

TEXAS DEPARTMENT OF TRANSPORTATION

COMMISSION MEETING

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

Thursday, April 25, 2013

COMMISSION MEMBERS:

Ted Houghton, Chair
Jeff Austin III
Jeff Moseley
Fred Underwood

STAFF:

Phil Wilson, Executive Director
John A. Barton, Deputy Executive Director
Jeff Graham, General Counsel
Rose Walker, Chief Clerk
Kristen Webb, Chief Minute Order Clerk

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P R O C E E D I N G S

1
2 MR. HOUGHTON: Good morning. It is 9:00 a.m.
3 I call to order the regular April 25, 2013 meeting of the
4 Texas Transportation Commission.

5 Note for the public record that notice of this
6 meeting, containing all items on the agenda, was filed
7 with the Secretary of State at 4:44 p.m., April 17, 2013.

8 As customary, please turn your cell phone
9 devices either to the silent or off mode.

10 And if you wish to address the commission,
11 there is one of two cards you must sign: yellow for an
12 agenda item and a blue for the open session part which is
13 at the end of the agenda.

14 I will turn it over to Phil for a safety
15 briefing.

16 MS. ZARATE: Thank you, Chair.

17 I would like to ask Occupational Safety
18 Division Director Jerral Wyer to come forward and provide
19 a quick safety briefing. Jerral.

20 MR. WYER: Phil, thank you.

21 Unfortunately, we've lost two team members in
22 our contracting community, Mr. Eusebio Escobar and
23 Reynaldo Espinosa. And I'm going to ask everyone
24 attending today if we could take a moment of silence for
25 those individuals and their families.

1 (A moment of silence observed.)

2 MR. WYER: Thank you.

3 This morning was a monumental day in safety. I
4 just got off the phone with Mr. Wilson, Mr. Barton and
5 over 800 phone calls across the state, over 1,200
6 contractor members and TxDOT employees called in to
7 discuss safety. We had a great discussion this morning.
8 I think it's a tribute to our many partners across the
9 state on what we're trying to do to improve our safety
10 culture, and we all got a lot out of it this morning, and
11 we have a great game plan as we move forward.

12 Phil, I want to thank you for your continued
13 leadership. Commission, thank you for your support of our
14 safety process and program.

15 This morning I'm honored to introduce three of
16 our transportation professionals: Mr. Daniel Mendez,
17 Johnny Perrine, and Mr. Brandon Owens. These three
18 gentlemen work in our Austin District central maintenance
19 office. For your viewing this morning, they are wearing
20 high visibility apparel that we will be piloting in our
21 Childress and Laredo districts over the next 30 days.

22 This safety apparel exceeds ANSI Class 3
23 standard for safety items. It will provide additional UV
24 protection for our workers, it eliminates the layering of
25 clothing, it provides maximum protection as far as

1 visibility in the work zone, and we're excited and we're
2 so appreciative of our commission and our administration
3 in supporting this initiative.

4 I want to thank you three gentlemen for coming
5 today and showing off these garments, and we look forward
6 to the trial program over the next 30 days and future
7 implementation. Thank you so much for being here.

8 Please give them a hand.

9 (Applause.)

10 MR. WYER: For our building safety briefing
11 this morning, we are not expecting any bad weather, but in
12 the event we have a tornado alert, I'm going to ask that
13 everyone make your way to the stairwell and/or to the
14 basement area of the Greer Building. If there's a fire
15 alarm in the building, please make your way to the nearest
16 exit and across the roadway and make your way to the
17 Capitol grounds. We will gather in front of the Capitol.

18 If there's a need for first aid, please make
19 your way to the security office right through the door
20 entry. We have all the first aid needs that are necessary
21 there, and if we need to call 9-1-1, we will make a call
22 at that area.

23 I thank you so much for your time. I will
24 pause if there's any questions or comments. Thank you.

25 MR. WILSON: With that safety briefing

1 completed, I will hand the gavel back to you, Mr. Chair,
2 to complete opening remarks.

3 MR. HOUGHTON: I'd like to take this time
4 during our safety briefing to ask John Barton to come up
5 just for a second.

6 MR. BARTON: John, I noticed yesterday, and of
7 course, I saw -- I get the clips like everyone else
8 does -- the unfortunate situation with losing two team
9 members over the last week, and getting to visit with you
10 yesterday, how visibly shaken you had been and how much it
11 meant to you about these folks. And I asked you a
12 question how many people on an average year do we lose,
13 and I think you said something around five, maybe, people
14 injured, people not paying attention.

15 I think it's come to a point to where we need
16 to -- I know you're having conference calls, trying to
17 instill a new culture of paying attention, keeping our
18 people safe. What other remedies are there to get our
19 partners in the construction industry to understand that
20 we're serious about this stuff?

21 MR. BARTON: Thank you, Chairman. For the
22 record, my name is John Barton, chief engineer and deputy
23 executive director for TxDOT.

24 We work closely with our partners and have
25 identified a lot of good things, but we need to be better,

1 and we've talked about that with them. In addition to
2 those innovative technologies and approaches that many of
3 us have thought about and are starting to consider and
4 explore further, like the safety protective wear that
5 Jerral just had our colleagues display, there are
6 opportunities that we can learn from other industries.

7 In contracting arrangements with some
8 industries, they require that those partners that are a
9 part of it demonstrate a certain level of excellence
10 within the safety arena, that their performance on
11 previous projects and within their companies are at
12 certain levels. So I think that that's an area that we
13 haven't talked about a lot but that Phil has encouraged us
14 to explore. Are there conditions and requirements that we
15 can place on ourselves and on our contracting partners
16 that set the bar that says we have to be this good or
17 better before we're going to allow you to expose your self
18 and your co-workers to the dangers of this environment,
19 and that if you can't perform at that level, we don't
20 really feel like it's appropriate for you to be
21 participating in those activities.

22 That's perhaps the one area that we haven't
23 explored as much, but we have been asked to pursue, and I
24 would suggest to this commission that it may be an area
25 that we could take advantage of.

1 MR. HOUGHTON: So Phil, are we undertaking
2 that, are we looking at that?

3 MR. WILSON: Mr. Chairman, John Obr and Jerral
4 Wyer, along with John Barton's leadership, are exploring
5 using a third party validator to find the best industry
6 standards of acceptable tolerance for a metric, and that
7 we hope to look at that as an opportunity for the
8 commission to review and possibly approve to say within
9 future bids, that people come in, unless they have met the
10 metric of an industry norm where we're being safe, they
11 may not be allowed to participate. And so we're going to
12 got through a thoughtful conversation with the commission,
13 review those metrics.

14 We are also engaging now under our Strategic
15 Projects Division weighing also safety as part of your
16 qualifier, giving points on your safety record when we're
17 reviewing the bid proposal. So we are doing some very
18 proactive initiatives when it comes to gauging safety as a
19 review process and what we should do going forward.

20 So the short answer is yes, and we're going to
21 hopefully have something very soon, have a third party
22 validator, in a sense, be the guys to provide the math
23 behind the studies on whether people are being safe or
24 not.

25 MR. HOUGHTON: Any questions?

1 MR. UNDERWOOD: One thought, too, John, make
2 sure that we have the contractors involved in this
3 process. I don't want it to be top-driven, I'd like it to
4 be driven by everybody that's involved in the process
5 because it's really for the safety of their employees as
6 well as ours.

7 MR. BARTON: Absolutely.

8 MR. WILSON: Yes, sir.

9 MR. HOUGHTON: Any other comments?

10 (No response.)

11 MR. HOUGHTON: John, thank you.

12 MR. BARTON: Thank you.

13 MR. HOUGHTON: All right. What that said,
14 we'll open with comments from the commissioners.
15 Commissioner Moseley, you still get the opportunity to
16 open first.

17 MR. MOSELEY: Thank you, Chairman, members.
18 Good morning.

19 Today our flags are half staff and we not only
20 continue to grieve over the tragedy of Boston but closer
21 to home, West, Texas, and I know the President and
22 Governor Perry will be involved in a memorial in Waco this
23 morning.

24 But our TxDOT team also played a dramatic and
25 important role in assisting at the site, and so I just

1 wanted to say thank you to their stepping up and helping
2 with traffic control and coordinating some of the fueling
3 centers, and I think it's a wonderful template for us to
4 be able to stand in and help communities that are in a
5 very critical time of need.

6 So I wanted to say thanks, Phil, for what our team is
7 doing there on the ground.

8 Chairman, members, I've been working with
9 Herman Deutsch related to the Texas ports community, and
10 I'll be working to get better acquainted with some of the
11 opportunities to the Texas ports on May 3. As our first
12 visit, we'll be going to the Sabine-Neches Navigation
13 District, and then throughout the summer, planning other
14 visits to the Texas ports community. And I wanted to go
15 ahead and invite you and other members of the commission
16 to go with us as we move in and out of the ports. We'll
17 let you know that schedule unfolds.

18 May 21 through 23 I'll be with Coby, and
19 perhaps Commissioner Austin, in Washington D.C., looking
20 at how we can communicate some of our needs in the Texas
21 ports community at the federal level.

22 Thank you, Chairman and members.

23 MR. AUSTIN: Good morning, everyone.

24 I certainly want to echo the comments of
25 Commissioner Moseley about in West, the events in Boston,

1 and I know just watching the correspondence that we
2 receive from John Barton, in the wee hours of the morning,
3 giving updates of what our team is doing, I'd say hats off
4 to everyone.

5 This is has been a busy month. Things we're
6 going to hear from Dave Fulton in a little while, talking
7 about the airports, the legislative session is on, I think
8 game-on. And Phil, to you, your staff, everybody that's
9 gone over to have conversations and be resources, we
10 really appreciate it. I'm thankful that the conversation
11 is taking place about funding transportation because it's
12 too important to the state. We really appreciate it.

13 I do want to add one other thing, just talking
14 about safety, and we talked about some of the accidents
15 that have happened, let's don't forget also, I know last
16 year we put up 3,000 signs statewide, I believe, John,
17 that said Left Lane is for Passing Only. We'd just to
18 encourage, however we can continue to help educate, let's
19 be safe and sensible and allow that. And also, when you
20 see DPS, emergency vehicles and TxDOT vehicles on the side
21 of the road to slow down and move over. I think it's just
22 a constant reminder to the public that we need to be
23 sensible.

24 I will say on the way down here for the
25 commission meeting on Tuesday, I was almost hit by a guy

1 texting. It was a four-lane road, came up, got in the
2 left-hand lane, I was going around him, and he was
3 swerving. I hit my brakes, honked the horn, and I look up
4 and he's holding his phone right there. And I went on
5 around him and I looked up in my rearview mirror and he's
6 still swerving.

7 So we've all got to pay attention, don't just
8 text and drive, but we've got to be aware of what
9 everybody else is doing around us. So it is a real issue.

10 On to some good news. Last week, Commissioner
11 Moseley and I had the opportunity to visit San Antonio,
12 talked with SAMCO and also had a chance to visit the
13 district. It was really wonderful, talked about some of
14 the tools, recognizing some of the challenges that they
15 have, but also sharing some best practices, what's
16 happening and how the Metroplex, Houston have leveraged
17 their dollars, and also the great tools that they have
18 with leadership and with the RMA. So they have a lot of
19 great opportunities, and had a great opportunity to visit
20 with the district there.

21 Now, it's been awfully quiet down here on this
22 end of the row. We're in kind of a missing man formation.
23 He's going to be here soon, so just in case you want to
24 see what it's going to look like, here's Victor
25 Vandergriff. We miss him today. I guess he's kind of

1 being referred to, coined by Commissioner Moseley, Double
2 V, V-squared, Double V. We've got two Jeffs, I don't know
3 how that's going to work, but Double V and then Ted and
4 Fred, so I think we'll be able to identify who's there.

5 So Victor, we miss you, we know you'll be here.

6 We've had a great opportunity to visit with him and I
7 know he is engaged.

8 A couple of last things, also, we had the
9 opportunity of going to Sugar Land. Commissioner Moseley
10 spoke to the I-69 Alliance. We have now officially
11 branded and designated all through Fort Bend County, put
12 up signs for Interstate 69. So the progress and all the
13 hard work and effort that's taken place over the years is
14 really beginning to pay off with this and we appreciate
15 everyone.

16 This month, I'm looking ahead out to something
17 we announced at the forum, but our next year's forum is
18 going to be in San Antonio, so please mark your calendar
19 now for January 6 through 8, back in San Antonio.

20 At the most recent forum we announced a college
21 challenge where we're going to be sponsoring this fall for
22 undergraduate students at four-year colleges and
23 universities an opportunity to submit, give ideas back,
24 and really kind of a contest to talk about some
25 transportation challenges that we have. We're going to be

1 sending out materials to all the faculty to hopefully
2 engage some of the folks there.

3 Lastly, I'm excited we're going to be up this
4 week for the groundbreaking of a project in Dallas, the
5 Horseshoe, long awaited, and really appreciate the
6 leadership of the Dallas area, the mobility coalition up
7 there.

8 With that, thank you to everyone for being
9 here, and I really like the new shirts that you have for
10 safety. Thank you all.

11 MR. UNDERWOOD: I associate myself with my
12 colleagues' remarks.

13 I want to reinforce something that Jerral said.
14 We at the commission would like to give condolences to
15 the families of the two contractor employees that were
16 killed last week working on TxDOT projects.

17 Just for the audience's benefit, one of the
18 gentlemen was working on the shoulder of the road, he was
19 surveying, he was not standing out in the middle of the
20 highway. The second gentleman was killed while he was
21 flagging traffic on a project on Farm to Market Road 3549
22 in Rockwall County. The car that ran into him was the
23 last car in line. They had stopped these cars and then
24 they were flagged to go on, it was their turn to go ahead
25 and go down this one-lane road, and the last car in line

1 ran over the flag man. I mean, how can that happen? It
2 shouldn't happen.

3 Both of these projects were properly signed and
4 traffic control was in place when this took place. To me,
5 this is a stark reminder of the dangers that TxDOT and
6 contract employees face every day as they work on our
7 highways. We must do everything we can to make it safe
8 for these men and women so they can go home to their
9 families. So I appeal to our audience and the people
10 watching and the people that will read this, please drive
11 safe, watch for these men and women.

12 I really like the vests that they have now.
13 That's a lot nicer. I think that's going to be a great
14 program, especially the sun-resistant you don't get a tan
15 without having to wear suntan lotion mentality.

16 But the important part is please be careful
17 when you see these men and women. I promise you, they
18 want to go home to their families. Let's let them get
19 home to their families.

20 Mr. Chairman, on a side note, after watching
21 the legislature this month, it reminds me of a saying by
22 Abraham Lincoln.

23 MR. HOUGHTON: Do you really want to say it?

24 MR. UNDERWOOD: Yes.

25 MR. HOUGHTON: Okay.

1 (General laughter.)

2 MR. UNDERWOOD: This is a saying by Abraham
3 Lincoln now, it's not a Fred-ism. If I had eight hours to
4 chop down a tree, I'd spend six hours sharpening my axe.
5 And I think that's what our legislature is doing. You get
6 frustrated, sometimes you don't see them moving as fast as
7 you'd like, but they're preparing themselves for this last
8 jaunt to where they're going to hopefully do what they
9 need to do to take care of our citizens. And we respect
10 it and we appreciate all they've done for TxDOT.

11 Mr. Chairman.

12 MR. HOUGHTON: Thank you, Fred, and thank you,
13 commissioners for adequately expressing our condolences to
14 our fellow Texans in West and our fellow Americans in
15 Boston, and our associates in the construction industry.

16 With that, we will move on to our agenda, and
17 the first order of business is approval of minutes of the
18 March 28, 2013 meeting and the April 4, 2013 special
19 commission meeting. Members, a draft of the minutes were
20 provided in the briefing. Is that a motion?

21 MR. AUSTIN: I move we approve both meetings as
22 presented.

23 MR. UNDERWOOD: Second.

24 MR. HOUGHTON: All in favor?

25 (A chorus of ayes.)

1 MR. HOUGHTON: With that, Phil, I turn the
2 agenda over to you.

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

4 The first item on the agenda is item 3a, an
5 update from the Aviation Division Director Dave Fulton on
6 FAA tower closures. Dave.

7 MR. FULTON: Thank you, Phil, and thank you,
8 commissioners. I've been asked to give a brief
9 presentation on what has transpired since your April 4
10 meeting, and I will do. I'll be glad to answer any
11 questions during the brief presentation or at the
12 conclusion.

13 To go back to April 4, that day the commission
14 approved funding for continued operation of air traffic
15 control towers for a period of 90 days. Following the 90-
16 day period, the commission also granted the executive
17 director the authority to extend the expenditure for an
18 additional period of up to an additional 275 days. Due to
19 time being of the essence, we immediately mailed out 14
20 grant offers to the 14 affected airports.

21 The next day, April 5, FAA postponed the tower
22 closures until June 15. Their stated reason for doing
23 this was to give US DOT lawyers more time to address
24 issues raised in the lawsuits filed over the closure plan
25 and to give airports more time to come with their own

1 funds to keep the towers open. FAA's position continues
2 to be that the 149 contract towers will close on June 15
3 of this year.

4 Following the announcement by FAA of the
5 decision to delay the closures, we immediately placed the
6 grant execution for those 14 grants on hold.

7 To date, there have been 30 airports that have
8 filed suit against the FAA as well as the American
9 Association of Airport Executives and the U.S. Contract
10 Tower Association, asking for a review of FAA's process in
11 closing the towers and requesting an emergency motion for
12 a stay of FAA's closure plans. Those cases have all been
13 consolidated in the 9th Circuit Federal Court in San
14 Francisco.

15 Three bills have been filed in Congress. On
16 April 9, Representative Tom Cotton of Arkansas filed HR
17 1432 called the Air Traffic Control Tower Funding
18 Restoration Act, to restore funding for contract towers by
19 reducing FAA's budget in other areas to pay for the
20 towers.

21 On April 9, Senator Jerry Moran of Kansas filed
22 Senate Bill 687 to prohibit the FAA during fiscal year '13
23 and '14 from suspending or terminating the operation of
24 any traffic control towers in operation on March 1, 2013
25 without regard to whether the tower is operated by the FAA

1 or a contractor.

2 ON April 15, Senator Roy Blunt of Missouri
3 filed Senate Bill 724 to exempt essential employees from
4 sequestration related furloughs, including air traffic
5 control operators. All those three bills remain pending.

6 TxDOT Federal Affairs has met with numerous
7 congressional offices in Washington and has done a
8 wonderful job of keeping our office informed so I can keep
9 the 14 airport managers informed accordingly, and greatly
10 appreciate that

11 Numerous letters have been sent by Congress by
12 FAA regarding the cut. A friend of mine in FAA said the
13 total number of letters received by FAA on the contract
14 tower issue nationwide is 18 inches thick, so obviously
15 this has gotten great attention.

16 Then on April 21, the furlough of FAA air
17 traffic controllers began. U.S. Transportation Secretary
18 Ray LaHood and FAA Administrator Michael Huerta announced
19 that delays could be expected up to
20 3-1/2 hours at airports like Atlanta and other busier
21 airports.

22 I've just a couple more items. For your
23 information, two more Texas contract towers, Fort Worth
24 Spinks and Grand Prairie, are scheduled to close on
25 September 13, 2013 under the FAA's closure plan.

1 We have a new TxDOT funded air traffic control
2 tower under construction in Mesquite. The construction
3 was accelerated to comply with a commitment by FAA to
4 provide operational funding if the tower was completed by
5 August 2013. The city paid a premium of their own funds
6 to make this happen. With FAA's decision to cancel
7 contract tower funding effective June 15, future funding
8 for the tower is now uncertain. TxDOT Aviation Division
9 continues a daily close working relationship with the
10 airports affected by FAA's decision to close the towers.

11 Finally, the first bright light, I guess, we're
12 happy to see anything even remotely positive coming from
13 Washington, yesterday Transportation Secretary Ray LaHood,
14 FAA Administrator Michael Huerta, and Senator Rockefeller,
15 chairman of the Commerce, Science and Transportation
16 Committee, held a 40-minute meeting with some other
17 members of the Senate. After the meeting they told
18 reporters they were working together on a solution to the
19 nation's aviation woes. Senator Rockefeller said, We're
20 working as fast as we possibly can. He declined to
21 divulge details of the fix, but said it would deal with
22 air traffic controllers specifically.

23 Just a couple of other items for your
24 information, and then I'll close. Last November 5, 2012,
25 the U.S. Department of Transportation Office of Inspector

1 General issued their audit report on contract towers.
2 Briefly, it stated: the FAA's federal contract tower
3 program comprises 250 contract towers in 48 states and
4 four U.S. territories, and provides services to a wide
5 range of users, including general aviation, commercial,
6 cargo and military operations. Since its inception 30
7 years ago, the program has been successful in providing
8 low cost air traffic control services at airports that
9 otherwise would not have received these services,
10 increasing the level of safety of these airports for
11 pilots and the surrounding communities.

12 Just a little bit on the past commission
13 activities related to contract towers. The commission has
14 approved funding to date for construction of 14 contract
15 towers. The first two, Sugar Land and Denton, were
16 contracted in 2001 and 2002 with 50 percent state funding,
17 50 percent local funding. Subsequently, funding for
18 contract tower construction was recognized at the national
19 level and it became an eligible FAA project at 90 percent
20 federal, 10 percent local.

21 Utilizing FAA funding, nine more towers have
22 been completed, with another three in the planning and
23 construction phase. Approximately \$28 million has been
24 spent on constructing the 14 towers. One additional tower
25 was constructed with 100 percent of the funding provided

1 by the City of New Braunfels.

2 MR. UNDERWOOD: Dave, I want to stop you, if I
3 may, please, sir. So what you're telling me is that
4 originally TxDOT, Texas went out and funded a couple of
5 towers at 50 percent. Right?

6 MR. FULTON: That's correct, yes, sir.

7 MR. UNDERWOOD: The FAA recognized the value of
8 it, the safety value, and went out and started a program
9 afterwards after a couple of years of funding 90 percent
10 compared to a 10 percent.

11 MR. FULTON: Which is their normal funding
12 rate. We did 50 percent because we wanted to make sure
13 that we had a good buy-in at the local level.

14 MR. UNDERWOOD: Exactly. But we basically
15 started a program, and if I understand you correctly, the
16 feds picked up on it and said this is really a good idea.

17 MR. FULTON: I don't know of anyone else doing
18 this before the commission did.

19 MR. UNDERWOOD: Right. But the federal
20 government thought this is really a good idea for safety,
21 enough to where they were willing to put 90 cents on the
22 dollar instead of 50 cents.

23 MR. FULTON: Yes, sir.

24 MR. UNDERWOOD: Okay. Just want to make sure
25 our audience knows that.

1 MR. FULTON: And then my closing comment is
2 this: air transportation in the United States is not
3 limited by geographic boundaries, it is a national system.

4 The safe and efficient movement of aircraft within this
5 system has always been and should remain a federal
6 responsibility. Contract towers provide an important and
7 necessary role in the national air transportation system.

8 These towers should continue to be supported by the
9 federal government.

10 I'll be glad to try to answer any questions.

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

12 Dave, I know you're well aware of an event that
13 took place in Tyler, and this was subsequent and after the
14 commission action, and I'd like to share this. This was
15 part of some correspondence to Dave Fulton, but I'm
16 sharing this with permission of Davis Dickson, the City of
17 Tyler, manager of Tyler Pounds Field Airport. There's two
18 pieces of correspondence I want to share. First I'm going
19 to read this from a pilot. This was written on April 17
20 so an event that took place the day before.

21 "Mr. Dickson: I want to express my
22 appreciation to you and the airport crew for your
23 professional assistance yesterday as I was forced to land
24 with a partial nose gear assembly. As you know, a linkage
25 apparently failed which allowed the front tire and strut

1 to fall the aircraft as a I rotated for takeoff. Please
2 pass along my gratitude to your team and the tower
3 controllers. I do not know them personally, but hope to
4 get by to thank them soon.

5 "It was a tremendous help to have their
6 professional assistance while I was trying to determine
7 the nature of my emergency. They were able to provide
8 visual clues to me about my landing gear which helped me
9 greatly. If I were still based at one of our East Texas
10 area uncontrolled fields like I used to be, I would have
11 had to divert it to Tyler in order to utilize Tyler's
12 additional safety services. The control tower crew no
13 doubt were very busy coordinating with emergency ground
14 services to prepare for a more damaging outcome which,
15 thankfully, did not come. It was a great comfort knowing
16 they were right behind me as I landed.

17 "Again, thank you for your professionalism,
18 your preparedness and service to safety."

19 And this was kind of the commentary of what
20 happened from Davis Dickson. That was from the pilot.

21 "Dave, we were so pleased yesterday that this
22 was a close call and not a real disaster. I believe we
23 had five private aircraft in our pattern, one commercial
24 aircraft ready for departure. Our air traffic controllers
25 did an excellent job sequencing the other aircraft to

1 avoid delays and to clear up the airspace to allow us to
2 deal with this emergency. Just another example of the
3 importance of air traffic control.

4 "This has been the second recent incident where
5 services provided by the control tower likely prevented
6 havoc on the field. In the first incident that occurred a
7 couple of months ago, we had one single engine land with a
8 flat tire. It stranded him on the runway. Air traffic
9 switched our traffic to the only other available option, a
10 crosswind runway. We had 20 to 30 mile an hour winds that
11 day. A second plane in pattern landed on the crosswind
12 and blew a tire. All runways were closed. Thanks to air
13 traffic, they were able to immediately suspend operations
14 to avoid chaos. This occurred on a Sunday so no
15 notification was from air traffic. Again, that was
16 crucial. Again, we had commercial operations at this time
17 and air traffic was invaluable for the activities that
18 were going on. Chaos and aircraft don't mix."

19 And there's a little bit more, but I just
20 wanted to underscore Tyler Pounds Field was one of them,
21 and I think there's probably other incidents that we don't
22 know about that happen across the state. This signifies
23 the importance of the action to keep these on and to keep
24 Texas flying, moving in a safe manner.

25 I know, Fred, you're a pilot, you understand

1 this a lot more than I do, but we all understand disaster.
2 And I want to say thank you for your support in helping us
3 make these decisions to keep these airports open.

4 MR. FULTON: Well, I appreciate that comment,
5 but the thanks really goes to the commission and the
6 governor and Phil, as far as I'm concerned. I think it's
7 one of the most successful projects we've ever had, so we
8 were rather sensitive when the FAA made this decision.

9 MR. UNDERWOOD: Especially as it was so quick
10 of a decision, with not much time. And I want to make
11 sure our audience understands this, that our funding is
12 basically an interim solution to this problem. This is
13 following Governor Perry's request for us to look into
14 this situation and see what we could do. And we're just
15 bridging the gap until Congress and FAA can figure out how
16 they're going to fund things. Wouldn't you say, Dave?

17 MR. FULTON: I hope so. That's my hope that it
18 rightfully returns to the federal government. It's not
19 reasonable to have more than one entity involved in air
20 traffic control; that's the reason FAA has always had this
21 responsibility. So I hope they will retake it soon.

22 MR. UNDERWOOD: Right. And also, let me say it
23 this way, we will be working, you'll be working with the
24 locals as we go forward with this process. Correct?

25 MR. FULTON: I will. I will give them the

1 results of this meeting and suggest they provide updates
2 on what their plans on prior to June 15, planning after
3 June 15.

4 MR. UNDERWOOD: But basically, I'd like to know
5 what plans that they have in place to address the future
6 costs of these towers and how we can work with them on
7 this process.

8 MR. FULTON: Be glad to do that.

9 MR. UNDERWOOD: I appreciate that.

10 And also, Coby, I see you in the audience.
11 Keep us informed, also, on the federal aspect of how the
12 funding is coming, if you would, please, because I know
13 it's a big issue for us as far as safety is concerned for
14 our fellow Texans.

15 Thank you, Dave. One other thing, Dave, do you
16 feel like we kind of jumped out in front of everybody by
17 what we did by funding these towers?

18 MR. FULTON: Well, I got calls from all over
19 the country as soon as you took that action, from Florida
20 and some other states, saying what did you do, and our
21 governor is interested -- mostly from DOTs. But I think
22 what you did was looked at and considered and probably
23 done in many cases around the country that I'm not even
24 aware of.

25 MR. UNDERWOOD: Well, I appreciate your

1 guidance. And I don't know, maybe we at the commission
2 should give Dave the Giraffe Award, you know, for sticking
3 your neck out. But anyway, I appreciate everything you
4 do, sir.

5 MR. FULTON: Well, thank you.

6 Any other comments.

7 MR. HOUGHTON: It's not an action item.

8 MR. MOSELEY: Thank you for this update, and I
9 didn't know if Coby had anything to add to the update. I
10 know we talked last time about the value of making sure
11 our very important congressional members were invited to
12 contribute, and I'd be pleased, Coby, if you had any
13 updates.

14 MR. CHASE: Coby Chase, director of Federal
15 Affairs, TxDOT.

16 Not much. Dave covered most of it. They are
17 actually two other pieces of legislation. It's kind of
18 interesting, there are a lot of legislative airplanes
19 circling the congressional tower, so to speak. This
20 material just writes itself.

21 Senator Klobuchar has a bill that addresses the
22 flexibility issue in terms of moving money around within
23 the current FAA budget to address -- it addresses the
24 furloughs of air traffic controllers. There's a question
25 of whether or not it could be used for the contract

1 towers, that's still an open question. But there's
2 another one that's percolating that Susan Collins, Senator
3 Collins is putting together that would specifically
4 address contract towers and take \$250 million out of the
5 unobligated funds in the airport improvement account and
6 move it in there for a one-year fix.

7 And as Dave Fulton pointed out that yesterday
8 saw a lot of -- and this is a kind of game of inches --
9 saw a number of things happen all at once. In House
10 Appropriations, the Appropriations Committee had a rather
11 robust hearing on what's going on and there was kind of
12 bipartisan anger about the way FAA did not plan for this
13 at all. And I need to reemphasize, bipartisan anger that
14 they had not planned for this, they've known about it for
15 a year and they didn't do anything to plan for it, and now
16 all these are coming home to roost.

17 And then, as Dave pointed out, Secretary LaHood
18 met with Senator Rockefeller, chair of Senate Commerce,
19 and the ranking member John Thune, and they emerged saying
20 that they've agreed to something, thought they were very,
21 very sketchy -- well, there were no details, and we don't
22 know if it just addresses the furlough issue, contract
23 issue, tower issue or both.

24 We have a member on the Senate Commerce
25 Committee. I'll just say we've been working very closely

1 with Senator Cornyn who was on the Senate floor about this
2 yesterday, as a matter of fact, expressing his displeasure
3 about what's going on. And we have a member on the Senate
4 Commerce Committee, Senator Cruz, and Commissioner Austin
5 is discussing this and a couple of other things by
6 conference call with his office tomorrow.

7 At this point every day we learn three new
8 things about this, so I think it's heading in the right
9 direction.

10 MR. MOSELEY: Chairman, I appreciate that
11 update, and I would just ask, if there's no objection,
12 that we keep this posted on our agenda just because it
13 seems to be in a state of flux right now.

14 MR. HOUGHTON: At least until after June.

15 Thanks, Dave.

16 MR. WILSON: Next up is item 3b and the award
17 of federal and state grant funding for airport improvement
18 projects. Aviation Division Director Dave Fulton will
19 continue on this item.

20 MR. FULTON: Item 3b is a minute order that
21 contains a request for grant funding approval for 13
22 airport improvement projects. The total estimate cost of
23 all requests, as shown in Exhibit A, is approximately
24 \$13.3 million: approximately \$11.7 million federal,
25 \$200,000 state, and approximately \$1.4 million in local

1 funding.

2 A public hearing was held on March 21 of this
3 year. No comments were received. We would recommend
4 approval of this minute order.

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

6 MR. UNDERWOOD: So moved.

7 MR. AUSTIN: Second.

8 MR. HOUGHTON: All in favor?

9 (A chorus of ayes.)

10 MR. HOUGHTON: Thanks, Dave.

11 MR. FULTON: Thank you.

12 MR. WILSON: Now item 4a and 4b regarding
13 federal grants for the enhanced mobility of seniors and
14 individuals. This item will be presented by Public
15 Transportation Division Director Eric Gleason. Eric.

16 MR. GLEASON: Good morning. For the record, my
17 name is Eric Gleason, TxDOT director of Public
18 Transportation.

19 Agenda items 4a and 4b are related to changes
20 in the Federal Transit Administration Section 5310 Program
21 included in MAP-21, now known as Formula Grants for the
22 Enhanced Mobility of Seniors and Individuals with
23 Disabilities.

24 Item 4a recommends TxDOT's acceptance of
25 designated recipient status for the 5310 Program for two

1 large urbanized areas in Texas, Austin and Laredo, for a
2 limited time to assist in transitioning the program under
3 MAP-21. Assuming approval of item 4a, item 4b awards
4 approximately \$301,000 to support a fiscal year '13, 5310
5 Program of projects in each of those areas.

6 Under previous authorization legislation, TxDOT
7 administered 5310 Program funds for the entire state
8 through a TxDOT district based stakeholder process.
9 Current authorization language in MAP-21 breaks the 5310
10 Program into two pieces. All large urbanized areas
11 receive an allocation directly from FTA. TxDOT now
12 receives and administers funds for only the rural and
13 smaller urbanized areas of the state. Each of the large
14 urbanized areas in Texas need to identify a designated
15 recipient for 5310 Program funds. MAP-21 language allows
16 them to request TxDOT to continue in that role.

17 Nine of the twelve large urbanized areas have
18 selected a local designated recipient or are proceeding in
19 that direction. Two areas, Austin and Laredo, have
20 requested TxDOT to assume this responsibility on a
21 temporary basis to help with the transition. A third,
22 Conroe Woodlands, is expected to do the same in the near
23 future.

24 The program of projects listed in Exhibit A of
25 agenda item 4b was vetted and selected by stakeholders in

1 each of the areas consistent with longstanding
2 departmental processes for this program. Staff recommends
3 your approval of agenda items 4a and 4b.

4 MR. HOUGHTON: So you want to take them
5 together, or separately?

6 MR. WILSON: I think you can take 4a first and
7 4b second.

8 MR. HOUGHTON: Okay. Is there a motion on 4a?

9 MR. UNDERWOOD: So moved.

10 MR. AUSTIN: Second.

11 MR. HOUGHTON: All in favor?

12 (A chorus of ayes.)

13 MR. HOUGHTON: Passes. Now is there a motion
14 on 4b?

15 MR. UNDERWOOD: So moved.

16 MR. AUSTIN: Second.

17 MR. HOUGHTON: All in favor?

18 (A chorus of ayes.)

19 MR. WILSON: Item 4c and 4d will also be
20 presented jointly by Public Transportation Division
21 Director Eric Gleason. Eric, please continue.

22 MR. GLEASON: Agenda items 4c and 4d reassign
23 from the East Texas Council of Governments, or ETCOG, to
24 the North East Texas Regional Mobility Authority, the NET
25 RMA, project management responsibilities associated with

1 the planning and initial implementation of a regional call
2 center ultimately serving the entire East Texas regional
3 planning area. This reassignment of responsibilities is
4 consistent with the understanding and approval of all
5 parties involved.

6 Specifically, agenda item 4c awards to the NET
7 RMA up to \$33,100 of FTA Section 5304 and state matching
8 funds to complete a planning effort begun by ETCOG to
9 determine the requirements and location of a regional call
10 center. Agenda item 4d rescinds Minute Order 113235,
11 passed in August of 2012, and awards approximately
12 \$231,000 in federal funds under FTA's Veterans
13 Transportation and Community Living Initiative, and 46,200
14 transportation development credits to the NET RMA.

15 Agenda item 4d also re-awards approximately
16 248,000 TDCs to DART. There are no changes to the DART
17 project included in the original minute order.

18 Staff recommends your approval of this minute
19 order.

20 MR. HOUGHTON: So as again, we'll take item 4c.
21 Is there a motion?

22 MR. UNDERWOOD: So moved.

23 MR. AUSTIN: Second.

24 MR. HOUGHTON: All in favor?

25 (A chorus of ayes.)

1 MR. AUSTIN: Mr. Chairman, before we go on, I'd
2 like to just share one thing. I think it's important to
3 recognize the partnership here between TxDOT, the COG, and
4 the RMA. And so many times we get focused or the public
5 is focused on RMAs only being associated with toll roads.
6 That is not the case. An RMA can engage in any type of
7 public transportation, including working with airports,
8 non-tolled roads, public transit, et cetera. And I think
9 this is very important as we look at cities and areas that
10 have RMAs, the importance of the tools that are available
11 to them on a local or regional basis. So Eric, thank you
12 for working with the RMA.

13 MR. HOUGHTON: Is there a motion on item 4d?

14 MR. WILSON: So moved.

15 MR. AUSTIN: Second.

16 MR. HOUGHTON: All in favor?

17 (A chorus of ayes.)

18 MR. HOUGHTON: You've got one more, Eric.

19 MR. WILSON: Item 4e will be award funds to the
20 transit system. Eric.

21 MR. GLEASON: Agenda item 4e awards
22 approximately \$20,000 in American Reinvestment and
23 Recovery Act funding and up to approximately \$40,000 in
24 state funds to the transit system serving Hood and
25 Somervell counties in the Fort Worth District. The funds

1 will be used on a facility rehabilitation project.

2 The Recovery Act funds in this award are the
3 last remaining portion of the \$50.5 million of Recovery
4 Act Rural Program received by the department in 2009.
5 Including this project, with these funds, rural transit
6 districts have purchased over 400 replacement vehicles,
7 remodeled or constructed over 35 facilities, and invested
8 in numerous state of the art scheduling, dispatching and
9 system management programs, improving the efficiency and
10 effectiveness of public transportation in many areas of
11 the state.

12 Staff recommends approval of this minute order.

13 MR. HOUGHTON: Is there a motion?

14 MR. MOSELEY: So moved, Chairman.

15 MR. AUSTIN: Second.

16 MR. HOUGHTON: All in favor?

17 (A chorus of ayes.)

18 MR. GLEASON: Thank you.

19 MR. HOUGHTON: Thanks, Eric.

20 MR. WILSON: Moving on to item 5, approval of
21 updates to the 2013 Unified Transportation Program. This
22 item will be presented by Director of Planning Marc
23 Williams.

24 MR. WILLIAMS: Good morning. Again for the
25 record, Marc Williams, director of Planning for TxDOT.

1 This minute order under item 5 approves updates
2 to the 2013 Unified Transportation Program. The UTP, as
3 you know, is a ten-year statewide program that guides the
4 development and authorizes construction of transportation
5 projects and programs across the state. The UTP contains
6 all of the department's funding categories which enhance
7 our transportation system.

8 The commission approved the 2013 UTP in April
9 of 2012, and revisions to this document in June, August,
10 October and December of 2012, and in January and March of
11 2013. This minute order updates the funding allocations
12 based on fund transfer requests in multiple categories.
13 In addition, the minute order updates project-specific
14 program lists and incorporates information regarding
15 transportation development credits and other minor
16 revisions and technical corrections.

17 Staff recommends approval of this minute order.

18 MR. HOUGHTON: Any questions of Marc? Is there
19 a motion?

20 MR. MOSELEY: So moved, Chairman.

21 MR. AUSTIN: Second.

22 MR. HOUGHTON: All in favor?

23 (A chorus of ayes.)

24 MR. WILSON: Next is item 6a, approval to
25 exceed contract term restrictions for the procurement of

1 indefinite deliverable contracts. This item will also be
2 presented by Director of Planning Marc Williams. Marc.

3 MR. WILLIAMS: Thank you. Again for the
4 record, Marc Williams, director of Planning.

5 This minute order authorizes the department to
6 exceed the contract term restrictions on indefinite
7 deliverable contract procurements. Currently, the
8 department is in various stages of planning and
9 development of several transportation corridors throughout
10 the state. With this in mind, the department plans to
11 issue notices of intent to solicit the services of firms
12 employing professional engineers, land surveyors and other
13 professionals under indefinite deliverable contracts.
14 Additionally, the department intends to issue work
15 authorizations to one or more of these firms to provide
16 various services related to corridor development activity.

17 The department intends to enter into five
18 indefinite deliverable contracts for a term of up to six
19 years each for the provision of planning, environmental,
20 engineering and surveying services for Interstate 35,
21 Interstate 10, Interstate 45, high priority corridor
22 Interstate 69, and other strategic rural corridors around
23 the state.

24 Currently, under our administrative code the
25 contract period in which initial work authorizations may

1 be issued may not be longer than two years after the date
2 of contract execution unless approved by the commission
3 before the notice of intent. Establishing longer contract
4 periods will allow for a more effective and consistent
5 corridor development process, enabling these professionals
6 to perform various corridor development activities in a
7 more efficient manner.

8 Staff recommends approval of this minute order.

9 MR. HOUGHTON: Is there any questions?

10 MR. AUSTIN: I just have one question and kind
11 of a comment. I'm pleased that you are doing this, and
12 there's two routes that you talked about that we often
13 forget about Interstate 10 and Interstate 45. You know,
14 10 is a southern corridor throughout the entire southern
15 part of the United States, major trade, connects a lot of
16 the ports; 45 is a major corridor coming out of the Port
17 of Houston, going back up to Dallas. How can this help us
18 relieve congestion down the road in planning, especially
19 on an important corridor like 45. We just don't talk
20 about it that much.

21 MR. WILLIAMS: Yes, commissioner. As you know,
22 a lot of these corridor studies help lead to future
23 strategic project development efforts that many times are
24 implemented through our Strategic Projects Division.
25 Being able to get out ahead of that effort, working with

1 stakeholders along those corridors to understand the needs
2 that exist, and to begin early development of not only
3 planning but environmental approval so that we can have
4 those projects ready for implementation, ready for funding
5 when the opportunity arises is really critical. And these
6 corridor program projects have shown to be, at least where
7 we've utilized them on I-35 and I-69, very important to
8 that effort to help us jumpstart and get projects to a
9 point where they're shovel-ready, ready for funding and
10 implementation.

11 MR. MOSELEY: Chairman, I'll second
12 Commissioner Austin's motion to approve.

13 MR. AUSTIN: I'll move approval.

14 MR. HOUGHTON: All in favor?

15 (A chorus of ayes.)

16 MR. WILSON: Now item 6b, approval of revisions
17 to the Capital Area Metropolitan Planning Organization
18 metropolitan area boundary. Marc Williams will continue
19 with this item. Marc.

20 MR. WILLIAMS: Once again, Marc Williams,
21 director of Planning.

22 Item 6b is a minute order that approves the
23 expansion of the Capital Area Metropolitan Planning
24 Organization's boundary to include Burnet County. In
25 accordance with federal law, a metropolitan planning area

1 boundary shall, at a minimum, include the entire existing
2 urbanized area and any contiguous area that may become
3 urbanized within a 20-year forecast period. The
4 metropolitan planning area boundaries may be expanded to
5 include the entire statistical area or combined
6 statistical area.

7 Based on these parameters, Burnet County is
8 eligible for inclusion in CAMPO's planning boundary, and
9 on March 18 of 2012 the Capital Area Metropolitan Planning
10 Organization's Policy Board approved a resolution
11 recommending the expansion of the metropolitan planning
12 area boundary to include Burnet County. In addition, the
13 Burnet County Commissioners Court has previously approved
14 a resolution requesting membership in CAMPO.

15 With that in mind, staff recommends approval to
16 the proposed CAMPO metropolitan area boundary changes, as
17 shown in Exhibit A of this minute order.

18 MR. MOSELEY: So moved, Chairman.

19 MR. HOUGHTON: Slow down there, slow down.
20 We've got a speaker.

21 MR. MOSELEY: I'll hold my motion, Chairman.

22 MR. HOUGHTON: And being a former judge, I
23 would hope that you would give her deference.

24 MR. MOSELEY: Yes, sis.

25 MR. HOUGHTON: Judge Donna Klaeger, please,

1 from Burnet County.

2 JUDGE KLAEGER: From Burnet County. Thank you
3 for that motion. If you'll hold that motion for me, I'd
4 appreciate it.

5 First of all, I'd like to say it's an honor to
6 be here. It's the first time I've been to a TxDOT
7 meeting. And I'd like to introduce Commissioner Joe Don
8 Dockery who is with me here today.

9 And I appreciate your remarks about working
10 with the rural communities and the RMA, and our CARTPO in
11 Central Texas, the Capital Area Regional Transportation
12 Planning Organization. I was just elected chairman of
13 that organization last month, and we work very closely
14 with members of CAMPO every day.

15 But I would like to thank you as members for
16 your service to the State of Texas. I know what you go
17 through. I serve on Jail Standards, and it's a volunteer
18 project, and we appreciate your service. Before I speak,
19 I would like to thank TxDOT for being a constant partner
20 with Burnet County. I came into office in 2007, we had a
21 flood in 2007, and TxDOT was right there beside us. You
22 don't understand how important your employees are to our
23 communities.

24 We have a transportation plan that was
25 supported by Ed Collins' group in Transportation Planning,

1 so we already have a plan that works with CAMPO. And most
2 recently, the implosion of our bridge. If you haven't
3 seen the video, I'm sure you have, but if you were there,
4 it was the most historical, amazing event that we've gone
5 through in Burnet County for a long time.

6 MR. HOUGHTON: You act too happy about
7 something like that.

8 JUDGE KLAEGER: It was pretty awesome. That
9 was our first project on CARTPO was the Marble Falls
10 Bridge, and to see it actually happen in your lifetime is
11 pretty amazing.

12 MR. HOUGHTON: Blowing up perfectly good
13 bridges.

14 (General laughter.)

15 JUDGE KLAEGER: I don't know, it's been there a
16 long time. Everything has its time.

17 As you know, as was just recently said, Burnet
18 County, the Marble Falls combined statistical area is now
19 included in the Central Texas area. We work very closely
20 with CARTPO and CAMPO members on a monthly basis through
21 our CAP COG.

22 Our travel patterns and our transportation
23 plans show continually increased commuting patterns back
24 and forth to all five of the current CAMPO partners.
25 About 3,200 a day transport back and forth to one of the

1 communities for jobs. And we are interested in being at
2 the table, we are interested in being regional partners,
3 and we appreciate the opportunity.

4 So on behalf of the elected officials in Burnet
5 County, the commissioners court, or city mayors who have
6 all been active partners, we request participation and
7 your approval on the CAMPO board. And thank you for the
8 opportunity to speak.

9 MR. HOUGHTON: Thank you, Judge, for coming
10 today.

11 JUDGE KLAEGER: And if you have any questions,
12 Maureen is here to answer them.

13 MR. HOUGHTON: Another good partner, Maureen.

14 MR. AUSTIN: I do have a question. You're
15 requesting to join, it's not them coming to you, so this
16 is really local control at its best.

17 JUDGE KLAEGER: Absolutely.

18 MR. AUSTIN: And that's part of the process. I
19 think that's important to realize.

20 And I have another question as it relates to
21 this to Marc. Does this happen only after the census is
22 confirmed to look at the population, or could it happen at
23 any other interval?

24 MR. WILLIAMS: It could happen at other
25 intervals as well, but usually through the census you have

1 a redesignation or redefinition of your urbanized areas
2 and your statistical areas, a better assessment of where
3 the population trends are occurring, and so they tend to
4 more frequently occur shortly after the census is adopted
5 because we have a better understanding of where the growth
6 patterns and new commuting patterns are.

7 MR. AUSTIN: Well, I think being able to solve
8 problems is great on a regional basis. Are there other --
9 might we see something like this in other parts of the
10 state?

11 MR. WILLIAMS: Well, one area that is currently
12 looking at expansion is the San Antonio Bexar County MPO.
13 As you all may be aware, unlike CAMPO that consists of
14 five, now six counties -- or soon to be six counties in a
15 minute here -- San Antonio only consists of one, and some
16 of the new census numbers that came out have expanded the
17 urbanized area of the San Antonio region up into Comal
18 County, taking in New Braunfels. There was some concern
19 with the folks from New Braunfels who had originally
20 wanted to form their own MPO. Because of the boundary
21 definition of the urbanized area of San Antonio, that was
22 really defined as being part of the San Antonio area, so
23 they really have to join San Antonio.

24 But that has really opened up a good dialogue
25 with the folks in that region about how to expand that MPO

1 to include not only Comal County but also moving into
2 Seguin and Guadalupe County and also Kendall and the area
3 of Boerne, and several of those areas have already voted
4 to join the MPO but they're still kind of going through
5 the process, as CAMPO has done, to formally adopt and
6 recommend what hopefully will be an expansion request that
7 you all will be able to consider in the coming months.

8 MR. AUSTIN: Thank you.

9 JUDGE KLAEGER: If I might also make a comment.

10 One of the most important things for the county is we
11 have looked at this for a number of years, is that CAMPO
12 is getting ready to embark on the next regional planning
13 and we feel how important it is that we be part of that
14 planning. And so I think the timing was very good for us.

15 MR. AUSTIN: That's great. Thank you.

16 MR. HOUGHTON: Commissioner Dockery is here,
17 said that he is voting for, but you don't care to speak,
18 commissioner, do you? Okay. Thank you for coming today.

19 Motion?

20 MR. AUSTIN: I will second Commissioner
21 Moseley's motion.

22 MR. HOUGHTON: Oh, that's right, Commissioner
23 Moseley.

24 MR. MOSELEY: Mr. Chairman, and I might add
25 I've got family ties to Bertram, so I have a warm spot in

1 my heart for the county judge and commissioner and their
2 work there, so pleased to offer this motion of support.

3 MR. HOUGHTON: Great. Second?

4 MR. AUSTIN: Second.

5 MR. HOUGHTON: All in favor?

6 (A chorus of ayes.)

7 MR. HOUGHTON: Congratulations.

8 MR. WILSON: Moving on to the promulgation of
9 administrative rules, item 7a(1) is the final adoption of
10 amendments to Chapter 2 relating to an MOU with the Texas
11 Historical Commission. This item will be presented by
12 Environmental Affairs Division Director Carlos Swonke.
13 Carlos.

14 MR. SWONKE: Thank you. For the record, I'm
15 Carlos Swonke, director of the Environmental Affairs
16 Division of TxDOT.

17 This agenda item is regarding the revision of
18 the existing MOU between TxDOT and the Texas Historical
19 Commission. The revision requires the repeal of Section
20 2.24 and adoption of new Subchapter H under 43 TAC,
21 Chapter 2.

22 These draft rules were presented to you in
23 January and published in the *Texas Register* for review and
24 public comment on February 15. The public hearing was
25 held on March 7; the comment period closed on April 3; no

1 comments were received.

2 On a related note, the Texas Historical
3 Commission intends to take action on this MOU as well.
4 That commission meeting is today.

5 For this item, we recommend approval.

6 MR. HOUGHTON: Motion?

7 MR. AUSTIN: So moved.

8 MR. UNDERWOOD: Second.

9 MR. HOUGHTON: All in favor?

10 (A chorus of ayes.)

11 MR. HOUGHTON: Item 7a(2), Chapter 2,
12 Environmental Review of Transportation Projects. --

13 MR. SWONKE: Again, Carlos Swonke, director of
14 TxDOT's Environmental Affairs Division.

15 This agenda item is regarding the revision of
16 the existing MOU between TxDOT and the Texas Commission on
17 Environmental Quality. The revision requires the proposed
18 repeal of Section 2.23 and adoption of new Subchapter I
19 under 43 TAC, Chapter 2.

20 Like the previous item, these draft rules were
21 presented to you in January and published in the *Texas*
22 *Register* for review and comment on February 15. A public
23 hearing was held on March 7; the comment period closed on
24 April 3; no comments were received.

25 The TCEQ executive director has approved this

1 MOU and their commission is expected to adopt the MOU by
2 reference later this year.

3 For this item we recommend approval.

4 MR. HOUGHTON: Any questions of Carlos? Is
5 there a motion?

6 MR. AUSTIN: So moved.

7 MR. UNDERWOOD: Second.

8 MR. HOUGHTON: All in favor?

9 (A chorus of ayes.)

10 MR. HOUGHTON: Don't leave yet, Carlos. I need
11 a little clarification from commissioners or others.

12 Carlos, you know, Commissioner Moseley,
13 recently went to China to adopt his second child. Did you
14 not know that, Commissioner Moseley?

15 MR. MOSELEY: Congratulations.

16 MR. HOUGHTON: He brought a second child from
17 China, a little boy. Correct?

18 MR. SWONKE: Correct.

19 MR. HOUGHTON: A little boy this time. And he
20 was so kind that he was in a gift shop in China and
21 brought me some cards, playing cards, from one chairman to
22 another chairman. He said it reminded me of this person
23 on the face of the card, Chairman Mao. I'm not sure how I
24 should take that. This should be a compliment?

25 MR. SWONKE: Certainly a compliment, yes.

1 (General laughter.)

2 MR. HOUGHTON: Thank you, Carlos. And
3 congratulations.

4 MR. SWONKE: Thank you.

5 MR. WILSON: Item 8 will be presented by
6 Suzanne Latimer, director of the Office of Compliance and
7 Ethics. She will make her monthly report on the
8 department's compliance and ethics report. Suzanne.

9 MS. LATIMER: Good morning. For the record, I
10 am Suzanne Latimer, director of the Office of Compliance
11 and Ethics for TxDOT.

12 The purpose of this report is to provide a
13 summary of information related to complaints and
14 investigations for the month of March 2013 in accordance
15 with Transportation Code 201.452 and 201.454.

16 The Human Resources Division, Office of Civil
17 Rights and the Audit Office notify the Office of
18 Compliance and Ethics when investigations are initiated
19 and completed, and the Office of Compliance and Ethics
20 monitors those investigations. All data is compiled by
21 the Office of Compliance and Ethics for reporting
22 purposes.

23 There were 48 complaints received during the
24 month of March, 27 complaints were closed during March in
25 which allegations were substantiated in ten of those

1 investigations.

2 No further action is needed.

3 MR. HOUGHTON: Thank you.

4 MR. WILSON: Moving on to item 9, authorizing
5 the department to issue a request for proposals for Loop
6 1604 in Bexar County. This item will be presented by
7 Strategic Projects Division Director Ed Pensock. Ed.

8 MR. PENSOCK: Good morning, Chairman,
9 commissioners, Director Wilson. For the record, Ed
10 Pensock, Strategic Projects Division director.

11 Item 9 authorizes the issuance of a request for
12 proposals to develop, design, construct and maintain Loop
13 160-4 western extension project from State Highway
14 16/Bandera Road to Farm to Market Road 471/Culebra Road,
15 and at the department's option, to potentially add
16 portions of the Loop 1604/State Highway 151 intersection
17 further south.

18 This item also authorizes the department to pay
19 each proposer who submits a responsive but unsuccessful
20 proposal an amount based upon the value of the work
21 product, up to a maximum per proposer of 0.25 percent of
22 the awarded price for the work under the design-build
23 contract.

24 Finally, this item also, by statute, requires
25 that in the event that the procurement is canceled prior

1 to the execution of a contract, we would be authorized to
2 pay each proposer a partial stipend based upon the value
3 of the work product, up to a maximum amount of \$125,000
4 per proposer.

5 On May 31, 2012, Minute Order 113116 authorized
6 the department to issue a request for qualifications for
7 the development of the Loop 1604 project. The department
8 issued that RFQ on January 13, 2013. Four of the 13 teams
9 submitting qualification statements were best qualified to
10 be on the short list of teams and will be requested to
11 submit detailed proposals through this RFP, should you
12 vote favorable. Those teams are summarized in attachment
13 A of the minute order in your documents

14 With approval of this minute order, the next
15 steps would include publishing a final RFP which is
16 anticipated for release later this month and contract
17 award and execution which is anticipated in late 2013.

18 Staff is here to answer any questions and
19 recommends your acceptance and approval of this minute
20 order.

21 MR. HOUGHTON: Are there any questions?

22 So when will you look at the final selection,
23 which month?

24 MR. PENSOCK: We would be looking at probably
25 award in late 2013, with execution coming as shortly

1 thereafter as possible. The fall is when proposals will
2 be due and we'll be evaluating those, 30 to 45 days, and
3 then coming back to you with a request for an award.

4 MR. HOUGHTON: Okay. Great.

5 Any other questions of Ed? Motion?

6 MR. MOSELEY: So moved.

7 MR. AUSTIN: Second.

8 MR. HOUGHTON: All in favor?

9 (A chorus of ayes.)

10 MR. WILSON: Next is item 10a, concurring in
11 the election of a chair and vice chair in the SH-288 toll
12 lane project in Harris County, Senate Bill 1420 Committee.
13 Ed Pensock will continue with this item.

14 MR. PENSOCK: Thank you, Director Wilson.
15 Again, Ed Pensock, director of Strategic Projects.

16 Item 10a provides for the commission's
17 concurrence with the election of Mr. Michael Alford and
18 Mr. Matt Sebesta as chair and vice chair of the Senate
19 Bill 1420 Committee for the SH-288 project in Harris
20 County. Texas Administrative Code 27.92(c) requires
21 commission concurrence to the committee's election of a
22 chair and a vice chair.

23 On April 19, 2013, the committee met and
24 elected Mr. Michael Alford, representing Texas Department
25 of Transportation, as chair, and Mr. Matt Sebesta,

1 Brazoria County commissioner, representing the Houston-
2 Galveston Area Council, as vice chair.

3 This project includes the construction of four
4 tolled lanes in between existing non-tolled general
5 purpose lanes from US 59 south of downtown Houston to the
6 Harris-Brazoria county line. The project may also include
7 direct connections into the Texas Medical Center and
8 potentially direct connections at Beltway 8, depending on
9 environmental and price availability. The development of
10 the State Highway 288 project in Harris County is a
11 crucial element in this region's continued mobility and
12 economic vitality.

13 Staff is here to answer any questions and
14 recommends your acceptance and approval of this minute
15 order.

16 MR. MOSELEY: Chairman, this is a wonderful
17 action item that we have today and it represents a lot of
18 work by a lot of individuals, so I want to say thank you
19 to our team, I want to say thank you to you and many on
20 this dais, including Phil. My predecessor, Ned Holmes, I
21 know has done a lot of work on this to get us to this
22 point. Council Member Woody Owens is here today from the
23 City of Pearland, representing the local work that's gone
24 into this. And so it's a wonderful action item and I'm
25 pleased to move approval.

1 MR. HOUGHTON: And let me ask you, Ed, what's
2 the next step?

3 MR. PENSOCK: The next step will be to issue
4 the request for qualifications which could happen as early
5 as next Friday, and to go through a qualifications
6 submittal and evaluation process, very similar to the 1604
7 project that we just talked about. So we do anticipate
8 issuing the request for qualifications very soon, within
9 the next several weeks, again, potentially next week, and
10 then it would typically be -- the 1420 Committee actually
11 met on the 19th and approved this as a financial,
12 privately financed, toll risk concession project, so those
13 procurements take a little longer to allow teams to come
14 together and get their financing in order. But we're
15 looking at a qualifications short listing this summer and
16 then an RFP in the fall.

17 MR. HOUGHTON: Great.

18 MR. AUSTIN: One question. Ed, as we look at
19 this with Harris County, the long-range plans are going
20 further down into Brazoria County, how is Brazoria County
21 and Harris County working together on this?

22 MR. PENSOCK: Good question, Commissioner
23 Austin. Actually, very well. The project does extend
24 further south out of Harris County into Brazoria County,
25 as far as State Highway 6 and then eventually all the way

1 to Grand Parkway, and at this time we are entered into
2 discussion on a project agreement term sheet on how
3 Brazoria County and TxDOT will partner in developing that
4 further south project. It will likely be delivered by the
5 Brazoria County Toll Road Authority, but we're working
6 with them to partner.

7 MR. AUSTIN: I think it's important to begin to
8 look at the long-term expansion of it and I'm glad to see
9 there's a lot of discussions, and I know Councilman Owens
10 and others that have been very active and engaged in
11 advancing this project.

12 MR. PENSOCK: Commissioner, you're exactly
13 right. In fact, a tremendous amount of work and support
14 from Harris County, Brazoria County, City of Houston, City
15 of Pearland, Harris County Toll Road Authority, a lot of
16 partners. Particularly, Brazoria County Commissioner Matt
17 Sebesta has done just yeoman's work in helping us develop
18 this project, the Harris County project and the Brazoria
19 County project. So it certainly is a partnership effort
20 for this critical project, and this project is actually,
21 the Harris County portion is number 25 and 64 on the most
22 congested highways in the state.

23 MR. AUSTIN: Chairman, I'll second Commissioner
24 Moseley's motion.

25 MR. HOUGHTON: Motion?

1 MR. MOSELEY: Yes, sir.

2 MR. HOUGHTON: And second. Your pleasure? All
3 in favor?

4 (A chorus of ayes.)

5 MR. HOUGHTON: Thank you very much.

6 MR. WILSON: Item 10b considers the approval of
7 a term sheet with the NTTA for the North Tarrant Express
8 Segments 3A and 3B project. This item will be presented
9 by Strategic Projects Division Deputy Director Katie Nees.
10 Katie.

11 MR. HOUGHTON: Now, Katie, are you a rookie?

12 MS. NEES: I appeared about 13 years ago before
13 the TxDOT Transportation Commission.

14 MR. HOUGHTON: Oh, no, no, no.

15 MS. NEES: I don't know if I'm a rookie but I'm
16 a newbie.

17 MR. HOUGHTON: You're a newbie?

18 MS. NEES: Newbie.

19 MR. HOUGHTON: Congratulations. Welcome back.

20 MS. NEES: Thank you. It's a honor to be back.

21 Good morning, Chairman, commissioners and
22 Director Wilson. Again for the record, my name is Katie
23 Nees, and I serve as the deputy director for the Strategic
24 Projects Division.

25 Agenda item 10b approves a negotiated term

1 sheet between the department and the North Texas Tollway
2 Authority, enclosed as Exhibit A. With your approval,
3 this term sheet will serve as the basis for the toll
4 services agreement to be developed for the North Tarrant
5 Expressway, Segments 3A and 3B managed lanes, commonly
6 called NTE. The minute order further authorizes the
7 executive director of the department to negotiate a toll
8 services agreement.

9
10
11 NTE Segments 3A and 3B is approximately ten
12 miles in length and is a managed lane toll project in
13 Tarrant County on I-35W just north of I-30 to US 81/287.
14 On March 1, 2013, the department executed the NTE 3A-3B
15 concession agreement. As provided in the term sheet, NTTA
16 will provide toll services consisting of back office
17 processing, account management, collections and marketing
18 for NTE 3A and 3B similar to those of a contracted toll
19 service provider. The agreement will be for an initial
20 term of ten years, with five-year renewal through the end
21 of the term of Segments 3A and 3B facility agreement.

22 The proposed term sheet with NTTA is similar
23 from a risk perspective to the toll services agreement on
24 State Highway 130 with Cintra in which the vendor is
25 providing the back office and collection services while

1 the department retains the collection risk. We are in
2 conversations with the Regional Transportation Council as
3 the MPO policy body regarding regional support in the
4 sharing of the potential collection risk for this project.

5 By Resolution #13-56, adopted April 17, 2013,
6 the NTTA Board of Directors approved the term sheet and
7 authorized the executive director of NTTA to execute the
8 contract documents and take other actions necessary to
9 implement the tolling services agreement.

10 Though this item authorizes the executive
11 director to negotiate a toll services agreement based on
12 Exhibit A, the term sheet, the final agreement will be
13 presented to the commission for approval before final
14 execution.

15 Staff is here to answer any questions and
16 recommends acceptance of this minute order.

17 MR. HOUGHTON: Let me ask you a question, if no
18 one else has any at this time. What is the price per
19 transaction?

20 MS. NEES: Actually, before we went into
21 negotiations, we talked to our TxDOT Toll Operations
22 Division, and their current cost average for AVI tag
23 transaction is 23 cents per transaction, and pay by mail
24 is 30 cents per transaction.

25 MR. HOUGHTON: Now, that's our cost.

1 MS. NEES: That's our cost. And compared to
2 the current term sheet that we are negotiating, we are
3 entering into agreement of 4 cents base transaction fee
4 with 2 percent variable fee, and that's usually credit
5 card cost recovery for AVI transactions/transponder
6 transactions, and video transactions is 32.5 cents with 2
7 percent for credit card fees.

8 MR. HOUGHTON: So add that all up.

9 MS. NEES: So we feel like that is a reasonable
10 cost.

11 MR. HOUGHTON: So adding it all up, it is what,
12 30?

13 MS. NEES: Well, we don't really add them
14 together as an average because there's two different types
15 of transaction processing.

16 MR. HOUGHTON: Do we know their costs?

17 MS. NEES: Yes, we do.

18 MR. HOUGHTON: And above their cost, what are
19 we paying above cost?

20 MS. NEES: I'm sorry, sir. We know our costs.

21 MR. HOUGHTON: We don't know their costs.

22 MS. NEES: We don't know their costs, no.

23 MR. HOUGHTON: Is there a reason we don't know
24 their costs? They won't tell us?

25 MS. NEES: Can't answer that.

1 MR. HOUGHTON: Go ahead.

2 MR. AUSTIN: I've got one other question.
3 Looking at the interoperability which is great, and item
4 17 talks about interoperability fees, Commissioner Meadows
5 really took great interest in helping ring together over
6 the last few years many of the toll entities, talking
7 about interoperability systems statewide. And I know with
8 our recent change to a new provider, hopefully that will
9 help some of the interoperability. Specifically, I know I
10 hear a lot of questions of folks going up into the
11 Metroplex that have a TxTag that don't have access to Love
12 Field and DFW Airport and hopefully that will be
13 forthcoming later as well.

14 Separate topic but related to interoperability
15 and I hope that you will continue to work with that and
16 with our partners as well.

17 MS. NEES: That's something we can certainly
18 look at, sir.

19 MR. HOUGHTON: Now, we don't have a choice, we
20 have to do business with NTTA in the region.

21 MS. NEES: That's correct. We're statutorily
22 mandated.

23 MR. HOUGHTON: Unlike in Harris County where we
24 have a choice. Correct?

25 MS. NEES: That's correct.

1 MR. HOUGHTON: Any other questions? Is there a
2 motion?

3 MR. MOSELEY: Chairman, on behalf of our
4 esteemed new colleague, Victor Vandergriff, I'll move
5 approval.

6 MR. UNDERWOOD: Second.

7 MR. HOUGHTON: All in favor?

8 (A chorus of ayes.)

9 MR. HOUGHTON: Thank you, Katie.

10 MS. NEES: Thank you.

11 MR. WILSON: Next up is item 11a, consideration
12 of granting final approval of a State Infrastructure Bank
13 application from the City of Lockhart. This item will be
14 presented by Innovative Financing and Debt Management
15 Office Director Benjamin Asher.

16 MR. ASHER: Good morning. For the record, Ben
17 Asher, Innovative Financing and Debt Management officer
18 here at TxDOT.

19 This item is to consider final approval of an
20 application submitted by the City of Lockhart to borrow
21 \$3.6 million from the State Infrastructure Bank to pay for
22 utility relocation costs needed for the widening of US 183
23 within the city limits.

24 Staff recommends approval, and I'd be happy to
25 answer questions.

1 MR. HOUGHTON: Motion?

2 MR. AUSTIN: On quick question. Ben, what is
3 remaining capacity in the SIB?

4 MR. ASHER: \$291 million.

5 MR. AUSTIN: And we have regular repayments
6 that come back in. Just your general feel for throughout
7 the state, do we have more applications that are coming?
8 Is this something that is needed, even greater capacity?

9 MR. ASHER: Yes. I think there is demand out
10 there. We are internally looking at opportunities where
11 folks can utilize the existing capacity, but more is
12 better than less.

13 MR. AUSTIN: So if we're successful -- and this
14 is kind of a joint question back to Phil, if we're
15 successful in whatever funding tools that are given to us,
16 is it possible that that additional capacity will be used
17 up pretty quickly?

18 MR. ASHER: I would think, given the needs of
19 the state, that greater resources in the SIB would be
20 utilized.

21 MR. AUSTIN: Once this remaining capacity is
22 used up, what do we do?

23 MR. ASHER: Well, you're right, commissioner,
24 there is a limitation, there is the size that is the
25 corpus left. The way it works is money gets loaned out

1 and then it comes back in. But you are right, the
2 projects are constrained, those folks who would be
3 interested, by the size that we currently have in the SIB.

4 MR. WILSON: Commissioner, I would just echo
5 what Ben was talking about which is we have \$294 million
6 and we can do a few small to mid sized projects, but if we
7 wanted to have two or three substantial projects that were
8 either toll viable, backstopped by TRZ or other method of
9 finance, having that capacity, we would need six to seven
10 times larger, whatever that money would come out to be, we
11 just want to be able to accelerate opportunities for us.

12 MR. HOUGHTON: Are you aware, Ben, of what the
13 original capitalization of the SIB?

14 MR. ASHER: Yes, I am, actually. It was \$273-.

15 MR. HOUGHTON: So you can see we've made about
16 \$20 million over the period of time.

17 MR. ASHER: There has been a multiplier effect,
18 but as Executive Director Wilson had stated, we could get
19 much more benefit with more resources.

20 MR. AUSTIN: We get asked this question a lot
21 by communities, large and small, how can we advance our
22 projects, and they're not always all roadways. Now, are
23 we limited in capacity right now -- just kind of to Phil
24 or to Ben -- just in road projects with the SIB?

25 MR. WILSON: For the current SIB construct we

1 are because you have a blending of federal dollars that
2 helped monetize the SIB, and as a result of that, you have
3 restrictions that we put on there from the federal
4 government.

5 MR. AUSTIN: So we cannot help with rail,
6 airports, ports, anything like that?

7 MR. HOUGHTON: Hence the new State
8 Infrastructure Fund we're seeking that would be state
9 dollars.

10 MR. WILSON: Correct.

11 MR. AUSTIN: I move we approve.

12 MR. HOUGHTON: Second?

13 MR. MOSELEY: Second.

14 MR. HOUGHTON: All in favor?

15 MR. WILSON: Item 11b is consideration of
16 granting final approval of a State Infrastructure Bank
17 application from the City of Robstown. Benjamin Asher
18 will continue with this item. Ben.

19 MR. ASHER: Thanks, Phil.

20 This item is to consider final approval of an
21 application submitted by the City of Robstown to borrow up
22 to \$200,000 from the State Infrastructure Bank to pay for
23 the city's portion of the costs of right of way
24 acquisition and utility relocation relating to
25 improvements to US 77 from Farm to Market 892 to the south

1 of County Road 28.

2 Staff recommends approval, and I'd be happy to
3 answer any more questions?

4 MR. HOUGHTON: Questions? Motion?

5 MR. AUSTIN: So moved.

6 MR. UNDERWOOD: Second.

7 MR. HOUGHTON: All in favor?

8 (A chorus of ayes.)

9 MR. HOUGHTON: Thanks, Ben.

10 MR. WILSON: Thanks, Ben.

11 Next is item 12, approval of additional
12 projects to be funded with the proceeds of State Highway
13 Fund Revenue Bonds. This item will be presented by
14 Traffic Operations Division Director Carol Rawson. Carol.

15 MS. RAWSON: Good morning. I'm Carol Rawson,
16 director of the Traffic Operations Division.

17 The minute order before you proposes funding of
18 four additional projects under the Proposition 14 Bond
19 Program. The Texas Constitution and state law authorizes
20 the commission to issue up to \$6 billion in bond proceeds
21 to program payable for the revenues of the State Highway
22 Fund. \$1.2 billion of these bonds must be issued to fund
23 safety projects that reduce crashes or improve hazardous
24 locations on the state highway system.

25 Due to the continuing national economic

1 conditions and the accompanying effects of construction
2 contracts and material supplies, the projects that have
3 gone for letting continue to experience underruns of the
4 originally obligated bond amount. These underruns allow
5 additional projects to be brought forward for funding.

6 Exhibit A, as attached to the minute order
7 before you today, proposes the use of those cost underruns
8 for four additional safety projects in Grimes and Milam
9 counties, at an estimated cost of approximately \$8.8
10 million.

11 Staff recommends approval of this minute order.

12 MR. HOUGHTON: Questions? Commissioner
13 Moseley?

14 MR. MOSELEY: I appreciate this recommendation.
15 I plan to vote to approve it, but I am curious -- I've
16 got a question on the next agenda item. I'm sorry. I'll
17 go ahead and move approval of this one.

18 MR. UNDERWOOD: Second.

19 MR. HOUGHTON: All in favor?

20 (A chorus of ayes.)

21 MR. HOUGHTON: Thanks, Carol.

22 MR. WILSON: Item 13 is the approval of
23 proposed lane use restrictions for trucks on US 83, US 77,
24 US 281. Traffic Operation Division Director Carol Rawson
25 will continue to present. Carol.

1 MS. RAWSON: Once again for the record, I'm
2 Carol Rawson, director of the Traffic Operations Division.

3 This minute order allows for a left-lane
4 restriction for trucks on 78 centerline miles of US 77, US
5 83 and US 281 in Cameron and Hidalgo counties. These
6 restrictions would prohibit trucks from operating in the
7 far left lane for sections of these highways in these two
8 counties. Trucks would still be allowed to use the left
9 lane to pass other vehicles and exit the highway.

10 The department, working with local
11 jurisdictions, has conducted traffic studies and
12 determined that these restrictions would be beneficial.
13 These types of lane restrictions have shown to improve
14 safety by increasing the number of vehicles traveling at
15 the same speed and decreasing lane changes and other types
16 of passing maneuvers.

17 The department published a notice requesting
18 public comment in the February 1, 2013 edition of the
19 *Texas Register* and also held a local public hearing on
20 February 27. No public comments were received either at
21 the public hearing or in response to the *Register* notice.

22 Staff recommends approval of this minute order.

23 MR. HOUGHTON: Question here?

24 MR. MOSELEY: Thank you, Chairman.

25 I appreciate this public meeting, and I'm

1 interested, it seems as though there's no comment, so it
2 would appear that this concept of designating lanes for
3 the movement of truck cargos is being acceptable.

4 MS. RAWSON: In the Pharr District, yes, sir,
5 it is. Looking at it, it makes sense, and overall the
6 local jurisdictions and local entities are all in favor.

7 MR. MOSELEY: And it seems like, Chairman, that
8 a lot of our roadways where there are three or four lanes
9 that the center lanes are becoming kind of a de facto
10 truck lane which is interesting when we get into
11 discussions about managing capacity. So I guess I would
12 be pleased to see more of these studies coming forward.

13 And then the other thing that Ms. Rawson and I
14 have talked about that's a first cousin to this agenda
15 posting that we can't discuss too much, but just in
16 motoring over here yesterday, there were two occasions
17 where I had to deviate from the lane because of retread
18 tires that were blocking the lane completely, and so it
19 seems like we should have some kind of a study, perhaps,
20 on that technology as to the safety of our highways. We
21 opened today talking about safety, and as we talk about
22 trucks and the growing demand of trucks for our roadways,
23 there should be some kind of a study, perhaps, on how well
24 this retread technology is working.

25 I'll be pleased to move approval, Chairman.

1 MR. HOUGHTON: Second?

2 MR. AUSTIN: Second.

3 MR. HOUGHTON: All in favor?

4 (A chorus of ayes.)

5 MR. HOUGHTON: Thanks, Carol.

6 MR. WILSON: The next item is the award of
7 contracts for maintenance and department building
8 construction and highway construction contracts. John
9 Obr, our Construction Division director, will present
10 these minute orders. Item 14a.

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

13 Item 14a is for consideration of the award or
14 rejection of Highway Maintenance and Department Building
15 Construction contracts let on April 3 and 4 of 2013. We
16 present 38 projects today. The average number of bids per
17 project was 3.68; the low bid value was \$30,863,711.66;
18 and we had an overall underrun of 1.32 percent.

19 Staff recommends award of all maintenance
20 projects.

21 MR. HOUGHTON: Any questions of John? Is there
22 a motion?

23 MR. AUSTIN: So moved.

24 MR. HOUGHTON: And a second?

25 MR. UNDERWOOD: Second.

1 MR. HOUGHTON: All in favor?

2 (A chorus of ayes.)

3 MR. HOUGHTON: Thanks, John.

4 MR. WILSON: John, please proceed with item
5 14b, construction contracts.

6 MR. OBR: Item 14b is for consideration of the
7 award or rejection of Highway and Transportation
8 Enhancement Building Construction contracts let on April 3
9 and 4 of 2013. We present 66 projects today. The average
10 number of bids per project was 4.33; the low bid value was
11 \$469,042,929.32; the awards are split as six projects in
12 Mobility totaling \$312,574,908.71, and 60 projects in
13 Preservation totaling \$156,468,020.61; we had an overall
14 underrun of 5.21 percent.

15 These amounts are inclusive the March 28, 2013
16 deferred Dallas District Ellis County project PTF
17 2013(451).

18 Staff recommends award of all construction
19 projects with the exception of the following project:
20 Mills County project STP 2011(218)TE. This project
21 received three bids. The low bid on this project was
22 \$410,454.87 over the engineer's estimate. The project is
23 for the construction of a welcome center. The project
24 includes third party funding from the City of Goldthwaite.
25 The city, which is responsible for 100 percent of the

1 overrun, is not willing to fund the overrun. We would
2 like the opportunity to redesign the project, cut
3 quantities where possible and acquire additional
4 authorized funds. Therefore, we recommend that the
5 project be rejected and relet at a later date.

6 MR. HOUGHTON: John, I have a question of the
7 underrun, 5.21 percent. What's it looking like on an
8 annualized basis?

9 MR. OBR: On an annualized basis it's staying
10 pretty consistent at that percentage.

11 MR. HOUGHTON: At 5 percent underruns?

12 MR. OBR: Yes, sir.

13 MR. HOUGHTON: Any other questions?

14 MR. AUSTIN: I have a question. I'm proud to
15 see the underrun, but bidding and looking at the total
16 project cost, I know that you probably follow the
17 construction index, Construction Cost Index. Kind of
18 where is that now looking at annual increases and where
19 has that been historically?

20 MR. OBR: It's continuing to increase at a
21 small percentage, but our state and the size of it and the
22 contracting competition, especially in our energy sector
23 areas, has a big impact on our costs in some aspects of
24 the state, in other aspects it's very competitive.
25 Through Central Texas we have a very competitive

1 environment.

2 MR. AUSTIN: I'm looking for a range of
3 numbers. What is that Construction Cost Index?

4 MR. OBR: The current Construction Cost Index
5 is 208.26.

6 MR. AUSTIN: So each year that we delay, given
7 an era of low interest rate environments, each year that
8 we delay, that index, you said, is beginning to increase.

9 And I think a few years ago it was up as high as 8
10 percent.

11 MR. WILSON: Yes. So historically,
12 Commissioner Austin, from 2002, our Construction Cost
13 Index from inflation has risen to 62 percent. So in the
14 last eleven years you've had a growth factor of 62 percent
15 with inflation on construction costs.

16 MR. AUSTIN: So where I'm leading is it would
17 be a fair statement that while the cost underruns, we like
18 this, but if we delay construction projects because of
19 lack of funding and et cetera, it's going to end up
20 costing us substantially more, especially in an era of low
21 interest rate environments.

22 MR. WILSON: And just to echo what Mr. Obr was
23 saying, in Central Texas we seem to have a very
24 competitive environment with cost containment, to some
25 degree because of the contracting community, the pressure

1 involved. But as the state has more and more energy play,
2 in the shales particularly, we have real cost-drivers
3 because many of these same other contractors from a
4 workforce standpoint and a supply and material standpoint,
5 they're not going to road construction, they're going to
6 energy activities, are putting huge drivers of cost on our
7 projects in a tangential way.

8 MR. OBR: And just to add to that, if I may, in
9 South Texas we look at our construction costs,
10 competitiveness is low in South Texas but our materials
11 are the big issues. The same concrete, flex base, hot mix
12 materials that we use in our construction projects are
13 being utilized by the energy sector as they're developing
14 pad sites, and contractors have expressed to me it's much
15 easier for them to do work with energy sector companies
16 than it is at times to do state government work. So we're
17 seeing an increase in costs in the 5 to 10 percent on
18 those projects in those areas of the state.

19 MR. AUSTIN: And I want to backtrack but it's
20 related to this. While we just awarded in one of the
21 prior events the use of some Prop 14 funds on projects,
22 those bonds are down, we have very low interest rates on
23 those, so we're able to use and advance these projects
24 with the present value right now to get these projects
25 done. In essence, if we were waiting, it would cost us a

1 heck of a lot more and cost the state a heck of a lot
2 more.

3 MR. OBR: Yes, sir.

4 MR. AUSTIN: And that's why I was kind of
5 looking at that Construction Cost Index. I think that's
6 something, as we begin looking at the tools that the
7 legislature may provide us, that we look at all of these,
8 and given the current interest rate environment, given
9 where we are, is to make sure I hope we have tools. And I
10 know your team, looking at the contracts. Ben and James
11 are doing a great job of managing what we have right now
12 to advance projects.

13 MR. OBR: We're prepared to push everything we
14 can.

15 MR. AUSTIN: Thank you.

16 MR. UNDERWOOD: Make sure I understand this,
17 from an old country boy, what you're saying is the more
18 money we have, the more we can do now because of the
19 cheaper interest rates. Is that right?

20 MR. AUSTIN: Absolutely.

21 Just kind of going to finance, Ben, correct me,
22 but with rates being flat right now, if rates go back up,
23 we're going to be paying back deflated dollars, given what
24 we have. So we have a unique set of circumstances right
25 now, opportunities to take advantage of to advance

1 projects statewide where we can.

2 MR. HOUGHTON: Is there a motion?

3 MR. AUSTIN: That was in the form of a motion.

4 MR. UNDERWOOD: Second.

5 MR. HOUGHTON: Is there a second? You
6 seconded, Fred?

7 MR. UNDERWOOD: Yes.

8 MR. HOUGHTON: All in favor?

9 (A chorus of ayes.)

10 MR. HOUGHTON: Thank you, John.

11 MR. WILSON: That brings us to item 15, eminent
12 domain proceedings. Right of Way Division Director John
13 Campbell will present this minute order. John.

14 MR. CAMPBELL: Good morning. For the record,
15 my name is John Campbell, director of the Right of Way
16 Division.

17 I'd like to present for your consideration this
18 morning item 15 which authorizes the filing of
19 condemnation proceedings necessary to progress the
20 acquisition of 33 non-controlled and 12 controlled access
21 parcels for a total of 45 parcels. Staff recommends your
22 approval.

23 MR. HOUGHTON: Unfortunately, Commissioner
24 Moseley, you didn't get away

25 MR. MOSELEY: Mr. Chairman, in Commissioner

1 Vandergriff's absence, may I offer this motion?

2 MR. HOUGHTON: Most indeed.

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

13 MR. HOUGHTON: Is there a second?

14 MR. AUSTIN: I will second that.

15 MR. HOUGHTON: All in favor?

16 (A chorus of ayes.)

17 MR. HOUGHTON: Thanks, John Campbell.

18 MR. WILSON: Item 16 contains the routine
19 minute orders, including donations to the department,
20 right of way dispositions and donations, highway
21 redesignation, finance, transportation planning and speed
22 zones.

23 MR. HOUGHTON: Is there a motion?

24 MR. UNDERWOOD: So moved.

25 MR. AUSTIN: Second.

1 MR. HOUGHTON: All in favor?

2 (A chorus of ayes.)

3 MR. WILSON: This concludes the action items on
4 today's agenda, so, commissioner, I will hand the meeting
5 back to you, sir.

6 MR. HOUGHTON: Any other business,
7 commissioners? Anybody sign up in open session?

8 (No response.)

9 MR. HOUGHTON: If not, I'll entertain the most
10 privileged motion.

11 MR. MOSELEY: Move adjournment.

12 MR. AUSTIN: Second.

13 MR. HOUGHTON: All in favor?

14 (A chorus of ayes.)

15 MR. HOUGHTON: We are adjourned at 10:32.

16 (Whereupon, at 10:32 a.m., the meeting was
17 concluded.)