

These are the minutes of the regular meeting of the Texas Transportation Commission held on August 30, 2012, in Austin, Texas. The meeting was called to order by Chairman Houghton at 9:00 a.m. with the following commissioners present:

Texas Transportation Commission:

Ted Houghton	Chairman
Fred Underwood	Commissioner
Bill Meadows	Commissioner
Jeff Austin III	Commissioner
Jeff Moseley	Commissioner

Administrative Staff:

Phil Wilson, Executive Director
 Jeff Graham, General Counsel
 Rose Walker, Chief Clerk
 Kristen Webb, Chief Minute Order Clerk

Registration sheets listing others in attendance are on file with the Texas Department of Transportation Chief Minute Order Clerk.

A public notice of this meeting containing all items on the proposed agenda was filed in the Office of the Secretary of State at 4:32 p.m. on August 22, 2012, as required by Chapter 551, of the Government Code, referred to as "The Open Meetings Act."

Chairman Houghton took up agenda item 3a.

ITEM 3. Resolutions

a. Resolution to extend sympathy to the relatives of Howard Wayne Wagnon, an employee of the Lubbock District, who died while performing his duties with the Texas Department of Transportation.

This item was presented by Executive Director Phil Wilson.

The meeting stood at recess at 9:03 a.m.

The meeting reconvened at 9:05 a.m.

ITEM 1. Safety Briefing

This item was presented by Occupational Safety Division Director Jerral Wyer.

ITEM 2. Approval of Minutes of the July 26, 2012, meeting of the Texas Transportation Commission

Commissioner Austin made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0.

ITEM 3. Resolutions

b. Recognize General Counsel Bob Jackson, upon his retirement from the department after 27 years of service

This item was presented by Executive Director, Phil Wilson. The commission also received comments from Bob Jackson.

c. Recognize Rick Collins, Director of Research and Technology upon his retirement from the department after 29 years of service

This item was presented by Executive Director, Phil Wilson. The commission also received comments from Rick Collins.

d. Recognize Austin District Engineer Carlos A. Lopez, P.E., upon his retirement from the department after 33 years of service

This item was presented by Executive Director, Phil Wilson. The commission also received comments from Carlos Lopez.

e. Recognize Waco District Engineer Richard J. Skopik, P.E., upon his retirement from the department after 34 years of service.

This item was presented by Executive Director, Phil Wilson. The commission also received comments from Richard Skopik and the city of Temple Mayor Bill Jones.

ITEM 4. Advisory Committee Appointments

a. Appointment members to the Aviation Advisory Committee (MO)

Commissioner Underwood made a motion, which was seconded, and the commission approved the following minute order by a vote of 4 – 0. Commissioner Meadows was absent for the vote. This item was presented by Aviation Division Director Dave Fulton. The commission also received comments from Vice President of Aviation at Valero Energy, John White.

113223
AVN

Transportation Code §21.003, requires the Texas Transportation Commission (commission) to appoint a six-member Aviation Advisory Committee (committee) to advise the commission and the Texas Department of Transportation (department) on aviation matters.

Transportation Code §21.003, further provides that each member of the committee must have five years of successful experience as an aircraft pilot, an aircraft facilities manager or a fixed-base operator.

The department’s administrative rules governing advisory committees (Title 43, TAC, §§1.80-1.85) provide that committee members serve three-year terms.

The terms of two members expire on August 31, 2012; therefore, it is necessary for the commission to reappoint them for terms to expire on August 31, 2015.

The commission has determined that the individuals listed below fulfill the statutory requirements to serve as members of the committee:

Joe Crawford	John White
Abilene, Texas	San Antonio, Texas

IT IS THEREFORE ORDERED by the commission that the individuals identified above are hereby appointed for three-year terms as members of the Aviation Advisory Committee with terms effective September 1, 2012, and expiring on August 31, 2015.

b. Appoint members to the Bicycle Advisory Committee (MO)

Commissioner Austin made a motion, which was seconded, and the commission approved the following minute order by a vote of 4 – 0. Commissioner Meadows was absent for the vote. This item was presented by Public Transportation Division Director Eric Gleason.

113224
PTN

The Bicycle Advisory Committee (committee) provides the Texas Transportation Commission (commission) with insight from the perspective of bicyclists. The primary mission of the committee is to advise the commission on bicycle issues and to provide a forum for communication among the Texas Department of Transportation, bicyclists and the public. The committee also evaluates projects submitted for the Safe Routes to School Program. The committee functions under Title 43, Texas Administrative Code, §1.85, concerning advisory committees.

The commission desires that the committee continue to advise the commission on bicycle issues, the Safe Routes to School Program and bicycle tourism trails.

The commission makes the following appointments:

Terms expiring August 31, 2015

Margaret Charlesworth,	SanAngelo
Howard Peak	San Antonio
Anne-Marie Williamson	Wichita Falls

IT IS THEREFORE ORDERED by the commission that the individuals identified above are appointed for the terms specified as members of the Bicycle Advisory Committee.

c. Appoint members to the Border Trade Advisory Committee (MO)

Commissioner Austin made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by Director of Planning Marc Williams.

113225

Transportation Code, Section 201.114(b), requires the Texas Transportation

TPP

Commission (commission) to appoint members to the Border Trade Advisory Committee (committee) to assist the commission in defining and developing a strategy and making recommendations for addressing the highest priority border trade transportation challenges.

The Texas Department of Transportation’s administrative rules governing advisory committees, Title 43, Texas Administrative Code, Section 1.84, provide that the committee members serve staggered three-year terms.

The commission has determined that the individuals or positions listed below fulfill the statutory requirements to serve as members of the committee and shall serve the terms specified:

Terms expiring August 31, 2015:

- Robert Harrison, Deputy Director, College of Engineering, Center for Transportation Research, The University of Texas at Austin, or designee
- Rafael M. Aldrete, Ph.D., Program Manager, Center for International Intelligent Transportation Research, Texas Transportation Institute, The Texas A&M University System, El Paso, or designee
- David Alex, Chair, Cameron County Regional Mobility Authority, or designee
- The Honorable Ramsey English Cantu, Mayor, City of Eagle Pass, or designee
- Judy Hawley, Port Commissioner, Port of Corpus Christi, or designee
- Eddie Aldrete, Senior Vice President, International Bancshares Corp. (IBC Bank), or designee
- Jorge Canavati, Vice President, Business Development, Port of San Antonio, or designee
- Javier Garza, Chairman, Laredo Development Foundation, or designee

IT IS THEREFORE ORDERED by the commission that the individuals or positions named above are appointed to the Border Trade Advisory Committee for the terms specified.

ITEM 5. Discussion Item

a. Transportation Enhancement Program

Discussion of the Transportation Enhancement Program and the potential issuance of a call for projects

This item was presented by Deputy Executive Director John A. Barton.

b. Transportation Infrastructure Finance and Innovation Act (TIFA)

Discussion of Letters of Interest (LOI) submitted for Comprehensive Development Agreement (CDA) projects to the U.S. Department of Transportation for Transportation Infrastructure Finance and Innovation Act (TIFIA) credit assistance and a process to identify additional projects in the state that could benefit from TIFIA

This item was presented by Chief Financial Officer James Bass.

ITEM 6. Legislative Appropriations Request

Adopt the Texas Department of Transportation's Fiscal Year 2014-2015 Legislative Appropriations Request (MO)

Commissioner Underwood made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by Chief Financial Officer James Bass.

113226
FIN

The Government Code provides the statutory basis for each agency to submit a biennial request for legislative appropriations. The funds shown below are necessary to effectively accomplish the mission, goals, objectives, and strategies of the Texas Department of Transportation’s strategic planning and budget structure previously approved by the Governor’s Office of Budget, Planning and Policy, and the Legislative Budget Board. The Texas Transportation Commission supports the mission, goals, objectives, strategies and funding requirements outlined below.

TEXAS DEPARTMENT OF TRANSPORTATION LEGISLATIVE APPROPRIATIONS REQUEST FOR FISCAL YEARS 2014 - 2015		
A. GOAL: PROVIDE TRANSPORTATION PLANNING		
	2014	2015
A.1.1 PLAN/DESIGN/MANAGE	\$358,442,421	\$359,259,513
A.1.2 CONTRACTED PLANNING & DESIGN	\$422,457,562	\$372,610,814
A.1.3 RIGHT-OF-WAY ACQUISITION	\$521,445,837	\$205,055,686
A.1.4 RESEARCH	\$22,931,195	\$22,933,307
TOTAL, GOAL A:	\$1,325,277,015	\$959,859,320
B. GOAL: TRANSPORTATION IMPROVEMENTS		
	2014	2015
B.1.1 EXISTING CONSTRUCTION CONTRACTS	\$1,790,531,520	\$1,180,720,587
B.1.2 NEW CONSTRUCTION CONTRACTS	\$346,136,633	\$881,101,153
B.1.3 CONSTRUCTION GRANTS & SERVICES	\$1,009,881,012	\$892,858,493
B.1.4 AVIATION SERVICES	\$109,457,820	\$84,452,592
TOTAL, GOAL B:	\$3,256,006,985	\$3,039,132,825
C. GOAL: PRESERVE THE TRANSPORTATION SYSTEM		
	2014	2015

C.1.1 EXISTING MAINTENANCE CONTRACTS	\$2,146,763,911	\$969,011,221
C.1.2 NEW MAINTENANCE CONTRACTS	\$636,043,546	\$1,595,988,075
C.1.3 CONTRACTED ROUTINE MAINTENANCE	\$651,311,686	\$669,754,984
C.1.4 ROUTINE MAINTENANCE	\$734,204,983	\$774,537,946
C.1.5 GULF WATERWAY	\$826,332	\$827,071
C.1.6 FERRY OPERATIONS	\$45,450,819	\$45,718,430
TOTAL, GOAL C:	\$4,214,601,277	\$4,055,837,727

D. GOAL: OPTIMIZE SERVICES AND SYSTEMS		
	2014	2015
D.1.1 PUBLIC TRANSPORTATION	\$88,493,473	\$88,532,976
D.2.1 TRAFFIC SAFETY	\$60,506,402	\$60,593,473
D.3.1 TRAVEL INFORMATION	\$16,841,124	\$16,880,934
TOTAL, GOAL D:	\$165,840,999	\$166,007,383
E. GOAL: ENHANCE RAIL TRANSPORTATION		
	2014	2015
E.1.1 RAIL PLAN/DESIGN/MANAGE	\$2,575,387	\$2,376,215
E.1.2 CONTRACT RAIL PLAN/DESIGN	\$14,122,000	\$6,498,000
E.1.4 RAIL CONSTRUCTION	\$13,833,333	\$13,833,333
E.1.5 RAIL MAINTENANCE	\$0	\$0
E.1.6 RAIL SAFETY	\$1,093,749	\$1,119,982
TOTAL, GOAL E:	\$31,624,469	\$23,827,530
F. GOAL: INDIRECT ADMINISTRATION		
	2014	2015
F.1.1 CENTRAL ADMINISTRATION	\$52,190,963	\$52,502,809
F.1.2 INFORMATION RESOURCES	\$108,281,394	\$79,814,518
F.1.3 OTHER SUPPORT SERVICES	\$38,692,766	\$37,696,757
F.1.4 REGIONAL ADMINISTRATION	\$46,179,208	\$45,532,796
TOTAL, GOAL F:	\$245,344,331	\$215,546,880
G. GOAL, DEBT SERVICE PAYMENTS		

	2014	2015
G.1.1 GENERAL OBLIGATION BONDS	\$193,277,343	\$257,772,993
G.1.2 STATE HIGHWAY FUND BONDS	\$434,435,833	\$434,435,833
G.1.3 TEXAS MOBILITY FUND BONDS	\$363,245,676	\$372,704,293
G.1.4 OTHER DEBT SERVICE	\$5,000,000	\$5,000,000
TOTAL, GOAL G:	\$995,958,852	\$1,069,913,119
H. GOAL, DEVELOP TOLL SUBACCOUNT PROJECTS		
	2014	2015
H.1.1 PLAN/DESIGN/MANAGE - SUBACCOUNT	\$4,030,000	\$1,440,000
H.1.2 CONTRACTED PLAN/DESIGN/MANAGE - SUBACCOUNT	\$11,800,000	\$8,825,000
H.1.3 RIGHT-OF-WAY ACQUISITION - SUBACCOUNT	\$87,985,000	\$16,850,000
H.1.4 CONSTRUCTION CONTRACTS – SUBACCOUNT	\$313,020,214	\$188,581,022
H.1.5 MAINTENANCE CONTRACTS – SUBACCOUNT	\$0	\$0
TOTAL, GOAL H:	\$416,835,214	\$215,696,022
GRAND TOTAL: Texas Department of Transportation	\$10,651,489,142	\$9,745,820,806

*Within a biennium, some strategies are legislatively authorized to carry any unexpended balance (U.B.) forward from the first Fiscal Year of the biennium to the second Fiscal Year of the biennium.

IT IS THEREFORE ORDERED that the executive director is authorized to submit a Legislative Appropriations Request to the Legislative Budget Board and the Governor's Office of Budget, Planning and Policy in accordance with all prescribed guidelines in the amounts of \$10,651,489,142 in Fiscal Year 2014 and \$9,745,820,806 for Fiscal Year 2015.

IT IS FURTHER ORDERED that the executive director is hereby authorized to make adjustments to the requested levels as may be necessary in the operations of the department.

Note: Exhibit A is on file with the minute order clerk.

ITEM 7. Aviation**a. Approve Aviation Capital Improvement Program (MO)**

Commissioner Underwood made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by Aviation Division Director Dave Fulton.

113227
AVN

Pursuant to Transportation Code, §§21.108-21.111 and Title 43, Texas Administrative Code, §30.209, the Texas Department of Transportation (department) prepares an Aviation Facilities Development Program identifying the aviation facility requirements, locations, timing, eligibility for funding, and the investment necessary for a statewide system of airports that will provide for the state's air transportation needs.

There continues to be a need for the construction, rehabilitation and upgrading of the state airport system.

As an element of the Aviation Facility Development Program, the department is required to prepare and update a multiyear Aviation Capital Improvement Program (CIP) at least annually. In July, the draft FY 2013-2015 Aviation CIP was submitted to the sponsors of airports included in the Texas airport system for review.

The Texas Aviation Advisory Committee recommended approval of the FY 2013-2015 CIP at its August meeting.

Comments received have been evaluated and, when appropriate, have been addressed in the CIP.

IT IS THEREFORE ORDERED by the commission that the attached FY 2013-2015 Capital Improvement Program (Exhibit A) is hereby adopted and the executive director is authorized to proceed with the development of the airport facilities included in the Capital Improvement Program.

Note: Exhibit A is on file with the minute order clerk.

b. Various Counties - Award federal and state grant funding for airport improvement projects at various locations (MO)

Commissioner Underwood made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by Aviation Division Director Dave Fulton.

113228
AVN

The Texas Department of Transportation (department) is authorized under the federal Airport and Airway Improvement Act and the state Aviation Facilities Development and Financial Assistance Act to award federal and state funding for capital improvement projects and to assist in the development and establishment of airports in the state of Texas.

The airports listed in Exhibit A are currently in need of improvements to preserve the airports or to meet standards. The department recommends the award of federal and state grant funds for the improvements.

On Thursday, July 19, 2012, a public hearing was held. No comments were received.

IT IS THEREFORE ORDERED by the Texas Transportation Commission that the executive director, or the director's designee, is authorized to enter into any necessary agreements to fund, through the Aviation Facilities Grant Program, the projects described in Exhibit A at an estimated cost of \$15,050,844.

Note: Exhibit A is on file with the minute order clerk.

c. Various Counties - Approve the Routine Airport Maintenance Program (MO)

Commissioner Underwood made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by Aviation Division Director Dave Fulton.

113229
AVN

The Texas Department of Transportation (department) is authorized under Texas Transportation Code, Chapter 21 and Chapter 22, to assist in the development and maintenance of airports in the state.

The Routine Airport Maintenance Program (RAMP) provides financial assistance for publicly owned or operated general aviation, reliever and non-hub commercial service airports included in the Texas Airport System Plan.

Due to the success of this program, the department requests continuation of the program by providing funds for airport maintenance and small capital improvements on a 50-50 basis up to a maximum of \$50,000 in state funds for Fiscal Year 2013.

A public hearing regarding the funding of RAMP was held on July 19, 2012, and no comments were received.

IT IS THEREFORE ORDERED by the commission that the airports listed in Exhibit A be awarded grants in accordance with RAMP and that the executive director, or the director's designee, is authorized to enter into any necessary grant agreements with the appropriate local government agencies necessary to carry out the directives of this minute order.

Note: Exhibit A is on file with the minute order clerk.

ITEM 8. Public Transportation

a. Various Counties - Award federal §5310 funds, Special Needs of Elderly Individuals and Individuals with Disabilities Program, and award transportation development credits for FY 2012 (MO)

Commissioner Austin made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by Public Transportation Division Director Eric Gleason.

113230
PTN

Texas Transportation Commission (commission) takes special note of its designation by the governor as the administering agency for the Federal Transit Administration (FTA) grant program, "Formula Grants for Special Needs of Elderly Individuals and Individuals with Disabilities" (49 U.S.C §5310), in a letter dated October 4, 2005; and further acknowledges that federal program regulations require the

Texas Department of Transportation (department) to ensure that grant funds are distributed fairly and equitably within the state.

The commission passed Minute Order 113000, on February 23, 2012, awarding the available portion of the FY 2012 federal §5310 program funds in accordance with the six-month continuing resolution of SAFETEA-LU passed by the United States Congress.

The United States Congress has now passed Moving Ahead for Progress in the 21st Century (MAP-21), Public Law 112-141, which continues the authorization of the Federal transit programs of the U.S. Department of Transportation (DOT) through September 30, 2012, and the FTA has announced the total available funds for the FY 2012 §5310 federal apportionment for Texas. The balance of the FY 2012 §5310 federal apportionment for Texas, including deobligated funds from previous awards, is awarded under this minute order.

Awards to transit operators are calculated in accordance with the formula in Title 43, Texas Administrative Code, §31.31. Projects are selected at the district office level following a consultation process with all local parties, including any existing Metropolitan Planning Organizations, and a local planning, and development process. Projects also meet the requirements of inclusion in a coordinated transportation plan as required 49 U.S.C. §5310 and administered through the provisions of Transportation Code, Chapter 461. Project recipients recommended for award are described in Exhibit A which includes funding for transit vehicles, information technology, preventive maintenance, purchase of service and equipment.

Title 43, Texas Administrative Code, §5.73 establishes the process for which Transportation Development Credits (TDC) may be awarded at the discretion of the commission. The commission finds that TDC investments in:

- Transit vehicles will improve air quality by replacing older vehicles with newer models which meet current emission standards; and increase the value of the transportation assets by investing into the replacement of depreciated rolling stock;
- Information technology increase the value of the transportation assets by investing in new technology which complies with federal standards and provides better record keeping for reporting to various state and federal agencies;
- Preventive maintenance improves air quality by regularly maintaining vehicles at manufacturer scheduled intervals and increasing the value of the transportation assets by preserving the condition of existing fleet;
- Purchase of service will provide mobility options for elderly and disabled individuals seeking employment, training, and other essential services thus expanding economic opportunities; and
- Purchase of equipment will increase the value of the transportation assets by replacing worn equipment or purchasing new equipment which will supplement existing rolling stock or other capital inventory.

The commission finds that the projects in Exhibit A are eligible for funding and awards a total of \$4,027,026 in federal Formula Grant funds for Special Needs of Elderly Individuals and Individuals with Disabilities and 366,249 in TDC.

Transportation Code, Chapter 455 assigns a broad spectrum of public transportation roles and missions to the department.

Transportation Code, Chapter 456, authorizes the commission to administer funds appropriated for public transportation.

IT IS THEREFORE ORDERED by the commission that the executive director or the director's designee is directed to proceed with the awards as described in Exhibit A, submit the necessary state application to FTA, and enter into the necessary contracts for the FY 2012 program of projects.

Note: Exhibit A is on file with the minute order clerk.

b. Various Counties - Award federal §5311, Nonurbanized Area Formula Program, funds to rural transit districts for FY 2012 (MO)

Commissioner Austin made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by Public Transportation Division Director Eric Gleason.

113231
PTN

The Texas Transportation Commission (commission) takes special note of its designation by the governor as the administering agency for the Federal Transit Administration (FTA) grant program, Formula Grant Program for Areas Other Than Urbanized (49 U.S.C. §5311), in a letter dated October 4, 2005; and further acknowledges that federal program regulations require the Texas Department of Transportation (department) to ensure that these grant funds are distributed fairly and equitably within the state.

Title 43, Texas Administrative Code (TAC), §31.36(g)(4), establishes a formula for calculating awards to rural transit systems based on vehicle revenue miles. The distribution of the awards is shown in Exhibit A.

Transportation Code, Chapter 455 assigns a broad spectrum of public transportation roles and missions to the department.

Transportation Code, Chapter 456 authorizes the commission to administer funds appropriated for public transportation.

IT IS THEREFORE ORDERED by the commission that the executive director or the director's designee is directed to proceed with the awards as described in Exhibit A, submit the necessary state application to the FTA and enter into the necessary contracts.

Note: Exhibit A is on file with the minute order clerk.

c. Various Counties - Award federal §5304 and state match, §5311, §5311(f), §5316, §5317, Rural Transit Assistance Program funds for the FY 2012 coordinated call for projects, and award transportation development credits (MO)

Commissioner Austin made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by Public Transportation Division Director Eric Gleason.

113232
PTN

The Texas Transportation Commission (commission) takes special note of its designation by the governor in a letter dated October 4, 2005, as the administering agency for the Federal Transit Administration (FTA) grant programs and further acknowledges that federal program regulations require the Texas Department of Transportation (department) to ensure that these grant funds are distributed fairly and equitably within the state.

Title 43, Texas Administrative Code, Sections §31.17, §31.18, §31.22, §31.36 and §31.37 establishes the process by which program proposals shall be evaluated and funds distributed. On August 5, 2011, the department published a Notice of Request for Proposal for projects in the Texas Register. Project criteria included project planning and coordination; demonstration of need; benefits of the project; and project management.

Title 43, Texas Administrative Code, §5.73 establishes the process for which Transportation Development Credits (TDC) may be awarded at the discretion of the commission. The commission finds that TDC investments in:

- Transit vehicles will improve air quality by replacing older vehicles with newer models which meet current emission standards; and increase the value of the transportation assets by investing into the replacement of depreciated rolling stock;
- Facilities increase the value of the transportation assets by improving or adding system infrastructure and capacity designed to provide transit services to the citizens of Texas; and
- Preventive maintenance improves air quality by regularly maintaining vehicles at manufacturer-scheduled intervals and increasing the value of the transportation assets by preserving the condition of existing fleet.

The commission finds that the projects in Exhibit A are eligible for funding and awards a total of \$9,031,646 in federal and state program funds and 943,500 in TDC.

Transportation Code, Chapter 455 assigns a broad spectrum of public transportation roles and missions to the department. Transportation Code, Chapter 456 authorizes the commission to administer funds appropriated for public transportation.

IT IS THEREFORE ORDERED by the commission that the executive director or the director's designee is directed to proceed with the awards as described in Exhibit A, submit the necessary state application to the FTA and enter into the necessary contracts.

Note: Exhibit A is on file with the minute order clerk.

d. Various Counties - Award Remaining Balance of Federal §5303 Metropolitan Transportation Planning Funds, and Award Transportation Development Credits for FY 2013 (MO)

Commissioner Austin made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by Public Transportation Division Director Eric Gleason.

113233

The Texas Transportation Commission (commission) was designated by the

PTN

governor as the administering agency for the Federal Transit Administration (FTA) grant program, Metropolitan Planning Program (49 U.S.C. §5303) in a letter dated October 4, 2005, and is required to ensure that these grant funds are distributed and utilized in accordance with guidance from FTA.

The commission passed Minute Order 113145 on June 28, 2012, awarding available program funds. On July 18, 2012, the Federal Register included a notice from FTA that the full FY 2012 funding amounts had been apportioned among the states, and was available for use. This minute order awards the balance of metropolitan planning funds to MPOs, which will be in addition to the funds awarded in June.

Title 43, Texas Administrative Code (TAC), §31.21(c) establishes a formula through which §5303 program funds shall be distributed to the metropolitan planning organizations (MPO) of the state by the Texas Department of Transportation (department). The distribution of the additional federal FY 2012 apportionment is shown in Exhibit A and has been calculated in accordance with the provisions of §31.21(c).

Title 43, Texas Administrative Code, §5.73, establishes the process for which Transportation Development Credits (TDC) may be awarded at the discretion of the commission.

The commission finds that TDC investments in metropolitan planning will:

- Expand the availability of funding for transportation projects by leveraging the federal funding awards in this minute order thus allowing use of scarce local and state dollars for other prioritized projects; and
- Reduce congestion and improve air quality by coordinated planning of multimodal transportation projects that reduce the need for single occupant vehicle travel.

Transportation Code, Chapter 455 assigns a broad spectrum of public transportation roles and missions to the department.

Transportation Code, Chapter 456 authorizes the commission to administer funds appropriated for public transportation.

IT IS THEREFORE ORDERED by the commission that the executive director or the director's designee is directed to proceed with the award of \$1,714,392 in federal FY 2012 §5303 FTA allocations and 342,887 in TDCs as described in Exhibit A, submit the necessary state application to FTA, and enter into any necessary contracts in accordance with the priorities established in this minute order.

Note: Exhibit A is on file with the minute order clerk.

e. Tarrant County - Award Federal Section 5304 funds to Mental Health and Mental Retardation of Tarrant County to perform a demonstration project for mobility management (MO)

Commissioner Underwood made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by Public Transportation Division Director Eric Gleason. The commission also received comments from Tarrant County Judge Glen Whitley, Deputy CEO , MHMR of Tarrant County Susan Garnett, and Director of Tarrant County Area Agency on Aging Don Smith.

113234
PTN

The Texas Transportation Commission (commission) desires to award funds to support the continued development of public transportation services for seniors and people with disabilities.

Transportation Code, Chapter 455 assigns a broad spectrum of public transportation roles and missions to the Texas Department of Transportation (department).

Transportation Code, Chapter 456 authorizes the commission to administer funds appropriated for public transportation.

Under §5304 of the Federal Transit Code, the Federal Transit Administration (FTA) provides the department with funds to be used for planning projects, including demonstration or pilot projects. Non-federal matching funds may be provided by local-sourced funds or equivalent in-kind activities.

IT IS THEREFORE ORDERED that \$334,672 is awarded to Mental Health Mental Retardation of Tarrant County, to fund the federal portion of a demonstration project titled “Tarrant Rides” in FY 2013.

IT IS FURTHER ORDERED by the commission that the executive director or the director's designee is authorized to distribute funds as described herein, submit the necessary state application to the FTA, and enter into the necessary contracts in accordance with the priorities established in this minute order.

f. Various Counties - Award Federal Funds and Transportation Development Credits to Agencies Receiving Veterans Transportation and Community Living Initiative Awards (MO)

Commissioner Underwood made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by Public Transportation Division Director Eric Gleason.

113235
PTN

The Texas Transportation Commission (commission) takes special note of its designation by the governor as the administering agency for the Federal Transit Administration (FTA) grant program, Bus and Bus Facilities Program (49 U.S.C. §5309), in a letter dated October 4, 2005; and further acknowledges that federal program regulations require the Texas Department of Transportation (department) to ensure that these grant funds are distributed fairly and equitably within the state. FTA announced awards for the Veterans Transportation and Community Living

Initiative program in the Federal Register on July 25, 2012. The department received an award for an East Texas Council of Governments (ETCOG) project. Additionally the Dallas Area Rapid Transit (DART) authority received an award directly.

Title 43, Texas Administrative Code, §5.73 establishes the process for which Transportation Development Credits (TDC) may be awarded at the discretion of the commission. The commission finds that TDC investments in coordinated planning of transportation projects will reduce the need for single occupant vehicle travel and passenger trips, thus reducing congestion and improving air quality.

The commission finds that the projects are eligible for funding and desires to award \$230,992 of federal §5309 funds and 46,198 in TDC to ETCOG; and TDC in the amount of 247,960 to DART.

Transportation Code, Chapter 455 assigns a broad spectrum of public transportation roles and missions to the department.

Transportation Code, Chapter 456 authorizes the commission to administer funds appropriated for public transportation

IT IS THEREFORE ORDERED by the commission that the executive director or the director's designee is directed to proceed with the awards as described, submit the necessary state application to the FTA and enter into the necessary contracts.

g. Various Counties - Award federal §5309 capital investment program funds and transportation development credits to rural transportation providers to purchase public transportation vehicles and construct a transit maintenance facility, and award transportation development credits to one urban transportation provider to provide match for Facility Rehabilitation (MO)

Commissioner Underwood made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by Public Transportation Division Director Eric Gleason.

113236
PTN

The Texas Transportation Commission (commission) takes special note of its designation by the governor as the administering agency for the Federal Transit Administration (FTA) grant program, Bus and Bus Facilities Program (49 U.S.C. §5309), in a letter dated October 4, 2005; and further acknowledges that federal program regulations require the Texas Department of Transportation (department) to ensure that these grant funds are distributed fairly and equitably within the state.

On behalf of participating rural transit districts, the department submitted a project application and was awarded approximately \$12.4 million under the FTA's §5309 federal Bus and Bus Facilities Program for vehicle procurement in support of FTA's State of Good Repair initiative and \$1.75 million for one facility project. In addition the city of Lubbock/Citibus was also awarded funds directly from FTA for which TDC have been requested.

The commission finds that the projects listed in Exhibits A and B are eligible for funding and desires to award approximately \$14.2 million of federal §5309 funds and 2.46 million in Transportation Development Credits (TDC) to participating rural transit districts. The commission also desires to award 175,000 TDC to the city of Lubbock/Citibus for a facility project.

Title 43, Texas Administrative Code, §5.73 establishes the process for which Transportation development Credits (TDC) may be awarded at the discretion of the commission. The commission finds that TDC investments in:

- Transit vehicles will improve air quality by replacing older vehicles with newer models which meet current emission standards; and increase the value of the transportation assets by investing into the replacement of depreciated rolling stock; and

- Facilities increase the value of the transportation assets by improving or adding system infrastructure and capacity designed to provide transit services to the citizens of Texas.

Transportation Code, Chapter 455 assigns a broad spectrum of public transportation roles and missions to the department.

Transportation Code, Chapter 456 authorizes the commission to administer funds appropriated for public transportation.

IT IS THEREFORE ORDERED by the commission that the executive director or the director's designee is directed to proceed with the awards as described in Exhibits A and B, submit the necessary state application to the FTA and enter into the necessary contracts.

Note: Exhibits A and B are on file with the minute order clerk.

ITEM 9. Promulgation of Administrative Rules Under Title 43, Texas Administrative Code, and the Administrative Procedure Act, Government Code, Chapter 2001:

a. Final Adoption

(1) Chapter 4 - Employment Practices (MO)

Repeal of §4.16, Veterans Employment Preference (Job Application Procedures)

Commissioner Austin made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by Human Resources Division Director Janine Mays.

113237
HRD

The Texas Transportation Commission (commission) finds it necessary to adopt the repeal of §4.16, Veterans Employment Preference, relating to Job Application Procedures, to be codified under Title 43, Texas Administrative Code, Part 1.

The preamble and the adopted repeal, attached to this minute order as Exhibits A and B, are incorporated by reference as though set forth verbatim in this minute order, except that they are subject to technical corrections and revisions, approved by the General Counsel, necessary for compliance with state or federal law or for acceptance by the Secretary of State for filing and publication in the Texas Register.

IT IS THEREFORE ORDERED by the commission that the repeal of §4.16 is adopted and is authorized for filing with the Office of the Secretary of State.

The executive director is directed to take the necessary steps to implement the actions as ordered in this minute order, pursuant to the requirements of the Administrative Procedure Act, Government Code, Chapter 2001.

Note: Exhibits A and B are on file with the minute order clerk.

(2) Chapter 9 - Contract and Grant Management (MO)

Amendments to §9.2, Contract Claim Procedure and §9.6, Contract Claim Procedure for Comprehensive Development Agreements and Certain Design-Build Contracts (General)

Commissioner Austin made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by Chief Planning and Project Officer Russell Zapalac.

113238
SPD

The Texas Transportation Commission (commission) finds it necessary to adopt amendments to §9.2, Contract Claim Procedure, and §9.6, Contract Claim Procedure for Comprehensive Development Agreements and Certain Design-Build Contracts, to be codified under Title 43, Texas Administrative Code, Part 1.

The preamble and the adopted amendments, attached to this minute order as Exhibits A and B, are incorporated by reference as though set forth verbatim in this minute order, except that they are subject to technical corrections and revisions, approved by the General Counsel, necessary for compliance with state or federal law or for acceptance by the Secretary of State for filing and publication in the *Texas Register*.

IT IS THEREFORE ORDERED by the commission that the amendments to §9.2 and §9.6 are adopted and are authorized for filing with the Office of the Secretary of State.

The executive director is directed to take the necessary steps to implement the actions as ordered in this minute order, pursuant to the requirements of the Administrative Procedure Act, Government Code, Chapter 2001.

Note: Exhibits A and B are on file with the minute order clerk.

b. Proposed Adoption

(1) Chapter 12 - Public Donation and Participation Program (MO)

New Subchapter J, Real-Time System Management Information Program,

New §§12.301-12.304

Commissioner Austin made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by Traffic Operations Division Director Carol Rawson.

113239
TRF

The Texas Transportation Commission (commission) finds it necessary to propose new §§12.301-12.304 relating to the real-time system management information program to be codified under Title 43, Texas Administrative Code, Part 1.

The preamble and the proposed new sections, attached to this minute order as Exhibits A and B, are incorporated by reference as though set forth verbatim in this minute order, except that they are subject to technical corrections and revisions, approved by the General Counsel, necessary for compliance with state or federal law or for acceptance by the Secretary of State for filing and publication in the *Texas Register*.

IT IS THEREFORE ORDERED by the commission that new §§12.301-12.304 are proposed for adoption and are authorized for publication in the *Texas Register* for the purpose of receiving public comments.

The executive director is directed to take the necessary steps to implement the actions as ordered in this minute order, pursuant to the requirements of the Administrative Procedure Act, Government Code, Chapter 2001.

Note: Exhibits A and B are on file with the minute order clerk.

(2) Chapter 25 - Traffic Operations (MO)**Amendments to §25.1, Uniform Traffic Control Devices**

Commissioner Austin made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by Traffic Operations Division Director Carol Rawson.

113240
TRF

The Texas Transportation Commission (commission) finds it necessary to propose an amendment to §25.1, Uniform Traffic Control Devices, relating to traffic operations, be codified under Title 43, Texas Administrative Code, Part 1.

The preamble and the proposed amendment attached to this minute order as Exhibits A and B, are incorporated by reference as though set forth verbatim in this minute order, except that they are subject to technical corrections and revisions, approved by the General Counsel, necessary for compliance with state or federal law or for acceptance by the Secretary of State for filing and publication in the Texas Register.

IT IS THEREFORE ORDERED by the commission that the amendment to §25.1 is proposed for adoption and is authorized for publication in the Texas Register for the purpose of receiving public comments.

The executive director is directed to take the necessary steps to implement the actions as ordered in this minute order, pursuant to the requirements of the Administrative Procedure Act, Government Code, Chapter 2001.

Note: Exhibits A and B are on file with the minute order clerk.

c. Rule Review**In accordance with Government Code, §2001.039, Readoption of Title 43, Texas Administrative Code, Chapter 21, Right of Way (MO)**

Commissioner Austin made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by General Counsel Jeff Graham.

113241
OGC

Government Code, §2001.039 requires state agencies to readopt their rules every four years and, prior to readopting, to consider whether the reasons for adopting each rule continue to exist.

During June and July 2012, the Texas Department of Transportation reviewed Title 43, Texas Administrative Code, Part 1, Chapter 21, Right of Way. The Notice of Intent to review was published in the Texas Register on July 6, 2012 (37 TexReg 5137).

No comments were received regarding this rule review.

The Texas Transportation Commission (commission) finds that the reasons for adopting these rules continue to exist.

IT IS THEREFORE ORDERED by the commission that the reviewed rules are readopted and that the executive director provide for filing with the Office of the Secretary of State, Texas Register Division, a notice readopting these rules.

ITEM 10. Office of Compliance and Ethics Report

This item was presented by Director of the Office of Compliances and Ethics Suzanne Latimer.

ITEM 11. Audit Plan

Approve the Audit Plan for Fiscal Year 2013 and determine whether adequate resources have been dedicated to the internal audit program (MO)

Commissioner Austin made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by Chief Audit Executive Benny Ybarra.

113242
AUD

The Texas Internal Auditing Act, Government Code, Chapter 2102, requires the internal auditor to create an annual audit plan that is prepared using risk assessment techniques and that identifies the individual audits to be conducted during the year. The audit plan must be approved by the state agency's governing board. In addition, the governing board must periodically review the resources dedicated to the internal audit program and determine if adequate resources exist to ensure that risks identified in the annual risk assessment are adequately covered within a reasonable time frame.

The Audit Office developed an Audit Plan for Fiscal Year (FY) 2013, which is set forth in Exhibit A. This audit plan was prepared by completing a risk assessment of the department's functions; obtaining input from the district engineers, division directors, office directors and regional support center directors; discussing potential audit areas with members of the department's administration; and seeking input from the Audit Subcommittee. This audit plan identifies the audits to be conducted and the resources available to the Audit Office for FY 2013. The Audit Office considers its resources for FY 2013 to be adequate to address the risks that warrant audit coverage.

The Audit Plan for FY 2013 is being presented to the Texas Transportation Commission (commission) for approval and a determination that adequate resources exist to ensure that the risks identified are adequately covered.

IT IS THEREFORE ORDERED by the commission that the Audit Plan for FY 2013, as shown in Exhibit A, is hereby approved.

FURTHER, the commission finds that adequate resources have been dedicated to the internal audit program in order to ensure that the risks identified in the annual risk assessment are covered within a reasonable time frame.

Note: Exhibit A is on file with the minute order clerk.

ITEM 12. Toll Projects**a. Central Texas Turnpike System Revenue Bonds**

Approve the Sixth Supplemental Indenture authorizing the issuance of one or more series of Central Texas Turnpike System (CTTS) Revenue Refunding Bonds to refund all or any portion of outstanding tax-exempt CTTS Revenue Bonds and authorizing inclusion of the SH 45 SE toll project in the CTTS; authorize the chief financial officer and other department representatives to determine whether to refund or remarket the

outstanding tax-exempt CTTS Revenue Refunding Put Bonds, Series 2009 that are subject to mandatory tender on February 15, 2013; approve the remarketing memorandum, official statement, bond purchase contract, escrow agreement and other documents relating to any remarketing or the issuance of refunding bonds and authorize the chief financial officer and other designated department representatives to take all actions necessary to effectuate any remarketing and to deliver one or more series of CTTS Revenue Refunding Bonds; approve application to the Texas Bond Review Board for exemption from approval or approval to issue such refunding bonds (MO)

Commissioner Austin made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by Chief Financial Officer James Bass.

113243
FIN

Transportation Code Section 228.051 provides that the Texas Transportation Commission (commission) by order may designate one or more lanes of a segment of the state highway system as a toll project or system.

By Minute Order 108873, dated April 25, 2002, SH 130 was designated as a toll project and a controlled access state highway from I-35 north of Georgetown to the intersection of US 183 and SH 130 at SH 45 Southeast (SH 130).

By Minute Order 108896, dated May 30, 2002, SH 45 N was designated as a toll project and a controlled access state highway from west of US 183 to SH 130/SH 45 North interchange (SH 45 N).

By Minute Order 108896, dated May 30, 2002, Loop 1 was designated as a toll project and a controlled access state highway from the existing Loop 1 and FM 734 (Parmer Lane) to the Loop 1/SH 45 North interchange (Loop 1).

The commission has previously issued \$2,199,268,781.80 in aggregate principal amount of obligations (including \$1,149,993,781.80 original aggregate principal amount First Tier Revenue Bonds, Series 2002-A (2002-A Bonds); \$900,000,000 original aggregate principal amount TIFIA Loan Agreement and 2002 TIFIA Bond; \$149,275,000 original aggregate principal amount First Tier Revenue Refunding Put Bonds, Series 2009 (2009 Bonds) (collectively, the system obligations) to finance a portion of the costs of the Central Texas Turnpike System (system), composed initially of the SH 130, SH 45 N, and Loop 1 project elements, described above, pursuant to an Indenture of Trust (indenture) and five supplemental indentures. Any terms not otherwise defined in this order have the meaning given in the indenture.

The indenture defines the system as being comprised of initially the 2002 Project, and any project to expand, enlarge or extend the system, any project pooled with the system pursuant to the Transportation Code and any other roads, bridges, tunnels or other toll facilities for which the commission has operational responsibility and is collecting tolls, unless the commission identifies, in writing delivered to the trustee, as defined in the indenture, such roads, bridges, tunnels or other toll facilities as not being part of the system for the purposes of the indenture.

By Minute Order 109729 dated July 29, 2004, SH 45 Southeast was designated as a toll project and a controlled access state highway from I-35 at FM 1327 south of Austin to the SH 130/US 183 interchange (SH 45 SE); however, by Minute Order

10994, dated December 16, 2004, the commission determined that SH 45 SE was not a part of the system.

Transportation Code Section 228.010 provides that the commission is authorized to create a system composed of existing tolled projects, if it is determined that the mobility needs of a region or a system could be more efficiently and economically met by jointly operating two or more toll projects in that region as one operational and financial enterprise.

The Texas Department of Transportation (department) has received updated traffic and revenue information from its traffic consultant in connection with the department's review of system operations.

Based upon the information provided by the traffic consultant, the commission has determined that expansion of the system to include the existing SH 45 SE will more efficiently and economically meet the mobility needs of the Central Texas region by operating the system and SH 45 SE as one operational and financial enterprise.

To incorporate SH 45 SE into the system the commission must adopt a supplemental indenture to legally combine SH 45 SE with the system.

Pursuant to Section 501(a) of the indenture, prior to adopting any change in the toll rate schedule, such as the SH 45 SE expansion, the commission shall obtain and file with the trustee a certificate by the traffic and revenue consultant that, in the consultant's opinion, the adoption of such proposed toll rate schedule will not adversely affect the ability of the commission to comply with its rate covenant in the indenture. The commission has received such certification from the traffic and revenue consultant and filed it with the trustee.

Under Section 17(r) of the TIFIA Master Secured Loan Agreement for the system, the commission may not amend or supplement the CTTS Traffic and Revenue Forecast without the prior written consent of the U.S. Department of Transportation.

The commission is further authorized pursuant to Chapters 1207 and 1371, Texas Government Code, as amended, and Chapter 228, Texas Transportation Code, as amended, to refund, refinance and restructure outstanding toll revenue obligations such as the system obligations and the department is reviewing all outstanding system obligations for refunding opportunities to achieve debt service savings.

The 2009 Bonds are subject to mandatory tender on February 15, 2013 and, if such bonds are not remarketed, the 2009 Bonds will bear interest at an increased rate of 12% per annum.

The commission has determined it to be in the best interest of the State and the system to issue additional obligations pursuant to the indenture to refund all or any portion of the 2002-A Bonds for debt service savings and to refund or remarket the 2009 Bonds prior to the mandatory tender date.

The indenture authorizes the issuance of additional obligations to refund all or any portion of the system obligations upon compliance with certain conditions as set forth in the indenture.

The indenture, together with the "Sixth Supplemental Indenture of Trust" (sixth supplement), prescribes the terms, provisions and covenants related to the proposed issuance of refunding obligations in one or more series with such name, series designation and other terms and provisions as provided in the sixth supplement and a

related award certificate, so long as the aggregate principal amount of one or more series of refunding obligations does not exceed \$900 million and the issuance of such refunding obligations results in a net present value debt service savings of at least 3% of the 2002-A Bonds refunded. Government Code Section 1231.041 provides that a state agency may not issue a state security unless the issuance is approved by the Texas Bond Review Board (board) or exempted under law, including by board rule, from review by the board.

Under the sixth supplement, a Chief Financial Officer, as defined in the sixth supplement, includes the Chief Financial Officer of the department, the Director, Finance Division, the Innovative Financing/Debt Management Officer and the Deputy Director, Innovative Financing/Debt Management Office, who is authorized to determine whether the 2009 Bonds are remarketed or refunded and the method of sale for each series of refunding obligations as well as the price, lien status and other terms of each series of the refunding obligations as prescribed in each award certificate.

The commission understands that the remarketing agents, selected by the Chief Financial Officer of the department, will distribute a remarketing memorandum in connection with any remarketing of the 2009 Bonds and the underwriters in connection with any refunding obligations intend to distribute a preliminary official statement (POS) and final official statement (Official Statement) in substantially the form provided to the commission with such changes as approved by a Chief Financial Officer, on behalf of the commission, in connection with the remarketing and/or public offering and sale of one or more series of the refunding obligations.

Under the sixth supplement, a Chief Financial Officer is authorized to price one or more series of the refunding obligations with various interest rate and other structures including variable rate bonds, put bonds, index bonds and others, which may require the use of liquidity provider(s), tender agents, remarketing agents and other entities performing various functions in connection with any such interest rate structures.

Pursuant to Minute Order dated August 30, 2012, the commission approved a revised Derivative Management Policy which established a Derivative Committee to review and make recommendations regarding the commission's use of derivative financial products. The commission is authorized, pursuant to this order and the sixth supplement, to enter into credit agreements related to the outstanding system obligations and the refunding obligations with some or all of the existing swap providers previously approved by the commission and any qualified swap providers as determined by a Chief Financial Officer, on behalf of the commission, in compliance with the Derivative Management Policy when, in the judgment of a Chief Financial Officer, on behalf of the commission, and in accordance with the commission's Derivative Management Policy, Government Code, Chapter 1371 and the sixth supplement, the transaction is expected to benefit the commission, the State and the system.

IT IS THEREFORE ORDERED by the commission that the Chairman and Executive Director are authorized and directed to execute and deliver each series of the refunding obligations and such other documents and certificates to carry out the intent of this order and a Chief Financial Officer, on behalf of the commission, is authorized

and directed to execute and deliver the sixth supplement, each bond purchase agreement, as applicable, escrow agreement, paying agent agreement, award certificate and similar agreements necessary for any series of the refunding obligations (collectively, program documents), in the form approved by a Chief Financial Officer or in substantially the form previously approved by the commission in connection with the outstanding system obligations, as applicable, with such changes as a Chief Financial Officer, on behalf of the commission, executing the same may approve, such approval to be conclusively evidenced by execution of the program documents.

IT IS FURTHER ORDERED by the commission that a Chief Financial Officer, on behalf of the commission, is authorized and directed to execute and deliver any remarketing agreement, liquidity agreement, tender agent agreement and other agreements necessary for any remarketing of the 2009 Bonds and any variable rate refunding obligations (collectively, variable rate documents), and the variable rate documents and similar agreements in connection with any remarketing of the 2009 Bonds and any variable rate refunding obligations are authorized in such form approved by a Chief Financial Officer executing the same may approve, such approval to be conclusively evidenced by execution of the variable rate documents.

IT IS FURTHER ORDERED by the commission that any necessary ancillary documents in connection with the issuance of the refunding obligations, the program documents, the variable rate documents, if any, and any remarketing of the 2009 Bonds are hereby approved, and a Chief Financial Officer, on behalf of the commission, is authorized and directed to execute and deliver such documents, including the application and submission to the board, as necessary.

IT IS FURTHER ORDERED by the commission that a Chief Financial Officer, on behalf of the commission, is hereby authorized to enter into master swap agreements similar to the master swap agreements executed in connection with the outstanding Texas Mobility Fund debt and any appropriate confirmation for any interest rate swap transaction relating to system obligations or the obligations with any or all of the existing swap providers previously approved by the commission and any other qualified swap providers as determined by a Chief Financial Officer in compliance with the Derivative Management Policy, with such changes as a Chief Financial Officer executing the same may approve, such approval to be conclusively evidenced by execution of the confirmation in accordance with the Derivative Management Policy and the sixth supplement.

IT IS FURTHER ORDERED by the commission that any remarketing memorandum, POS and Official Statement are approved for distribution with such changes as a Chief Financial Officer, on behalf of the commission, executing the same may approve, such approval to be conclusively evidenced by execution of such remarketing memorandum, POS and Official Statement, and a Chief Financial Officer, on behalf of the commission, is authorized to deem any remarketing memorandum, POS and Official Statement final for purposes of Rule 15c2-12 of the Securities and Exchange Commission (rule) with such omissions as permitted by the rule.

IF IS FURTHER ORDERED by the commission that a Chief Financial Officer, on behalf of the commission, is authorized and directed to file with the board an

application for approval or exemption, as applicable, and necessary in connection with the issuance of each series of refunding obligations.

IT IS FURTHER ORDERED that, subject to the approval of the U. S. Department of Transportation, SH 45 SE is designated as a part of the system pursuant to the indenture and the terms of the sixth supplement.

IT IS FURTHER ORDERED by the commission that, upon receipt of the approval of the U.S. Department of Transportation and execution of the sixth supplement, the Executive Director of the department is directed to submit to the system trustee written notification that includes a copy of this order and the sixth supplement.

IT IS FURTHER ORDERED by the commission that each member of the commission, each Chief Financial Officer, the Executive Director and General Counsel are authorized and directed to perform all such acts and execute such documents and notices, including execution of certifications to any remarketing agents, underwriters or purchasers, the Attorney General, the Comptroller of Public Accounts, the board and other parties, as may be necessary to carry out the intent of this order and other orders of the commission relating to the system, the program documents and the variable rate documents.

Note: Exhibit A is on file with the minute order clerk.

b. Travis and Williamson Counties - Establish new toll rate tables on SH 45 North, LP 1, SH 130 Segments 1-4 and SH 45 Southeast based on the latest Central Texas Turnpike System (CTTS) Traffic and Revenue Forecast Report and eliminate the cash payment option on the CTTS (MO)

Commissioner Underwood made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by Chief Financial Officer James Bass.

113244
FIN

Title 43, Texas Administrative Code, §27.82(d) provides that the Texas Transportation Commission (commission) will establish toll rates for the use of a toll project on the state highway system. In setting toll rates, the commission is required to consider: (1) the results of traffic and revenue studies and any schedule of toll rates established in traffic and revenue report; (2) the requirements of project bond covenants, if applicable; and (3) vehicle classifications, type and location of the facility, and similar criteria that apply to a specific project.

The Central Texas Turnpike System (CTTS) consists of the following elements: State Highway 130, which runs from I-35 North of Georgetown to the intersection of US 183 and SH 130 at SH 45 Southeast; SH 45 North, which runs from west of US 183 to SH 130/SH 45 North interchange; Loop 1, which runs from existing Loop 1 and Farm to Market 734 (Parmer Lane) to the Loop 1 / SH 45 North interchange; and SH 45 Southeast, which runs from I-35 at FM 1327 south of Austin to the SH 130 / US 183 interchange.

The Texas Department of Transportation (department) desires to establish new toll rate tables for the CTTS and eliminate cash collection, in an effort to ensure that the

CTTS remains in a sound financial condition. The department has analyzed the current rate structure and alternatives rates and toll collection methodologies to determine the best combination of measures consistent with other toll rates and toll rate structures in the Central Texas region. The results of the toll rate analysis for the subject segments of the CTTS provide for rates at each tolling point as shown on Exhibit A.

Pursuant to Section 501(a) of the CTTS Indenture of Trust (indenture), prior to adopting any change in the toll rate schedule, the commission shall obtain and file with the trustee a certificate by the traffic and revenue consultant that, in the consultant's opinion, the adoption of such proposed toll rate schedule will not adversely affect the ability of the commission to comply with its rate covenant in the indenture. The commission has received such certification from the traffic and revenue consultant and filed it with the trustee.

Under Section 17(r) of the TIFIA Master Secured Loan Agreement for the CTTS, the commission may not amend or supplement the CTTS Traffic and Revenue Forecast without the prior written consent of the U.S. Department of Transportation.

IT IS THEREFORE ORDERED that, subject to the approval of the U.S. Department of Transportation, the department is authorized to charge tolls on the CTTS in the amounts stated in Exhibit A, and eliminate cash collection, effective January 1, 2013.

IT IS FURTHER ORDERED that the executive director is authorized to annually escalate toll rates on the CTTS in accordance with established indices and toll escalation policy as shown in Exhibit A.

Note: Exhibit A is on file with the minute order clerk.

c. Caldwell, Guadalupe, and Travis Counties - Authorize and direct the executive director of the department to elect to waive increased revenue sharing if a regulatory speed zone is established on SH 130 from US 183 to I-10 near Seguin, and require an additional concession payment to be paid to the department not later than January 15, 2013, if the speed zone is established (MO)

Commissioner Austin made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by Chief Financial Officer James Bass.

113245
FIN

On March 22, 2007, the Texas Department of Transportation (department) and SH 130 Concession Company, LLC (Developer) entered into a Facility Concession Agreement for the development, design, construction, financing, operation and maintenance of the SH 130, Segments 5&6 facility (FCA), extending from the southern terminus of Segment 4 of SH 130 at US 183 to I-10 near Seguin.

Exhibit 7 to the FCA provides for the Developer to pay an additional concession payment to the department if: (1) a maximum posted speed limit of 80 mph or 85 mph is authorized on the SH 130, Segments 5&6 facility within 180 days after the service commencement date for the facility, and (2) the department elects to waive increased revenue sharing that otherwise would be required under Exhibit 7.

Exhibit 7 to the FCA provides that if the 80 mph or 85 mph speed limit is authorized and the written election is delivered not later than 30 days prior to the service commencement date, then payment is due from the Developer not later than the service commencement date. If a speed limit of 80 mph is authorized, the amount of the additional concession payment due is \$67 million. If a speed limit of 85 mph is authorized, the amount of the additional concession payment due is \$100 million. The Developer has requested an extension of time in which to pay the additional concession payment should that amount become due under Exhibit 7.

Under the department's rules for establishing speed zones, the department is required to conduct an engineering and traffic investigation to determine the opening speed limit to be posted for the SH 130, Segments 5&6 facility. If the engineering and traffic investigation demonstrates that a speed of 80 mph or 85 mph is reasonable and safe for that part of the highway, and the Texas Transportation Commission (commission) authorizes the 80 mph or 85 mph speed limit, that speed limit will be posted as the maximum speed for the SH 130, Segments 5&6 facility.

IT IS THEREFORE ORDERED by the commission that the executive director of the department is authorized and directed to send to the Developer an election to waive increased revenue sharing if a regulatory speed zone of 80 mph or 85 mph is established on the SH 130, Segments 5&6 facility in accordance with the requirements of Exhibit 7 to the FCA, thereby requiring the payment of an additional lump sum concession payment to the department.

IT IS FURTHER ORDERED that the executive director is authorized to require the additional lump sum concession payment to be paid not later than January 15, 2013, and is authorized and directed to take whatever actions are deemed necessary in connection with the payment of the additional lump sum concession payment to protect the financial interests of the department and the State of Texas.

d. Various Counties - Permanently adopt the Pay-By-Mail program, which established video toll rates charged to customers that do not have a transponder affixed to their vehicle, or that have a transponder, but have an insufficiently funded or closed customer account (MO)

Commissioner Underwood made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by Chief Financial Officer James Bass.

113246
FIN

Title 43, Texas Administrative Code, §27.82(d) provides that the Texas Transportation Commission (commission) will establish toll rates for the use of a toll project on the state highway system. In setting toll rates, the commission is required to consider: (1) the results of traffic and revenue studies and any schedule of toll rates established in a traffic and revenue report; (2) the requirements of project bond covenants, if applicable; and (3) vehicle classifications, type and location of the facility, and similar criteria that apply to a specific project.

In Minute Order 110817, dated January 25, 2007, the commission determined that a toll rate charged to customers that do not have a transponder affixed to their

vehicle, or that have a transponder, but have an insufficiently funded or closed customer account (video toll rate), should be offered as part of a pilot program (known as pay-by-mail) to determine its value to the operation of the Central Texas Turnpike System 2002 Project (CTTS). The video toll rate was set 33 percent higher than the electronic toll collection rate in order to cover the additional costs to the Texas Department of Transportation (department) attributable to video transactions.

Minute Order 110817 also provided that after an analysis of the benefit and value of the introductory video toll rate option, the commission would take further action to permanently adopt the video toll rate pricing in accordance with the requirements of the CTTS Indenture of Trust (indenture) or would discontinue the video toll rate option.

The pay-by-mail program was subsequently offered as an option on other toll facilities operated by the department.

Pursuant to Section 501(a) of the indenture, prior to adopting any change in the toll rate schedule, the commission shall obtain and file with the trustee a certificate by the traffic and revenue consultant that, in the consultant's opinion, the adoption of such proposed toll rate schedule will not adversely affect the ability of the commission to comply with its rate covenant in the indenture. The commission has received such certification from the traffic and revenue consultant and filed it with the trustee.

Under Section 17(r) of the TIFIA Master Secured Loan Agreement for the CTTS, the commission may not amend or supplement the CTTS Traffic and Revenue Forecast without the prior written consent of the U.S. Department of Transportation.

The commission has determined that the pay-by-mail program provides a benefit to the traveling public and enhances the operation of the CTTS and other toll facilities.

IT IS THEREFORE ORDERED that, subject to the approval of the U.S. Department of Transportation, the pay-by-mail program is permanently adopted for use on the CTTS and other toll facilities operated by the department.

e. Various Counties - Amend the policy concerning free passage on toll projects on the state highway system to authorize the waiver of the requirement of the payment of a toll, or discounted toll rates, for vehicles registered to disabled veterans and recipients of the Medal of Honor (MO)

Commissioner Underwood made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by Chief Financial Officer James Bass.

113247
FIN

Free passage on toll projects on the state highway system is governed by the Transportation Code, the administrative rules of the Texas Department of Transportation (department), and applicable trust agreements and bond indentures.

Transportation Code, §228.054(a) provides that the operator of a vehicle, other than an authorized emergency vehicle, that is driven or towed through a toll collection facility shall pay the proper toll. Section 228.054(e) further provides that the department

may waive the requirement of the payment of a toll or may authorize the payment of a reduced toll for any vehicle or class of vehicles.

In Minute Order 110911, dated April 26, 2007, the Texas Transportation Commission (commission) adopted a policy defining the circumstances under which free passage on department toll projects shall be provided (free passage policy).

Transportation Code, §372.053 authorizes a toll project entity, including the department, to establish a discount program for electronic toll collection customers that, if established, must include free or discounted use of toll projects by an electronic toll collection customer whose account relates to a vehicle registered (1) under Transportation Code, §504.202 (disabled veterans), (2) under Transportation Code, §504.315(g) (Purple Heart recipients), or (3) by a person who has received the Medal of Honor.

Section 502(b) of the Indenture of Trust (indenture) for the Central Texas Turnpike System (CTTS) provides that the commission shall not grant free passage or reduced tolls within a class, except that, in its discretion, it may:

- reduce tolls through the use of commutation or other tickets or privileges based upon frequency or volume if the reduction is expected to result in an increase in revenues;
- grant free passage or reduce tolls for operational, emergency, or safety reasons;
- grant free passage to members, officers and employees of the department acting in the discharge of their official duties related to the state highway system;
- grant free passage for use by the Army, Air Force, Navy, Coast Guard, Marine Corps, or militia or any branch thereof in time of war or other emergency;
- grant free passage to public safety officers of the United States, the State and its agencies and political subdivisions when any of them (1) are acting in the discharge of their official duties, (2) can provide proper identification, (3) are using marked public safety vehicles, and (4) are traveling under flashing lights and sirens; and
- grant temporary free access for agents and contractors of the department acting on behalf of the department in connection with the construction, improvement, maintenance or operation of the toll system.

Section 502(b) of the indenture is narrowly written and does not permit free or discounted use of toll projects as authorized in Transportation Code, §372.053. However, providing such free or discounted use of toll projects is possible under the indenture if the department pays to the appropriate indenture account the cost of tolls not paid by those veterans.

f. Smith County - Authorize toll rates on the Loop 49 toll project from SH 31 to SH 155 and from FM 756 to SH 110 (MO)

Commissioner Underwood made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by Chief Financial Officer James Bass.

113248
FIN

Title 43, Texas Administrative Code, §27.82(d) provides that the Texas Transportation Commission (commission) will establish toll rates for the use of a toll project on the state highway system. In setting toll rates, the commission considered: (1) the results of traffic and revenue studies and any schedule of toll rates established in a traffic and revenue report; and (2) vehicle classifications, type and location of the facility, and similar criteria that apply to a specific project.

The first five-mile segment of Loop 49 from State Highway 155 to US 69 (Segment 1) opened to traffic in August 2006 as a two-lane, two-way facility. The second two-mile segment from US 69 to Farm to Market 756 (Segment 2) opened to traffic in January 2008. The third 2.5 mile segment from FM 756 to SH 110 (Segment 5) opened to traffic in June 2012. The fourth 6.6 mile segment from SH 31 to SH 155 (Segment 3A) is under construction with anticipated opening in Fall 2012. This facility will provide traffic relief through the growing areas of Smith County and will use all-electronic, open-road tolling, including video tolling.

The results of the toll rate analysis for Segments 3A and 5 of Loop 49 provides toll rates at each tolling point as set forth in Exhibit A.

IT IS THEREFORE ORDERED by the commission that the Texas Department of Transportation is authorized to charge tolls on Segment 3A (from SH 31 to SH 155) and Segment 5 (from FM 756 to SH 110) of the Loop 49 toll project in the amounts stated in Exhibit A.

Note: Exhibit A is on file with the minute order clerk.

ITEM 13. Unified Transportation Program
a. Approve updates to the 2012 UTP (MO)

Commissioner Underwood made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by Director of Planning Marc Williams.

113249
TPP

Transportation Code, §201.991 provides that the Texas Department of Transportation (department) shall develop a Unified Transportation Program (UTP) covering a period of 10 years to guide the development of and authorize construction of transportation projects.

The Texas Transportation Commission (commission) has adopted rules in Title 43, Texas Administrative Code, Chapter 16, governing the planning and development of transportation projects.

The rules include guidance regarding the development of the UTP and any updates to the program, as well as public involvement requirements.

The 2012 UTP was approved by the commission on May 26, 2011, in Minute Order 112696, and revisions to the 2012 UTP were approved by the commission on September 29, 2011, in Minute Order 112824; December 15, 2011, in Minute Order 112943; April 26, 2012 in Minute Order 113073; and June 28, 2012 in Minute Order 113161.

On July 12, 2012, the department conducted public video-teleconferences across the state, and a public hearing was held on August 15, 2012 to receive comments and testimony concerning the proposed updates to the 2012 UTP.

The updates to the 2012 UTP, as shown in Exhibit A, include revised funding allocations based on funds transfer requests in multiple categories. In addition, this minute order addresses updates to previously authorized projects selected for additional state and federal funding, and other minor revisions or technical corrections.

IT IS THEREFORE ORDERED by the commission that the updates to the 2012 UTP, as shown in Exhibit A, are hereby approved.

Note: Exhibit A is on file with the minute order clerk.

b. Approve updates to the 2013 UTP (MO)

Commissioner Austin made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by Director of Planning Marc Williams.

113250
TPP

Transportation Code, §201.991 provides that the Texas Department of Transportation (department) shall develop a Unified Transportation Program (UTP) covering a period of 10 years to guide the development of and authorize construction of transportation projects.

The Texas Transportation Commission (commission) has adopted rules in Title 43, Texas Administrative Code, Chapter 16, governing the planning and development of transportation projects.

The rules include guidance regarding the development of the UTP and any updates to the program, as well as public involvement requirements.

The 2013 UTP was approved by the commission on April 26, 2012, in Minute Order 113074 and revisions to the 2013 UTP were approved by the commission on June 28, 2012, in Minute Order 113162.

On July 12, 2012, the department conducted public video-teleconferences across the state, and a public hearing was held on August 15, 2012 to receive comments and testimony concerning the proposed updates to the 2013 UTP.

The updates to the 2013 UTP, as shown in Exhibit A, include revised funding allocations based on funds transfer requests in multiple categories. In addition, this minute order addresses updates to previously authorized projects selected for additional state and federal funding, revises the tiered projects exhibit, and other minor revisions or technical corrections.

IT IS THEREFORE ORDERED by the commission that the updates to the 2013 UTP, as shown in Exhibit A, are hereby approved.

Note: Exhibit A is on file with the minute order clerk.

ITEM 14. Statewide Transportation Improvement Program

Various Counties - Approve the Fiscal Year 2013-2016 Statewide Transportation Improvement Program (MO)

Commissioner Underwood made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by Director of Planning Marc Williams.

113251
TPP

Title 23, United States Code, §§ 134 and 135 require each designated metropolitan planning organization (MPO) and the state of Texas (state), respectively, to develop a Transportation Improvement Program (TIP) as a condition to secure federal funds for transportation projects under either Title 23 or the Federal Transit Act.

Section 134(j) requires an MPO to develop its TIP in cooperation with the state and affected transit operators, and further requires the TIP to be updated at least once every four years and to be approved by the MPO and the governor of Texas.

Section 135(g) requires the state to develop a Statewide Transportation Improvement Program (STIP) for all areas of the state in cooperation with the MPOs designated for each metropolitan planning area and, with respect to non-metropolitan areas, in consultation with affected local officials, and requires that the STIP be approved by the governor.

By letter dated September 10, 2011, the governor delegated the power and responsibility for approving the STIP to the Texas Transportation Commission (commission) or its designees. The commission has adopted rules governing the development of transportation plans and programs, codified as 43 TAC Chapter 16.

Sections 134(j) and 135(g) and 43 TAC §§16.101 - 16.103 specify the requirements and eligibility criteria for projects to be included in the respective TIPs and the STIP. In accordance with those requirements, TIPs have been developed for each metropolitan planning area, as well as those areas of the state outside designated MPO boundaries (rural TIPs). The individual TIPs are incorporated into the STIP.

The various TIPs developed by the designated MPOs have been presented for public comment by means of various public meetings conducted by relevant authorities throughout the state.

Rural TIPs were made available to citizens, affected public agencies, representatives of transportation agencies, freight shippers, private providers of transportation, providers of freight transportation services, representatives of users of public transit, and other interested parties for review and comment in each of the Texas Department of Transportation's (department's) 25 district offices and at the department's headquarters in Austin. On July 12, 2012, the department conducted public video-teleconferences across the state, and a public hearing was held on August 15, 2012, to receive comments and testimony on the STIP. No oral or written comments were received.

After due deliberation and consideration, the commission finds that the requirements of §134 have been fully satisfied as they pertain to the development of the prescribed TIPs by each of the 25 MPOs. The commission also finds that the STIP, attached as Exhibit A to this order, fully satisfies the requirements of §135 and 43 TAC §16.103, as well as the project selection criteria developed for the Unified Transportation Program (UTP), and is consistent with the Statewide Long Range Transportation Plan, the UTP, and the Strategic Plan.

IT IS THEREFORE ORDERED that the Fiscal Year 2013-2016 STIP, which incorporates the respective TIPs of each designated MPO, as well as rural TIPs and is attached as Exhibit A to this order, is hereby adopted.

IT IS FURTHER ORDERED that the executive director, or his designee, shall sign all necessary certifications required by federal regulations.

Note: Exhibit A is on file with the minute order clerk.

ITEM 15. Finance

a. Travis County - Consider the final approval of a request for financial assistance in the amount of \$197.6 million from the Central Texas Regional Mobility Authority to pay for the construction of the MoPac Improvement Project, an 11.2 mile project to add one express, variable-priced tolled lane in each direction on Loop 1 between FM 734 (Parmer Lane) and Cesar Chavez Street (MO)

Commissioner Underwood made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by Innovative Financing/Debt Management Director Ben Asher. The commission also received comments from Central Texas Regional Mobility Authority Chairman Ray A. Wilkerson and Central Texas Regional Mobility Authority Executive Director Mike Heiligenstein.

113252
FIN

The Texas Department of Transportation (department) and the Central Texas Regional Mobility Authority (CTRMA) developed a “CTRMA/TxDOT Regional Implementation Program” that provides for the funding and development of certain transportation system improvements within the jurisdictional limits of the CTRMA.

On October 8, 2007, the Capital Area Metropolitan Planning Organization (CAMPO) Transportation Policy Board approved amendments to CAMPO’s 2030 Transportation Plan and the FY 2008-FY 2011 Transportation Improvement Program (TIP), amending previous authorizations for the development of certain highway projects of the department that are located within the boundaries of CAMPO as toll projects, including the MoPac Improvement Project, an 11.2 mile project to add one express, variable-priced tolled lane in each direction on Loop 1 between FM 734 (Parmer Lane) and Cesar Chavez Street. On May 24, 2010, CAMPO approved the 2035 Transportation Plan. The MoPac Improvement Project is included in this plan.

Pursuant to former Section 228.0111 of the Transportation Code, the CTRMA exercised its option to develop, construct, and operate the MoPac Improvement Project. The MoPac Improvement Project includes the construction of sound walls and grade separated ramps providing access to and from downtown Austin. The tolled lanes will be located in the median of the corridor separated from the existing general purpose lanes by a buffer zone.

Transportation Code, §370.301 authorizes the department to provide for or contribute to the payment of costs of the design, financing, construction, operation, or maintenance of a turnpike project by a regional mobility authority (RMA) on terms agreed to by the department and the RMA.

Transportation Code, §222.103 authorizes the department to participate, by spending money from any available source, in the acquisition, construction, maintenance, or operation of a toll facility of a public or private entity on terms and conditions established by the Texas Transportation Commission (commission).

Pursuant to Transportation Code, §222.103, the commission adopted Title 43, Texas Administrative Code, §§27.50-27.58 (toll equity rules) to prescribe conditions for the commission's financing of a toll facility of a public or private entity.

In accordance with Sections 27.53 and 27.54(a) of the toll equity rules, the commission, in Minute Order 113203, dated July 26, 2012, granted preliminary approval of financial assistance in the amount of \$197.6 million, in the form of a grant, to pay for the costs of constructing the MoPac Improvement Project, including utility relocation, construction of sound walls, installation of tolling equipment, and construction of grade separated ramps providing access to and from downtown Austin.

In accordance with Section 27.54 of the toll equity rules, negotiations have been conducted and a financial assistance agreement that complies with Section 27.55 of those rules has been developed.

The CTRMA has committed that the project will comply with all applicable environmental laws, and has committed that the CTRMA will assume responsibility for identifying and securing all federal and state environmental permits, issues, and approvals necessary for the development of the project. Section 27.54(b) of the toll equity rules provides that prior to receiving final approval of the grant or loan of funds for the construction of a project, (1) a study of the social, economic, and environmental impacts of the project be completed, and public involvement be provided for in the manner required in the department's rules relating to environmental review and public involvement for transportation projects, and (2) an investment grade traffic and revenue report for the project be obtained from a nationally recognized traffic engineer. The executive director may waive those requirements if the director determines that the study or report is inapplicable or unnecessary due to the nature of the requested assistance.

The department previously conducted environmental studies and analyses of the MoPac Improvement Project, and has secured environmental clearance in the form of a Finding of No Significant Impact, which was approved by the Federal Highway Administration on August 23, 2012.

The executive director has determined that the requirement in Section 27.54(b) for an investment grade traffic and revenue report should be waived as the financial assistance is not intended to be repaid from project revenues.

The completion of the project will benefit the state and the traveling public and improve the efficiency of the state's transportation system by enhancing local and regional mobility, managing congestion, increasing capacity for traffic, providing reliable travel speeds for users, including transit, increasing safety, enhancing air quality, and enhancing operational efficiency in the project corridor and the regional transportation system.

The project is consistent with the approved Statewide Long-Range Transportation Plan and the Metropolitan Transportation Plan of the Capital Area Metropolitan Planning Organization, and is included in CAMPO's FY 2011-2014

Transportation Improvement Program and in the FY 2013-2016 Transportation Improvement Program.

The CTRMA and CAMPO have entered into an interlocal agreement concerning the MoPac Improvement Project. Under the interlocal agreement, CTRMA has agreed, in exchange for the allocation by CAMPO of \$130 million in funding to the project (in addition to the previous allocation of \$67.6 million), to establish a Regional Infrastructure Fund (RIF) and to deposit surplus revenues of the MoPac Improvement Project in the RIF, to be used to fund other eligible transportation projects in the region.

Along with the requested financial assistance, the project has the potential to expand the availability of funding for transportation projects or reduce direct state costs. The financial assistance will enhance the ability of the project to go forward as a toll facility, improving the efficiency of the state transportation system. Without the financial assistance, the timeline to complete the project and realize the benefits described above could be significantly delayed.

Based on the above information, the commission has determined that providing financial assistance will prudently provide for the protection of public funds, and that, given the level of project development to date, the project will provide for all reasonable and feasible measures to avoid, minimize, or mitigate adverse environmental impacts.

NOW, THEREFORE, IT IS DETERMINED that the request for financial assistance submitted by the Central Texas Regional Mobility Authority meets the applicable requirements of 43 TAC §27.53 and §27.54 and, in accordance with those provisions, the commission grants final approval of the request for financing in the amount of \$197.6 million, in the form of a grant, to be used for the purposes described herein, and authorizes the executive director to enter into a financial assistance agreement with the Central Texas Regional Mobility Authority .

b. El Paso County - Consider the final approval of a request for financial assistance in the amount of \$1.3 million from the Camino Real Regional Mobility Authority to pay for the costs of preparing environmental documents and preliminary engineering services for the Loop 375 - Americas Managed Lanes Project, an approximately 6.3 mile project to add one express, managed tolled lane in each direction on Loop 375 between Zaragoza Road and Pellicano Drive in the city of El Paso (MO)

Commissioner Underwood made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by Innovative Financing/Debt Management Director Ben Asher.

113253
FIN

The Texas Department of Transportation (department) and the Camino Real Regional Mobility Authority (CRRMA) have been proceeding with the preliminary development of the Loop 375 – Americas Managed Lanes Project, an approximately 6.3 mile project to add one express, managed tolled lane in each direction on Loop 375 between Zaragoza Road and Pellicano Drive in the city of El Paso (Project).

The Project is one segment of a proposed regional network of toll facilities that are part of the 2008 Comprehensive Mobility Plan for the El Paso area (2008 CMP).

The 2008 CMP provides that the Project will be developed by the CRRMA. The managed lanes to be constructed as part of the Project would be located in the median of the corridor. The Project also includes the construction of new structures over a number of major arterials and Union Pacific rail facilities.

Transportation Code, §370.301 authorizes the department to provide for or contribute to the payment of costs of the design, financing, construction, operation, or maintenance of a turnpike project by a regional mobility authority (RMA) on terms agreed to by the department and the RMA. Transportation Code, §222.103 authorizes the department to participate, by spending money from any available source, in the acquisition, construction, maintenance, or operation of a toll facility of a public or private entity on terms and conditions established by the Texas Transportation Commission (commission).

Pursuant to Transportation Code, §222.103, the commission adopted Title 43, Texas Administrative Code, §§27.50-27.58 (toll equity rules) to prescribe conditions for the commission's financing of a toll facility of a public or private entity.

In accordance with Sections 27.53 and 27.54(a) of the toll equity rules the commission, in Minute Order 113204, dated July 26, 2012, granted preliminary approval of financial assistance in the amount of \$1.3 million, in the form of a grant, to pay for the costs of preparing environmental documents and preliminary engineering services for the Loop 375 – Americas Managed Lanes Project.

In accordance with Section 27.54 of the toll equity rules, negotiations have been conducted and a financial assistance agreement that complies with Section 27.55 of those rules has been developed.

The CRRMA has committed to implementing the Project in compliance with all applicable local, state and federal environmental laws, regulations and requirements, and has committed to implement all environmental permits, issues, and commitments (EPIC).

The completion of the Project will benefit the state and the traveling public and improve the efficiency of the state's transportation system by enhancing local and regional mobility, managing congestion, increasing capacity for traffic, providing reliable travel speeds for users, increasing safety, enhancing air quality, and enhancing operational efficiency in the project corridor and the regional transportation system. The completion of the Project will increase mobility and improve safety and reliability in El Paso and the region by increasing capacity on Loop 375, thereby adding to the viability of Loop 375 as an alternative to I-10.

The Project is consistent with the approved Statewide Long-Range Transportation Plan and is included as a toll project in the conforming metropolitan transportation plan (MTP) of the El Paso Metropolitan Planning Organization (MPO), and is included in the MPO's FY 2013-2016 Transportation Improvement Program, which will be incorporated into the FY 2013-2016 Statewide Transportation Improvement Program.

The Project will expand the availability of funding for transportation projects or reduce direct state costs. The financial assistance will enhance the ability of the Project to go forward as a toll facility, improving the efficiency of the state transportation

system. Without the financial assistance, the timeline to complete the Project and realize the benefits resulting from the Project could be indefinitely delayed.

Based on the above information, the commission has determined that providing financial assistance will prudently provide for the protection of public funds, and that, given the level of project development to date, the project will provide for all reasonable and feasible measures to avoid, minimize, or mitigate adverse environmental impacts.

NOW, THEREFORE, IT IS DETERMINED that the request for financial assistance submitted by the Camino Real Regional Mobility Authority meets the applicable requirements of 43 TAC §27.53 and §27.54 and, in accordance with those provisions, the commission grants final approval of the request for financing in the amount of \$1.3 million, in the form of a grant, to be used for the purposes described herein, and authorizes the executive director to enter into a financial assistance agreement with the Camino Real Regional Mobility Authority.

ITEM 16. Traffic Operations

Bastrop and Travis County - Authorize temporary one-way or reversible operations on FM 812 (MO)

Commissioner Austin made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by Traffic Operations Division Director Carol Rawson. Registering for but not speaking on this item was Aaron Nathan with Circuit of the Americas / Kimley-Horn.

113254
TRF

In Bastrop and Travis County, the Texas Department of Transportation (department) and numerous other entities have worked cooperatively and participated in developing a comprehensive traffic control plan for vehicular access to and egress from the 2012-2016 Circuit of The Americas (COTA) events in which more than 120,000 attendees are anticipated.

A portion of this traffic control plan requires the temporary reassignment of lane operations including possible one-way operation or reversible operation on a section of Farm to Market 812 between US 183 and State Highway 21 eastbound and westbound toward the events for up to seven hours prior to the beginning and during the events and eastbound and westbound away from the events for up to seven hours during and after the events.

The department and the Texas Transportation Commission (commission) find it necessary to participate in the implementation of this traffic control plan to facilitate the orderly flow of traffic and ensure the safety of the attendees and traveling public. Transportation Code, Section §545.059, authorizes the commission to designate a highway or separate roadway under the jurisdiction of the commission for one-way traffic and mandates the erection of appropriate signs giving notice to the designation.

IT IS THEREFORE ORDERED by the commission that FM 812 between US 183 and SH 21 is designated for reversible lane or one-way operation before and after the 2012-2016 COTA events as agreed upon in the comprehensive traffic control plan.

IT IS FURTHER ORDERED that the executive director is directed to enter into any necessary agreements required to fulfill the condition of this order, and that implementation be consistent with provisions of the Texas Manual on Uniform Traffic Control Devices.

ITEM 17. Contracts

Award or reject contracts for maintenance, highway and building construction

a. Highway Maintenance and Department Building Construction

(see attached itemized list) (MO)

Commissioner Austin made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by Constructions Division Director John Obr. The commission also received comments from J. Michael Schiff with Timerline Constructors, Inc.

113255
CST

Pursuant to Transportation Code, Chapter 223, Subchapter A, and Title 43, Texas Administrative Code, Chapter 9, Subchapter B, the Texas Department of Transportation (department) solicited and received sealed competitive bid proposals for maintenance of the State Highway System, which were publicly opened and read on August 7 and 8, 2012.

Pursuant to cited code provisions highway maintenance contract bids on a project may be accepted or rejected, but if accepted must be awarded to the lowest bidder.

An award is conditional in the event it is subject to Federal Highway Administration concurrence, third party funding or concurrence, and other conditions listed in the contract or an exhibit to this order.

The department recommends that the Texas Transportation Commission (commission) respectively award to the lowest bidder or reject, as indicated, those highway maintenance and department building construction contracts, with an engineer's estimated cost of \$300,000 or more, identified on attached Exhibit A to this order.

IT IS THEREFORE ORDERED by the commission that the contracts described in Exhibit A be and are hereby respectively awarded to the lowest bidder or rejected as indicated therein.

If a contractual requirement of award is not satisfied within the prescribed time limit, including any extension of time allowed by the executive director or the director's designee, by reason of the action or inaction of the successful low bidder on any contract, including, but not limited to, disadvantaged business/historically underutilized business participation, the contract is automatically in default and the executive director is authorized and directed to retain and deposit the related contract proposal guaranty to the credit of the State Highway Fund and to readvertise that project for competitive bids at the earliest practical subsequent date.

If a condition of award is not satisfied, including, but not limited to, reason of nonconcurrence of the Federal Highway Administration, the failure of a third party to

fund or concur, or failure to meet other conditions in the contract or an exhibit to this order, the respective award is voided and the department will return the bid guaranty.

Note: Exhibit A is on file with the minute order clerk.

b. Highway and Transportation Enhancement Building Construction
(see attached itemized list) (MO)

Commissioner Austin made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by Constructions Division Director John Obr.

113256
CST

Pursuant to Transportation Code, Chapter 223, Subchapter A, and Title 43, Texas Administrative Code, Chapter 9, Subchapter B, the Texas Department of Transportation (department) solicited and received sealed competitive bid proposals for improvement of the State Highway System, which were publicly opened and read on August 7 and 8, 2012.

Pursuant to cited code provisions highway improvement contract bids on a project may be accepted or rejected, but if accepted must be awarded to the lowest bidder.

An award is conditional in the event it is subject to Federal Highway Administration concurrence, third party funding or concurrence, and other conditions listed in the contract or an exhibit to this order.

The department recommends that the commission respectively award to the lowest bidder or reject, as indicated, those highway and transportation enhancement building construction contracts identified on attached Exhibit A to this order.

IT IS THEREFORE ORDERED by the commission that the contracts described in Exhibit A be and are hereby respectively awarded to the lowest bidder or rejected as indicated therein.

If a contractual requirement of award is not satisfied within the prescribed time limit, including any extension of time allowed by the executive director or the director's designee, by reason of the action or inaction of the successful low bidder on any contract, including, but not limited to, disadvantaged business/historically underutilized business participation, the contract is automatically in default and the executive director is authorized and directed to retain and deposit the related contract proposal guaranty to the credit of the State Highway Fund and to readvertise that project for competitive bids at the earliest practical subsequent date.

If a condition of award is not satisfied, including, but not limited to, reason of nonconcurrence of the Federal Highway Administration, the failure of a third party to fund or concur, or failure to meet other conditions in the contract or an exhibit to this order, the respective award is voided and the department will return the bid guaranty.

Note: Exhibit A is on file with the minute order clerk.

ITEM 18. Eminent Domain Proceedings

Various Counties – Authorize the filing of condemnation proceedings to acquire real property by eminent domain for non-controlled and controlled access highways (see

attached list) (MO)

Commissioner Moseley made a motion that the Texas Transportation Commission authorize the Texas Department of Transportation to use the power of eminent domain to acquire the properties described in the minute order set forth in the agenda for the current month for construction, reconstruction, maintenance, widening, straightening, or extending the highway facilities listed in the minute order as a part of the state highway system, and that the first record vote applies to all units of property to be condemned. The motion was seconded and the following minute order was approved by Commissioner Houghton, Commissioner Underwood, Commissioner Meadows, Commissioner Austin and Commissioner Moseley (a vote of 5 – 0). This item was presented by Right of Way Division Director John Campbell.

113257
ROW

To facilitate the safety and movement of traffic and to preserve the financial investment of the public in its highways, the Texas Transportation Commission (commission) finds that public necessity requires the laying out, opening, constructing, reconstructing, maintaining, widening, straightening, extending, and operating of the highway facilities listed below as a part of the State Highway System (highway system).

As provided for by Transportation Code, Chapter 203, Subchapter D, including Sections 203.051, 203.052, and 203.054, the commission finds and determines that each of the parcels of land listed below, and more particularly described in the attached Exhibits (parcels), are necessary or convenient as a part of the highway system to be constructed, reconstructed, maintained, widened, straightened, or extended (constructed or improved) and it is necessary to acquire fee simple title in the parcels or such lesser property interests as set forth in the attached Exhibits.

The commission finds and determines that the highway facilities to be constructed or improved on the parcels identified and listed below under "CONTROLLED ACCESS" are designated as a Controlled-Access Highway in accordance with Transportation Code, Section 203.031; and where there is adjoining real property remaining after acquisition of a parcel, the roads are to be constructed or improved as a part of the highway facility with the right of ingress and egress to or from the remaining real property adjoining the highway facility to be permitted or denied, as designated and set forth on each of the attached Exhibits A - NN. Where there is adjoining real property remaining after acquisition of a parcel with respect to the highway facilities to be constructed or improved on the parcels identified as listed below under "NON-CONTROLLED ACCESS," roads are to be constructed or improved as a part of the highway facility with the right of ingress and egress to or from the remaining real property adjoining the highway facility to be permitted or denied, as designated and set forth on each of the attached Exhibits 1 - 6, in accordance with Transportation Code, Sections 203.002 and 203.003.

The commission finds and determines that condemnation of the parcels is required.

IT IS THEREFORE ORDERED that the initiation of condemnation proceedings for the parcels is adopted and authorized by a single order for the parcels, and this first vote by the commission applies to all of the parcels.

IT IS FURTHER ORDERED that the executive director is hereby authorized to proceed to condemnation on the parcels and directed to transmit or cause to be transmitted this request of the commission to the Office of the Attorney General to file or cause to be filed against all owners, lienholders, and any owners of any other interests in the parcels, proceedings in condemnation to acquire in the name of and on behalf of the state, fee simple title to each parcel or such lesser estates or property interests as are more fully described in each of the attached Exhibits, save and excepting oil, gas, and sulphur, as provided by law, as follows:

NON-CONTROLLED ACCESS

<u>COUNTY</u>	<u>HIGHWAY</u>	<u>EXHIBIT</u>	<u>ROW CSJ NO.</u>	<u>PARCEL</u>
Cass	SH 77	1	0278-01-052	8
Comal	US 281	5	0253-03-065	34
Denton	FM 720	2	1567-01-034	32
El Paso	Buford Road	4	8056-24-003	10
El Paso	Buford Road	6	8056-24-003	5
Nacogdoches	SH 21	3	0118-08-065	9

CONTROLLED ACCESS

<u>COUNTY</u>	<u>HIGHWAY</u>	<u>EXHIBIT</u>	<u>ROW CSJ NO.</u>	<u>PARCEL</u>
Bell	IH 35	II	0015-04-083	26
Bell	IH 35	JJ	0015-04-083	27
Bell	IH 35	NN	0015-07-078	10
Bell	IH 35	KK	0015-07-078	76
Bell	IH 35	HH	0015-07-078	25
Bell	IH 35	V	0015-14-123	37
Bell	IH 35	E	0015-14-123	114
Bell	IH 35	B	0015-14-123	20
Bell	IH 35	Z	0015-14-123	60
Bell	IH 35	H	0015-14-123	34
Bell	IH 35	W	0015-14-123	5
Bell	IH 35	A	0015-14-123	16
Bell	IH 35	C	0015-14-123	94
Bell	IH 35	L	0015-14-124	5
Bell	IH 35	K	0015-14-124	36,36AC
Bell	IH 35	J	0015-14-124	42
Bell	IH 35	I	0015-14-124	34
Bell	IH 35	AA	0015-14-124	1AC
Bell	IH 35	BB	0015-14-124	41
Bell	IH 35	F	0015-14-124	21
Bell	IH 35	EE	0015-14-124	38

COUNTY	HIGHWAY	EXHIBIT	ROW CSJ NO.	PARCEL
Burleson	FM 60	M	0648-03-056	19
Dallas	IH 35	X	0442-02-142	12
Dallas	IH 35E	U	0196-03-243	38B
Dallas	IH 35E	CC	0196-03-243	41
Dallas	IH 35E	DD	0196-03-243	37
Dallas	IH 35E	FF	0442-02-142	18
Dallas	IH 35E	Y	0442-02-142	10
Erath	US 67	G	0079-08-002	9
Harris	Beltway 8	D	3256-01-101	1506
Harris	IH 45	N	0500-03-546	202,202TE
Harris	IH 45	GG	0500-03-546	201
Harris	IH 45	T	0500-03-546	302
McLennan	IH 35	LL	0015-01-220	84,84E
McLennan	IH 35	MM	0015-01-220	13,13E
Tarrant	IH 35W	O	0014-16-267	764AC
Tarrant	IH 35W	P	0014-16-267	759AC
Tarrant	IH 35W	Q	0014-16-267	756AC
Tarrant	IH 35W	S	0014-16-267	768AC
Tarrant	IH 35W	R	0014-16-267	779

Note: Exhibits A - NN and 1 - 6 are on file with the minute order clerk.

ITEM 19. Bi-State Agreement

Hansford County - SH 136 from the Texas-Oklahoma state line to 1,300 feet south:
Authorize the department to enter into a bi-state agreement with the State of Oklahoma for the realignment and maintenance of a highway across state boundary lines and request the execution of such agreement by the governor (MO)

Commissioner Underwood made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by Right of Way Division Director John Campbell.

113258
ROW

The Oklahoma Department of Transportation (ODOT) has notified the Texas Department of Transportation (department) of ODOT's plans to improve the STATE HIGHWAY 136 corridor in Texas County, Oklahoma from the Oklahoma/Texas State Line north into Oklahoma for 5.0 miles (the Project).

The Project proposed by ODOT requires a new alignment connection at the Oklahoma/Texas State Line which will require the slight physical relocation of Texas SH 136 in Hansford County and acquisition of right of way, possible adjustment of utilities, and construction activities within the State of Texas.

The Texas Transportation Commission (commission), by the authority of the governor, is statutorily authorized under Transportation Code Section 201.110 to contract with an adjoining state to provide for the improvement of a public road or highway that crosses the states' boundary and to establish respective responsibilities for the improvement.

ODOT and the department have negotiated the terms of an Agreement Between States for the Construction and Maintenance of a Highway Across State Boundary Lines (Agreement), which Agreement provides that the state of Oklahoma shall be responsible for all costs related to the Project, including those that relate to the portion of the Project that falls within the state of Texas, and such Agreement has been executed by ODOT in accordance with Oklahoma state law and tendered to the state of Texas for execution by the governor. A copy of such Agreement is attached as Exhibit A to this Order.

The Agreement provides that the state of Oklahoma will make an advance deposit of funds with the state of Texas to cover the estimated costs associated with the activities the department will perform within the state of Texas (surveying and mapping, appraisals, land acquisition, utility adjustments or relocations, and also including direct and indirect administrative costs incurred by the department).

Based upon department review and analysis of the tendered Agreement the commission is requested to authorize, approve, and accept the terms of the Agreement and authorize the executive director to recommend that the governor execute the Agreement on behalf of the state of Texas.

IT IS THEREFORE ORDERED by the commission that the state of Texas is authorized to construct and maintain a highway (SH 136) with the state of Oklahoma at the Oklahoma/Texas state line in Hansford County, Texas, in accordance with and under the terms of the Agreement attached to this Order as Exhibit A and that the executive director is directed to recommend that the governor execute the Agreement on behalf of the state of Texas.

Note: Exhibit A is on file with the minute order clerk.

ITEM 20. Routine Minute Orders

Commissioner Austin made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 – 0. This item was presented by Executive Director Phil Wilson.

a. Donations to the Department

(1) Administration – Acknowledge a donation from the Associated General Contractors (AGC) of Texas for department employees travel expenses to speak and participate at the 2012 Conference in South Padre Island, Texas from July 27 – 28, 2012 (MO)

113259
GSD

This minute order acknowledges a donation from the Associated General Contractors (AGC) of Texas for department employees travel expenses to attend the 2012 Conference in South Padre Island, Texas from July 27 – 28, 2012. The amount is estimated to be \$1,145.20.

The department has determined that acceptance of the donation is in the best interest and welfare of the traveling public and provides a significant public benefit.

Transportation Code, §201.206, authorizes the department to accept a donation in any form, including realty, personalty, money, materials, and services, for the

purpose of carrying out its functions and duties. Government Code, Chapter 575, requires the governing board of a state agency to acknowledge the acceptance of a donation valued at \$500 or more by majority vote at an open meeting, not later than the 60th day after the date the donation is accepted. It also prohibits a state agency from accepting a donation from a person who is a party to a contested case before the agency until the 30th day after the date the decision in the case becomes final.

The Texas Transportation Commission (commission) has adopted 43 TAC §§1.500-1.506, which relate to the department's acceptance of donations. Section 1.503 prohibits acceptance of a gift or donation when the donor is subject to department regulation or oversight or when the donor is interested in or likely to become interested in any contract, purchase, payment, or claim with or against the department, except as provided by that section. It also provides that the commission may approve the acceptance of a donation, notwithstanding the foregoing proscriptions in the rules, if it determines that acceptance would provide a significant public benefit and would not influence or reasonably appear to influence the department in the performance of its duties.

The commission finds that the donation furthers the department's responsibilities and that the donor is not a party to a contested case before the department and has not been a party to a contested case before the department during the last 30 days.

The commission also finds that the donor is not subject to department regulation or oversight, and that this donation will not influence or reasonably appear to influence the department in the performance of its duties.

The commission also finds that the donor is not interested in or likely to become interested in any contract, purchase, payment, or claim with or against the department.

IT IS THEREFORE ORDERED by the commission that the donation from AGC estimated at \$1,145.20 is acknowledged. The executive director or the executive director's designee is authorized to execute all necessary documents under 43 TAC §1.504 to effect the acceptance of the donation.

(2) Right of Way Division - Acknowledge a donation from the International Right of Way Association (IRWA) for a department employee's travel expenses to attend the IRWA 2012 Annual International Education Conference in Seattle, Washington on June 9 – 13, 2012 (MO)

113260
GSD

This minute order acknowledges a donation from the International Right of Way Association (IRWA) for a Texas Department of Transportation (department) employee's travel expenses to attend the International Right of Way Association 2012 Annual International Education Conference in Seattle, Washington, from June 9-13, 2012. The amount is estimated to be \$2,857.18.

The department has determined that acceptance of the donation is in the best interest and welfare of the traveling public and provides a significant public benefit. Transportation Code, §201.206, authorizes the department to accept a donation in any form, including realty, personalty, money, materials, and services, for the purpose of carrying out its functions and duties. Government Code, Chapter 575, requires the

governing board of a state agency to acknowledge the acceptance of a donation valued at \$500 or more by majority vote at an open meeting, not later than the 60th day after the date the donation is accepted. It also prohibits a state agency from accepting a donation from a person who is a party to a contested case before the agency until the 30th day after the date the decision in the case becomes final.

The Texas Transportation Commission (commission) has adopted 43 TAC §§1.500-1.506, which relate to the department's acceptance of donations. Section 1.503 prohibits acceptance of a gift or donation when the donor is subject to department regulation or oversight or when the donor is interested in or likely to become interested in any contract, purchase, payment, or claim with or against the department, except as provided by that section. It also provides that the commission may approve the acceptance of a donation, notwithstanding the foregoing proscriptions in the rules, if it determines that acceptance would provide a significant public benefit and would not influence or reasonably appear to influence the department in the performance of its duties.

The commission finds that the donation furthers the department's responsibilities and that the donor is not a party to a contested case before the department and has not been a party to a contested case before the department during the last 30 days.

The commission also finds that the donor is not subject to department regulation or oversight, and that this donation will not influence or reasonably appear to influence the department in the performance of its duties.

The commission also finds that the donor is not interested in or likely to become interested in any contract, purchase, payment, or claim with or against the department. IT IS THEREFORE ORDERED by the commission that the donation from IRWA estimated at \$2,857.18 is acknowledged. The executive director or the executive director's designee is authorized to execute all necessary documents under 43 TAC §1.504 to effect the acceptance of the donation.

(3) **Traffic Division** - Acknowledge a donation from the Allstate Foundation for a department employee's travel expenses to attend the Allstate Foundation Teen Safe Driving Summit and the National Safety Council Teen Safe Driving Coalition Leaders Meeting in Chicago, Illinois on July 30 – August 2, 2012 (MO)

113261
GSD

This minute order acknowledges a donation from the Allstate Foundation for a department employee's travel expenses to attend the Allstate Foundation Teen Safe Driving Summit and the National Safety Council Teen Safe Driving Coalition Leaders Meeting in Chicago, Illinois on July 30 – August 2, 2012. The amount is estimated to be \$1,599.

The department has determined that acceptance of the donation is in the best interest and welfare of the traveling public and provides a significant public benefit. Transportation Code, §201.206, authorizes the department to accept a donation in any form, including realty, personalty, money, materials, and services, for the purpose of carrying out its functions and duties. Government Code, Chapter 575, requires the governing board of a state agency to acknowledge the acceptance of a donation valued

at \$500 or more by majority vote at an open meeting, not later than the 60th day after the date the donation is accepted. It also prohibits a state agency from accepting a donation from a person who is a party to a contested case before the agency until the 30th day after the date the decision in the case becomes final.

The Texas Transportation Commission (commission) has adopted 43 TAC §§1.500-1.506, which relate to the department's acceptance of donations. Section 1.503 prohibits acceptance of a gift or donation when the donor is subject to department regulation or oversight or when the donor is interested in or likely to become interested in any contract, purchase, payment, or claim with or against the department, except as provided by that section. It also provides that the commission may approve the acceptance of a donation, notwithstanding the foregoing proscriptions in the rules, if it determines that acceptance would provide a significant public benefit and would not influence or reasonably appear to influence the department in the performance of its duties.

The commission finds that the donation furthers the department's responsibilities and that the donor is not a party to a contested case before the department and has not been a party to a contested case before the department during the last 30 days.

The commission also finds that the donor is not subject to department regulation or oversight, and that this donation will not influence or reasonably appear to influence the department in the performance of its duties.

The commission also finds that the donor is not interested in or likely to become interested in any contract, purchase, payment, or claim with or against the department.

IT IS THEREFORE ORDERED by the commission that the donation from the Allstate Foundation estimated at \$1,599 is acknowledged. The executive director or the executive director's designee is authorized to execute all necessary documents under 43 TAC §1.504 to effect the acceptance of the donation.

(4) Traffic Operations Division - Consider a donation from the Ronald Reagan Memorial Highway Fund, Inc., for the cost associated with the fabrication and installation of two (2) highway signs which designates the part of US Highway 290 in Harris County between the Harris County boundary with Waller County and Beltway 8 as the Ronald Reagan Memorial Highway (MO)

113262
GSD

This minute order considers a donation to the department from the Ronald Reagan Memorial Highway Fund, Inc., for costs associated with the fabrication and installation of two highway signs designating a portion of highway as the Ronald Reagan Memorial Highway. This will include Highway 290 in Harris County between the Harris County boundary with Waller County and Beltway 8. The amount is estimated to be \$24,000.

The department has determined that acceptance of the donation is in the best interest and welfare of the traveling public and will provide a significant public benefit.

Transportation Code, §201.206, authorizes the department to accept a donation in any form, including realty, personalty, money, materials, and services, for the purpose of carrying out its functions and duties. Government Code, Chapter 575,

requires the governing board of a state agency to acknowledge the acceptance of a donation valued at \$500 or more by majority vote at an open meeting, not later than the 60th day after the date the donation is accepted. It also prohibits a state agency from accepting a donation from a person who is a party to a contested case before the agency until the 30th day after the date the decision in the case becomes final.

The Texas Transportation Commission (commission) has adopted 43 TAC §§1.500-1.506, which relate to the department’s acceptance of donations. Section 1.503 prohibits acceptance of a gift or donation when the donor is subject to department regulation or oversight or when the donor is interested in or likely to become interested in any contract, purchase, payment, or claim with or against the department, except as provided by that section. It also provides that the commission may approve the acceptance of a donation, notwithstanding the foregoing proscriptions in the rules, if it determines that acceptance would provide a significant public benefit and would not influence or reasonably appear to influence the department in the performance of its duties.

The commission finds that the donation furthers the department’s responsibilities and that the donor is not a party to a contested case before the department and has not been a party to a contested case before the department during the last 30 days.

The commission also finds that the donor is not subject to department regulation or oversight, and that this donation will not influence or reasonably appear to influence the department in the performance of its duties.

The commission also finds that the donor is not interested in or likely to become interested in any contract, purchase, payment, or claim with or against the department.

IT IS THEREFORE ORDERED by the commission that the donation estimated at \$24,000 by the Ronald Reagan Memorial Highway Fund, Inc. is approved for acceptance. The executive director or the executive director’s designee is authorized to execute all necessary documents under 43 TAC §1.504 to effect the acceptance of the donation.

(5) Corpus Christi District - Consider a donation from Koch Pipeline, for the design and construction of a left-turn lane, right-turn lane and an acceleration lane to the donor’s facility on FM 81 in Karnes County (MO)

113263
GSD

This minute order considers a donation from Koch Pipeline, for the design and construction of a left-turn lane, right-turn lane and an acceleration lane at the Koch Pipeline and Conoco Phillips development on Farm to Market 81 in Karnes County. All design and construction work will be provided by the donor, its consultant or its contractor. The estimated value of the donation is \$2,600,000.

Transportation Code, §201.206, authorizes the department to accept a donation in any form, including realty, personalty, money, materials, and services, for the purpose of carrying out its functions and duties. Government Code, Chapter 575, requires the governing board of a state agency to acknowledge the acceptance of a donation valued at \$500 or more by majority vote at an open meeting, not later than the 60th day after the date the donation is accepted. It also prohibits a state agency from

accepting a donation from a person who is a party to a contested case before the agency until the 30th day after the date the decision in the case becomes final.

Transportation Code, §223.049 authorizes the department to contract with an owner of land adjacent to a highway that is part of the state highway system to construct an improvement on the highway right of way that is directly related to improving access to or from the owner's land.

The Texas Transportation Commission (commission) has adopted 43 TAC §§1.500-1.506, which relate to the department's acceptance of donations. Section 1.503 prohibits acceptance of a gift or donation when the donor is subject to department regulation or oversight or when the donor is interested in or likely to become interested in any contract, purchase, payment, or claim with or against the department, except as provided by that section. It also provides that the commission may approve the acceptance of a donation, notwithstanding the foregoing proscriptions in the rules, if it determines that acceptance would provide a significant public benefit and would not influence or reasonably appear to influence the department in the performance of its duties.

The commission finds that the donation furthers the department's responsibilities and that the donor is not a party to a contested case before the department and has not been a party to a contested case before the department during the last 30 days.

The commission finds that acceptance of the donation would provide a significant public benefit and would not influence or reasonably appear to influence the department in the performance of its duties.

IT IS THEREFORE ORDERED by the commission that the donation by Koch Pipeline, estimated at \$2,600,000 is approved for acceptance. The executive director or the executive director's designee is authorized to execute all necessary documents under 43 TAC §1.504 to effect the acknowledgement of the donation.

(6) **Houston District** - Consider a donation from Terrabrook Cinco Ranch Southwest, LP, for the design and construction of a right-turn lane and left turn-lane on FM 1463 at Fry Road in Fort Bend County to the donor's new facility (MO)

113264
GSD

This minute order considers a donation from Terrabrook Cinco Ranch Southwest, LP, for the design and construction of a right-turn lane and left-turn lane on Farm to Market 1463 at Fry Road in Fort Bend County to the donor's Cinco Ranch Southwest Development. All design and construction work will be provided by the donor, its consultant or its contractor. In addition, the donor will pay the State's direct and indirect costs to review, monitor and inspect the work that is on the state right of way. The estimated value of the donation, including direct and indirect costs is \$315,000.

Transportation Code, §201.206, authorizes the department to accept a donation in any form, including realty, personalty, money, materials, and services, for the purpose of carrying out its functions and duties. Government Code, Chapter 575, requires the governing board of a state agency to acknowledge the acceptance of a donation valued at \$500 or more by majority vote at an open meeting, not later than the

60th day after the date the donation is accepted. It also prohibits a state agency from accepting a donation from a person who is a party to a contested case before the agency until the 30th day after the date the decision in the case becomes final.

Transportation Code, §223.049 authorizes the department to contract with an owner of land adjacent to a highway that is part of the state highway system to construct an improvement on the highway right of way that is directly related to improving access to or from the owner's land.

The Texas Transportation Commission (commission) has adopted 43 TAC §§1.500-1.506, which relate to the department's acceptance of donations. Section 1.503 prohibits acceptance of a gift or donation when the donor is subject to department regulation or oversight or when the donor is interested in or likely to become interested in any contract, purchase, payment, or claim with or against the department, except as provided by that section. It also provides that the commission may approve the acceptance of a donation, notwithstanding the foregoing proscriptions in the rules, if it determines that acceptance would provide a significant public benefit and would not influence or reasonably appear to influence the department in the performance of its duties.

The commission finds that the donation furthers the department's responsibilities and that the donor is not a party to a contested case before the department and has not been a party to a contested case before the department during the last 30 days.

The commission finds that acceptance of the donation would provide a significant public benefit and would not influence or reasonably appear to influence the department in the performance of its duties.

IT IS THEREFORE ORDERED by the commission that the donation by Terrabrook Cinco Ranch Southwest, LP, estimated at \$315,000 is approved for acceptance. The executive director or the executive director's designee is authorized to execute all necessary documents under 43 TAC §1.504 to effect the acknowledgement of the donation.

(7) Odessa District - Consider a donation from Agri-Empresa, LLC for an amount sufficient to cover all expenses incurred for the relocation of one railroad spur track across FM 662 in Midland County (MO)

113265
GSD

This minute order considers a donation from Agri-Empresa, LLC, for an amount sufficient to cover all expenses incurred for the relocation of one (1) railroad spur track across FM 662 in Midland, County. The amount is estimated to be \$5,500.

The department has determined that acceptance of the donation is in the best interest and welfare of the traveling public and will provide a significant public benefit.

Transportation Code, §201.206, authorizes the department to accept a donation in any form, including realty, personalty, money, materials, and services, for the purpose of carrying out its functions and duties. Government Code, Chapter 575, requires the governing board of a state agency to acknowledge the acceptance of a donation valued at \$500 or more by majority vote at an open meeting, not later than the 60th day after the date the donation is accepted. It also prohibits a state agency from

accepting a donation from a person who is a party to a contested case before the agency until the 30th day after the date the decision in the case becomes final.

The Texas Transportation Commission (commission) has adopted 43 TAC §§1.500-1.506, which relate to the department's acceptance of donations. Section 1.503 prohibits acceptance of a gift or donation when the donor is subject to department regulation or oversight or when the donor is interested in or likely to become interested in any contract, purchase, payment, or claim with or against the department, except as provided by that section. It also provides that the commission may approve the acceptance of a donation, notwithstanding the foregoing proscriptions in the rules, if it determines that acceptance would provide a significant public benefit and would not influence or reasonably appear to influence the department in the performance of its duties.

The commission finds that the donation furthers the department's responsibilities and that the donor is not a party to a contested case before the department and has not been a party to a contested case before the department during the last 30 days.

The commission also finds that the donor is not subject to department regulation or oversight, and that this donation will not influence or reasonably appear to influence the department in the performance of its duties.

The commission also finds that the donor is not interested in or likely to become interested in any contract, purchase, payment, or claim with or against the department.

IT IS THEREFORE ORDERED by the commission that the donation from Agri-Empresa, LLC estimated at \$5,500 is approved for acceptance. The executive director or the executive director's designee is authorized to execute all necessary documents under 43 TAC §1.504 to effect the acknowledgement of the donation.

(8) San Antonio District - Consider a donation from Baker-Hughes Oilfield Operations, Inc., for a set of construction documents, plans, specifications and estimates to be used for improvements to the to the state's highway system on US 181 at I-37 to accommodate a significant increase in truck traffic spurred by the donor's new facility (MO)

113266
GSD

This minute order considers a donation from Baker-Hughes Oilfield Operations, Inc., for a set of construction documents, plans, specifications and estimates to be used for improvements to the state's highway system on US 181 at Interstate 37 to accommodate a significant increase in truck traffic spurred by the donor's new facility. All design work will be funded and performed by the donor or its consultant and the construction work will be done by the department. In addition, the donor will fund the State's direct and indirect costs to review the construction documents at stages of partial completion according to industry standards (30, 60 and 90% complete). The estimated value of the donation is \$15,000.

The department has determined that acceptance of the donation is in the best interest and welfare of the traveling public and will provide a significant public benefit.

Transportation Code, §201.206, authorizes the department to accept a donation in any form, including realty, personalty, money, materials, and services, for the

purpose of carrying out its functions and duties. Government Code, Chapter 575, requires the governing board of a state agency to acknowledge the acceptance of a donation valued at \$500 or more by majority vote at an open meeting, not later than the 60th day after the date the donation is accepted. It also prohibits a state agency from accepting a donation from a person who is a party to a contested case before the agency until the 30th day after the date the decision in the case becomes final.

The Texas Transportation Commission (commission) has adopted 43 TAC §§1.500-1.506, which relate to the department's acceptance of donations. Section 1.503 prohibits acceptance of a gift or donation when the donor is subject to department regulation or oversight or when the donor is interested in or likely to become interested in any contract, purchase, payment, or claim with or against the department, except as provided by that section. It also provides that the commission may approve the acceptance of a donation, notwithstanding the foregoing proscriptions in the rules, if it determines that acceptance would provide a significant public benefit and would not influence or reasonably appear to influence the department in the performance of its duties.

The commission finds that the donation furthers the department's responsibilities and that the donor is not a party to a contested case before the department and has not been a party to a contested case before the department during the last 30 days.

The commission also finds that the donor is not subject to department regulation or oversight, and that this donation will not influence or reasonably appear to influence the department in the performance of its duties.

The commission also finds that the donor is not interested in or likely to become interested in any contract, purchase, payment, or claim with or against the department.

IT IS THEREFORE ORDERED by the commission that the donation from Baker-Hughes Oilfield Operations, Inc., estimated at \$15,000 is approved for acceptance. The executive director or the executive director's designee is authorized to execute all necessary documents under 43 TAC §1.504 to effect the acknowledgement of the donation.

b. Right of Way Dispositions and Donations

(1) Atascosa County - SH 97 southwest of Pleasanton - Consider the sale of two surplus drainage easements to the fee owner of the property (MO)

113267
ROW

In ATASCOSA COUNTY, on STATE HIGHWAY 97, the state of Texas acquired an easement interest in certain land needed for highway drainage purposes by instruments recorded in Volume 215, Page 396, and Volume 220, Page 328, Deed Records of Atascosa County, Texas.

Portions of the easements (surplus easements), described in Exhibit A, are no longer needed for highway purposes.

In accordance with V.T.C.A., Transportation Code, Chapter 202, Subchapter B, the Texas Transportation Commission (commission) may recommend the sale of surplus easements.

Greg DiCaro is the underlying fee owner and has requested that the surplus easements be sold to him for \$80,769.

The commission finds \$80,769 to be a fair and reasonable value for the state's rights and interest in the surplus easements.

NOW, THEREFORE, the commission finds that the surplus easements are no longer needed for a state highway purpose and recommends, subject to approval of the attorney general, that the governor of Texas execute a proper instrument partially releasing the state's rights and interest in the surplus easements to Greg DiCaro, for \$80,769.

Note: Exhibit A is on file with the minute order clerk.

(2) Bexar County - US 87, old SH 9 (also known as Old Fredericksburg Road) in San Antonio - Consider the quitclaim of surplus right of way to the City of San Antonio (MO)

The commission received comments against from Marlene Richardson of San Antonio, President of the Scenic Loop Boerne Stage Alliance Jennifer Nottingham, Mary Fenstermaker with the Hill Country Planning Association, Anne Fenstermaker of Northwest Bexar County and Mark Rutledge on behalf of Demetrio Duarte Jr., Associates. The commission also received comments for from Councilman for the City of San Antonio, District 8, Reed Williams.

Department staff including Right of Way Division Director John Campbell, General Counsel Jeff Graham, Special Counsel Bob Jackson, Associate General Counsel John Ewald and District Engineer Mario Medina.

The following people registered an opinion for but not speaking: Susan Wright with Financial Resources, Inc., Charlotte Kahl of the Old Spanish Trail auto highway, Gilmer D. Gaston with Pape-Dawson Engineers, Inc., Jeff Booth with Leon Springs, Ltd., and Bill Kaufman with Leon Creek, Ltd.

113268
ROW

In the city of San Antonio, BEXAR COUNTY, on US 87, the state of Texas used certain land for highway purposes, there being no record title in the state's or city's name.

A portion of the land (surplus land), described in Exhibit A, is no longer needed for highway purposes.

In accordance with V.T.C.A., Transportation Code, Chapter 202, Subchapter B, the Texas Transportation Commission (commission) may recommend, if there is no record title to the property, the quitclaim of any interest that might have accrued to the state by use of the property to the county or municipality where the property is located.

The city has requested that the surplus land be quitclaimed to the city.

It is the opinion of the commission that it is proper and correct that the state quitclaim its rights and interest in the surplus land to the city.

NOW, THEREFORE, the commission finds that the surplus land is no longer needed for a state highway purpose and recommends, subject to approval by the attorney general, that the governor of Texas execute a proper instrument quitclaiming the state's rights and interest in the surplus land to the City of San Antonio, Texas.

Note: Exhibit A is on file with the minute order clerk.

c. Highway Designation

Fort Bend County - Extend the designation of State Spur 10 along existing local routes from US 59 in Rosenberg to SH 36 in the Village of Pleak (MO)

113269
TPP

In FORT BEND COUNTY, the Houston District has requested to extend the designation of STATE HIGHWAY SPUR 10 (SS 10) from its present terminus at US Highway 59 (US 59) in the city of Rosenberg southeastward along existing Hartledge and Gerken Roads to a new terminus at State Highway 36 (SH 36) in the village of Pleak, a distance of approximately 4.8 miles.

Pursuant to Texas Transportation Code, §§201.103 and 221.001, the executive director has recommended extending the designation of SS 10 on the state highway system.

The Texas Transportation Commission (commission) finds that extending the designation of SS 10 will facilitate the flow of traffic, promote public safety, and maintain continuity of the state highway system and is necessary for the proper development and operation of the system.

IT IS THEREFORE ORDERED by the commission that the designation of SS 10 is extended from its present terminus at US 59 southeastward approximately 4.8 miles to a new terminus at SH 36, as shown in Exhibit A.

Note: Exhibit A is on file with the minute order clerk.

d. Environmental Covenant

Authorize the executive director to execute an environmental restrictive covenant, in favor of the Texas Commission on Environmental Quality (TCEQ) and the State of Texas, prohibiting exposure to groundwater and allowing the continued monitoring of groundwater on a portion of Pulliam Street (FM 380) in San Angelo (MO)

113270
ENV

The former site of the San Angelo Electric Service Company (SESCO), located at 926 Pulliam Street (Farm to Market 380) in San Angelo, became contaminated with polychlorinated biphenyls (PCBs) and is being remediated under the State Superfund Program by the SESCO Site Working Group (SSWG), a group of former SESCO customers who did not operate the SESCO facility. In connection with its remediation efforts, the SSWG has requested that the Texas Department of Transportation (department) execute a restrictive covenant prohibiting exposure to groundwater and allowing the continued monitoring of groundwater on a portion of the Pulliam Street right of way. The city of San Angelo, which holds a property interest in the subject portion of real property underlying Pulliam Street, has adopted a resolution encouraging the department to authorize the restrictive covenant.

In light of the above described circumstances, the commission has determined that the restrictive covenant should be executed if the terms of the restrictive covenant are acceptable to the department's executive director.

IT IS THEREFORE ORDERED by the commission that the department's executive director is authorized to execute the above-described restrictive covenant pursuant to Transportation Code, §202.061.

e. Finance

(1) Annual review and approval of the investment policy and investment strategies applicable to all funds of the commission not otherwise required to be invested by the comptroller (MO)

113271
FIN

Government Code, Chapter 2256 (Public Funds Investment Act) authorizes the Texas Transportation Commission (commission) to purchase, sell, and invest its funds and funds under its control in accordance with investment policies approved by the commission.

Government Code, §2256.005 requires the commission to adopt a written investment policy regarding the investment of its funds and funds under its control, including a separate written investment strategy for each of the funds or group of funds.

In Minute Order 108970, dated July 25, 2002, the commission approved and adopted a written investment policy applicable to funds of the commission relating to the Central Texas Turnpike System held by Bank One, N.A., (in such capacity with its successors, currently Bank of New York Mellon), as Trustee under the Indenture of Trust dated July 15, 2002, between the commission and the trustee.

Government Code, §2256.005(e) and Section 17.0 of the investment policy require the commission to review the investment policy and investment strategy on an annual basis, and to approve by order any modifications to the investment policy and investment strategy. The investment policy and investment strategies of the commission have been reviewed and revised annually by minute order since 2003, to update the investment policy and strategies and to make them applicable to all funds under the control of the commission and not otherwise required to be invested by the Comptroller of Public Accounts (comptroller) including the Texas Mobility Fund and Central Texas Turnpike System.

The investment policy and investment strategies are attached as Exhibit A.

IT IS THEREFORE ORDERED by the commission that the investment policy and investment strategies applicable to all funds of the commission not otherwise required to be invested by the comptroller, attached as Exhibit A, have been reviewed and are hereby approved in accordance with Government Code Section §2256.005(e) and Section 17.0 of the investment policy.

Note: Exhibit A is on file with the minute order clerk.

(2) Annual review of debt management policy and derivative management policy for financing programs of the department, and authorization for department personnel to execute certain derivative transactions for financing programs of the department (MO)

113272
FIN

Pursuant to various provisions of Texas law, the Texas Transportation Commission (commission) is authorized to issue and incur obligations for transportation and other projects.

To ensure that all financings undertaken by the commission and/or the Texas Department of Transportation (department) are effected in accordance with the highest standards of industry, law and government practice and to confirm the intent of the commission and the department to adhere to sound financial management practices, the commission initially reviewed and adopted a Debt Management Policy through Minute Order 110656 on August 24, 2006. The policy requires an annual review and, if necessary, amendment. The amended policy is attached hereto as Exhibit A for consideration.

The Debt Management Policy establishes parameters within which to administer the commission's financing programs, and such parameters focus on acceptable levels of risk, minimizing interest costs, optimizing future flexibility, and achieving and maintaining the best possible credit ratings.

Pursuant to Chapter 1371, Texas Government Code, and other applicable Texas law, the commission is authorized to execute credit agreements including interest rate swap and other similar agreements.

To establish responsibilities, objectives and guidelines for the use of interest rate swap and other similar products in order to efficiently and prudently manage the commission's asset/liability profile for each financing program the commission initially reviewed and adopted a Derivative Management Policy, also pursuant to Minute Order 110656 on August 24, 2006. The policy also requires annual review and, if necessary, amendment. The amended policy is attached hereto as Exhibit B for consideration.

In addition, pursuant to Minute Order 113164 dated June 28, 2012, the commission approved an amended and restated tenth supplemental resolution to the Master Resolution Establishing the Texas Transportation Commission Mobility Fund Revenue Financing Program (the Mobility Fund Tenth Supplement) which authorized the issuance of Texas Transportation Commission State of Texas General Obligation Mobility Fund Bonds not to exceed an aggregate principal amount of \$1,200,000,000. As a part of the Mobility Fund Tenth Supplement, the commission delegated authority to the Department Representative, until June 28, 2013, to execute any swap agreement transaction pursuant to the terms of such supplement (as such terms are defined in the Mobility Fund Tenth Supplement).

In addition, pursuant to Minute Order 112974 dated January 26, 2012, the commission approved a second supplemental resolution to the Master Resolution Establishing the Texas Transportation Commission Highway Improvement General Obligation Financing Program (the Highway Improvement General Obligation Second Supplement) which authorized the issuance of Texas Transportation Commission State of Texas Highway Improvement General Obligation Bonds not to exceed an aggregate principal amount of \$4,000,709,953.34. As part of the Highway Improvement General Obligation Second Supplement, the commission delegated authority to the chief financial officer of the department, until January 26, 2013, to execute any swap agreement transaction pursuant to the terms of such supplement (as such terms are defined in the Highway Improvement General Obligation Second Supplement).

In addition, pursuant to Minute Order 113052 dated March 29, 2012, the commission approved a sixth supplemental resolution to the Master Resolution Establishing a Financing Program for Bonds, Other Public Securities and Credit

Agreements Secured by and Payable from Revenue Deposited to the credit of the State Highway Fund (the State Highway Fund Sixth Supplement) which authorized the issuance of the Texas Transportation Commission State Highway Fund First Tier Revenue Bonds in the aggregate principal amount not to exceed \$1,400,667,126.36 to fund state highway improvement projects and in the aggregate principal amount not to exceed \$1.7 billion to refund outstanding state highway fund revenue obligations. As part of the State Highway Fund Sixth Supplement, the commission delegated authority to the Department Representative, until March 29, 2013, to execute one or more interest rate lock agreements pursuant to the terms of such supplement (as such terms are defined in the State Highway Fund Sixth Supplement).

IT IS THEREFORE ORDERED by the commission that the Debt Management Policy and Derivative Management Policy have been reviewed and are hereby approved. IT IS FURTHER ORDERED by the commission that the defined term “Department Representative” shall include the Innovative Financing/Debt Management Officer of the department, and the Department Representative shall have authority, until August 29, 2013, to execute any swap agreement transaction pursuant to the terms of the Mobility Fund Tenth Supplement.

IT IS FURTHER ORDERED by the commission that the chief financial officer and the Innovative Financing/Debt Management Officer of the department shall have the authority, until August 29, 2013, to execute any swap agreement transaction pursuant to the terms of the Highway Improvement General Obligation Second Supplement.

IT IS FURTHER ORDERED by the commission that the defined term “Department Representative” shall include the Innovative Financing/Debt Management Officer of the department, and the Department Representative shall have the authority, until August 29, 2013, to execute one or more interest rate lock agreements pursuant to the terms of the State Highway Fund Sixth Supplement.

Note: Exhibits A and B are on file with the minute order clerk.

(3) Adopt the 2013 Operating Budget (MO)

113273
FIN

The General Appropriations Act of the 82nd Legislature, Regular Session, has appropriated funds for the operations of the Texas Department of Transportation (department) for Fiscal Year 2013.

The funds shown below are necessary to effectively operate the activities of the department in accordance with the guidelines set forth in the General Appropriations Act.

TEXAS DEPARTMENT OF TRANSPORTATION	
OPERATING BUDGET	
FOR FISCAL YEAR 2013	
A. GOAL: TRANSPORTATION PLANNING	
Strategy A.1.1 PLAN/DESIGN/MANAGE	\$ 298,493,553

A.1.2 CONTRACTED PLANNING & DESIGN	372,293,681
A.1.3 RIGHT-OF-WAY ACQUISITION	418,715,132
A.1.4 RESEARCH	22,079,607
TOTAL, GOAL A:	\$ 1,111,581,973
B. GOAL: TRANSPORTATION CONSTRUCTION	
Strategy B.1.1 EXISTING CONSTRUCTION CONTRACTS	\$ 581,612,487
B.1.2 NEW CONSTRUCTION CONTRACTS	1,623,803,010
B.1.3 CONSTRUCTION GRANTS & SERVICES	423,744,046
B.1.4 AVIATION SERVICES	84,302,257
TOTAL, GOAL B:	\$ 2,713,461,800
C. GOAL: MAINTENANCE AND PRESERVATION	
Strategy C.1.1 EXISTING MAINTENANCE CONTRACTS	\$ 360,985,330
C.1.2 NEW MAINTENANCE CONTRACTS	1,796,283,893
C.1.3 CONTRACTED ROUTINE MAINTENANCE	626,446,094
C.1.4 ROUTINE MAINTENANCE	759,696,691
C.1.5 GULF WATERWAY	826,459
C.1.6 FERRY SYSTEM	48,743,747
TOTAL, GOAL C:	\$ 3,592,982,214
D. GOAL: OPTIMIZE SERVICES AND SYSTEMS	
Strategy D.1.1 PUBLIC TRANSPORTATION	\$ 92,968,396
D.2.1 TRAFFIC SAFETY	71,996,827
D.3.1 TRAVEL INFORMATION	17,071,352
TOTAL, GOAL D:	\$ 182,036,575
E. GOAL: ENHANCE RAIL TRANSPORTATION	
Strategy E.1.1 RAIL PLAN/DESIGN/MANAGE	\$ 2,327,350
E.1.2 CONTRACT RAIL PLAN/DESIGN	1,700,000
E.1.3 RAIL CONSTRUCTION	2,500,000
E.1.4 RAIL MAINTENANCE	0
E.1.5 RAIL SAFETY	1,147,075
TOTAL, GOAL E:	\$ 7,674,425

F. GOAL: INDIRECT ADMINISTRATION	
Strategy F.1.1 CENTRAL ADMINISTRATION	\$ 47,445,084
F.1.2 INFORMATION RESOURCES	63,860,651
F.1.3 OTHER SUPPORT SERVICES	38,592,887
F.1.4 REGIONAL ADMINISTRATION	49,114,804
TOTAL, GOAL F:	\$ 199,013,426
G. GOAL: DEBT SERVICE PAYMENTS	
Strategy G.1.1 GENERAL OBLIGATION BONDS	\$ 128,558,743
G.1.2 STATE HIGHWAY FUND BONDS	437,321,558
G.1.3 TEXAS MOBILITY FUND BONDS	348,449,562
G.1.4 OTHER DEBT SERVICE	5,171,832
TOTAL, GOAL G:	\$ 919,501,695
H. GOAL: DEVELOP SH 121 SUBACCOUNT PROJECTS	
Strategy H.1.1 PLAN/DESIGN/MANAGE-SH 121	\$ 5,000,000
H.1.2 CONTRACTED PLAN/DESIGN-SH 121	12,000,000
H.1.3 RIGHT-OF-WAY ACQUISITION-SH 121	97,047,192
H.1.4 EXISTING CONSTRUCTION-SH 121	10,000,000
H.1.5 NEW CONSTRUCTION-SH 121	450,000,000
TOTAL, GOAL H:	\$ 574,047,192
I. GOAL: DEVELOP SH 130 SUBACCOUNT PROJECTS	
Strategy I.1.1 NEW CONSTRUCTION-SH 130	\$ 4,300,000
TOTAL, GOAL I:	\$ 4,300,000
GRAND TOTAL: Texas Department of Transportation	\$ 9,304,599,300

IT IS THEREFORE ORDERED by the Texas Transportation Commission that a cash operating budget of \$9,304,599,300 be authorized for the operations of the department for Fiscal Year 2013; and the executive director is hereby ordered to administer this cash operating budget in the most feasible and economical manner within the guidelines prescribed by the 82nd Legislature, Regular Session.

IT IS FURTHER ORDERED that the executive director is hereby authorized to make necessary adjustments to spending levels in accordance with the General Appropriations Act as may be necessary in the operations of the department.

(4) Travis and Williamson Counties Approval of the Central Texas Turnpike System (CTTS) annual operating and management budget (MO)

113274
FIN

Transportation Code, Chapter 228 and other applicable law authorizes the Texas Transportation Commission (commission) to issue turnpike revenue bonds, bond anticipation notes, and other obligations to finance turnpike projects on the state highway system, and to enter into trust agreements and indentures of trust governing matters relating to the issuance of such obligations.

In TRAVIS AND WILLIAMSON COUNTIES, pursuant to Minute Order 108873, dated April 25, 2002, STATE HIGHWAY 130 has been designated as a toll project and a controlled access state highway from I-35 North of Georgetown to the intersection US 183 and SH 130 at SH 45 Southeast.

In TRAVIS AND WILLIAMSON COUNTIES, pursuant to Minute Order 108896, dated May 30, 2002, STATE HIGHWAY 45 NORTH has been designated as a toll project and a controlled access state highway from west of US 183 to SH 130 / SH 45 North Interchange.

In TRAVIS AND WILLIAMSON COUNTIES, pursuant to Minute Order 108896, dated May 30, 2002, LOOP 1 has been designated as a toll project and a controlled access state highway from the intersection of existing Loop 1 and FM 734 (Parmer Lane) in Austin to the Loop 1 / SH 45 North Interchange.

In TRAVIS COUNTY, pursuant to Minute Order 109729, dated July 29, 2004, STATE HIGHWAY 45 SOUTHEAST has been designated as a turnpike project and a controlled access state highway from I-35 at FM 1327 south of Austin to the SH 130 / US 183 interchange.

In 2002 the commission issued \$2,199,993,782 in obligations to finance a portion of the costs of the Central Texas Turnpike System (system), a toll project composed initially of the SH 130, SH 45, and Loop 1 project elements (2002 Project), pursuant to an Indenture of Trust, dated July 15, 2002 (indenture), and four supplemental indentures. The indenture prescribes the terms, provisions and covenants related to the issuance of toll revenue bonds and obligations to finance a portion of the costs of the 2002 Project. In 2009 the commission issued \$149,275,000 in refunding bonds, pursuant to the indenture and a fifth supplemental indenture.

Pursuant to Section 702 of the indenture, the commission has covenanted that on or before August 31 in each fiscal year, it will adopt an annual operating, maintenance and capital budget for the system for the ensuing fiscal year and provide copies of such budgets to the Trustee and the U.S. Department of Transportation.

On August 30, 2012, the commission ordered the addition of SH 45 Southeast to the system in accordance with the terms of the sixth supplemental indenture (sixth supplement) and the minute order approving the sixth supplement.

The Texas Department of Transportation has completed these budgets to include SH 45 North, Loop 1, SH 130 and SH 45 Southeast with no cash collections, and they are attached as Exhibit A. In accordance with Section 702 of the indenture, the budgets were provided to the General Engineering Consultant for review and comment prior to adoption by the commission.

IT IS THEREFORE ORDERED by the commission that the annual operating, maintenance and capital budgets for the system are adopted for FY 2013.

IT IS FURTHER ORDERED that the executive director is hereby authorized to make necessary adjustments to spending levels in accordance with the indenture as may be necessary in the operations of the system.

Note: Exhibit A is on file with the minute order clerk.

f. Transportation Planning

(1) Various Counties - Concurrence with the Regional Transportation Council of the North Central Texas Council of Governments' funding of construction and other project development costs of projects to be advanced through the use of payments received from the North Texas Tollway Authority for the right to develop, finance, design, construct, operate, and maintain the SH 161 toll project from I-20 to SH 183 in Dallas County (MO)

113275
TPP

Transportation Code, §228.012 requires the Texas Department of Transportation (department) to create a separate account in the State Highway Fund to hold payments received by the department under a comprehensive development agreement (CDA) and the surplus revenue of a toll project or system.

The department is required to create subaccounts in the account for each project, system, or region, and to hold money in a subaccount in trust for the benefit of the region in which the project or system is located. Interest earned on money in a subaccount shall be deposited to the credit of that subaccount. The department may assign the responsibility for allocating money in a subaccount to the metropolitan planning organization (MPO) in which the region is located.

The department has created subaccounts in the State Highway Fund to hold the payments received from the North Texas Tollway Authority (NTTA) for the right to develop, finance, design, construct, operate, and maintain the State Highway 161 toll project from I-20 to SH 183 in Dallas County (SH 161 payments).

Pursuant to Transportation Code, §228.012, the SH 161 payments may be used to pay the costs of a transportation project, highway project, or air-quality project within a region in which any part of the SH 161 toll project is located. Money must be allocated to projects authorized by Transportation Code, §228.0055 or §228.006, as applicable. An air-quality project is a project or program of the department or another governmental entity that the commission determines will mitigate or prevent air pollution caused by the construction, maintenance, or use of public roads.

In Minute Order 110727, dated October 26, 2006, the Texas Transportation Commission (commission) approved, and authorized the department's executive director to enter into a memorandum of understanding (MOU) with the Regional Transportation Council (RTC), the transportation policy council of the North Central Texas Council of Governments (NCTCOG), a federally designated MPO, concerning the administration, sharing, and use of surplus toll revenue and CDA concession payments in the region served by the NCTCOG. The SH 161 toll project is located in the region served by the NCTCOG.

Responsibility for allocating the SH 161 payments has been assigned to the RTC under the MOU. The MOU provides that the selection of projects to be financed using those funds shall be made by the RTC, subject to commission concurrence. The projects are to be selected through a process which considers the desires of the cities and counties in which the project is located. The RTC has developed a plan for regional sharing of surplus toll revenue and CDA concession payments, based on the location of the toll project from which these revenues are derived and the residential location of toll users in the region served by the NCTCOG.

In Minute Order 112015, dated October 29, 2009 the commission clarified that commission concurrence in projects selected by the RTC to be financed with surplus toll revenue and CDA concession payments is limited to ensuring the funds are allocated to projects authorized by Transportation Code, §228.0055 or §228.006. The minute order requires the department to disburse such funds in accordance with directions from the RTC to pay the costs of qualified projects.

The department has established a work program to account for and track projects and project costs in the NCTCOG Metropolitan Planning Area (MPA) boundary funded with the SH 161 payments. In Minute Order 112759, dated July 28, 2011; Minute Order 112845, dated September 29, 2011; Minute Order 112977, dated January 26, 2012; Minute Order 113103, dated April 26, 2012 and Minute Order 113221, dated July 26, 2012; the commission concurred with certain projects identified by the RTC to be funded with those payments, and approved the placement of those projects in the work program. The RTC, through an extensive public involvement process, has identified additional project costs in the NCTCOG MPA boundary to be funded with the SH 161 payments.

IT IS THEREFORE ORDERED by the commission that, pursuant to the MOU and Minute Order 112015, it concurs with the projects as shown in Exhibit A that have been selected by the RTC to be funded with the SH 161 payments, and approves the placement of the projects in the work program with CONSTRUCT authority, to be developed consistent with applicable state and federal laws, regulations, and procedures. Pursuant to the finding of the RTC, the commission determines that the projects shown in Exhibit A are transportation or highway projects, or air-quality projects that will mitigate or prevent air pollution caused by the construction, maintenance, or use of public roads, and are therefore eligible to be funded with the SH 161 payments.

IT IS FURTHER ORDERED that, unless otherwise approved by the commission, all direct costs associated with the projects for which federal and state funds have not been allocated shall be charged to this work program, including the costs of right-of-way acquisition, preliminary engineering, and construction engineering, and the costs of department staff incurred in the development, procurement, and construction of the projects.

Note: Exhibits A and B are on file with the minute order clerk.

(2) Various Counties - Concurrence with the Regional Transportation Council of the North Central Texas Council of Governments' funding of construction and other project development costs of projects to be advanced through the use of payments received

from the North Texas Tollway Authority for the right to develop, finance, design, construct, operate, and maintain the SH 121 toll project from Business SH 121 in Denton County to US 75 in Collin County (MO)

113276
TPP

Transportation Code, §228.012 requires the Texas Department of Transportation (department) to create a separate account in the State Highway Fund to hold payments received by the department under a comprehensive development agreement (CDA) and the surplus revenue of a toll project or system.

The department is required to create subaccounts in the account for each project, system, or region, and to hold money in a subaccount in trust for the benefit of the region in which the project or system is located. Interest earned on money in a subaccount shall be deposited to the credit of that subaccount. The department may assign the responsibility for allocating money in a subaccount to the metropolitan planning organization (MPO) in which the region is located.

The department has created subaccounts in the State Highway Fund to hold the payments received from the North Texas Tollway Authority (NTTA) for the right to develop, finance, design, construct, operate, and maintain the State Highway 121 toll project from Business SH 121 in Denton County to US 75 in Collin County (SH 121 payments).

Pursuant to Transportation Code, §228.012, the SH 121 payments may be used to pay the costs of a transportation project, highway project, or air-quality project within a region in which any part of the SH 121 toll project is located. Money must be allocated to projects authorized by Transportation Code, §228.0055 or §228.006, as applicable. An air-quality project is a project or program of the department or another governmental entity that the commission determines will mitigate or prevent air pollution caused by the construction, maintenance, or use of public roads.

In Minute Order 110727, dated October 26, 2006, the Texas Transportation Commission (commission) approved, and authorized the department's executive director to enter into, a memorandum of understanding (MOU) with the Regional Transportation Council (RTC), the transportation policy council of the North Central Texas Council of Governments (NCTCOG), a federally designated MPO, concerning the administration, sharing, and use of surplus toll revenue and CDA concession payments in the region served by the NCTCOG. The SH 121 toll project is located in the region served by the NCTCOG.

Responsibility for allocating the SH 121 payments has been assigned to the RTC under the MOU. The MOU provides that the selection of projects to be financed using those funds shall be made by the RTC, subject to commission concurrence. The projects are to be selected through a process which considers the desires of the cities and counties in which the project is located. The RTC has developed a plan for regional sharing of surplus toll revenue and CDA concession payments, based on the location of the toll project from which these revenues are derived and the residential location of toll users in the region served by the NCTCOG.

In Minute Order 112015, dated October 29, 2009, the commission clarified that commission concurrence in projects selected by the RTC to be financed with surplus toll revenue and CDA concession payments is limited to ensuring the funds are

allocated to projects authorized by Transportation Code, §228.0055 or §228.006. The minute order requires the department to disburse such funds in accordance with directions from the RTC to pay the costs of qualified projects.

The department has established a work program to account for and track projects and project costs in the NCTCOG Metropolitan Planning Area (MPA) boundary funded with the SH 121 payments. In Minute Order 111215, dated January 31, 2008; Minute Order 111439, dated July 31, 2008; Minute Order 111528, dated September 25, 2008; Minute Order 111553, dated October 30, 2008; Minute Order 111822, dated May 28, 2009; Minute Order 111854, dated June 25, 2009; Minute Order 111928, dated August 27, 2009; Minute Order 112047, dated November 19, 2009; Minute Order 112121, dated January 28, 2010; Minute Order 112273, dated May 27, 2010; Minute Order 112568, dated January 27, 2011; Minute Order 112603, dated February 24, 2011; Minute Order 112758, dated July 28, 2011; Minute Order 112844, dated September 29, 2011; Minute Order 112976, dated January 26, 2012; Minute Order 113102, dated April 26, 2012; and Minute Order 113222, dated July 26, 2012; the commission concurred with certain projects identified by the RTC to be funded with those payments, and approved the placement of those projects in the work program. The RTC, through an extensive public involvement process, has identified additional project costs in the NCTCOG MPA boundary to be funded with the SH 121 payments.

IT IS THEREFORE ORDERED by the commission that, pursuant to the MOU and Minute Order 112015, it concurs with the projects as shown in Exhibit A that have been selected by the RTC to be funded with the SH 121 payments, and approves the placement of the projects in the work program with CONSTRUCT authority, to be developed consistent with applicable state and federal laws, regulations, and procedures. Pursuant to the finding of the RTC, the commission determines that the projects shown in Exhibit A are transportation or highway projects, or air-quality projects that will mitigate or prevent air pollution caused by the construction, maintenance, or use of public roads, and are therefore eligible to be funded with the SH 121 payments.

IT IS FURTHER ORDERED that, unless otherwise approved by the commission, all direct costs associated with the projects for which federal and state funds have not been allocated shall be charged to this work program, including the costs of right of way acquisition, preliminary engineering, and construction engineering, and the costs of department staff incurred in the development, procurement, and construction of the projects.

Note: Exhibits A and B are on file with the minute order clerk.

g. Speed Zones

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

113277
TRF

Transportation Code, §545.352 establishes prima facie reasonable and prudent speed limits for various categories of public roads, streets and highways.

Transportation Code, §545.353 empowers the Texas Transportation Commission (commission) to alter those prima facie limits on any part of the state

highway system as determined from the results of an engineering and traffic investigation conducted according to the procedures adopted by the commission.

The Texas Department of Transportation (department) has conducted the prescribed engineering and traffic investigations to determine reasonable and safe prima facie maximum speed limits for those segments of the state highway system shown in Exhibits A and B.

Exhibit A lists construction speed zones in effect when signs are displayed within construction projects. The completion and/or acceptance of each project shall cancel the provision of this minute order applying to said project and any remaining construction speed zone signs shall be removed.

Exhibit B lists speed zones for sections of highways where engineering and traffic investigations justify the need to alter the speeds.

It has also been determined that the speed limits on various segments of the state highway system, previously established by the commission by minute order and listed in Exhibit C, are no longer necessary or have been incorporated by the city which has the authority to set the speed limits on these sections of the highway.

IT IS THEREFORE ORDERED by the commission that the reasonable and safe prima facie maximum speed limits determined in accordance with the department's "Procedures for Establishing Speed Zones" and shown on the attached Exhibits A and B are declared as tabulated in those exhibits. The executive director is directed to implement this order for control and enforcement purposes by the erection of appropriate signs showing the prima facie maximum speed limits.

IT IS FURTHER ORDERED that a provision of any prior order by the commission which is in conflict with a provision of this order is superseded to the extent of that conflict, and that the portion of the minute order establishing the speed zones shown on the attached Exhibit C are canceled.

Exhibits A – C are on file with the minute order clerk.

OPEN COMMENT PERIOD - At the conclusion of all other agenda items, the commission will allow an open comment period, not to exceed one hour, to receive public comment on any other matter that is under the jurisdiction of the commission. No action will be taken. Each speaker will be allowed a maximum of three minutes. Speakers must be signed up prior to the beginning of the open comment period.

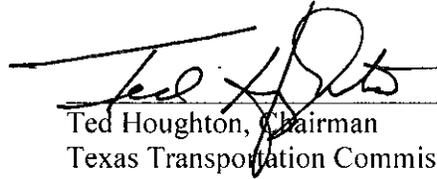
The commission did not receive any comments during the open comment period.

ITEM 21. Executive Session Pursuant to Government Code, Chapter 551 Section 551.071 - Consultation with and advice from legal counsel regarding any item on this agenda

The commission did not meet in executive session.

The regular meeting of the Texas Transportation Commission was adjourned at 12:12 p.m.

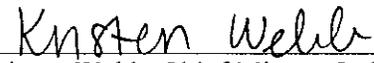
APPROVED:



Ted Houghton, Chairman
Texas Transportation Commission

XXX

I hereby certify that the above and foregoing pages constitute the full, true and correct record of all proceedings and official records of the Texas Transportation Commission at its regular meeting on August 30, 2012 in Austin, Texas.



Kristen Webb, Chief Minute Order Clerk
Texas Department of Transportation