Chairman and commissioners. I appreciate an opportunity

1 to start the meeting today. First, let me thank you for
2 your leadership in focusing this agency on safety. As we
3 know, our mission is to work cooperatively with others to
4 provide safe and reliable transportation solutions for
5 Texas, and your leadership in helping us focus on safety
6 first and foremost each and every day is paying big
7 dividends.

8 It's starting to permeate throughout our
9 culture, and an idea came forward because of that, that
10 today as I got ready for this meeting, as many of you did,
11 we have a lot of guests and visitors, we're not in the
12 Greer Building, it's a little unusual setting, and so
13 there are a lot of people here today that don't work here
14 every day and don't know the campus as well as some of the
15 rest of us do, and so in the extreme, unfortunate event
16 that something were to happen, it's important for us to
17 remember that we need to communicate that to everyone.

18 So we wanted to start this morning just by
19 reminding everyone we're in that part of the year when we
20 sometimes have inclement weather, and I don't expect that
21 we'll have any today, but should something like that
22 happen, we would shelter in this room, there would be no
23 reason for us to leave, and certainly our guards would
24 inform us of that.

25 If anyone does have a medical or other

1 emergency and they need assistance, we almost all of us
2 came in the front of our building, there's a guard station
3 there, you can certainly ask for their assistance and
4 they'll be able to get us in contact with the appropriate
5 emergency services to provide us support and assistance
6 with that.

7 And if there was some type of evacuation needed
8 for a bomb threat, we would have TxDOT staff come in and
9 make that announcement and we would just ask you to follow
10 those instructions. And if there's a fire event, which we
11 certainly don't expect, the exit to the rear of this room
12 where most of us came in is available, we'd just walk out
13 into the parking lot to seek safety there. If that's
14 where the fire is located, there are two doors at the
15 front of the room near where the commissioners are seated
16 that would allow us to exit and leave the building on the
17 other side of the building into that parking lot area.

18 So these things often are taken for granted but
19 it is really serious. You never expect anything like that
20 to happen, but when it does, we need to be prepared. So I
21 appreciate the commission's leadership and Mr. Wilson
22 asking us to start today's meeting by spending just a few
23 brief moments talking about that.

24 Thank you.

25 MR. AUSTIN: Mr. Chairman, I have one question

1 for John.

2 I notice that you are wearing, and let the
3 record reflect you are wearing orange today.

4 MR. BARTON: That is correct, Commissioner
5 Austin, and have been for the last two weeks. I, for the
6 record, wanted to point out that this is work zone orange,
7 not burnt orange, and there is a big distinction between
8 the two. So appreciate you bringing that to everyone's
9 attention and giving me an opportunity to clarify my
10 position on the matter.

11 (General laughter.)

12 MR. WILSON: With the safety briefing
13 completed, I'll hand the gavel back to you, Mr. Chair, to
14 complete opening remarks.

15 MR. HOUGHTON: And now, as customary, we will
16 start with comments from the commissioners from opening
17 remarks from Commissioner Austin. Remember the game
18 Where's Waldo? Well, Commissioner Austin has been all
19 over this state and we just want to know where he has been
20 lately. Commissioner Austin.

21 MR. AUSTIN: Mr. Chairman, thank you so much
22 for that warm introduction.

23 Actually, I would start off, early this month I
24 had the opportunity to attend the Traffic and Maintenance
25 Conference in Waco. And I will say you look at the number

1 of employees that we have, so many of our team area
2 actually out there where the rubber meets the road,
3 literally, and we really appreciate what they do. And in
4 recognition of safety, everything that we're doing, when
5 you see these ladies and gentlemen, please tell them thank
6 you because they are the ones that keep our roads in great
7 condition. And for those of you that travel, no
8 disrespect for those from out of state that are visiting,
9 I like to say Texas does have the best road system and
10 it's thank you to these ladies and gentlemen that handle
11 that.

12 But while we were there, Commissioner
13 Underwood, during his talk, there was a picture of him out
14 with one of the maintenance crews and while he was out
15 there, this unfortunate rabbit had to be removed from the
16 roadway, but he left something -- he left his foot here,
17 and we were back here cleaning it up for you and I put a
18 little key chain on it just to make sure that you don't
19 lose it. It does smell a little bit; we cleaned it up a
20 little.

21 (General laughter.)

22 MR. AUSTIN: The last couple of days I did have
23 the opportunity to visit the Pharr District, and I want to
24 say thank you to Eric Gleason, I know he's here back in
25 the back, for inviting me down for the Transit Conference,

1 also to Mario Jorge for taking me around the district.
2 Had the opportunity also to visit with both the Cameron
3 County and the Hidalgo County RMA. There's a lot of good
4 projects that are underway and really appreciate the
5 enthusiasm.

6 The last comment that I wanted to share,
7 whether I'm in the Valley, East Texas, Houston area,
8 listening to a lot of friends, the Interstate 69 momentum
9 is really picking up, and I think anything that we can do
10 to help recognize that, and I look forward again in a few
11 months to seeing the final report for early
12 recommendations to make Interstate 69 become a greater
13 reality.

14 With that, I'll turn it over to my fellow
15 commissioners.

16 MR. MEADOWS: Thank you, Commissioner Austin,
17 and good morning, everyone.

18 You know, fortunately, it seems more and more
19 we have had the opportunity here at the commission to
20 celebrate some real successes. Obviously, you remember
21 last month's success that was announced as we advanced
22 some major Houston area projects, and this past week we
23 have another thing to celebrate, and that is that a major
24 project on the western side of the Metroplex has entered
25 the final stage of the TIFIA program which will provide

1 \$415 million to advance the Interstate 35 corridor,
2 extending north of downtown Fort Worth.

3 And that project is essential, it's a vital
4 project for the area. Currently that roadway, two
5 sections of it rank respectively 5th and 25th of the most
6 congested stretches of roadway in the entire State of
7 Texas, and this announcement this last week from the
8 United States Department of Transportation enables us to
9 deliver that project and provide mobility, address serious
10 congestion that exists in the corridor, and facilitate the
11 flow of traffic and goods on the interstate highway system
12 in that part of the state. What a great opportunity and
13 something that we really should celebrate, acknowledge and
14 appreciate the U.S. Department of Transportation affording
15 us that opportunity.

16 But I think it's also important for us to stop
17 and acknowledge the work that went into advancing that
18 particular application. Our staff, Coby Chase and Andrea
19 Lofye, did yeoman's work on this project. They spent
20 countless hours providing information, numerous trips to
21 Washington. It really is impressive behind the scenes
22 what our staff does to advance projects like this.

23 In addition, and in collaboration with our
24 efforts, certainly a wide coalition of local people, the
25 mayor of Fort Worth, a number of members of Congress in

1 the area, Kay Granger, most notably. Michael Morris here
2 from Council of Governments certainly was intimately
3 involved in this effort. Betsy Price, the relatively new
4 mayor of Fort Worth was in the White House two weeks ago
5 discussing the importance of this project for the region.

6 I can't tell you how many different people were involved
7 in expressing and communicating the need and concern for
8 this project that ultimately led to us being successful.

9 So with that, with the appreciation and the
10 acknowledgment, sincerely, to everybody, I think it's
11 something that we can celebrate and really be proud that
12 we've been able to advance. Thank you very much.

13 MR. UNDERWOOD: Thank you, Bill. I know all
14 the commissioners associate themselves with your remarks
15 and you're always very eloquent.

16 I would remind our audience that this is
17 National Work Zone Awareness Week, so as you're driving
18 around our state, please be careful for our men and women.

19 And as Jeff said, we both attended the Maintenance
20 Conference which was really a good turnout, we had around
21 900 people there, so I thought that was a really good
22 showing for our men and women that do the really heavy
23 lifting for us.

24 I also want to thank the Lubbock District
25 maintenance crew. They took me out and showed me what

1 they do, why they do it, and how they keep the driving
2 public safe. As to the rabbit, yes, we did find a rabbit
3 and we did pick it up, so that's just part of their
4 program.

5 I think the reason why Jeff is teasing me is
6 because he's a little nervous, and you probably need to
7 hear this, next week he's going to go into the hospital
8 and get an MRI. He told me he wanted to find out if he
9 was claustrophobic.

10 (General laughter.)

11 MR. UNDERWOOD: But I appreciate Jeff's
12 comments.

13 But anyway, please, as you drive safe, please
14 be careful of our men and women. So thank you.

15 MR. HOLMES: I look forward to the day when
16 someone else follows Fred.

17 (General laughter.)

18 MR. HOLMES: Good morning. You really need to
19 see the picture of Fred picking up this thing -- well,
20 maybe you don't need to see it.

21 On a more serious note, I had an opportunity to
22 visit the Houston District when they were kicking the Work
23 Zone Safety Awareness Week program, and our staff supplied
24 me with some talking points, and one of the things was
25 really disturbing to me and that is the stats of accidents

1 and fatalities in work zones. In 2010 there were over
2 12,900 crashes in work zones, one year, 12,945 or so, that
3 resulted in 100 fatalities. I mean, those are just very
4 disturbing statistics, largely avoidable, and the focus of
5 our team in reducing those accidents and those fatalities
6 is to be commended.

7 Interestingly enough, those stats are an
8 improvement over five years ago when it was 19,000
9 accidents and 159 fatalities. Having said that, improving
10 from those very lofty and tragic numbers is good but it's
11 not enough, and so we really need to be focused on the
12 work zones and the risks that our folks and our
13 contractors' people run on a daily basis. I think it's
14 really important that we acknowledge that; that's why
15 we're all wearing these burnt orange ribbons.

16 (General laughter.)

17 MR. HOLMES: One other comment that I'd like to
18 make, and I make this comment frequently in Houston when I
19 address groups, is that even with the projects that are on
20 the agenda today of the 288, 290, Grand Parkway which is
21 roughly \$4 billion worth of projects and would increase
22 with the balance of the Grand Parkway, that region trails
23 dramatically behind the Metroplex who has been
24 significantly more aggressive in providing transportation
25 infrastructure for their community. And it's a tribute to

1 Commissioner Meadows, Bill and Maribel, our staff, and
2 certainly Michael Morris here up on the front row. They're
3 at about a \$15 billion level over the last how many years,
4 Bill, five?

5 MR. MEADOWS: Currently under construction and
6 under development right now.

7 MR. HOLMES: I think the regions around the
8 state could take a page out of their play book. We can do
9 better, we can be more aggressive. There are very
10 significant needs around the state and we need to continue
11 to press to address those needs in a responsible, both
12 from a design standpoint, delivery standpoint, financial
13 standpoint manner. I congratulate the Metroplex for all
14 that they've done and I'm pushing the guys in Houston to
15 try to close that gap a little bit, Michael. Bring 'em
16 on. Huh?

17 Thank you very much.

18 MR. HOUGHTON: Well, I echo all or some, not
19 quite all but most of the remarks from my fellow
20 commissioners, but I want to thank everyone for being here
21 today. Mr. Wilson, you draw a big crowd with a big agenda
22 and some nice news.

23 And to the staff and to our partners across the
24 state, my congratulations, Michael for leading the MPO
25 team. I affectionately call Michael the Pied Piper of MPO

1 directors, with no disrespect to anyone else, but I echo
2 what Commissioner Holmes has said. We could take a page
3 out of the book of the Metroplex on how to leverage up and
4 make the most of every penny that we are spending.

5 But welcome, and the first order of business
6 will be approval of the minutes for the March 29, 2012
7 Commission Meeting.

8 MR. UNDERWOOD: So moved.

9 MR. AUSTIN: Second.

10 MR. HOUGHTON: All in favor?

11 (A chorus of ayes.)

12 MR. HOUGHTON: Approved.

13 All right. Director Wilson, it's all yours.

14 MR. WILSON: Thank you, sir.

15 First up is Ed Pensock, director of Strategic
16 Projects Division, to present discussion item 2a regarding
17 the I-35 managed lane project in Dallas and Denton
18 counties. Ed.

19 MR. PENSOCK: Good morning, Chairman,
20 commissioners, Phil. For the record, I'm Ed Pensock,
21 director of Strategic Projects Division.

22 Item 2a is an update of the I-35E managed lanes
23 project procurement effort and a discussion regarding the
24 qualification of prospective bidders.

25 A request for qualifications, RFQ, was issued

1 on January 23, 2012. The request was to solicit
2 qualification statements from teams interested in entering
3 into a design-build contract. Qualifications statement
4 submittals were received on March 23, 2012. Five teams
5 submitted for a design-build contract and four teams
6 submitted qualifications for a potential concession
7 contract. On March 26, 2012, the Senate Bill 1420
8 Committee for I-35E recommended the project be delivered
9 using design-build, and TxDOT concurred. Therefore, the
10 qualification statements for the concession teams were no
11 longer considered.

12 TxDOT evaluated the five submittals and
13 selected the most qualified teams to compete for the
14 design-build contract. Exhibit B in your handouts
15 includes a short list of the most qualified teams from
16 which detailed proposals will be requested. Those teams
17 include: AGL Contractors, including Archer Western
18 Contractors, Granite Construction Company, and the LANE
19 Construction Company; number two, Northern Link
20 Contractors, including Fluor Enterprises, Inc., Balfour
21 Beatty Infrastructure, and Kiewit Infrastructure South
22 Company; number three, Dallas to Denton Constructors,
23 including Zachry Construction Corporation and SNC Lavin,
24 Inc.; and number four, I-35E Infrastructure, including
25 Ferrovial Agroman, Webber, LLC, and Texas Sterling

1 Construction Company.

2 Staff anticipates issuing a request for
3 detailed proposals in June of 2012, conditional award is
4 anticipated in mid-November 2012, the project is
5 anticipated to break ground in mid 2013. The department
6 anticipates developing the I-35E project using a phased
7 approach for project implementation. The project was
8 divided into phases in order to deliver the most economic
9 and critical elements of the ultimate project and to
10 improve mobility for the region, while also generating
11 revenue that could be used for the construction of
12 subsequent phases.

13 The first phase of improvements includes the
14 construction and implementation of a two-lane reversible
15 managed lane facility along the center of the corridor.
16 As funding allows, the first phase will also include
17 interchange improvements, ramp connections and access
18 facilities along the corridor.

19 Staff is available to answer any questions you
20 may have on this item.

21 MR. HOUGHTON: Questions of staff? None?
22 Motion? Is it discussion or a motion? I'm sorry.
23 Discussion item. Thank you, Ed.

24 MR. PENSOCK: Thank you.

25 MR. WILSON: Moving to item 2b, our deputy

1 executive director, John Barton, will present TxDOT's Task
2 Force on Energy Sector's Impact to Roads. John.

3 MR. BARTON: Good morning. For the record
4 again, my name is John Barton, the deputy executive
5 director, and commissioners, Chairman and Director Wilson,
6 it's certainly a pleasure for me to share with you a brief
7 review on the energy sector impacts to Texas's
8 transportation system and some information to update you
9 on the status of efforts the department has undertaken in
10 partnership with our sister agencies and others around the
11 state to consider this issue.

12 As you know, the energy sector is bringing
13 about tremendous economic benefit and value to the State
14 of Texas, so much so that Texas has flourished more than
15 any other state over the last several years in response to
16 the current economic conditions that we face, and this
17 progress, of course, brings about increased traffic,
18 changes in traffic and impacts that all of us have been
19 concerned about. So I applaud you for your leadership in
20 asking us to reach out to others to look at this issue.

21 I just have a few slides that I wanted to share
22 with you, and if I can get Louis Carr to help me with the
23 technology, I'll be able to advance these. Thank you.

24 In alignment with our mission to work
25 cooperatively with others to provide a safe and reliable

1 transportation system and solutions for Texas, a
2 commission-led initiative to form a task force of industry
3 leadership of our sister agencies and other interested
4 parties was undertaken, and this partnership with those
5 individual entities and groups is going to allow us to
6 cooperatively look at the issues, to identify mutual
7 concerns, and then to advance possible solutions to
8 address those concerns.

9 This is just a list of those individuals and
10 entities that we originally have invited to the task
11 force, and I wanted to share with you that we had our
12 first meeting on April 13 here in this very room. It was
13 led by Commissioner Fred Underwood and Director Wilson,
14 and there were over 40 persons in attendance at this
15 meeting, and it is growing. There is a lot of interest
16 from around the state to get involved and to understand
17 this issue.

18 The tone of the meeting was very positive,
19 there was mutual support from all of the entities
20 involved, and they expressed an interest and commitment to
21 helping TxDOT advance our mission and to address this
22 issue on behalf of the State of Texas in partnership with
23 them.

24 The responsibilities that this task force
25 looked at are shown on this slide, and they identified

1 several areas that they believe are important for us to
2 consider and evaluate as we move forward with these
3 discussions, and there was a lot of good discussion around
4 all of these responsibilities and the sense that we're on
5 the right track in preparing mid-term, long-term and
6 short-term issues and solutions to address this growing
7 transportation challenge for the State of Texas.

8 They also focused in on several specific key
9 areas that they would like us to spend time and energy
10 with TxDOT staff and individuals from these other state
11 agencies and entities to look at in the near future. At
12 the top of that list was the safety of our transportation
13 system and I'll have some slides to show you in a moment
14 that kind of speak to those issues that are evolving and
15 emerging.

16 They also felt like it would be important for
17 us to get out to the public and to make them aware of what
18 is going on and what we are doing in response to those
19 things, and ideas such as public awareness campaigns, town
20 hall meetings, even a website are some things that they
21 felt like we should be focusing on in the very short term,
22 and we already have staff internal to TxDOT and with our
23 sister agencies looking into these things.

24 They also identified opportunities for
25 innovation, and as we know, Texas is full of very

1 creative, innovative individuals and entrepreneurs that
2 can help us understand these issues and maybe think
3 outside of our normal boundaries on how we can solve those
4 challenges and move forward with ways to handle the issues
5 that are coming up in an effective way but different than
6 what we've done in the past.

7 Prevention of the impacts to begin with is
8 something they felt like we should do. Rather than being
9 reactive, maybe being proactive and how we can go out and
10 identify ways to reduce or prevent the impacts that are
11 occurring and to build a sustainable solution and system
12 moving forward into the future. And then, of course, at
13 the end of the day thing always involve financial
14 realities, and so the group spent some time focusing on
15 financial solutions and asked that as we move forward in
16 time that we talk about potential financial solutions to
17 help us address this issue.

18 When people first think about this, perhaps
19 they think it's an oil and gas issue, and in reality it's
20 much larger than that. It's the entire energy sector here
21 in Texas, and at the top of this slide are the three that
22 are perhaps the most impactful as we sit here today, but I
23 think it's important for us to remember that there are
24 other energy-related activities that as we move forward
25 into the future may have issues that need to be addressed

1 in terms of transportation needs and solutions. And so
2 this group is focused on keeping themselves mindful of
3 these things and not limiting it to any one particular
4 area of the state or one particular portion of the energy
5 sectors.

6 I wanted to show you kind of a slide or two
7 that represents the impact of these emerging activities
8 across the state. This is a slide that shows the number
9 of wells that were permitted in Texas in the year 2002,
10 and there are four primary areas of the state that people
11 refer to: there's the Barnett Shale play that is taking
12 place around the Metroplex and North Central Texas;
13 there's the Haynesville Shale over in East Texas and west
14 Louisiana that is impacting Texas; there's the Eagle Ford
15 Shale which is primarily from the Central Texas area
16 south; there's the Permian Basin that we've all known
17 about for years and years and years; and then there's the
18 Granite Wash Shale area that's in the north part of Texas
19 in the Panhandle.

20 So I'm going to click through some slides that
21 show the progression of permitted wells over the last
22 eight years from 2002 through 2010. This is 2002 to '03,
23 and if you'll just watch, this is an indication of the
24 growing demand for needed transportation in these areas of
25 the state as this energy sector has come into play, and as

1 you can see, there's been a tremendous increase in the
2 number of permitted wells for oil and gas here in Texas.

3 Let me back up and just show this to you again.

4 I think it's really impactful when you look at this as we
5 click through here. This is 2002. 2003 you start to see
6 that the Barnett Shale, the Eagle Ford Shale and
7 Haynesville are picking up, and a little bit in the
8 Permian Basin and the Granite Wash in the Panhandle. And
9 then as the Barnett Shale explodes, all of a sudden
10 technologies are emerging in the oil and gas industry and
11 so the Permian Basin explodes, Haynesville explodes, Eagle
12 Ford explodes, the Granite Wash, and so we sit here today
13 with this type of dynamic change over the last nine years.

14 And this is 2010, it would be even more dramatic if we
15 went to today.

16 We also have the wind energy, and this is just
17 a slide showing where those activities currently are out
18 in the plains, and I know that Commissioner Underwood
19 could tell us that it does get a little windy out there
20 occasionally. Growing up in the Wichita Falls area, I
21 know that it certainly tends to be windy there as well.
22 Of course, Commissioner Meadows always reminds me that was
23 probably because David Casteel and I were up there and
24 we're both full of hot air, but nonetheless, there's a lot
25 of wind energy in some portions of our state, and then

1 along the coastal area as well. So this is a tremendous
2 impact to the State of Texas as well.

3 We've had a lot of interest in this for the
4 last several years. This is something that hasn't just
5 happened in the last few months, and we've had research
6 conducted by leading experts across the state in the
7 impacts of this energy sector and how it's going to evolve
8 over time. And I think it's important to pause for a
9 moment and remember this isn't something that is a ten-
10 year issue. All of the experts in the energy sector and
11 in our research communities tell us this is going to be an
12 issue that is benefitting Texas, bringing billions and
13 billions of dollars worth of benefit to our state for the
14 next 30 to 50 years, if not longer. So this is a
15 tremendous opportunity for Texas but it is going to be
16 something that lasts a long time, and therefore, our
17 response needs to be very thoughtful and holistic so that
18 we have a plan that moves forward for decades to come.

19 It's also been identified that in order for
20 this to continue to be successful, we have to have an
21 adequate transportation system in place to meet these
22 needs, and therefore, funding for those improvements will
23 be necessary in order to make the state be positioned to
24 address this need over the years to come.

25 As I've already mentioned, growth in the energy

1 sector is tremendously valuable to Texas. The North
2 Central Texas area, led by the North Central Texas Council
3 of Governments, looked at the Barnett Shale and they
4 quantified that the economic benefit from the Barnett
5 Shale alone is over \$10 billion per year and over 200,000
6 direct jobs. Now, I'm not an economist but you take those
7 numbers and you expand that into indirect jobs and other
8 benefits, it is tremendous.

9 The same type of benefit is coming from the
10 Eagle Ford Shale area as well as it plays out, as well as
11 the Haynesville and the Granite Wash and the Permian
12 Basin. So we're talking about billions upon billions of
13 dollars worth of economic benefit for Texas each and every
14 year, and we're also talking about tremendous benefit in
15 terms of job activity for Texas. All of that, though, has
16 created these impacts, and so as partners we need to think
17 about mutual issues and how we can cooperatively work
18 together to address those.

19 So I wanted to talk to you, now that that's the
20 context of this task force, as we move forward they did
21 ask us to look at some immediate needs around the state
22 that we know about. There have been reports that we've
23 all heard, there have been issues that we've witnessed,
24 and I just wanted to show you some of the kinds of impacts
25 that are occurring.

1 These are some roadways across Texas, both in
2 the Barnett and Eagle Ford Shale areas, and you can see
3 that these roads that were built in the 1940s and '50s and
4 early '60s were never designed, nor did we envision they
5 would have this kind of traffic on them. Mr. Wilson has
6 shared with a lot of people that one gas well alone
7 generates about the equivalent of 8 million vehicles as
8 it's coming into production in a year, and then about 2
9 million vehicles per year for the life of that well to
10 keep it maintained. That's a phenomenal number and it's
11 staggering for most people to understand.

12 To put it in terms that a lot of us would think
13 about, these farm to market roads that had historically
14 carried maybe 100 to 500 vehicles a day, some of them
15 maybe 1,200 vehicles a day, when you take that 8 million
16 vehicles per year and you put it into a daily count,
17 that's over 30,000 vehicles per day. That's more traffic
18 than we have on Interstate 35 north of Gainesville, Texas
19 as you go into Oklahoma; that's more traffic than we have
20 on Interstate 20 between Dallas and the Louisiana state
21 line; that's more traffic than we have on I-35 from San
22 Antonio south to Laredo. That's a tremendous amount of
23 traffic each and every day on these roadways -- or the
24 equivalent of that type of traffic on these roadways.

25 The impacts are pretty extensive. We have a

1 road on the left side of this screen that you think it's a
2 foggy day in South Texas. Well, it wasn't, that's dust
3 off of the truck traffic running up and down that roadway.

4 You can see the wind turbine moving through one of our
5 towns, and it's a little longer than your average farm
6 tractor, so it's impactful on the system in ways that we
7 haven't experienced on a routine basis in the past. And
8 then you see some men and women moving out to start the
9 processing of a well and they have these caravans of
10 trucks that people aren't used to seeing going in front of
11 the local Dairy Queen or my favorite hangout, Whataburger.

12 I may get in trouble for advertising; I hope Bob Jackson
13 is okay with that.

14 We also see these types of impacts unfolding on
15 our system at intersections causing congestion and safety
16 concerns. Again, all this traffic is something that we
17 haven't experienced for years in these areas and never
18 thought we really would, and now you have trucks going
19 through intersections very rapidly and so people are being
20 delayed as they try to move in these areas. Again, a wind
21 turbine trying to make a move through a metropolitan area,
22 backing up traffic as it makes that move in either
23 direction, and then just truck traffic coming in and out
24 of these areas to create these economic opportunities.

25 And so it's our responsibility to understand these issues

1 and to develop a sustainable solution to the system to
2 allow this to continue into the future.

3 Innovation is great and cooperative efforts are
4 certainly what we have to do. This is just an example of
5 where we've said in order to reduce the amount of truck
6 traffic carrying water in and out of these wells, we've
7 allowed for some pipelines to be placed in our right of
8 way. This is a good thing. Unfortunately, if we got a
9 heavy rainfall event while these were in place, we would
10 have drainage issues, and so we need to further explore
11 those opportunities.

12 And I was visiting with Doug Eichorst, our
13 district engineer from Lubbock, yesterday about a concern
14 that he has with allowing additional installations like
15 this in his district, and he came up with a great idea of
16 if we can allow them, because they're only intended to be
17 there for two to three weeks -- sometimes it's going to
18 take a little longer, we all know Murphy's Law happens --
19 maybe you can put a valve fitting at each side of the
20 right of way line so that if it does last longer than is
21 anticipated and we have a significant rainfall event
22 coming, they could come in, turn those valves off and
23 remove the pipe section in between the right of way line
24 temporarily to allow that rainfall event to occur and then
25 come back and reinstall them. So it's that kind of

1 creativity and innovation that Doug and others are coming
2 forward with that I think is really important for us to
3 understand and focus on.

4 And then as with anything, when you have an
5 exponential growth in something, there's always the
6 unforeseen and unintended consequences, so we've had some
7 safety concerns with some drilling mud and things like
8 that that people have brought to our attention that
9 working with our department and Public Safety, the energy
10 industry themselves, landowners, the Department of Motor
11 Vehicles and the Texas Commission on Environmental
12 Quality, we can find solutions to these types of things to
13 make sure that they're addressed and the public is served
14 in the right way.

15 At the end of all this process, staff took all
16 these issues, evaluated those concerns, looked at our
17 roadway network as it exists today all across the State of
18 Texas and identified a list of safety improvements that we
19 would like to move forward with. Before I share that
20 brief outline of that, I wanted to mention to you one last
21 thing. As I mentioned, this is going to be 30 to 50
22 years, if not longer, and so we need to be planning for
23 this and evaluating the system we have to identify where
24 we have issues, and as we move forward with the
25 rehabilitation of our facilities that we take into

1 consideration this change in traffic behavior and
2 patterns.

3 These are some bridge impacts that have already
4 occurred. Obviously, we have taller loads, wider loads on
5 routes that don't have a lot of opportunity for them to
6 pass underneath the bridges because they were designed
7 with a different type of travel condition in mind, so
8 we're having these kind of impacts. Industry is working
9 well with us to eliminate or reduce these, but as we move
10 forward, if we replace these bridges we need to make sure
11 we plan for them to be taller, wider so they can
12 accommodate those kinds of traffic.

13 MR. UNDERWOOD: John, before you leave that,
14 right now to get an overweight permit, because it takes an
15 overweight/oversize permit, who gives that permit?

16 MR. BARTON: The Department of Motor Vehicles.

17 MR. UNDERWOOD: So that's not part of TxDOT
18 anymore.

19 MR. BARTON: That is correct.

20 MR. UNDERWOOD: Are we able to work with them
21 to help coordinate, because they're on the roads that we
22 take care of, the bridges we take care of. What kind of
23 dialogue are we having now that we've separated that
24 division?

25 MR. BARTON: The transition of moving those

1 Motor Carrier functions into the Department of Motor
2 Vehicles occurred earlier this calendar year in January.
3 It's been a smooth transition. We still have daily
4 communications with Carol Davis and her staff, we
5 communicate very effectively. They are part of this task
6 force, the Department of Motor Vehicles, and we are
7 continuing to work cooperatively with them to identify
8 these routes where we have restrictions so they can put
9 that into their system and permit appropriately.

10 This issue is one of making sure that if we
11 change our system, we think about taller loads and wider
12 loads.

13 MR. UNDERWOOD: I understand that, but my point
14 is are you saying the DMV gave them permission to go down
15 that road and they ran into our bridge?

16 MR. BARTON: No, sir. In these two particular
17 cases, the individuals hauling this particular did not
18 have a permit, as I recall and were operating the
19 knowledge of where they may have restrictions.

20 MR. UNDERWOOD: Okay. Thank you.

21 MR. BARTON: And that's how DPS and local law
22 enforcement and others will help us come into addressing
23 this issue. And industry understands this, the trucking
24 industry, the oilfield industry, the gas industry, the
25 wind industry are all out there promoting and advertising

1 that we need to know these routes, need to know the
2 restrictions and work through the system to do it
3 correctly.

4 MR. UNDERWOOD: The reason why I'm asking that
5 is because we have limited resources and we don't need to
6 be spending them repairing a bridge, we need to be
7 building new roads.

8 MR. BARTON: Absolutely.

9 MR. UNDERWOOD: Thank you.

10 MR. BARTON: So the last bit of information I
11 wanted to share with you was just a summary overview of
12 what we have brought forward for your consideration, and
13 that is to put approximately \$40 million into play
14 immediately to address some concerns in those most
15 impacted areas for safety issues on our transportation
16 system.

17 You can tell from this list of districts that
18 these are primarily in the North Central Texas and South
19 Texas areas where we've had the Barnett and Eagle Ford
20 Shale plays in place, and it's not to say that we haven't
21 had impacts in other parts of the state, but we've been
22 able to address those through our traditional program
23 because of the leadership of our district engineers and
24 their staffs and our maintenance employees.

25 These particular needs are so extensive that we

1 feel like we needed to bring forward for your
2 consideration an opportunity to advance some work quickly
3 to improve the edges of some narrow roadways, to make
4 safety improvements at some heavily traveled
5 intersections. And to give you an example of one of
6 those, we have a road in Karnes County in our Corpus
7 Christi District that in 2008 was carrying about 2,300
8 vehicles per day, today it's carrying over 43,000 vehicles
9 per day. It was carrying about 450 trucks a day, now it's
10 carrying over 4,500 trucks per day, just exponential
11 explosions in traffic, and so that old two-way stop sign
12 at a crossroad doesn't cut it anymore, and we need to be
13 able to move in and put in some traffic signals and left
14 turn lanes and that sort of thing.

15 So some of these projects are focused on that,
16 some of them are on pavement repairs and narrow roadway
17 widening, but these are just the tip of the iceberg but
18 are immediate needs that we feel like we need to move
19 forward with.

20 So with that, I'll end my remarks and be happy
21 to try to answer any questions the commission may have
22 about this presentation.

23 MR. AUSTIN: John, I really appreciate your
24 work, and Commissioner Underwood. I mean, this sector is
25 so important to the state, I guess really you just kind of

1 have to look at the breadth of this. You look at \$39
2 million of immediate needs and this is really primarily
3 focused on Eagle Ford and Barnett Shale. As you begin
4 looking at other areas of the state, looking down the
5 road, the next tranche, what kind of dollars are we
6 looking at, or are you just still trying to assess the
7 total expenditures needed?

8 MR. BARTON: Commissioner Austin, we are still
9 in the early stages of trying to assess the statewide
10 impacts and needs in terms of dollars and cents. We have
11 some our best and brightest pavement engineers working on
12 a detailed analysis on well-specific locations, those that
13 are underway and those that are planned, and how to
14 quantify the amount of money we would need to either
15 maintain or improve those roadways so they can be
16 sustainable.

17 County leadership has stepped up as well. Many
18 counties, county judges, commissioners courts have hired
19 independent engineers from across Texas and the nation
20 that are experts in pavement analysis and forensic
21 designs, and they also are coming forward with
22 methodologies and thought processes on how to quantify
23 that. But today we don't have that number. I can tell
24 you it will be a large number and I can tell you that
25 we'll have a better feel for that in the near future, but

1 as we stand here today, I can't give you a number.

2 MR. WILSON: Commissioner Austin -- and I would
3 just add that John and the team have done tremendous
4 work -- through our task force we are also going to be
5 capturing what other groups are doing on their analysis of
6 stresses, so to John's point, whether it's the counties,
7 our own work, the growth of that map through the Railroad
8 Commission, really understanding where future activity may
9 be taking place to try to get in front of it, and just in
10 kind of a catch-up mode we're in right now.

11 MR. AUSTIN: This really drives home, you know,
12 when you start talking about maintenance, but we're also
13 trying to focus on safety and congestion efforts. We've
14 got to maintain what we already have and a lot of these
15 roads were probably built in the '40s, '50s, many years
16 ago, not anticipating this type of activity. So this
17 really drives home the need to take care of what we have,
18 and I applaud what you are doing.

19 MR. BARTON: Thank you.

20 MR. HOLMES: John, I agree with Commissioner
21 Austin. Obviously, this is a very important effort and we
22 know that \$39 million is a drop in the bucket to address
23 this problem. Having said that, tell us a little bit more
24 about the buy-in that you had on picking projects for this
25 initial effort to address the problem. Knowing that the

1 problem is dramatically bigger, you had to triage quite a
2 lot of projects off the list, and did you get good buy-in
3 from the people that attended these conferences and how
4 did that work?

5 MR. BARTON: I think we did. As we talked
6 about the opportunities to address issues, I think there
7 was a recognition by the energy sector and the other state
8 agencies that while we have issues all across the state,
9 and we did get from our district staffs in all the
10 districts that are impacted lists of needs they had, and
11 our professional staff here in Austin did a triage, as you
12 mentioned, there was a recognition that while we have
13 needs in East Texas where Haynesville activities are in
14 play and in North Texas where we have the Granite Wash and
15 in the Permian Basin, that when you compare those needs
16 with those impacts that are in places like Dallas and Fort
17 Worth because of the Barnett and in the Corpus and Laredo
18 districts because of the Eagle Ford that those are where
19 we need to spend our money first because the roads are
20 narrower, the geology in those areas means those roads
21 don't stand up to the traffic impacts as well.

22 So I think industry acknowledged and supported
23 that those are kind of our immediate priority needs but
24 that we can't ignore nor take long to continue to address
25 needs in other parts of the state. And I didn't hear any

1 negative feedback from anybody saying: Well, but wait, my
2 road in far away county is more important and isn't it on
3 the list.

4 MR. HOLMES: Well, that's good. There might be
5 one other influence in that the Permian Basin has been an
6 active oil play for 80-90 years and East Texas oilfields
7 since the mid '30s. And is it fair to say, and this is
8 really a question, those roadways have been actively used
9 by the oil and gas industry and the Permian Basin and East
10 Texas for many decades, have we gone through this process
11 in the past and are those roadways in essentially better
12 condition, built to better, higher standards to deal with
13 the kind of traffic that's now occurring in Eagle Ford and
14 Barnett? I mean, Barnett is a ten-year-old phenomenon.
15 Eagle Ford, there were 200 wells being drilled in '08,
16 there are now 2,500 wells being drilled, and so it's the
17 newest phenomenon.

18 MR. BARTON: I think it's fair to say that to a
19 certain extent that's true. Particularly in West Texas in
20 the Permian Basin, but it's more of a geology issue,
21 they're on solid rock, but the technology has changed.
22 They're fracking those wells out there with sand, which
23 it's not water and we have to get a full understanding of
24 the loading impact there, but they are seeing distresses
25 different now than they did in the past, and so I think

1 it's more of a geological issue in West Texas.

2 East Texas, quite frankly, is being hit pretty
3 hard, and while some of those roads may have been armored
4 because of those longer term plays, there are issues out
5 there that we're going to have to address pretty soon.

6 MR. MEADOWS: I think it's interesting, we've
7 been involved with this -- I see Maribel Chavez sitting
8 there who has been wrestling with this issue in the Fort
9 Worth District really since '07, and we've been focused
10 on, I know she has been focused on trying to address
11 immediate impacts, the acute issues, if you will. But the
12 fact is what that illustrates is that the completion and
13 production characteristics, as a result of changes in
14 technology, have in some instances resulted in
15 significantly greater traffic on the roadways. So there's
16 a correlation there and that's going to vary, obviously.
17 As John would say, I'm not geologist or petroleum
18 engineer, but the fact is that that is fact, and what
19 we've seen is that in each of these formations, these
20 opportunities that you described, they're going to be
21 different impacts resulting on whatever the completion and
22 production characteristics of those formations are. So in
23 this study group that Fred is involved with, I know that
24 they're focused on understanding and learning that.

25 You know, there's another aspect of it, as John

1 talks about, and really, you touched on it, Ned, and that
2 is as you begin to talk about the huge economic
3 opportunity that this has created, which is wonderful for
4 the state, let's also remember that the great State of
5 Texas has been the beneficiary of this largesse and we are
6 participating from a tax revenue standpoint. So what I
7 know is, and I think we all know here, is that \$40 million
8 invested in immediate safety and roadway conditions is
9 essential, it's addressing an acute issue, it's not
10 enough, but it's a step.

11 But the real issue that this work group is
12 going to have to come up with is, is there a way in which
13 we can capture a sustainable, renewable source of revenue
14 to address these roadway impacts on an ongoing basis. And
15 that's really where you're going to have to end up.
16 You've got the right people at the table and I'm confident
17 that you're going to come up with a solution.

18 MR. BARTON: Thank you.

19 MR. HOUGHTON: It could be legislative, but
20 we've got a session coming up.

21 MR. BARTON: And just one closing comment, if I
22 might, Phil. As we look at these things and bring the
23 best and brightest minds from the research community
24 together, I may ask them to explore whether or not we can
25 go to maroon barrels in our construction zones so that

1 next year I won't be teased so heavily about the color of
2 our Work Zone Safety Awareness Week ribbon. Thank you.

3 (General laughter.)

4 MR. HOUGHTON: Any more questions of John? If
5 not, this is an item for a vote. Is there a motion?

6 MR. WILSON: It's in the UTP.

7 MR. HOUGHTON: Oh, it's in the UTP? Dadgum, we
8 haven't had a vote yet. Okay. We'll vote on this a
9 little later. Right?

10 MR. WILSON: Yes, sir.

11 MR. HOUGHTON: Next item.

12 MR. WILSON: Item 2c is an update on TxDOT's
13 modernization project, presented by Brian Smallwood,
14 director of Operational Excellence. Brian.

15 MR. SMALLWOOD: Chairman, commissioners,
16 Director Wilson, good morning. For the record, my name is
17 Brian Smallwood, and I was recently hired to head up the
18 Operational Excellence program here at TxDOT, and proud to
19 be here.

20 For an agenda item today in my brief
21 presentation, we're going to go through three items: the
22 transition of operational excellence, we're going to make
23 modernization real for front-line employees, and then
24 finally, I'm going to hand it over to John Campbell for an
25 update on streamlining the right of way acquisition and

1 utility accommodation process.

2 I imagine you've seen this slide before with
3 the three phases for the improvements here at TxDOT.
4 We're currently in the modernization phase. The
5 modernization is about laying a good foundation, and there
6 are some key accomplishments that have taken place by the
7 MLT and also by the Kaepfel Group over the past few
8 months. They've triaged the challenges and opportunities
9 and getting a handle on the work that needs to be done.
10 They've established a disciplined methodology for change
11 that incorporates the voice of the customer. The
12 commission heard from some of these customers in the past
13 few months, Valerie Covey and Bob Jackson about how this
14 makes for better solutions, setting up the Operational
15 Excellence team and the appropriate oversight to make sure
16 that the changes stick.

17 The next phase, as you'll see, is operational
18 excellence. This is the exciting times for me. It is the
19 next phase, it builds on the foundation that was laid over
20 the past year and sets up a culture that is performance-
21 focused and always looks for the ways to improve. And if
22 we do that well, we'll move to the third phase which is
23 best in class.

24 TxDOT is going to always improve, we're going
25 to become the best in class of all state agencies, we're

1 going to become the best in class of any DOT in the United
2 States, and once we've reached that level, it doesn't mean
3 that we stop, it means that we then seek self-improvement
4 and continue to improve as we go forward.

5 As we transition to operational excellence, the
6 key transition activities underway, there will be a
7 standardization of skill sets required for change. We're
8 going to hire staff for operational excellence and
9 performance excellence, and actually we're well underway
10 in that process. We're going to establish new change
11 project governance process, finalize prioritization and
12 alignment of change efforts, and our target date will be
13 the end of May.

14 These are the key activities that we need to
15 wrap up to complete the modernization phase and lay the
16 foundation. We're updating and improving the methodology
17 we established last June. We're hiring a team of seasoned
18 professionals who will take this culture of performance
19 improvement into the future. We've ensured that the gains
20 we've made regarding disciplined execution of change do
21 not evaporate. We're continuing to align our improvement
22 efforts to the priorities of the agency, and we expect it
23 to be wrapped up by 31 May.

24 The connecting modernization ops excellence
25 with front-line TxDOT employees is very key to the success

1 of the operational excellence processes. And with that,
2 we did attend the Traffic and Maintenance Conference to
3 collect pain points from the employees that were at that
4 conference. One key element of our success is our ability
5 to make these changes meaningful to those front-line
6 employees because if not, they won't feel that they're
7 involved in the successes of TxDOT. We asked conference
8 attendees to give us ideas on things that would make their
9 lives easier and better. There also was a facilitation of
10 a brainstorming exercise at the last DDOR conference on
11 revenue generation and cost savings ideas.

12 Through both of these activities, we feel that
13 we're going to be taking the most promising ideas from
14 these activities and initiating new quick-win projects,
15 and with that, I think we will be entering into some
16 exciting times here at TxDOT.

17 And that's the end of my portion of the
18 presentation, and I'll entertain any questions before I
19 turn it over to John Campbell.

20 MR. AUSTIN: I've just got one. First,
21 welcome. I think this is your first presentation before
22 us. Listening to our team is important, and I think
23 that's important for any company whether it's private or
24 public. Would you mind sharing a couple of the results
25 that you heard from the pain points of how we might be

1 able to go forward? What were some of the results?

2 MR. SMALLWOOD: I think some of the things we
3 actually generated, as an example, the pain points and
4 also the cost savings was actually just the fact that
5 we're asking. I think they realize that that is something
6 that they haven't had the opportunity to do. And then
7 what we're going to do is we're going to actually take
8 those ideas and go out to the district levels and talk to
9 the folks that are on the roads and doing the work and let
10 them provide some suggestions on how we go forward.

11 And we're also going to do some research on
12 some of the suggestions as to which rabbit holes we should
13 go down first because there are some best practices out
14 there from other states that they've already gone down
15 some of these things, and so we're going to pursue those
16 and try to put those to the forefront, again so they can
17 see that we're going to do something with those ideas and
18 turn those into initiatives.

19 John.

20 MR. CAMPBELL: Good morning. I'm John
21 Campbell, the Right of Way Division director, and I'm
22 going to cover a couple of slides that are just to
23 highlight some of the improvements that have taken place
24 as a result of the modernization effort and are ongoing.

25 We're excited to have Brian here because it

1 also marks the ability for us to turn this corner from
2 modernization or envisioning what those solutions are
3 going to be, the outreach in getting collaboration amongst
4 our partners and our key stakeholders, and now we get to
5 turn that corner into operational excellence where it's
6 about implementing these solutions and setting up the
7 mechanisms by which we can measure our success towards
8 these goals that we've envisioned.

9 The Right of Way function had the opportunity
10 to be an early adopter of the modernization effort, and so
11 we're right here on schedule as we get close to May and
12 that turning of the corner to operational excellence to be
13 able to highlight some of the very, very interesting and
14 exciting improvements that we've identified to the right
15 of way processes. Our primary objective was to streamline
16 the right of way process and thereby look for that ability
17 to reduce the time and therefore reduce the costs that are
18 imposed by the lengthy process.

19 All of the items that you see outlined here on
20 the time and cost savings really relate back to being
21 associated with more effective communications, more
22 effective collaboration and outreach in identifying our
23 partners that we haven't traditionally engaged as
24 actively, and with those partners to then come up with
25 technological solutions that are going to give us the

1 ability to span that gap between the growing demands that
2 we realize and the obvious reduction in the resources that
3 we're going to have available.

4 The main take-away from the right of way
5 modernization was our ability to look at doing things
6 concurrently in the project development process as opposed
7 to sequential processes, and there again, it's just a
8 matter of us collaborating, getting everybody in the
9 discussion at the right time frame.

10 Early planning with utility companies and right
11 of way agents, again, we're trying to identify and have an
12 early outreach with those primary stakeholders, more
13 coordination within TxDOT, increased flexibility to give
14 our people on the ground more tools with which to come to
15 a reasonable, logical solution and not get tied up in the
16 bureaucracy.

17 Elimination of duplicative forms. This sounds
18 obvious, and of course, it is, but those are the
19 fundamental types of things that we've identified through
20 this exercise to just step away from what we've grown
21 comfortable with and look forward to what we can do
22 differently.

23 And then finally, of course, the use of
24 technology to facilitate these meetings and expedite our
25 ability to arrive at closing that gap.

1 You can see the conclusion on the bottom of
2 this is that our efforts have estimated a 50 percent
3 reduction in the time and process, as well as a rough
4 estimate of about \$50 million annually in savings that we
5 hope to realize.

6 MR. HOUGHTON: Over what period of time?

7 MR. CAMPBELL: That's an annual savings.

8 This is an absolutely illegible chart here, and
9 the reason that we put it up here -- and I guarantee that
10 there's some real intriguing data down those columns. But
11 the purpose was to show you the primary function by which
12 we're able to reduce this time frame, and as you can see,
13 at the top the as is process, you can see that we have a
14 long sequential process and then you can see that on the
15 bottom half of this we've realized this reduction in
16 process time by doing concurrent operations. We still
17 have essentially the same process, the same steps, the
18 same regulatory compliance, but we're trying to work
19 smarter and work in more partnership as the project
20 development process proceeds.

21 That \$50 million annually that we estimate,
22 that's resulting largely from this reduction in time.
23 Less time in the process, we have more savings there. It
24 also reflects a reduction in the incidence of eminent
25 domain and the costs that go with eminent domain, and it

1 also anticipates a reduction in delays to project
2 development that are typically caused by our utilities
3 that are out there and could be in conflict with our
4 project delivery. We feel that they're somewhat
5 conservative estimates as well, so we're very, very
6 optimistic that we're going to be able to realize those
7 types of savings.

8 These are some of the quick-wins that have been
9 the result of the right of way modernization effort, the
10 quick-wins in that we've seen the ability just after the
11 ideas were laid out, validated by the modernization team,
12 to actually put them into practice. Improve coordination
13 with the FHWA and utility companies, again, these are key
14 partners to our process and just the effort to get into
15 conversations with them at the right time in the project
16 sequencing.

17 Establishing a point of contact with the
18 attorney general. That sounds like an obvious thing to
19 do, but our work with the attorney general ramps up in
20 project development but doesn't become necessary until we
21 find ourselves at the end of the process in condemnation.

22 By establishing that point of contact early in the
23 process, we can make a lot more strategic decisions as we
24 move forward.

25 Establishing an open house for landowners.

1 That's to give them an idea of what is happening or what's
2 going to happen as we envision and scope a project as
3 opposed to we've already decided what the alignment looks
4 like and now we impose that reality on property owners.
5 So again, to get back out there earlier, greater outreach
6 and greater collaboration with those key stakeholders that
7 are going to have impact on project delivery.

8 Eliminating forms. This is just a nice little
9 example of bureaucracy and the comfort of doing things one
10 way. And then finally, again, implementing electronic
11 payment. These are some of those uses of technology that
12 we're going to have to rely upon in order to close that
13 gap and make us more effective.

14 So the implementation of all these improvements
15 is expected by this summer. A lot of them are in place
16 right now, and we're, again, happy to be looking forward
17 to operational excellence and the opportunity to measure
18 our success towards these goals.

19 And I believe with that, I'm here to take any
20 of your questions or share those questions with Mr.
21 Smallwood.

22 MR. HOUGHTON: John, thank you. I think this
23 is fascinating, shrinking down that time, getting things
24 on the ground. I like that 50 and 50.

25 MR. CAMPBELL: Fifty is a nice number.

1 MR. HOUGHTON: It is a nice number. Thank you
2 very much.

3 MR. CAMPBELL: Thank you.

4 MR. WILSON: Well done.

5 For item 2d, Strategic Project Delivery, we'll
6 begin with Michael Morris, director of transportation with
7 the North Central Texas Council of Governments to provide
8 a presentation. Michael.

9 MR. MORRIS: For the record, I'm Michael
10 Morris, director of transportation at the North Central
11 Texas Council of Governments, the metropolitan planning
12 organization for Dallas-Fort Worth.

13 Mr. Chairman, thank you very much for having
14 us. Commissioners, thank you very much for those nice
15 words in the introduction. Mr. Wilson, thank you very
16 much for giving us an early opportunity to come before
17 you.

18 This is a very important day when the
19 metropolitan planning organizations come together, along
20 with their district engineers, and propose to present a
21 new way of doing business and to take up this great
22 opportunity of \$2 billion of new revenues to be able to be
23 advanced but do it in a way under a new set of parameters,
24 making these more cost-effective decisions.

25 On a personal note, I was very proud three

1 months or so ago when the district engineers from the
2 Ports to Plains came before you on Proposition 12 and
3 showed how unselfish they were with regard to moving that
4 particular route along with some districts not receiving
5 any funds and more of the money being flexed to the
6 correct part of those particular corridors.

7 I have challenged our group, as urban
8 metropolitan planning organizations and district
9 engineers, to come together and be just as innovative as
10 those district engineers were when they presented to you
11 the efficient way of spending Proposition 12 funds on the
12 Ports to Plains. We hope we're doing the same thing on
13 our urban investments.

14 You have \$2 billion worth of new monies. As I
15 said, we're working together on a new approach. First, we
16 have to spend some time in complimenting you on these \$2
17 billion. First, you're good stewards of federal funds,
18 you're monitoring where the federal government is inching
19 along in an ad hoc way of dealing with our federal
20 legislation, and now you can move ahead with the next
21 increment of federal funds as stewards of that particular
22 approach, and that's a compliment to you.

23 Second, innovative work on Texas Mobility funds
24 and refinancing interest rates and getting access to those
25 Texas Mobility funds and leveraging them. And third, you

1 probably have the most competitive procurement process in
2 the country, bringing down \$500- to \$600 million through
3 that competition of lower than anticipated engineer
4 estimates and a savings of that magnitude, the sum of
5 which sum up to \$2 billion.

6 This is not TxDOT found some money somewhere
7 and now we're programming it, it's the result of the
8 stewardship and the fiduciary responsibility of this
9 commission and this organization to advance federal funds
10 timely, to refinance the Texas Mobility funds in a very
11 innovative way, and to have a competitive process that
12 drives prices down, creating this opportunity that you've
13 given us today.

14 Three highlights. Project selection. We're no
15 longer going to be silos in our each region. You're going
16 to hear from our presenters that we can pick better
17 projects across the state by communicating more and moving
18 money between the regions in order to expedite the best
19 projects in each of our regions. Never done before in the
20 metropolitan regions.

21 Two, moving ahead on sustainable revenues. We
22 all have been challenged in creating innovation and
23 sustainability of these particular initiatives, have it be
24 transportation reinvestment zones which you will see, or
25 additional revenue over time through leveraging, all of us

1 are being held to an accountability of creating these
2 revenues that self-generate and leverage projects that
3 Commissioner Meadows talked about earlier. It is up to us
4 in this room and in this presentation to create the
5 revenue stream to advance what will be the new technology
6 which is the next initiative that's going to improve the
7 efficiency of these transportation systems.

8 And lastly, keeping with the theme of
9 communication, those of us who are building managed lanes,
10 yes, it creates a leverage opportunity financially, but
11 people need to understand that there's guaranteed levels
12 of service and speeds on these lanes, so they can get home
13 in a reasonable time to play baseball or have dinner with
14 the family. They are used by the district engineers to
15 clear incidents and increase the reliability of the
16 transportation system, at any time opening up the managed
17 lanes to deal with those particular incidents.

18 We have goods movement providers and trucking
19 companies at \$100 an hour. This creates an opportunity
20 because as you'll see the projects we are going to advance
21 for goods movement to be able to move faster to its final
22 destination and a just-in-time delivery and the whole
23 focus on, quote, the last mile.

24 I encourage you to sit in the cab of a truck.
25 You probably can't drive it because you don't have the

1 right license, but see what a truck goes through in
2 navigating an urban congestion situation. And once you
3 witness that, you create a transportation system that
4 responds to increased productivity of that.

5 These managed lanes also empty major events,
6 University of Texas and A&M football game or a World
7 Series or a Super Bowl. And there are special events in
8 all of Texas where managed lanes can increase the
9 reliability and the productivity of folks. The generation
10 that comes behind us will use these managed lanes for
11 other things we can't anticipate at this particular point
12 in time.

13 I don't know if this goes to the Wizard of Oz
14 and then the Wizard of Oz actually changes the graph. No,
15 I guess it's us here.

16 The presenters today, we have the four urban
17 regions: Dallas-Fort Worth; Sid Martinez, as you know, is
18 the director from San Antonio; Alan Clark, my longstanding
19 colleague from Houston; Maureen McCoy, the MPO director is
20 on Grand Jury duty here in Austin, so Mr. Meadows, if
21 you're going to do something wrong, do it really quickly
22 while you're here.

23 (General laughter.)

24 MR. MORRIS: Bubba Needham, the assistant
25 director, will present our presentation from the Austin

1 region.

2 Our objective is to have a very clear message.

3 That clarity of that message on revenue, innovation,
4 actively managing the transportation system. You've given
5 us an opportunity, Mr. Chairman, of having a grassroots
6 process, a bottom-up approach to bring to you how these
7 projects should be selected and the revenues allocated,
8 and as a result, you get transparency and local support,
9 critical, I believe, in communicating with our legislature
10 how well this process is working and take what we did on
11 the stimulus monies and continue to mature these processes
12 through the Proposition 12 and to the presentation that we
13 have today.

14 Us engineers, we like to deal in matrices, as
15 most of you know. If you've ever asked a question, we
16 take a napkin and then we first have to create a two-
17 dimensional box in order to communicate. It's critical
18 that you understand that what we've been through over the
19 last few months is communication from TxDOT headquarters
20 to our district engineers, with our district engineers and
21 MPOs working together in putting this presentation
22 together, and then every week or two the MPOs from across
23 the regions fine-tuning this particular presentation, and
24 most recently, an opportunity for us to communicate to
25 all the MPOs in the region and taking the innovation from

1 these four, now applying it to the other 22 within the
2 region, creating an opportunity for these whole \$2 billion
3 to be spent not just more wisely in the four urban
4 districts but across the whole state when it comes to the
5 metropolitan commitments.

6 My colleague, Sid Martinez, from San Antonio
7 will continue our presentation with regard to the project
8 eligibility requirements. We'll be back to answer
9 questions.

10 MR. MARTINEZ: Thank you, Michael, and thank
11 you, members of the commission, Chairman Houghton, and
12 Executive Director Wilson. My name is Sid Martinez, for
13 the record, director of the San Antonio-Bexar County MPO.

14 We do have a strong contingent here from Bexar
15 County that I'm sure will do a great job of kind of
16 telling you what we plan on spending our funding for in
17 the San Antonio region, and also talking about the process
18 and thanking you for that process as well.

19 As Michael said, I'm going to talk a little bit
20 about project eligibility and the things that we discussed
21 as MPO directors when we were first tasked with coming up
22 on how to spend this money. When we first started
23 meeting, we knew very quickly that whatever funding we
24 received should focus on four very specific things, and
25 those were: relieving congestion, improving safety and

1 connectivity throughout the state, and just as importantly
2 on strategic partnerships, in other words, maximizing the
3 local innovation by bringing all available local resources
4 to the table.

5 Of course, we weren't going to strictly state
6 how much each area should maximize, each area should be
7 able to do that on their own, but we thought that was an
8 important part of the process. We also want to make sure
9 that projects maximize the investment by telling a story.

10 In other words, what we're trying to say here is that
11 we're looking for projects that are important to each
12 region and recognizable statewide.

13 Of course, when we say projects should tell a
14 story, I think some of the projects in our state,
15 especially in the San Antonio region, would probably be
16 some type of melodramatic novel, i.e., 281.

17 (General laughter.)

18 MR. MARTINEZ: But what we really are saying
19 here is that we would like for area to very quickly be
20 able to explain what those projects are that you're
21 funding with these dollars.

22 Which brings us to our next point in that
23 projects should also be regional and statewide in nature,
24 we need to meet those needs of the entire state, so we're
25 really looking to improve major corridors. Examples of

1 that include adding capacity to our highways in order to
2 relieve bottlenecks, and also some major operational
3 improvements in order to build interchanges among our
4 highways. And regardless of what each region moves
5 forward with, what we're looking for here, obviously, are
6 fewer and larger projects in order to ensure that we have
7 the correct impact in the State of Texas.

8 Now, just like the funding is allocated by
9 population, I think these slides were as well, because
10 this is my only slide today. Up next is Alan Clark, he's
11 our next presenter, he'll talk a little bit about project
12 timing.

13 MR. CLARK: Thank you, Sid, and thank you,
14 commission members and Director for allowing us to be here
15 today. My name is Alan Clark, and I'm the director of
16 transportation planning at the Houston-Galveston Area
17 Council, the MPO for the Houston region.

18 And did you walk away with the clicker, or is
19 it under somewhere? Oh, you hid it, yes, thank you.
20 Thank you very much. Always helps to have someone go
21 before you. Going backwards here -- now we'll go to the
22 other right.

23 One of the great challenges with this funding
24 opportunity is the timing under which we're trying to
25 commit money to these regional and statewide projects of

1 significance. In fact, I'm sure it's not lost on the
2 commission members that this timing is actually tight by
3 almost 50 percent, using the famous 50 percent, than the
4 time we had available for us under the federal stimulus
5 program, and that was a very significant challenge. As a
6 consequence, as you've already heard and probably continue
7 to hear, we're not proposing to do business in the same
8 way as we've done it in the past.

9 I, too, want to thank the director, Mr. Wilson,
10 also Mr. John Barton, for the early consultation on this
11 process. Really before we knew how the money might be
12 allocated, before we even knew all the character and
13 requirements of the funds, they started early discussing
14 with us how we could respond quickly, but with projects
15 that all would say yes, that was worth it, that was one we
16 really needed to get done.

17 In addition to looking at the requirements for
18 these projects and how we could implement them, I think at
19 the very beginning we discussed the fact that we shouldn't
20 let the color of the money determine which projects we
21 wanted to bring forward, but look first, as Sid said
22 earlier, to those projects with the greatest impact on
23 those key issues, safety, mobility, connectivity, and we
24 bring to you quality projects that were not simply driven
25 by a particular funding stovepipe.

1 So we have agreed to work together as MPOs to
2 do all we can to complement what the state has already
3 suggested, that we'll look to move money between areas so
4 that if Dallas needs yellow money and folks down in San
5 Antonio need the pink money, then we'll take the green
6 dollars or whatever we need to do. And also be sensitive
7 to issues of project timing, knowing that not every
8 project of greatest significance in each region is
9 necessarily moving at the same pace, and where we can
10 accommodate even with other funds that we're looking at in
11 our Unified Transportation Program, if we can make other
12 changes in future time periods that will accommodate the
13 best projects moving forward that we'll pledge to do so.

14 Having said that, we're still working through
15 what that means and we'll need to spend a lot of time with
16 our local elected officials at home to explain to them how
17 we do that. But focusing on the outcome is what our goal
18 is.

19 Speaking about the money, we particularly
20 appreciate the clarity of the approach taken to make sure
21 that the diverse needs of our state, let alone our
22 regions, are being addressed, so it's not all in one area.

23 I think you've given us some clear indication of where
24 the priorities should be and used formulas to allocate
25 that that I think helps everyone understand how that

1 decision-making process works.

2 We've talked about accountability. We want to
3 make sure that the resources that you all are bringing to
4 us, every dollar is being used, and in that regard,
5 helping us to have the greatest flexibility by putting
6 this money in what we call Category 12 will allow us to
7 focus again on getting the projects done as opposed to
8 which part the money is and let the smart folks in the
9 backroom who know about how this yellow dollar can be
10 spent on this kind of project and the green ones on the
11 green ones to get that done.

12 But maybe more important than that, again, one
13 of the early commitments that we've discussed is to make
14 sure that this money isn't simply a replacement for other
15 dollars that would have been used. Now, that doesn't mean
16 that we might not put one particular program dollar in one
17 place versus another, but we're looking for this to be a
18 catalyst for more funding from our local governments and
19 local transportation agencies and toll authorities, and I
20 think you will see that across the board. So this \$2
21 billion is going to result in much more than \$2 billion
22 worth of project activity and benefit to the citizens of
23 the state.

24 And with that, I'm going to turn it over to
25 Bubba, who is from CAMPO MPO.

1 MR. NEEDHAM: Good morning. I appreciate the
2 opportunity to be here. I send Maureen's regrets. As
3 Michael stated, she's going to be doing her civic duty for
4 the next two months. For the record, my name is Bubba
5 Needham. I'm assistant director of CAMPO here in Austin.

6 We want to focus on taking advantage of using
7 the tools that the legislature has given us. We want to
8 be resourceful in looking at TxDOT project delivery
9 capabilities, whether that be PPPs, design-build or
10 something simple as taking advantage of TxDOT's new
11 streamlined environmental process to get us to the goal
12 line.

13 This is an opportunity not only to showcase our
14 ability to make good decisions at the regional and
15 statewide level, but also to coordinate with our partners
16 to be innovative and provide the power of leveraging, we
17 want to pick the biggest and the best projects in the
18 state. It is the intent of the MPOs for the project
19 selections to be completed by the first part of June to
20 allow for commission approval at the June commission
21 meeting.

22 We appreciate the opportunity to be challenged
23 in this manner. We certainly feel that we can deliver.
24 Thank you very much.

25 MR. MORRIS: Mr. Chairman, that's an overview

1 of the presentation that we've been working on with regard
2 to partnership leveraging, and we appreciate the
3 confidence you have in us working with your district
4 engineers to deliver such a challenging item.

5 I don't know, Mr. Wilson, if we take questions
6 now or later.

7 MR. HOUGHTON: Let's take some.

8 MR. MEADOWS: I have some questions of Michael
9 that I think can wait till we have more presentations.

10 MR. HOUGHTON: Do you want to do it now, or do
11 you want the whole presentation?

12 MR. MEADOWS: Let's hear the whole
13 presentation.

14 MR. HOUGHTON: Is everybody okay with that?
15 Let's move on. Thanks, Michael. We'll see you in a few
16 minutes.

17 MR. WILSON: Thanks, Michael.

18 And now Marc Williams, director of Planning,
19 will continue. Marc.

20 MR. WILLIAMS: Good morning, Mr. Chairman,
21 commissioners, Director Wilson. For the record again, my
22 name is Marc Williams and I serve the Department of
23 Transportation as director of Planning. My presentation
24 today will highlight a little bit of our efforts to
25 continue the direction and input that we've received from

1 our MPO partners to work on a proposed allocation process
2 to advance \$2 billion of additional federal and state
3 transportation funding for priority projects throughout
4 the state.

5 Due to congressional action to extend federal
6 transportation funding levels and ongoing efforts of the
7 department to official manage our state highway resources,
8 TxDOT has been working with MPOs and local districts to
9 allocate these funds. We've been undertaking a process of
10 local input and public input involving our districts and
11 stakeholders throughout the state and seeking to address
12 goals that specifically address needs in the areas of
13 congestion, safety, maintenance and connectivity.

14 As was previously highlighted, the source of
15 these funds are from federal and state sources. \$750
16 million is from a higher level of federal funding,
17 primarily due to recent congressional action to extend
18 transportation funding. I think it's important to note,
19 as Michael emphasized, that without long-term federal
20 transportation funding and reauthorization, TxDOT is
21 continuing this conservative approach in terms of
22 forecasting our future federal funds into 2013 and beyond,
23 but due to the recent action, we were able to allocate an
24 additional \$750 million.

25 \$600 million is drawn from refinancing and

1 restructuring debt within the Texas Mobility Fund, and
2 \$650 million from savings in lower than anticipated costs
3 and other savings in the use of our Proposition 12 and
4 Proposition 14 bond funds.

5 To respond to some of the goals that our MPOs
6 and districts have highlighted, we're proposing the
7 allocation of these funds to be placed into four funding
8 categories: one, seeking congestion relief in our major
9 metro areas, looking to target some of our top 100
10 congested segments; two, looking at safety and
11 connectivity priorities within our MPOs and rural
12 districts; three, looking at district priorities,
13 including critical rehabilitation and safety needs; and
14 finally, the fourth area, strategic partner priorities
15 where we look to partner with our MPOs to leverage other
16 additional funding opportunities or to try to fill funding
17 gaps that may exist.

18 We want to try to seek out projects of regional
19 significance that can be addressed in a timely manner, and
20 it should be noted that approximately 80 percent of these
21 funds are being distributed with formula considerations.
22 Funding is distributed to metropolitan using the Category
23 2 Metropolitan Urban Area formulas that TxDOT and the MPOs
24 have worked to develop over time, and to the districts
25 based on Category 1 Rehabilitation formulas.

1 I've mentioned previously our public input
2 process and our MPO coordination. To date, we've
3 undertaken direct discussions with our MPOs, we've
4 conducted statewide public meetings, we conducted a public
5 hearing on April 19, and we're here today for proposed
6 commission action that will be reflected in the UTP
7 revisions for 2012 that will be an agenda item that
8 directly follows this.

9 The public input process is going to continue
10 as we work with our MPOs and districts. They will be
11 working to amend their local TIPs and engaging their local
12 stakeholders and policy committees in that process. We,
13 too, will have ongoing opportunities for continued public
14 input and involvement through our UTP and STIP revisions,
15 and finally, with the goal of FHWA approval and obligation
16 of funds by the end of this fiscal year.

17 To date, our MPOs and local stakeholders have
18 identified a number of potential project opportunities. A
19 snapshot of some examples of these are shown here just to
20 give everyone an idea of some of the types of projects
21 that have been highlighted to date based upon the input
22 from our MPOs and our local districts. We're aware that
23 there are many other projects that are under consideration
24 throughout the state and we will continue our efforts to
25 listen to our local stakeholders, listen to the MPOs and

1 work to try to implement these projects in an efficient
2 and effective process.

3 At this time I'd like to conclude this formal
4 presentation. As I mentioned, agenda item 3a will allow
5 the commission to take formal action on the proposed
6 allocation. Staff is available to receive comments and
7 respond to questions. Thank you.

8 MR. HOUGHTON: We have a few people signed up
9 to speak. I'd like to bring them up now. Bexar County
10 Judge Nelson Wolff.

11 JUDGE WOLFF: Thank you, Chairman Houghton, and
12 thanks for the great work you've done since, what, 2003
13 now I guess you've been on the commission, and you've seen
14 us go through some very tough times, and we appreciate
15 that work.

16 Commissioner Austin and Commissioner Meadows,
17 Commissioner Underwood, Commissioner Holmes, thank you for
18 the work you're doing. I think it's the most important
19 work that leads the economic development in the State of
20 Texas.

21 We've had Phil Wilson be a friend of San
22 Antonio in other capacities in economic development, and
23 you were talking about one of them just a minute ago when
24 you were talking about the oil and gas industry and the
25 impact it's having on our state and major cities. We're

1 affected by the Eagle Ford in a very, very positive way.
2 We have Haliburton, Weatherford, Baker Hughes,
3 Schlumberger, and many major production companies in San
4 Antonio, Marathon, Chesapeake and EOG. One of your
5 projects on 1604 with Haliburton, we're putting up like a
6 million dollars in county funds to improve 1604 to have
7 greater accessibility for them.

8 Our city is growing. We were number in the
9 United States last year in terms of economic growth, we're
10 down to 6.7 percent unemployment, and we really haven't
11 seen the impact of some of the major projects,
12 particularly the Eagle Ford, because they're in the hiring
13 capacity right now.

14 We have brought a great delegation up here,
15 headed by SAMCo, San Antonio Mobility Coalition. We have
16 Commissioner Adkisson and City Councilman Ray Lopez, who
17 will say a few words in a few minutes. And if you
18 wouldn't mind, I'd just like for them to stand so that you
19 can see the people that care so much about San Antonio and
20 the decisions that you will be making.

21 If the San Antonio delegation will stand.

22 (Applause.)

23 JUDGE WOLFF: We're doing our best to try to
24 help leverage your funds. The county has issued something
25 like \$75 million in bonds, we're committed to issuing

1 another \$75 million in bonds that will be used on state
2 roads in connection with your pass-through financing.
3 We've created public improvement districts to raise money
4 locally to assist in some of the state transportation
5 issues. We've committed some \$75 million in ATD funds
6 toward state projects, and we hope that we'll be able to
7 work with you on some additional funding from that. And
8 the City of San Antonio just recently has on their bond
9 issue -- which I assume the voters will pass and I'm sure
10 they will -- some \$30 million to also help.

11 The allocations that you will be making today
12 are important to the City of San Antonio. It will help us
13 develop a good strategy with respect to 281 and 1604, our
14 two major congested areas.

15 So we thank you for taking this time to listen
16 to me today and we have a couple of other people that
17 would like to say a few words to you from our delegation.

18 Thank you.

19 MR. HOUGHTON: We have signed up Bexar County
20 Commissioner and MPO Chair Tommy Adkisson.

21 Sid, that novel you were talking about, any of
22 the actors or characters in that novel in that delegation?

23 MR. ADKISSON: Only all of them.

24 MR. MORRIS: Mr. Chairman, on advice of his MPO
25 colleague, he's going to remain silent.

1 (General laughter.)

2 MR. ADKISSON: We have a lot of fun in Bexar
3 County, ever since the Battle of the Alamo.

4 First of all, Chairman Houghton and honorable
5 members of the TxDOT commission, it's a pleasure to be
6 here to take just a moment to say thanks for your great
7 service.

8 San Antonio can appreciate more than just about
9 anyplace else the role of transportation in Texas since
10 we, throughout the 1800s vied with Galveston as the top
11 city in the state in terms of population, and it was due
12 in no small part to the fact that through the role that
13 transportation played, Galveston was the port and San
14 Antonio the crossroads. Jesse Jones changed that with the
15 bringing of the port to the Port of Houston, but San
16 Antonio is the crossroads and remains, I think, in many
17 respects the heart of Texas.

18 According to our most recent census, Bexar
19 County has gained an additional 300,000 residents since
20 the last census in 2000. In addition, the San Antonio
21 metropolitan area's population has grown to 2.194 million
22 people, adding an additional 41,000 just since the 2010
23 Census. As we speak, as Judge Wolff mentioned, Haliburton
24 has come in, they're going to house 1,500 employees at 37
25 South and 1604. The road that many of these employees

1 will share with 18-wheelers and other traffic on 1604
2 between 37 South and 181 is a mere two-lane, undivided
3 highway, a real reflection of a gentler time in the past
4 that's no longer relevant.

5 Bexar County has recently financed over \$100
6 million up front in critical work needing to be done on
7 Blanco, Culebra, 1604, and Highway 471, working with you
8 here at TxDOT. \$24 million of that will come from our
9 local Advanced Transportation District, and I believe, if
10 I'm not mistaken, that Bexar County is perhaps the only
11 county in Texas to have a dedicated sales tax for TxDOT.
12 The City of San Antonio bond allocation, Judge Wolff
13 mentioned.

14 We, I think, bring advocacy in our partnership
15 with TxDOT in the form of ten members of the House, four
16 members of the State Senate, stacked with serious
17 seniority, and of course, the Speaker of the House Joe
18 Strauss from Bexar County. I know that we work on
19 eliminating diversions here in Austin. We want to work to
20 see that Texas continues to build a strong and resilient
21 Texas for tomorrow. I hope that we can endeavor to build
22 our transportation system as much as possible on a pay-as-
23 you-go basis.

24 In that spirit, the San Antonio-Bexar County
25 Metropolitan Planning Organization and other strategic

1 partners would like to invite you to participate in not
2 just a pre-session forum -- because it should be state and
3 federal focused since both contribute so mightily to our
4 transportation finance in Texas -- sometime later on in
5 the fall before the 2013 Legislative Session. We would
6 like to talk about not only how we finance transportation
7 in Texas, including all the tough issues, but also how we
8 keep an eye on what's going on in Washington, both at the
9 administrative level as well as at the congressional
10 level.

11 I want to again thank you for what you're doing
12 here, and I want to tell you we appreciate what you're
13 doing to make Texas all it can be. Thank you.

14 MR. HOUGHTON: Next from the City Council, City
15 of San Antonio, Ray Lopez.

16 MR. LOPEZ: Good morning. I noticed quickly
17 that there was something that was missing in my remarks
18 here, pause lines for the laugh. I didn't realize you
19 guys had that much fun up here, so I figured I'd stick
20 that in in the beginning and get my laugh line, but I
21 don't have any pause lines in here.

22 Thank you very much for the opportunity to
23 speak before you today on this very critical topic, not
24 only for San Antonio, most of the regions, but the entire
25 State of Texas, and I would suggest the entire country

1 because many people look to Texas as a leadership state,
2 and I think what we're doing here is truly one of those
3 examples of why people look at us in the way that they do.

4 My name is Ray Lopez. I'm on the city council
5 for the City of San Antonio. I represent District 6 which
6 is the northwest part of San Antonio and an incredibly
7 growing component of that region. I also have the honor
8 of serving as vice chair of the MPO and look forward to
9 continuing to work with you closely on all the important
10 issues that are there. At the city level I'm also
11 involved with and chair of Intergovernmental Relations.

12 Which really I say all those thing to kind of
13 give you the sense that we get a good understanding of
14 what we're trying to do, we understand that there's a lot
15 of, I guess, interagency collaboration that has to happen.

16 The days of going to one agency and trying to get funding
17 for anything are over. It's got to take a collaboration
18 from all the agencies, it's got to take a lot of working
19 documents, a lot of morphing of plans, and I see that that
20 is very much being underscored here today in all the
21 comments and recommendations that are being made
22 throughout your agenda.

23 I do also have a long list of projects where I
24 can easily show you the amount of work that we've done
25 collaboratively at the city with the county, with VIA,

1 with all the other agencies that are there. I won't
2 necessarily go through all those, some of those have
3 already been talked about, but certainly we have about \$38
4 million in our 2007 bond package that we're currently
5 wrapping up that deals directly with infrastructure
6 growth. We continue to do that with our hopefully
7 successful May 2012 bond election to allocate additional
8 funding for various infrastructure development and growth
9 throughout the city.

10 So I think collectively these are all great
11 examples of the collaboration that, quite honestly, is
12 vital to any kind of success that we're going to have
13 going forward. Obviously, there's a lot of concern, a lot
14 of thought that has gone into it and a lot of smart
15 individuals trying to figure out a good way forward, and I
16 can certainly commend you for that.

17 We certainly want to thank the agency for the
18 collaboration you've provided in the past, and there's no
19 question that going forward we're going to be able to put
20 together a good robust plan that will get Texas to the
21 level that we all expect it to be, not only number one but
22 exceeding the number one position and being the visionary
23 state that we all know we are.

24 Thank you very much for your time.

25 MR. HOUGHTON: Thank you.

1 And next is from San Antonio, Chairman of VIA
2 Metropolitan Transit, Henry Munoz.

3 MR. MUNOZ: Good morning. It's an honor to be
4 here to simply say thank you for the decision that you all
5 are considering making this morning. Being here this
6 morning, listening to the conversation reminds me of the
7 complexity and the challenges inherent to your role as
8 commissioners of the Texas Department of Transportation.

9 On behalf of the board of trustees of the
10 Advanced Transportation District, we want to express our
11 willingness, in fact, our excitement about continuing the
12 spirit of partnership that has created progress in San
13 Antonio. Earlier this week, Mario Medina, our district
14 engineer, came to the board meeting of the Advanced
15 Transportation District and reiterated how \$77 million of
16 ATD funding has leveraged about \$400 million of mobility
17 in our community over the course of the last ten years.

18 So we look forward to continuing that spirit of
19 partnership. In fact, we are very excited about the
20 opportunities that exist to accelerate mobility in our
21 district and in our community, and we thank you this
22 morning.

23 MR. HOUGHTON: And then Louis Rowe, chairman of
24 SAMCo.

25 MR. ROWE: Mr. Chairman, commissioners, Phil, I

1 would like to thank you very much for the opportunity to
2 really stand up here and thank you for what you're doing.

3 I currently serve as the chairman of the San
4 Antonio Mobility Coalition. It's a public-private
5 partnership formed in 2001 to advocate for additional
6 funding for priority transportation projects in San
7 Antonio and Bexar County. Our membership is made up of
8 San Antonio, Bexar County, VIA Metropolitan Transit, the
9 Alamo RMA, Lone Star Rail, AACOG, the Greater Hispanic,
10 Alamo and North San Antonio Chambers of Commerce, the San
11 Antonio Real Estate Council, and more than 70 private
12 firms ranging from banking and financing to construction
13 and engineering. And I just say that to say that this is
14 a very large organization, all of which are very
15 appreciative of the work that you're doing here.

16 We've all talked about the efforts that you've
17 done in creating a catalyst that's good for all of Texas
18 in terms of transportation projects, and just want to
19 thank you for your efforts. Thank you.

20 MR. HOUGHTON: And from further south, we have
21 commissioner of Cameron County, David Garza. David.

22 MR. GARZA: Good morning, Mr. Chairman,
23 commissioners, Mr. Wilson. A pleasure to see you again.
24 Our chairman of the RMA had to leave because he was
25 catching a flight and had an appointment early so he's

1 gone, so you can be thankful for that. I know I am
2 because I get to spend a lot of time with him.

3 (General laughter.)

4 MR. GARZA: I am Commissioner David Garza from
5 Cameron County, and it's a pleasure to be here before you
6 today and to listen.

7 And before I say anymore, I would like to ask
8 if all of you received the letter from Judge Thompson and
9 read it. Okay. Well, that dispenses with a lot of what I
10 need to say because he used our notes very well and he
11 pointed out the issues that we're facing that can help us
12 move forward with the projects that we're doing.

13 But I do want to comment and thank the
14 commission, and I will use a remark that Commissioner
15 Underwood gave us, and it was not a bad remark,
16 Commissioner, it was a good one, this is one of the good
17 ones, you were being dignified and stately.

18 (General laughter.)

19 MR. GARZA: At the signing ceremony in Robstown
20 when we did that, you said it is not the length of the
21 segment that is significant, it is the commitment of the
22 TxDOT Commission to I-69 that is what mattered. And you
23 know, that is truly what has come to the front of what has
24 occurred.

25 And I do want to say I want to thank Mr. Morris

1 from Dallas, because his presentation went right along our
2 lines, except that the area that I'm talking about is not
3 in the MPO, but it provides safety, connectivity, port-to-
4 port connectivity, it maximizes your dollars that you wish
5 to allocate, and it will tell a story. It is of regional
6 and statewide significance, the timing could have never
7 been better because we're getting ready to get our
8 environmental clearance on the project on US 77 portion,
9 be ready to implement quickly, and our record with TxDOT
10 tells you of our commitment. We have, as far as Cameron
11 County is concerned, helped you with the PS&E on two
12 projects outside of our county and which you had
13 construction dollars for to move forward. We thank you
14 for allowing us to partner in those to advance that
15 project.

16 We always have wanted to work collaboratively
17 with you and help you. You've provided us the tools that
18 we needed to get things done. It has made things a lot
19 easier for us. Maybe not very popular when you're running
20 for reelection when you talk about tolls and talk about
21 these things, but it's a necessary evil to get things
22 done; otherwise, we'd have to wait another 50 years.

23 So we appreciate what you've done for us. I
24 will not reiterate every one of the things that I could if
25 you had not received that letter. But you know, recently,

1 just to show you and highlight a few commitments at the
2 county, I've sat here and learned a lot from this
3 commission in the meetings, believe it or not. Believe it
4 or not. Okay?

5 (General laughter.)

6 MR. GARZA: And I've visited with each one of
7 you individually and learned a lot too.

8 But years ago you talked about backstopping
9 projects, you talked about doing all these things that
10 facilitated projects to move forward. Well, two months
11 ago Cameron County backstopped a project for the RMA and
12 we were able to move the project forward, and it affects
13 the county in its rating in no way, it gives us the
14 ability to move that project -- Phil, you're well aware of
15 the project -- allows us to move it forward and get it to
16 completion soon. So it's those type of collaborative type
17 of efforts that we want to continue with you.

18 Commissioner Austin, I've got to say something
19 because I guess he's the youngest one on there in time
20 served on the commission. He visited with us a couple of
21 days ago, and we were sitting there through our
22 presentation and we could not finish what we were talking
23 about and he was at the next piece of what we were going
24 to say, already anticipating what we needed to work on.
25 It involved freight, it involved port, it involved

1 everything. So I really thank you for being there and
2 spending the time with us because it was enlightening to
3 have you there and share our projects with you.

4 We shared with him the fact that we have a \$1.7
5 billion systems map, and all of you have seen it. Today
6 there's over \$600 million either under construction or
7 completed of that system's map, which seven years ago was
8 just a vision that some of us had. It's only been through
9 your efforts and through your help that we've been able to
10 do that.

11 I do want to say that every time I come up
12 here -- and I appreciate Commissioner Underwood's
13 comments, whether it's a rabbit on the road or whatever --
14 but we walk in and every time that we walk in, we leave
15 not with you guys because we know you already, but with
16 staff people that you have at the door welcoming us with
17 another card of another way in which someone can help.
18 And you know, for us from our area, that's great.

19 One tidbit, if we're able to move these
20 projects on I-69, specifically the US 77 portion, forward,
21 you can have 187 miles of interstate connecting every
22 major city in the Rio Grande Valley to the interstate for
23 the cost of \$1-1/4 million a mile for those 187 miles.
24 With that, I think it would be a great investment for us.

25 With that, I leave you and thank you in advance

1 for any consideration that we might receive, and please
2 let us know how we can help.

3 MR. HOUGHTON: Thank you, David.

4 That is all that have signed up to speak. Now,
5 commissioners, of Michael, et al, do you have questions,
6 comments.

7 MR. MEADOWS: I really have a question, I
8 guess, for Michael, but I'd preface the question by just
9 saying how encouraging it is for, I know, all of us to
10 hear the operative words of the morning, and they really
11 are innovation, partnership, collaboration, cooperation,
12 but maybe most importantly, Michael, would be leveraged
13 opportunities. I mean, that's really, of all the
14 operative terms that were thrown out on the table that are
15 all impactful and meaningful and important to this
16 discussion, that may be the most important one if we
17 really are truly going to be able to meet the challenges
18 that we have.

19 You know, it is encouraging also to see, as a
20 guiding principle of your presentation on the decision-
21 making process, that the MPO leaders, including yourself,
22 talked about this morning leveraged opportunities as a
23 guiding principle in the decision-making process, and I
24 think that is really encouraging.

25 It would be interesting for, I think, us to

1 know from your MPO's perspective, with the monies
2 available, what do you see the leveraged opportunities
3 being. Where are those monies going to be, and give us an
4 idea of what that ratio might be. Because I think other
5 areas of the state might want to pay some attention to how
6 it is that you all are delivering projects.

7 MR. MORRIS: Well, let me answer your question,
8 Mr. Meadows, and then Judge Riley is here from Parker
9 County, and I want to bookend it with another item that's
10 not directly related to it but important. We're moving
11 ahead with a story that was grassroots effort communicated
12 by our local elected officials to the legislature which is
13 if you give us more tools, we're going to go ahead and get
14 those projects implemented.

15 So the leverage opportunity, our first leading
16 projects are going to be complete, 35W initiative that
17 this commission already started and advanced 35E, both
18 NAFTA corridor projects. Our region is getting something
19 like \$500 million. We'll put something like \$420 million
20 into those two projects is the proposal. It generates
21 local commitments of almost equal dollar amount. They are
22 managed lanes. The managed lane revenue on the 35W is
23 probably close to a billion dollars of additional revenue,
24 and the additional revenue on the 35E is at a minimum,
25 according to your folks, of \$500 million.

1 So you can take \$500 million, \$400 million
2 which will be advanced by the June deadline on these
3 projects, that will leverage close to \$2 billion of
4 additional transportation projects. So this theme of this
5 \$14 billion set of projects that you mentioned in Dallas-
6 Fort Worth, the theme we have is continue the momentum,
7 meaning as projects get implemented, we're going to seek
8 leverage opportunities.

9 Let me get to Judge Riley. Five, six years
10 ago -- and Judge Riley is in the back and I wish he would
11 stand up and be recognized -- Parker County, just as
12 important, the Regional Transportation Council said to the
13 judge: Here's \$10 million in surface transportation
14 program funds, Maribel Chavez, she has funds to flex as a
15 district engineer. He says, We'd like to go ahead and
16 have a bond program for the first time in our history, but
17 we don't have enough money to put the bond program
18 together. So the Regional Transportation Council loans
19 them \$200,000. He has an unbelievably successful bond
20 program, I think it matched \$60 million locally, so \$60-
21 plus \$10- is \$70 million, six times leverage of our
22 federal funds, and he's building the Ric Williamson
23 Parkway around Weatherford.

24 Now, that's not \$2 billion but to the residents
25 of Parker County, that's a radical change with regard to

1 what they would be otherwise which is nowhere. So the
2 region prides itself just as much on the partnership to be
3 able to advance projects in Parker County as it does,
4 obviously, on the NAFTA corridor.

5 MR. MEADOWS: Michael, let me remind you of
6 some things that I know you know well, but I think they're
7 instructive and helpful for all of us. There is no region
8 in the state, clearly, that has accepted the new paradigm
9 in terms of infrastructure delivery more than North Texas.
10 We all applaud you for that. What is interesting, when
11 you say those words to recognize what the reality, and the
12 reality is that right now within your area there is
13 roughly \$10.3 billion in construction underway, you have
14 approximately \$5 billion in projects under development,
15 soon to be delivered, several of which you mentioned
16 today. When I say in development, funding methodology
17 identified, they're moving ahead, they just aren't under
18 construction yet.

19 MR. MORRIS: They're environmentally cleared,
20 they're ready to go.

21 MR. MEADOWS: Environmentally cleared. Add
22 that up and it is over \$15 billion in construction
23 underway right now. Now, let me tell you what's
24 interesting about that. First and foremost, there's
25 approximately \$4.6 billion of state money invested. So

1 the leverage effect is huge, it is just huge, and it is
2 enabling the region to actually begin to meaningfully meet
3 the transportation infrastructure challenges of the
4 citizens that live there, and that's what this is all
5 about, so let's think about that.

6 What is also interesting and very instructive
7 for all of us is to say let's look at each one of those
8 projects, and I'm not going to do that, but what I would
9 say is, and I think it's instructive and important for
10 everybody to recognize, that each one of those projects,
11 whether it's the Connector, the NTE, LBJ, the list goes
12 on, Chisholm Trail, 161, Eastern Extension, every one of
13 those projects, the unique feature of each one of those
14 projects is the fact that no single one has the same
15 funding component parts in it. So what makes them unique
16 is that each one is unique and each one of those, there
17 are different levels, local funding, regional funding,
18 toll revenue, go down the list of all those tools in the
19 toolbox.

20 I know there are some people here that were
21 very involved in the legislative process that resulted in
22 those tools being made available to this agency and to our
23 local partners like your MPO. Working together, utilizing
24 those tools, you're seeing over \$15 billion of projects
25 under construction or under development right now and what

1 you're telling me is that with this additional money
2 coming out of this \$2 billion that there will be even more
3 projects delivered in a similar sort of fashion.

4 So all I would say to all of us gathered
5 together, all trying to meet the same challenge, we need
6 to take a page from what it is that you are doing, and we
7 appreciate it.

8 MR. MORRIS: Well, thank you, Commissioner.

9 I think if you adopt a mind-set of project
10 leveraging and don't necessarily try to predict exactly
11 how it's going to occur because you'll never predict it --
12 you could have never predicted the stimulus money would
13 occur, whatever -- but if you adopt a philosophy, working
14 with your district engineers to get projects cleared, and
15 create a leveraging mentality.

16 The Dallas-Fort Worth region on financial
17 backstop that you did on 161 and Southwest Parkway is \$400
18 million. That's almost equal, one leveraging, than what
19 we're getting in gas tax money from this particular
20 program. The TIFIA loans on 161 and on 35W are equal to
21 hundreds of millions of dollars as the commissioner
22 indicated, you get lower interest rates, and therefore,
23 you can pile that money back.

24 You're not going to be able to predict where
25 the innovation will come from because three years from now

1 it will be something else, but if you adopt a bottom-up,
2 process-driven partnership trust collaboration, you then
3 have an opportunity to get outside your silo and create an
4 innovative way, including -- which I would have never
5 predicted -- loaning Parker County \$200,000 to see if they
6 could pass a bond election and giving them \$10 million in
7 seed money that they generated into \$70 million. You
8 can't predict where it comes from but if you create that
9 partnership attitude, people of good faith, working for
10 outcome-driven solutions, are able to leverage those
11 opportunities.

12 MR. AUSTIN: I want to echo a couple of things
13 Bill said. Michael, thank you for what you're doing, and
14 what I hear is the creativity and the consensus, and one
15 thing I want to compliment what you have really done up in
16 the Metroplex is reach consensus, as you talked about,
17 from the bottom up, city, county, MPO, different
18 authorities, and I think that creates a model as we talk
19 about in the rural areas, but to see it actually take
20 place in a major metropolitan area. And that's also come
21 together recently, what Commissioner Holmes has helped do
22 in Houston with the Grand Parkway and now as we're going
23 to look at 288 a little bit later.

24 A question that I have asked and I want to kind
25 of pose it back to you, as I go around the state, what can

1 we do to get our projects on this list and how can we move
2 these projects forward. A lot of things that Bill has
3 mentioned that you've mentioned as well is to start that
4 early planning and find the creativity to do things. And
5 I believe even in one of your areas, one county is
6 considering even a TRZ to look at some things.

7 What advice would you give to other areas of
8 the state to help move their projects along?

9 MR. MORRIS: Well, I think the brilliance of
10 what you're proposing to do here today in a post-Sunset
11 TxDOT is you're creating a policy-driven integrated
12 program to open up opportunities for more pay-as-you-go
13 funding, and what you're doing is by operating in good
14 faith, have a collaboration, everyone working together,
15 tighten up MPO-state, or reinforce the MPO-state
16 relationship, it is hard then for the antis of the
17 importance of transportation to put a wedge between us as
18 we move forward into the next legislative session. So I
19 think the brilliance of your particular approach is I
20 think we can move forward positive to Congress, to the
21 legislature, to our cities, to our councils, to bond
22 programs that occur, and see how we can share in revenues.

23 A typical project in Dallas-Fort Worth has five
24 to seven different funding sources, so the message to
25 folks is even if your project isn't \$4 billion like on

1 35E, but \$100 million, that's just as scary to them, it's
2 going to take five funding sources. I remember when 161
3 couldn't happen and Mr. Wageman said, We're \$800 million
4 short, we only need eight \$100 million partners to get it
5 across the goal line. And the rest is history, 161 and
6 Chisholm Trail went to construction largely due to the
7 people in this room and at TxDOT and TxDOT headquarters
8 and Barton and a whole bunch of people.

9 If you throw your name badge away and focus on
10 outcomes, I think that's the best way to accomplish the
11 partnerships necessary to accomplish these very
12 complicated projects.

13 MR. AUSTIN: One other comment to Commissioner
14 Garza, I know just having been down there in your
15 district, looking at all the tools that you are using, the
16 TRZ, leveraging the vehicle registration fees to make
17 things happen, also tying in multimodal, working with
18 rail, tying in to the port. I know you have several
19 projects that you're working on but it's really great to
20 see all those tools, not just because they're there, but
21 you're using them.

22 And I just would encourage other parts of the
23 state to do that because what you've done, as Michael was
24 saying, is how can we, not focusing on all the reasons we
25 can't. I think that's very important. But thank you for

1 what you're doing.

2 MR. MORRIS: Commissioner, thank you much.

3 I know I'm taking this out of sequence.

4 Congratulations to TxDOT on the TIFIA loan, TxDOT deserves
5 the credit. One person I want to flag, Shawna Russell is
6 here today. She's one of your former TxDOT partners,
7 she's with the Fort Worth Transportation Authority. I
8 think she was very helpful as a former TxDOT person. I
9 don't know how many transit people travel to Washington,
10 D.C. to help their state get a roadway TIFIA loan, but
11 Shawna Russell was part of that team.

12 MR. HOUGHTON: Any other comments?

13 I'd like to kind of wrap up a little bit. If
14 anyone in the audience hasn't figured it out, or out in
15 cyberland, this isn't the same TxDOT. Things have
16 changed. Or as they used to say when Commissioner Holmes
17 used to driver Oldsmobiles, this isn't your dad's
18 automobile.

19 MR. HOLMES: I had an Oldsmobile at one time.

20 (General talking and laughter.)

21 MR. HOUGHTON: To the streamlining effect, to
22 John Campbell, when you talk about \$50 million, that's a
23 couple of grade separations, Michael. To Alan, you talked
24 about fast pace. We've got to put projects on the shelf,
25 get them cleared, get them ready to go. We're going to

1 walk in this legislative session with an empty wallet and
2 moths flying out of it, we're not going to have any money
3 in the bank. We need to demonstrate to the leadership
4 that we can do what we said we could do. And we've come
5 across some of this new money, as Michael had talked
6 about, and others, in various ways.

7 But what I want to shift a little bit now,
8 John, I'd like to have you come up and talk about another,
9 I think it's a heck of a phenomena, the CDAs that we're
10 getting ready to approve here shortly, and how many CDAs
11 did we have coming out of the legislative session that we
12 were responsible for getting across the goal line?

13 MR. BARTON: Coming out of the session and in
14 Senate Bill 1420 which was our Sunset bill, we were given
15 the authority to advance, if the local communities chose
16 to cede their primacy to us, seven comprehensive
17 development agreements.

18 MR. HOUGHTON: How many will we have inked up
19 or in principle or in form before the end of the year, do
20 you think?

21 MR. BARTON: As we stand here today, it looks
22 like we be a party to advancing six of those seven. The
23 other is one that a local community is trying to advance
24 itself which is Montgomery County and Harris County on
25 State Highway 249.

1 MR. HOUGHTON: And I don't think people really
2 understand how hard you all have worked and the staff has
3 worked to get six of seven CDAs will be out the door,
4 ready to go, and again demonstrate to the legislature that
5 we can perform with our partners across the State of Texas
6 on those CDAs.

7 MR. BARTON: Well, Russell Zapalac and his team
8 are doing a great job of getting those advanced, and Phil
9 is certainly out there sending the messages to everyone
10 appropriately. John Munoz and Ed Pensock and the district
11 engineers in Dallas, Fort Worth and Houston are just doing
12 a tremendous job, and so all the credit goes to them.

13 I would like to share one thing because you
14 asked me to be up here and I appreciate it, it makes me
15 feel kind of like I did last week, or actually earlier
16 this week. I was at the Austin District for a press event
17 on our National Work Zone Safety Awareness Week, and an
18 employee of the district came up to me afterward and I
19 introduced myself, shook his hand, just wanted to thank
20 him for being out there to help make that event
21 successful, and what happened then is kind of how I feel
22 like right now, because really, Russell probably should be
23 standing here. He said, You know, I know who you are, I
24 have your picture on my office wall and I listen to all
25 your videos and I read all your articles. And I realized

1 he thought I was Phil. He said, Man, you are doing a
2 great job and I am so proud to have you here.

3 (General laughter.)

4 MR. BARTON: So Russell, thank you for letting
5 me get up here and get a little bit of credit, but I'm
6 going to have to change my hairstyle or something because
7 everybody confuses me with Phil.

8 MR. HOUGHTON: And I do want to focus a little
9 bit, of the six, I believe three of those CDAs were in
10 where?

11 MR. BARTON: We have I-35E in the Metroplex, I-
12 35W in the Metroplex. Bill Hale and Maribel both worked
13 very hard on those with the teams and Russell. We have
14 State Highway 133 in the Metroplex which is advancing and
15 will advance throughout the rest of this summer. Then we
16 have in the Houston area: US 290/Hempstead Highway
17 project which is advancing, the State Highway 288 project
18 which is advancing, and State Highway 249, and then the
19 other one was the grand Parkway. So when you look at all
20 of those, those are the seven, and with the exception of
21 State Highway 249 which is currently still be retained
22 primacy by Harris and Montgomery counties, we are
23 certainly proud to be able to advance all of those. And
24 we're also excited that Harris and Montgomery counties are
25 doing great work to advance State Highway 249 as well.

1 MR. HOUGHTON: Well, and I'm going to take the
2 liberty of saying we had a master negotiator, and without
3 him, not but for him, I'm not sure those three projects
4 would have happened in Harris County. He sits to my
5 right, your left. Commissioner Holmes, my
6 congratulations.

7 MR. BARTON: Commissioner Holmes did a great
8 job.

9 (Applause.)

10 MR. HOUGHTON: I'm not sure how you did it, you
11 may or may not want to tell us.

12 MR. BARTON: That may be why he's driving
13 Oldsmobiles again. I'm not sure.

14 (General laughter.)

15 MR. HOUGHTON: But congratulations to you,
16 Commissioner Holmes, for the heavy lift in Harris County.
17 My congratulations to the staff.

18 Now, this is informative. Right? We go on to
19 the UTP which is next on the agenda. Phil.

20 MR. WILSON: Thank you, Chairman.

21 As a follow-up to the previous discussion item,
22 items 3a and 3b relate to the 2012 and 2013 UTP. Marc
23 Williams will continue to present. Marc, item 3a.

24 MR. WILLIAMS: Again for the record, I'm Marc
25 Williams, director of Planning for TxDOT.

1 Item 3a is to approve quarterly revisions to
2 the 2012 Unified Transportation Program. The commission
3 approved the 2012 UTP on May 26 of 2011 and revisions to
4 the 2012 UTP on September 29, 2011 and December 15 of
5 2011. The current revisions before you today to the 2012
6 UTP include modified tiered projects tables within the
7 UTP, funding level adjustments due to fund transfer
8 requests including allocations to address rehabilitation
9 needs due to energy sector impacts, updated project-
10 specific program lists, and funding level adjustments to
11 allocate approximately \$2 billion in state and federal
12 funding.

13 Public meetings were held on February 9 and
14 March 22 of 2012, formal public hearings were conducted
15 March 5 and April 9, and public comments were accepted by
16 phone and email until April 23 of 2012.

17 Staff is available for questions and recommends
18 approval.

19 MR. HOUGHTON: Is there a motion or questions?

20 MR. AUSTIN: So moved.

21 MR. HOLMES: Second.

22 MR. HOUGHTON: All in favor?

23 (A chorus of ayes.)

24 MR. HOUGHTON: Congratulations. Thanks to
25 everybody.

1 (Applause.)

2 MR. WILSON: Item 3b, Marc.

3 MR. WILLIAMS: Item 3b is to approve the 2013
4 Unified Transportation Program. The 2013 UTP will
5 supercede the 2012 UTP for fiscal years 2013 through 2021
6 and will be modified in the future for any project
7 adjustments from FY 2012.

8 The commission approved preliminary funding
9 levels for the 2013 UTP on January 26, 2012 through Minute
10 Order 112973. The current revisions to the 2013 UTP
11 include modified tiered projects table, funding level
12 adjustments due to fund transfer requests, and updates on
13 project-specific program lists including referencing of
14 additional locally funded transportation projects that
15 were not included in previous additions to the UTP.
16 Future revisions to the 2013 UTP will provide any required
17 funding level adjustments carried forward from FY 2012 in
18 the 2012 UTP.

19 A statewide public meeting was held on February
20 9 of 2012 and a formal public hearing was conducted on
21 March 5 of 2012. Public comments were accepted by phone
22 and email until March 19, 2012 at 4:00 p.m.

23 Staff is available for any questions and
24 recommends approval.

25 MR. HOUGHTON: Any questions of Marc? Motion?

1 MR. UNDERWOOD: So moved.

2 MR. HOUGHTON: Second?

3 MR. HOLMES: Second.

4 MR. HOUGHTON: All in favor?

5 (A chorus of ayes.)

6 MR. HOUGHTON: Thank you, Marc.

7 MR. WILSON: Item 4 relates to the toll roads
8 and will be presented by Ed Pensock, director of Strategic
9 Projects Division. First up is item 4a, State Highway 288
10 toll lanes project. Ed.

11 MR. PENSOCK: Good morning again. Ed Pensock,
12 Strategic Projects Division.

13 Speaking of those CDA projects, commissioners,
14 item 4a authorizes the department to develop, finance,
15 construct and operate the SH 288 toll lanes project from
16 US 59 to the Harris-Brazoria county line. It also
17 authorizes the department to issue a request for
18 qualifications for the development, design, construction
19 and possible finance of the project, and finally, it also
20 authorizes the project with CONSTRUCT authority.

21 On April 10, 2012, Harris County waived its
22 primacy development rights and declined to develop the
23 toll facility along the SH 288 corridor. The development
24 and completion of all or part of the SH 288 toll lanes
25 project could be expedited through the use of a public-

1 private partnership agreement and the employment of
2 innovative methods for the development and financing of
3 projects that are available through public-private
4 partnerships.

5 The SH 288 toll lanes project will add
6 reversible toll lanes within the existing median, improve
7 the interchange at I-610 and add four new toll direct
8 connectors at Beltway 8. Improvements to this corridor
9 are critical to the region's continued mobility and
10 economic vitality. The project will also make various
11 improvements to other connecting facilities to State
12 Highway 288.

13 The goals of the project are to add capacity to
14 an extremely congested corridor and utilize tolls as a
15 pricing mechanism to operate and fund parts of the
16 project. Increasing the capacity of the corridor will
17 relieve congestion and reduce travel time and improve air
18 quality, as well as provide social and economic benefits
19 locally, regionally, statewide and nationwide.

20 If granted approval to issue the request for
21 qualifications this morning, there is no immediate
22 schedule to release that RFQ at this time. Staff intends
23 to wait for the Senate Bill 1420 Committee to take action
24 and then issue the RFQ right after the 1420 Committee
25 would act.

1 One final comment on this item, there is a
2 Brazoria County segment to this project that we're not
3 asking you to act on this morning. Brazoria County is
4 still weighing their options on that and we may be coming
5 back to you in the future on that project.

6 Staff recommends acceptance of this minute
7 order at this time. I'll be happy to answer any
8 questions.

9 MR. HOUGHTON: I have a speaker, Delvin Dennis.
10 Delvin.

11 MR. DENNIS: Good morning, Director Wilson,
12 Chair Houghton, commissioners. When I signed up to speak
13 this morning, I didn't realize the tsunami of actions that
14 were going to take place actually before this, but I'm
15 going through with this anyway.

16 My name is Delvin Dennis, for the record. I
17 work for Klotz Associates down in Houston. I had a former
18 career with TxDOT that spanned 31 years and I retired last
19 August as the Houston District engineer.

20 The Houston region is home to almost 6 million
21 residents, projected to grow to over 8-1/2 million
22 residents by the end of 2035. Our regional transportation
23 system is strained, it's deficient.

24 I'm also here this morning as a representative
25 for the Transportation Advocacy Group, Houston Region, so

1 that's TAG. You'll see some of us walking around with
2 these license plates on our lapel saying TAG. This group
3 is in the process of being formed, we've created a dues
4 structure, we've hired an executive director who is
5 starting next month, will be here every month for a
6 presence and a voice and somebody to pay attention to
7 what's going on up here and how that relates back home to
8 Houston.

9 It's already been mentioned how successful the
10 Metroplex has been over the last ten years or so, and
11 Commissioner Holmes, you've mentioned it multiple times
12 from your dais that somebody ought to be paying attention
13 to that. Our TAG mission statement is kind of
14 straightforward. We intend to convince the legislature to
15 more adequately fund transportation infrastructure in our
16 region -- nothing personal but this is a Houston thing --
17 or give us the power to do it. It's straightforward, it's
18 hitting between the eyes and that's what we intend to do.

19 When I was district engineer down in Houston,
20 if memory serves me correctly, I had 46 members of the
21 legislature, representatives and senators, within the six-
22 county Houston District region, I also had ten members of
23 Congress. There's a lot of elected officials down in the
24 Houston area. For too long there has not been a
25 consistent united voice out of the Houston region. No

1 particular reason, no particular blame being expressed,
2 it's just a fact and reality. Towards that end, TAG would
3 join the applause of the commission and the action you
4 will be taking with regard to State Highway 288, US 290,
5 Grand Parkway.

6 We applaud Michael Morris eloquently explained
7 the \$2 billion uncovering -- I hate to use that word. It
8 took a lot of work on TxDOT's part to go back and scrub
9 books, find this money. It's not new money, it's money
10 that was left over from various endeavors. And we stand
11 ready to help. Undoubtedly, come January when the gavel
12 drops, somebody across the street is going to say: Well,
13 TxDOT you found \$2 billion, you're not keeping track of
14 the funds we're sending your way. We all know that's
15 going to come, and we stand ready to help explain that and
16 educate that.

17 Too often in the transportation kitchen down in
18 Houston, the Houston region, there's too many cooks,
19 there's a lot of cooks in that kitchen, and all the cooks
20 have different opinions, different viewpoints, different
21 perspectives.

22 Chairman Houghton, you stole a little bit of my
23 thunder. I thought you might have had one of my note
24 cards, but what I want to recognize, what TAG wants to
25 recognize is a couple of five star chefs that have come to

1 the forefront down in the Houston region to get these
2 cooks, all these cooks lined out on how to move forward,
3 Chef Ned Holmes and Chef Ed Emmett, Judge Emmett, those
4 two gentlemen.

5 And believe me, I was there the last three or
6 four years while these discussions were going on, and
7 there was a lot of cooks, there was a lot of folks that
8 were ready to throw out the baby with the bath water, but
9 Commissioner Holmes and Judge Emmett, they always kept a
10 rational standpoint, ration viewpoint, and it is bearing
11 fruit today.

12 In closing, there's a buzz, there's an
13 anticipation down in the Houston region with these
14 actions, Commissioner Holmes, Chair Houghton,
15 commissioners, these actions that the TxDOT Commission has
16 taken over the last several months, including the actions
17 today, there's a buzz down in Houston that hasn't been
18 there, I'm going to say, probably since the early 2000s,
19 2001 or '02, and at that time we were rounding third base,
20 heading to home plate on getting Katy Freeway started, and
21 there was a buzz back then, you could feel it. I feel
22 that same sort of buzz coming back with these actions.

23 You are all to be commended. I'm proud of
24 TxDOT. You can drive out Interstate 10 West and get out
25 to the Grand Parkway and you can see columns and caps and

1 things going up in the air, you can drive out west on 290
2 and see the same sort of thing. And people are saying,
3 What is that, what's in between 290 and I-10, what's going
4 on, how can I see it? And you really can't, a lot of it
5 is on new location. But it's drawing attention and it
6 will absolutely be for the good of the region.

7 Thank you very much.

8 MR. HOUGHTON: Any other questions or comments,
9 Commissioner Holmes?

10 MR. AUSTIN: Mr. Chairman, I have one comment.

11 I want to say, Delvin, thank you for your
12 service. A lot of the projects that you helped start now
13 are coming to fruition.

14 But you did bring up one interesting point,
15 that we found the money. I just think it's good to know
16 that this is a one-time event and we're really thankful
17 because of the economic conditions, i.e., lower interest
18 rates, are helping us do a lot of that, but also through
19 the efficiency of a lot of things that are coming back in
20 for other reasons that are helping us move forward with
21 that funding.

22 MR. DENNIS: Not to drag this out, you're
23 exactly right, and that's how it's going to need to be
24 explained. There's still some bruises on some
25 commissioners and some TxDOT staff of the finding or

1 losing the billion and a half two sessions ago, you know.

2 So that's the story that needs to be told.

3 MR. HOLMES: Don't make it worse, Delvin, it
4 was just a billion, it wasn't a billion and a half.

5 MR. DENNIS: Okay. Inflation. I'm sorry.

6 MR. HOUGHTON: Commissioner Holmes.

7 MR. HOLMES: There's one other point, the \$750
8 million from the feds is actually not all here yet.
9 Right? We've got three more months to go and Congress may
10 or may not fund at the current levels, and so you've got
11 about 25 percent of that \$750 million that is still
12 contingent on extension of the Highway Bill. And we don't
13 know what they're going to do after this fiscal year that
14 ends the end of September. This may come back at the same
15 level above what we forecast next year, and it may not.
16 And so it's very difficult, as Michael pointed out, it's
17 very difficult to program funds that you don't know
18 whether they're going to actually materialize. But the
19 last little piece of that \$750- isn't there yet.

20 Now, that's all I have for you. I have
21 something for Ed.

22 MR. DENNIS: One other thing I was going to
23 mention, the last five or six years of my career, and
24 hearing all of this this morning just brought back this
25 feeling in the pit of my stomach. But it seemed like it

1 was about every six months, Bill and Maribel were having
2 some kind of a groundbreaking up in Dallas for another
3 billion dollar project, and it just seems like these
4 billion dollar projects kept rolling out and rolling out,
5 and we were down in the Houston region trying to figure
6 out what in the heck is going on, and that bad feeling
7 came back this morning.

8 But it's a good feeling because Houston is
9 waking up and shaking off and trying to move forward, but
10 we have a ways to go to catch up with the Metroplex, and I
11 hate to admit that.

12 MR. HOLMES: Ed, just a couple of comments on
13 288. You mentioned some other connectivity pieces to
14 that, one of which is a flyover into the Medical Center,
15 and to be a little bit redundant and make sure that people
16 understand the magnitude of the Texas Medical Center. It
17 has in excess of 70,000 employees, it's a relative tight
18 campus, it's extremely dense, much denser than the
19 employees per square mile in downtown Houston. There are
20 40-some-odd institutions there, one of which, M.D.
21 Anderson, in and of itself has in excess of 9 million
22 square feet of space, one institution. It's an extremely
23 important entity in the Houston region, really in this
24 entire part of the U.S., and this is one of the primary
25 entrances, 288 is.

1 We have in this proposal a flyover on MacGregor
2 in and back out of the Medical Center, but there's a
3 second one that is very important to the TMC, and I'd like
4 to see it as a potential add-on if there's enough money in
5 the project, and that's the Cambridge direct connect, and
6 if the CDA process yields enough benefit in order to add
7 that, I would like to see that one added. And so let's
8 kind of keep that in the back of our mind. It's simply
9 another entrance. It brings in that population of both
10 patients and employees from the southwest part of the
11 region directly into the Medical Center, and it's another
12 important one. When we do MacGregor first, if there's
13 enough money in it, then Cambridge as well.

14 MR. PENSOCK: We understand, Commissioner, and
15 we will do everything we can to make sure that that's part
16 of it. You couldn't be more correct, world-renowned
17 hospital facility in south central Houston, Rice
18 University, medical schools, hospitals, an extremely
19 important part of the city, for the nation, for the world,
20 to be honest with you, and 288 is a major arterial that
21 feeds that critical area, and we will certainly take those
22 comments into consideration.

23 MR. HOLMES: One last point on that is that 288
24 goes basically to Freeport where very significant refining
25 capacity exists, plus the chemical facilities there. But

1 Freeport is one of the closest ports in Texas to
2 deepwater, and ultimately it's going to be developed in a
3 way that is very important to commerce in Texas.
4 Currently it's primarily a hydrocarbon port but I think it
5 has the potential for actually receiving some of the
6 really deep draft vessels that might be able to use the
7 Panama Canal. And so on a long-range basis, 288 needs to
8 be improved all the way through Brazoria County and we
9 need to continue to work with Brazoria County to help them
10 understand how important it is.

11 MR. PENSOCK: Yes, sir. Those facts about the
12 Gulf and the port are dead-on correct, underscore the
13 importance of the project, underscore the importance of
14 Almeda connections, Cullen connections, making sure that
15 there's good mobility access to and from that area. Yes,
16 sir.

17 MR. HOUGHTON: Further comments? Do we have a
18 motion?

19 MR. HOLMES: So moved.

20 MR. UNDERWOOD: Second.

21 MR. HOUGHTON: All in favor?

22 (A chorus of ayes.)

23 MR. HOUGHTON: Thank you.

24 MR. WILSON: Item 4b, US 290/Hempstead
25 corridor. Ed.

1 MR. PENSOCK: Item 4b authorizes the department
2 to develop, finance and construct improvements, including
3 toll lanes, to the US 290/Hempstead corridor from I-610 to
4 State Highway 99 Grand Parkway, and authorizes the first
5 phase of the project to reconstruct US 290 with CONSTRUCT
6 authority.

7 On April 10, 2012, Harris County, through a
8 memorandum of understanding, waived its primacy
9 development rights along the US 290/Hempstead corridor,
10 and as a result, and in partnership with Harris County
11 under that MOU, the department committed to construct the
12 US 290 managed lanes project.

13 The county will provide \$400 million towards
14 the development of this facility in mutually agreed upon
15 payments. The county will install and operate toll
16 equipment, collect tolls and process violations and
17 maintain those managed lanes. The department will
18 construct the project and will maintain the remainder of
19 the facility. The county will retain all toll revenues to
20 use on projects at the county's discretion.

21 The proposed improvements in the US
22 290/Hempstead corridor will replace functionally obsolete
23 and deteriorating infrastructure on the northwest side of
24 Houston, as well as add capacity to the corridor.
25 Improvements are critical to the region's continued

1 mobility and economic vitality.

2 The goals of the project are to facilitate the
3 replacement of existing infrastructure that has reached or
4 exceeded its design life, add additional capacity to an
5 extremely congested corridor, utilize pricing as a
6 mechanism to operate and fund parts of the project, and
7 provide an additional link to the growing toll road and
8 managed lane network offering transportation options and
9 solutions to optimizing mobility.

10 TxDOT district staff, Houston District staff
11 are currently progressing the project and will likely
12 progress most of it as a traditional design-bid-build
13 project, but it is moving rapidly. Staff also is working
14 very closely with the City of Houston on improvements to
15 the city street, the Hempstead Road portion of the
16 project.

17 Staff recommends acceptance of this minute
18 order and I will be happy to answer any questions.

19 MR. HOUGHTON: Any questions?

20 MR. HOLMES: Just one comment, Ed. The 290
21 project will ultimately be a Harris County project. We
22 will build it and they're going to pay the \$400 million
23 and do the toll piece. Hempstead, on the other hand, will
24 remain a TxDOT project with primacy waived, and the
25 projections are that the expansion of 290, it's about all

1 that we're going to ever be able to do because of the
2 extraordinarily expensive right of way that would be
3 required to expand it beyond what this program will
4 currently provide. And the projections are that somewhere
5 in the next 10 or 15 years we're going to need to improve
6 Hempstead and we will have that capacity and that
7 capability and that authority to do that, and I think it's
8 important that we recognize that there is another leg to
9 this process, albeit into the future.

10 MR. PENSOCK: Commissioner, exactly right. The
11 ultimate complete project includes upgrades to the
12 Hempstead Road, adding controlled access capacity. That
13 is an extremely congested corridor going from downtown,
14 near the center of Houston, to the northwest, and in the
15 not too distant future, the managed lanes that we will be
16 including will probably become congested, and that will
17 trigger the next phase of the project which would be the
18 Hempstead Road improvements.

19 It's important to understand that in this phase
20 the work on Hempstead Road will be focused on improving
21 that roadway to provide a good and strong adequate detour
22 facility during construction and make improvements to
23 Hempstead Road, but it won't be the significant capacity
24 addition that a second phase will be.

25 MR. HOUGHTON: Any other questions of Ed?

1 Motion?

2 MR. HOLMES: So moved.

3 MR. UNDERWOOD: Second.

4 MR. HOUGHTON: All in favor?

5 (A chorus of ayes.)

6 MR. WILSON: Item 4c, issuance of RFPs for
7 Grand Parkway. Ed.

8 MR. PENSOCK: Item 4c authorizes the executive
9 director to issue a request for proposals to develop,
10 design, construct and potentially maintain Segments F1, F2
11 and G of US 99 Grand Parkway, from east of US 290 in
12 Harris County to west of US 59 in Montgomery County. The
13 project would include other facilities to the extent
14 necessary for connectivity and safety.

15 This item also authorizes the department to pay
16 each proposer who submits a responsive but unsuccessful
17 proposal an amount based on the value of the work product
18 provided in that proposal as long as that can be
19 determined that it's useful to the department in
20 performing its functions. The amount of that payment for
21 work product is \$1 million per proposer.

22 On March 31, 2011, Minute Order 112629
23 authorized and directed the department to issue a request
24 for qualifications for Segments F1, F2 and G of Grand
25 Parkway. The department issued the RFQ on November 18,

1 2011 and determined that five of the 17 submitting
2 qualifications statements were best qualified to be on the
3 short list of teams that we'll be requesting submission of
4 final detailed proposals. Those proposals are planned to
5 be delivered in mid-August.

6 And an interesting part of this project, the
7 final proposal stage is coming, like I said, in August,
8 the department also has its largest letting proposed in
9 its history for that month of August, approximately \$1
10 billion letting for that month. Along with the Grand
11 Parkway project, that gets the month of August to be about
12 a \$2 billion month for the department.

13 We're doing something a little bit different
14 with this CDA. Because of the volume of work that the
15 contracting community has to propose on, we are allowing
16 the technical proposals to be delivered on August 15 and
17 we're allowing cost data, financial proposals to be
18 delivered a week later, giving the contracting community
19 another week to sharpen their pencils and have them more
20 time with material suppliers and subs to put their cost
21 proposals together. So doing things a little bit
22 differently because of the work bubble that's coming
23 through the department.

24 Staff recommends acceptance of this minute
25 order, and will be happy to answer any questions.

1 MR. HOUGHTON: Any further questions, comments?

2 MR. HOLMES: I'm going to make one more
3 comment. It's interesting, Ed, that these three projects
4 kind of utilize multiple funding sources and multiple
5 delivery procurement processes, a design-build-bid, a
6 design-build and a CDA. Now, we've got a real good test
7 case, looking at these three delivery models, and we'll
8 see which one is going to be most effective, quickest,
9 deliver the best project for the least amount of money in
10 the least amount of time.

11 MR. PENSOCK: It will be an interesting
12 competition.

13 MR. HOLMES: You know, saddle up.

14 MR. PENSOCK: Saddle up.

15 MR. HOUGHTON: Things have changed.

16 MR. PENSOCK: There's a lot of work coming and
17 it's going to take every tool that we have to deliver all
18 these projects. 288 and 290 are right on their heels and
19 will even increase the number of delivery methods that
20 we're trying to use, financing and delivery methods we're
21 trying to use. So saddle up, you're right, yes, sir.

22 MR. HOUGHTON: Further questions? Motion?

23 MR. HOLMES: So moved.

24 MR. AUSTIN: Second.

25 MR. HOUGHTON: All in favor?

1 (A chorus of ayes.)

2 MR. HOUGHTON: Back to you, Phil.

3 MR. WILSON: And finally, item 4d, NTTA. Ed.

4 MR. WILSON: Item 4d authorizes the executive
5 director to enter into an agreement with the North Texas
6 Tollway Authority, NTTA, regarding the design and
7 construction and operations of improvements to I-635 over
8 and across the Dallas North Tollway, DNT, and other
9 property operated by the NTTA.

10 On September 4, 2009, the department entered
11 into a CDA with LBJ Infrastructure Group for the I-635
12 managed lane project. That project is being designed and
13 constructed by Trinity Infrastructure, LLC as the primary
14 design-builder of that developer group. The project
15 crosses the DNT which is under the jurisdiction of North
16 Texas Tollway Authority.

17 Trinity and the developer desire to obtain the
18 necessary rights from the NTTA to complete that portion of
19 the project crossing DNT and the interchange. The NTTA is
20 willing to provide such rights conditioned upon the
21 department providing certain assurances to the NTTA
22 relating to securing and restoring the project and the
23 limits of the right of way.

24 NTTA intends to enter into a license and use
25 agreement with the developer and with Trinity to allow the

1 use of their property for the construction of the 635
2 interchange. In the event of the termination of the
3 license and use agreement, including the result of the
4 expiration or termination of the CDA, the department will
5 need an agreement with the NTTA to enter and use the
6 property. The department's interests would be to secure
7 and restore and maintain and complete the project if
8 necessary.

9 Staff recommends your acceptance of this minute
10 order.

11 MR. MEADOWS: I'd move approval, and just thank
12 all parties involved in bringing this issue to a
13 successful conclusion.

14 MR. PENSOCK: Very complicated agreement with a
15 lot of players. Thank you very much, Commissioner
16 Meadows. You played a big part in that as well.

17 MR. HOUGHTON: Is there a second?

18 MR. AUSTIN: Second.

19 MR. HOUGHTON: All in favor?

20 (A chorus of ayes.)

21 MR. WILSON: Item 5 is awarding of aviation
22 grants. Aviation Division Director Dave Fulton will
23 present this minute order. Dave.

24 MR. FULTON: Thank you, Phil. For the record,
25 my name is Dave Fulton, director of TxDOT Aviation

1 Division.

2 This minute order contains a request for grant
3 funding approval for 16 airport improvement projects. The
4 total estimated cost of all requests, as shown in Exhibit
5 A, is approximately \$10.6 million: approximately \$7.8
6 million in federal funding, \$1.7 million in state funding,
7 and \$1.1 million in local funding.

8 Public hearings were held on March 22 and April
9 3. No comments were received. We would recommend
10 approval of this minute order.

11 MR. HOLMES: Any questions? Motion?

12 MR. MEADOWS: So moved.

13 MR. AUSTIN: Second.

14 MR. HOUGHTON: Moved and seconded. All in
15 favor say aye.

16 (A chorus of ayes.)

17 MR. HOUGHTON: Opposed?

18 (No response.)

19 MR. HOUGHTON: Motion carries.

20 MR. FULTON: Thank you.

21 MR. WILSON: Item 6 is the awarding of
22 transportation development credits for the City of Abilene
23 presented by Eric Gleason, director of the Public
24 Transportation Division. Eric, item 6, please.

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

1 name is Eric Gleason, TxDOT director of Public
2 Transportation.

3 Agenda item 6 awards 22,000 transportation
4 development credits to the City of Abilene to be used as
5 local match for federal funding for fleet replacement.
6 This award is consistent with requirements of the Texas
7 Administrative Code. Using transportation development
8 credits as match, in lieu of local funding, allows systems
9 such as CityLink in Abilene to maximize their use of
10 federal funds for operating purposes, pledging those local
11 funds as part of the 50 percent match requirements for
12 operations. Since 2006, the department has awarded
13 approximately 30 million transportation development
14 credits to sub-recipients of FTA funds administered by
15 TxDOT for various capital projects such as these.

16 Staff recommends your approval of this minute
17 order.

18 MR. HOUGHTON: Questions? Motion?

19 MR. UNDERWOOD: So moved.

20 MR. AUSTIN: Second.

21 MR. HOUGHTON: All in favor?

22 (A chorus of ayes.)

23 MR. HOUGHTON: Thank you.

24 MR. GLEASON: Thank you.

25 MR. WILSON: The next item 7a(1) will be

1 presented by Bob Jackson, General Counsel. It is the
2 final adoption of amendments to Chapter 1, Management.

3 MR. JACKSON: Bob Jackson, general counsel.

4 Moving from the sublime to the mundane. The
5 commission had previously adopted rules governing access
6 to the commission. We proposed amending those rules to
7 change one word from commission to department to comply
8 with the Sunset Bill. We received no public comments.
9 But since proposing those rules, the commission has
10 approved restructuring the environmental rules so we also
11 need to change a cross-reference.

12 So with those two changes, we recommend
13 adoption of this minute order.

14 MR. HOUGHTON: Any questions of Bob? Motion?

15 MR. UNDERWOOD: So moved.

16 MR. AUSTIN: Second.

17 MR. HOUGHTON: All in favor?

18 (A chorus of ayes.)

19 MR. WILSON: Item 7a(2) is the final adoption
20 of amendments to Chapter 10, Ethical Conduct by Entities
21 Doing Business with the Department. Bob.

22 MR. JACKSON: The commission has previously
23 adopted ethics rules for TxDOT contractors. In January
24 the commission proposed revisions to those ethics rules to
25 expand the definition of conflict of interest to include

1 revolving door restrictions.

2 The proposed rules include current statutory
3 restrictions on employees working on the same matter for a
4 for-profit entity that they worked on at TxDOT. Those
5 restrictions are current law. In our preamble we stated
6 that we would interpret the restrictions consistent with
7 the Texas Ethics Commission opinions.

8 The proposed rules also prohibited former
9 members of TxDOT administration from attempting to
10 influence the department or solicit business from the
11 department on behalf of a for-profit entity for a period
12 of two years after leaving TxDOT. The proposed rules
13 propose a similar prohibition of one year for district
14 engineers, division directors and office directors and
15 region directors.

16 The rules also provided that a contractor could
17 be sanctioned by TxDOT if a contractor's employee violated
18 these prohibitions. The type of sanctions and the
19 process, including appeals, would follow the current rules
20 for contractor ethics, however, one new sanction,
21 disqualification from participating in a procurement, was
22 added.

23 We received comment from the American Council
24 of Engineering Companies of Texas and from an individual,
25 both objecting to the proposed rules. In response to

1 comments, staff is proposing three changes.

2 One is to limit the period by which a member of
3 administration may not attempt to influence TxDOT to one
4 year, so it would be one year for division directors,
5 office directors, region directors, district engineers and
6 above, consistently one year.

7 A second change is to provide that the
8 prohibition on influencing the department only applies to
9 employees who leave TxDOT on or after the effective date
10 of the rules.

11 The third change allows a former employee or a
12 contractor to seek a written determination of whether a
13 conflict of interest would exist in a specified situation.

14 An entity relying on a determination from TxDOT would not
15 be subject to sanction.

16 With that, staff recommends adoption of the
17 rules and the minute order.

18 MR. HOUGHTON: Questions? Is there a motion?

19 MR. MEADOWS: I'd move approval. Do we need to
20 move approval as amended?

21 MR. JACKSON: It was presented as amended.

22 MR. MEADOWS: As amended. Okay.

23 MR. HOUGHTON: Is there a second?

24 MR. AUSTIN: Second.

25 MR. HOUGHTON: All in favor?

1 (A chorus of ayes.)

2 MR. HOUGHTON: Thank you, Bob.

3 MR. WILSON: 7b(1) and 7b(3) will be presented
4 jointly by Russell Zapalac, chief Planning and Project
5 officer. Russell.

6 MR. ZAPALAC: Thank you, Director Wilson. My
7 name is Russell Zapalac. I am TxDOT's chief Planning and
8 Projects officer.

9 This morning we have two very similar minute
10 orders that we're asking the commission to adopt, 7b(1)
11 and 7b(3). Since these items are almost identical, and if
12 there's no objection, I'll combine the presentations so
13 you guys can get to lunch a little bit earlier. But we
14 will need the commission to vote separately on the two
15 minute orders.

16 The first is a proposed amendment to Chapter 9
17 to modify the general rules for design-build contracts and
18 solicitations, and the second is the proposed amendment to
19 Chapter 27 to modify the general rules for private
20 involvement in solicitations of comprehensive development
21 agreements.

22 These amendments provide for the specific
23 performance evaluation of the developer's teams, team
24 members, consultants and contractors for design-build or
25 comprehensive development agreements. The amendment also

1 provides for consideration of these performance
2 evaluations in the evaluation of qualification statements
3 and proposals submitted in response to department
4 requests. This process is very similar to the evaluation
5 process the department presently uses for our design
6 consultant contracts.

7 If approved, the comments on the proposed
8 amendments will be accepted until five o'clock p.m. on
9 June 11, 2012. Any questions the staff could answer?

10 MR. HOUGHTON: Any questions? Motion? 7b(1).

11 MR. UNDERWOOD: So moved.

12 MR. HOLMES: Second.

13 MR. HOUGHTON: All in favor?

14 (A chorus of ayes.)

15 MR. HOUGHTON: 7b(3).

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. WILSON: Returning to item 7b(2), it is
22 proposed adoption of amendments to Chapter 16, Planning
23 Development and Transportation Projects. Marc Williams,
24 our Planning director, will present. Marc.

25 MR. WILLIAMS: Again for the record, Marc

1 Williams, director of Planning.

2 Item 7b(2) proposes the adoption of revisions
3 to Chapter 16 of Title 43 of the Texas Administrative Code
4 concerning the department's planning and development of
5 transportation projects. Chapter 16 was adopted
6 originally in 2010 and established the process for the
7 department's planning and programming functions. Senate
8 Bill 1420 amended the Transportation Code to provide a
9 statutory framework for the department's planning,
10 programming, funding and reporting obligations. The
11 proposed amendments are necessary to comply with Senate
12 Bill 1420 and clarify existing language.

13 TxDOT will conduct a public hearing to receive
14 comments concerning the proposed rules at 10:00 a.m. on
15 Thursday, June 7, 2012 at 200 East Riverside Drive in
16 Austin, Texas, and we will also receive public comments
17 until 5:00 p.m. on June 11, 2012.

18 Staff is available for questions and recommends
19 approval.

20 MR. HOUGHTON: Motion?

21 MR. AUSTIN: So moved.

22 MR. HOUGHTON: Second?

23 MR. HOLMES: Second.

24 MR. HOUGHTON: All in favor?

25 (A chorus of ayes.)

1 MR. WILSON: Item 7b(4) is proposed adoption of
2 amendments to Chapter 27 specific to committee membership
3 for toll projects. This will be presented by Jack Ingram,
4 TxDOT attorney. Jack.

5 MR. INGRAM: I'm Jack Ingram, associate general
6 counsel for TxDOT.

7 Senate Bill 1420 required the creation of
8 committees to make determinations concerning financial
9 terms for certain TxDOT toll projects. The proposed
10 amendments would require a person to be an elected
11 official or a full-time employee of the represented entity
12 in order to be a member of one of those committees. The
13 amendments are responding to concerns that other persons
14 such as persons who have a contract to provide services
15 for the project, if that person as appointed as a member
16 of a committee, it could create a conflict of interest.

17 And staff recommends approval of the minute
18 order.

19 MR. HOUGHTON: Questions? Motion?

20 MR. HOLMES: So moved.

21 MR. UNDERWOOD: Second.

22 MR. HOUGHTON: All in favor?

23 (A chorus of ayes.)

24 MR. HOUGHTON: Thanks, Jack.

25 MR. WILSON: item 7b(5) is the proposed

1 adoption of amendments to Chapter 28, Oversize and
2 Overweight Vehicles and Loads, presented by Bob Jackson,
3 general counsel.

4 MR. JACKSON: Bob Jackson, general counsel.
5 Back to the mundane.

6 Most of the department's size and weight
7 permitting duties were transferred to the Department of
8 Motor Vehicles. Those rules went with the DMV, leaving us
9 with a few scattered throughout a chapter. All this
10 minute order does is propose renumbering the rules to make
11 them consecutive.

12 Recommend adoption of the minute order.

13 MR. UNDERWOOD: So moved.

14 MR. MEADOWS: Second.

15 MR. HOUGHTON: I think Bob feels left out.
16 There's a second. All in favor?

17 (A chorus of ayes.)

18 MR. HOUGHTON: Thank you, Bob.

19 MR. WILSON: Item 7c will also be presented by
20 Bob Jackson. It relates to rule review. Bob.

21 MR. JACKSON: State law requires the commission
22 to readopt rules it wants to retain at least once every
23 four years. The department put Chapters 5, 15 and 27 out
24 for public comment. There were no public comments. This
25 minute order readopts all of those rules.

1 Recommend adoption of the minute order.

2 MR. HOUGHTON: Motion?

3 MR. HOLMES: So moved.

4 MR. UNDERWOOD: Second.

5 MR. HOUGHTON: All in favor?

6 (A chorus of ayes.)

7 MR. HOUGHTON: Thank you, Bob.

8 MR. WILSON: Item 8 will be presented by
9 Suzanne Mann, director of the Office of Compliance and
10 Ethics. She will make her monthly report of the
11 department's compliance and ethics report. Suzanne.

12 MS. MANN: For the record, I am Suzanne Mann,
13 director of the Office of Compliance and Ethics for the
14 Texas Department of Transportation. Although my material
15 may be mundane, I am not.

16 (General laughter.)

17 MS. MANN: The purpose of this report is to
18 provide a summary of information related to complaints and
19 investigations for the month of March 2012.
20 Transportation Code 201.452 provides that the Compliance
21 Office has primary jurisdiction for oversight and
22 coordination of all investigations occurring on department
23 property or involving department employees.
24 Transportation Code 201.454 requires the director of the
25 Compliance Office to provide a monthly report to the

1 commission regarding investigations and a summary of
2 information related to trends and recommendations.

3 The Human Resources Division and the Audit
4 Office notify OCE when investigations are initiated and
5 completed and OCE monitors those investigations. In
6 accordance with the statute and our modernization plans,
7 all data is compiled by OCE for reporting purposes.

8 There were 29 complaints reports received
9 during the month of March and there were 25 complaints
10 reports closed during the month. Allegations were
11 substantiated in four of the investigations and
12 appropriate action was taken. No further action is
13 recommended at this time.

14 Any questions?

15 MR. HOUGHTON: None.

16 MS. MANN: Thank you.

17 MR. HOUGHTON: Thank you.

18 MR. WILSON: Next is Brian Ragland, director of
19 Finance, to present item 9 relating to a SIB application.
20 Brian.

21 MR. RAGLAND: Thank you. Good morning. For
22 the record, I'm Brian Ragland, director of the Finance
23 Division.

24 This first minute order gives preliminary
25 approval to a SIB loan application from the Sulphur River

1 Regional Mobility Authority. They are requesting \$4-1/2
2 million to pay for right of way acquisition and utility
3 relocation costs on a project to widen State Highway 24
4 from FM 904 to FM 64. This is part of a Prop 12 project
5 in the Paris District that's estimated at \$38-1/2 million.
6 And staff recommends your approval.

7 MR. HOUGHTON: Motion?

8 MR. UNDERWOOD: So moved.

9 MR. HOLMES: Second.

10 MR. HOUGHTON: All in favor?

11 (A chorus of ayes.)

12 MR. WILSON: Item 10 relates to TMF bonds, and
13 Brian will continue to present. Brian.

14 MR. RAGLAND: Thank you. This next minute
15 order authorizes the chief financial officer and other
16 department officials to move forward with the issuance of
17 up to \$600 million in GO Mobility Fund bonds. The minute
18 order also approves preparation of all the necessary
19 documents and application to the Bond Review Board to
20 request approval for the bonds. And staff recommends your
21 approval.

22 MR. HOUGHTON: Motion?

23 MR. HOLMES: So moved.

24 MR. UNDERWOOD: Second.

25 MR. HOUGHTON: All in favor?

1 (A chorus of ayes.)

2 MR. WILSON: The next item are the award of
3 contracts for maintenance and department building
4 construction, highway construction contracts, and an award
5 to a second lowest bidder. John Obr, Construction
6 Division director, will present these minute orders. Item
7 11a.

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

10 Item 11a is for consideration of the award or
11 rejection of Highway Maintenance and Department Building
12 Construction contracts let on April 3 and 4 of 2012. We
13 present 31 projects today. The average number of bidders
14 was 4.42; the low bid value was \$32,121,290.48; we had an
15 overall underrun of 1.82 percent.

16 Staff recommends award of all maintenance
17 projects.

18 MR. HOLMES: So moved.

19 MR. HOUGHTON: Second?

20 MR. UNDERWOOD: Second.

21 MR. HOUGHTON: All in favor?

22 (A chorus of ayes.)

23 MR. WILSON: John, please proceed with item
24 11b, construction contracts.

25 MR. OBR: Item 11b is for consideration of the

1 award or rejection of Highway and Transportation
2 Enhancement Building Construction contracts let on April 3
3 and 4 of 2012. We present 63 projects today. The average
4 number of bidders was 4.55; the low bid value was
5 \$118,796,673.63. These totals are inclusive of the
6 Armstrong County Project STP 2011(261)TE which was
7 deferred from the March 29, 2012 commission meeting. The
8 awards are split as seven projects in Mobility totaling
9 \$36,931,213.27, and 56 projects in Preservation totaling
10 \$81,865,460.36. We had an overall underrun of 4.57
11 percent.

12 Staff recommends award of all construction
13 projects with the exception of the following: in March
14 2012 we deferred Armstrong County Project STP 2011(261)TE.
15 The project received one bid which was 33.07 percent, or
16 \$242,306 over the engineer's estimate. This is an
17 enhancement project involving third party funding provided
18 by Armstrong County. The county has met over the issue to
19 award or reject and has subsequently decided to reject the
20 project. The wish to revise the PS&E and re-let the
21 project in the near future, targeting August 2012 of this
22 year. And the district concurs with this decision. We
23 believe that it would be in the best interest of the
24 department to redesign and re-let the project at a later
25 date, therefore, we are recommending rejection.

1 MR. HOUGHTON: And before we get into this, we
2 have a couple of speakers. James Carpenter, Denali
3 Construction Services. James.

4 MR. CARPENTER: Thank you, Commission. My name
5 is James Carpenter. I'm with Denali Construction
6 Services. We are a small woman-owned business located in
7 Dallas, Texas.

8 We had placed a bid on State Highway 78, CSJ
9 0281-02-067. We were the apparent low bidder. At the
10 time we submitted our proposal electronically, our bid
11 bond was submitted electronically, as well as our
12 proposal. Our company is set up with multiple divisions,
13 they're not separate entities but multiple divisions, one
14 of which is a landscape and irrigation division called
15 Denali Land Development. Unfortunately, with the bid
16 proposal it was under Denali Construction Services, the
17 bid bond through Surety 2000 was under Denali Land
18 Development.

19 I have submitted information to Mr. Wilson
20 which shows that the surety company does honor the bid
21 bond under Denali Construction Services, and we just
22 request relief on this and look to ask the commission to
23 allow the contract to be let to us, the apparent low
24 bidder, not the second lowest bidder.

25 Thank you.

1 MR. HOUGHTON: Questions of staff?

2 MR. HOLMES: Do we have another speaker on
3 this?

4 MR. HOUGHTON: I thought if anybody had any
5 questions.

6 Bill Thomas, from Angel Brothers.

7 MR. OBR: Can he defer till last?

8 MR. HOUGHTON: Defer till last? Sure. Does he
9 not want to talk on this agenda item? He has 11b.

10 MR. OBR: Yes, he does. He would like to wait
11 till the surety for Dean Word.

12 MR. HOUGHTON: Okay. All right.

13 On the issue of Denali, are there any questions
14 regarding that issue, awarding that bid?

15 MR. HOLMES: Presumably this is just simply a
16 technical issue. Is that right?

17 MR. OBR: This is an issue where we received an
18 electronic bid and we read the bid at the time, but when
19 we looked at the paperwork following reading the bid, part
20 of our process is if we don't have matching names on the
21 bid bond and the contract, we declare that bid non-
22 responsive at that time. So we recommended to award to
23 the second bidder.

24 MR. HOUGHTON: What's the difference between
25 the two, first and second?

1 MR. OBR: The dollar amount on the first and
2 second, I don't have that exact dollar amount on me.

3 MR. HOUGHTON: It doesn't make any difference.

4 MR. OBR: It's a legal issue that we talked to
5 our legal about and we still recommend to award to the
6 second bidder.

7 MR. HOUGHTON: Counsel, you believe that this
8 is a legal issue and non-responsive?

9 MR. JACKSON: (Speaking from audience.) Yes.

10 MR. HOLMES: Well, it's very unfortunate, but
11 if it's a technical legal issue that we can't award it to
12 them, then we can't.

13 MR. HOUGHTON: We have one more, or we need a
14 motion?

15 MR. OBR: We have another, the surety for Dean
16 Word, and they turned a card in also.

17 MR. HOUGHTON: Which is Bill Thomas?

18 MR. OBR: The third card, Mr. Venson.

19 MR. HOUGHTON: Michael Venson.

20 MR. VENSON: Thanks for the time this morning.

21 My name is Mike Venson. I'm a principal in Wortham
22 Insurance and Risk Management, a statewide insurance and
23 surety brokerage firm.

24 And I have another issue similar to the one you
25 just heard, and I'm not sure of the legality or

1 technicalities, but I called after an irregularity in a
2 bid bond that we submitted on behalf of the Dean Word
3 Company on a job bid on April 3, and I have the numbers,
4 and I've spoken with Mr. Obr and several people in the
5 department regarding this.

6 We submitted eleven bonds for the Dean Word
7 Company and over the years we've probably submitted 2,000,
8 but in 37 years my office has issued one without a
9 signature. It was embossed, the power of attorney was
10 attached, everything was stamped. I understand the bid
11 was not read. I received a call from my client, and then
12 spoke with several people in the department about it, and
13 I was instructed to come before the commission to see if
14 we could reverse or if there's any remedy to this
15 situation.

16 The Dean Word Company's bid was not read. I
17 have spoken with the Words, and I'm sure you know them
18 very well. They're a long-time contractor doing good work
19 for the state. Their bid was approximately -- and Mr. Obr
20 may correct me -- somewhere, I think, between \$350- and
21 \$400,000 low.

22 Every other bond submitted was documented
23 precisely correctly, it is purely a clerical error. I can
24 produce a letter, obviously, from the surety company
25 attesting to everybody's intent here, and I just apologize

1 for the mistake and didn't know if there was any remedy
2 available.

3 MR. HOLMES: Explain again.

4 MR. VENSON: This is not an electronic bid,
5 it's a submitted bid, so the bid bond is accompanied by a
6 power of attorney, it's embossed and signed, and it's
7 signed by the Dean Word Company, and our office staff
8 signed every bond we submitted except this one, the
9 signature line was not signed by a person in our office
10 for the surety company. And when I spoke to the
11 department, one gentleman I spoke with said, I don't know
12 if there's any wiggle room in the regulations regarding a
13 signature issue or not. They were not sure if this has
14 been adjudicated before. So I just hate to see the Dean
15 Word Company suffer because of our mistake and wanted to
16 see if we could appeal that.

17 MR. HOLMES: Bob, what are the legal issues
18 here?

19 MR. JACKSON: Joanne or John can correct me if
20 I'm wrong. We require a bid guarantee that can be in
21 various forms. Here it was a bid bond. When we get a bid
22 bond that's not signed, we don't have a bid guarantee, we
23 cannot read a bid without an enforceable bid guarantee.

24 MR. HOUGHTON: That's rather clear.

25 MR. OBR: That's part of our process on paper

1 bids, when we get one that's not signed, we immediately do
2 not read it and put it to the side. That's our checklist.

3 MR. HOUGHTON: That's part of the checklist.
4 Okay.

5 All right. John, anything else? I've got one
6 other speaker. Does Bill want to speak?

7 MR. OBR: He's passing.

8 MR. HOUGHTON: So you need a motion. Right,
9 John?

10 MR. OBR: Yes, sir.

11 MR. HOUGHTON: Motion?

12 MR. AUSTIN: So moved.

13 MR. MEADOWS: Second.

14 MR. HOUGHTON: All in favor?

15 (A chorus of ayes.)

16 MR. WILSON: Lastly, item 11c, the second
17 lowest bidder. John.

18 MR. OBR: Item 11c is for consideration of the
19 acceptance of the withdrawal of a bid on a routine
20 maintenance contract and awards the contract to the second
21 lowest bidder. East Point Holdings, Inc. submitted the
22 lowest bid on contract 0212-01-03 in Fannin County of the
23 Paris District on February 16, 2012, but has not met
24 bonding requirements and failed to execute the contract.
25 The executive director has determined in writing that

1 Chitwood, Inc., the second lowest bidder, is willing to
2 perform the work at the unit prices of the lowest bid and
3 the unit prices are reasonable and there is specific need
4 to expedite the completion of the project to protect the
5 safety of the traveling public.

6 Section 223.041 of the Transportation Code
7 allows the commission to award a maintenance contract to
8 the second lowest bidder under these circumstances. Staff
9 is recommending award to the second bidder.

10 MR. HOUGHTON: Motion?

11 MR. HOLMES: So moved.

12 MR. UNDERWOOD: Second.

13 MR. HOUGHTON: All in favor?

14 (A chorus of ayes.)

15 MR. WILSON: That brings us to item 12, Eminent
16 Domain Proceedings. John Campbell, director of the Right
17 of Way Division, will present this minute order.

18 MR. CAMPBELL: Good morning again. For the
19 record, my name is John Campbell.

20 And I'm pleased to present for your
21 consideration item 12 which authorizes the filing of
22 condemnation proceedings necessary to progress the
23 acquisition of six non-controlled and 15 controlled access
24 parcels by the exercise of eminent domain, for a total of
25 21.

1 Staff recommends your approval of the minute
2 order.

3 MR. AUSTIN: Mr. Chairman, are you ready for a
4 motion?

5 MR. HOUGHTON: I'm waiting.

6 MR. AUSTIN: There was a point early in the
7 meeting you wanted one, so here we go.

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

18 MR. HOLMES: Second.

19 MR. HOUGHTON: All in favor?

20 (A chorus of ayes.)

21 MR. WILSON: Item 13 contains the routine
22 minute orders, and they are right of way dispositions and
23 donations of right of way, highway designation, finance
24 reports, transportation planning, release of access
25 rights, and speed zones. Department staff recommends the

1 adoption of all these items, and would be happy to explain
2 any of these individual items as needed.

3 MR. HOUGHTON: Motion?

4 MR. HOLMES: So moved.

5 MR. UNDERWOOD: Second.

6 MR. HOUGHTON: All in favor?

7 (A chorus of ayes.)

8 MR. HOUGHTON: We have one blue card, Dennis
9 Burleson, chairman of Hidalgo County RMA.

10 MR. BURLESON: For the record, Dennis Burleson,
11 chairman of the Hidalgo County RMA, and apology for not
12 filling out a yellow card instead of a blue card, but I
13 was happy to sit through your whole proceedings and
14 learned a lot, as I always do. Thanks for the
15 opportunity.

16 A couple of things. Thank you for the
17 designation of a much needed project in Hidalgo County,
18 the La Joya project. As the RMA struggled to see if that
19 was toll viable and one thing and the other, it occurs to
20 us that even with additional funds that may need to start
21 as a non-toll project, but fortunately, the county and the
22 RMA are working together enough where there's a
23 transportation reinvestment zone around that, so in some
24 cases, an RMA will benefit whether it's toll or non-toll.

25 The whole idea about being flexible about the way you

1 deliver projects and get lane miles on the ground needs to
2 be all of our concern.

3 I will take pleasure in announcing that I am no
4 longer the chief administrative officer of the Hidalgo
5 County RMA. We hired an executive director a couple of
6 weeks ago. If he didn't have a planning committee to try
7 to get my members moving at a faster pace since he's on
8 board, he'd be here so I could introduce Pilar Rodriguez,
9 but I'll do so in his absence.

10 That, plus a program manager, GEC, engagement
11 of a few months ago, Hidalgo County RMA and Hidalgo County
12 have refocused on a strategic plan. We'd like to come
13 share that with the commission. May need some revamps of
14 the pass-through award project that you invested in on
15 State Highway 365, I think is the number. So we'll be
16 coming back to you with more definite and exact plans and
17 a method of actually employing that project to get it
18 done.

19 I appreciate the spark of innovation that I see
20 in TxDOT and the commissioners need to be commended for
21 that boost, and we're all kind of reinvigorated about
22 getting transportation projects done.

23 Thank you.

24 MR. HOUGHTON: Thanks, Dennis.

25 There is a chairman's privilege. We have an

1 employee that is going to leave us on May 11. Karen
2 Amacker, where are you? Karen, come on up.

3 Karen, after Chris Lippincott left, filled in
4 Media Relations prior to Mr. Kaufman coming on board, and
5 has been the behind-the-scenes and voice and written word
6 of TxDOT, and Karen is decided that her one-year-old is
7 more important than this agency, which I applaud.

8 Karen, thank you for your service to the
9 agency.

10 MS. AMACKER: Thank you very much. I
11 appreciate it. It's been a great four years and it was a
12 very difficult decision to make, but my little girl is a
13 whole lot cuter than my co-workers.

14 MR. HOUGHTON: I mean, wait a minute. Look at
15 this. What are you talking about?

16 (General laughter.)

17 MS. AMACKER: Being brutally honest.

18 But I really have appreciated the opportunity
19 to work with each of you and to work with my colleagues
20 here at TxDOT.

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

22 (Applause.)

23 MR. HOUGHTON: I'm assuming there is no other
24 business to come before the commission. There being none,
25 there is a privileged motion, the most privileged motion.

1 MR. HOLMES: So moved.

2 MR. UNDERWOOD: Second.

3 MR. HOUGHTON: All in favor?

4 (A chorus of ayes.)

5 MR. HOUGHTON: And we are adjourning at what
6 time is it, please, official? 12:05.

7 (Whereupon, at 12:05 p.m., the meeting was
8 concluded.)