

TEXAS DEPARTMENT OF TRANSPORTATION

TEXAS TRANSPORTATION COMMISSION

MEETING

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

Thursday,
July 25, 2013

COMMISSION MEMBERS:

Ted Houghton, Chair
Jeff Austin III
Jeff Moseley
Fred Underwood
Victor Vandergriff

STAFF:

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

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OPEN COMMENT PERIOD (no commenters)

ADJOURN

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P R O C E E D I N G S

1
2 MR. HOUGHTON: Good morning. Welcome to the
3 regular July 25, 2013 meeting of the Texas Transportation
4 Commission. Note for the record that public notice of
5 this meeting, containing all items on the agenda, was
6 filed with the Secretary of State at 4:51 p.m. -- just
7 under the wire, huh, Rose? -- on July 17, 2013.

8 I ask, before we begin today, to please turn
9 your communication devices in the silent or off mode. And
10 if you wish to address the commission today, it's the blue
11 and yellow cards, yellow for an agenda item, and blue in
12 open session. Regardless, you must have that card to
13 speak, please.

14 And before we begin our regularly scheduled
15 agenda, I'll turn a minute over to Phil Wilson.

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

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

20 MR. WYER: Phil, commission, thank you. Thank
21 you for your continued support of our safety process.

22 Everyone, just want to give you a short
23 briefing on our safety procedures for the Greer Building.

24 If there's a fire alarm, please make your way to the
25 nearest exit and then cross the street over to the Capitol

1 grounds. We will gather on the Capitol grounds over in
2 that area, so that we can allow EMS and fire to respond to
3 the building accordingly.

4 If there's a tornado alert -- we're not
5 expecting poor weather, but if there is a tornado alert,
6 we're going to ask that you make your way to the basement
7 area and/or in the staircase.

8 If you have a medical emergency, please make
9 your way to the front near the security guard station, and
10 we will call 911 if necessary. We do have an AED there, as
11 needed. Hopefully, we will not need that but it is posted
12 on the wall near the security guard.

13 If you don't mind, I want to take a moment to
14 share an additional safety moment, if you will. I'm not
15 sure when each of you have had a physical, but yesterday I
16 was on the phone with our Safety Section director,
17 Michelle Regis, and Michelle has been fighting cancer for
18 nine months, and she informed me yesterday that she would
19 be calling hospice, and she wanted to remind everyone in
20 this agency to follow through with a yearly physical for
21 your personal health. And health and wellness is a very
22 important part of our safety process, and I want to
23 encourage everyone here to ensure that you're meeting with
24 your physician on an annual basis.

25 And I appreciate the commission and Phil

1 allowing me to share this moment with you. Thank you very
2 much.

3 MR. HOUGHTON: Thank you, Jerral.

4 MR. WILSON: With the safety briefing
5 completed, I'll hand the gavel back to Mr. Chair to
6 complete opening remarks.

7 MR. HOUGHTON: Now we will have opening remarks
8 from our commissioners, starting to the far right,
9 Commissioner Vandergriff.

10 MR. VANDERGRIFF: I would like to note that a
11 couple of weeks ago I went to South Texas, and
12 Commissioner Moseley was nice enough to include me in a
13 tour of the Corpus Christi area in terms of the Harbor
14 Bridge and the surrounding projects around there. It's a
15 terrific development opportunity for the State of Texas.
16 It certainly indicates a tremendous boon coming, not only
17 from the energy sector but from the ports and the
18 opportunity there. You can certainly get a very visual
19 feel for why there is a need for removing the existing
20 bridge and building a new one and the increased
21 infrastructure investment there.

22 The previous month I had an opportunity to go
23 out to West Texas and visit the Border West Highway that
24 we also picked up funding for last month, again, another
25 terrific project that will, I think, save a lot of money.

1 As a result of doing that project, it will reduce the
2 amount of money that has to be spent on Interstate 10.

3 And I guess I would just encourage, we can't
4 always go and visit all the projects, either as certainly
5 commissioners but the public at large or the greater body
6 across the street that we play to, and I just would
7 continue to encourage the department to develop very
8 robust, as best as possible, visual and written
9 presentations for this commission and for the public on
10 these projects, and do it in advance of the funding that
11 we do for them because they're much needed, and I trust
12 and appreciate your judgment on them.

13 So thank you.

14 MR. MOSELEY: Good morning, Chairman, members.

15 As Commissioner Vandergriff stated, we received
16 a very warm welcome to the Port of Corpus and were given
17 extensive tours of the Harbor Bridge. We also had an
18 occasion to understand better the Nueces River Rail Yard
19 project where three Class 1 rail come together, and then
20 there's a development of a 1,100 acre La Quinta Trade
21 Gateway site that we were shown. So about \$20 billion,
22 Chairman, of new growth that is known today will be coming
23 into this immediate area, so it's a very dynamic region of
24 the state.

25 We were pleased to be with Congressman

1 Farenthold, who is stepping up to lead the Maritime
2 Caucus. He greeted us at a luncheon, and Senator Hinojosa
3 and local officials. So Commissioner Vandergriff and I
4 were very warmly welcomed and really were impressed with
5 all the dynamic development taking place in the Port of
6 Corpus.

7 Chairman, I want to say thanks to you and Phil
8 Wilson and our team for being a part of the Grand Parkway
9 groundbreaking. We enjoyed that this week, a very dynamic
10 announcement. Commissioner Cagle, I know, had a big smile
11 on his face. We were pretty close to Montgomery County,
12 weren't we? I think the judge said about a nine iron from
13 Montgomery County. But it was a wonderful celebration of
14 this dynamic corridor that will enhance eleven counties,
15 180 miles, and so, Chairman, we want to say thanks to you
16 for your participation in that, and all of the local
17 officials, the strong regional support for this very
18 strategic corridor. And it was good to see former
19 Commissioner Ned Holmes as a part of that celebration.

20 Thank you, Chairman.

21 MR. AUSTIN: Good morning, everyone.

22 Jeff, I was sitting here thinking, as you're
23 going through your remarks, how do we distinguish which
24 Jeff somebody is calling and asking for. I think we're
25 going to have to start calling you the Admiral, with all

1 the maritime activities, so I think we can find one.

2 Welcome, everybody. I know we've got some good
3 discussion items today to take a look at, and we kind of
4 have a cloud hanging over us right now as we begin looking
5 at funding. And Mr. Chairman, I know when John Barton
6 comes up, we're going to have some questions to talk about
7 some of the future needs, but we can't ignore it as we
8 begin looking around.

9 I've the opportunity over the last month to
10 travel to different parts of the state, and as we look at
11 a lot of the projects, we have a lot of needs of both
12 maintaining the existing system, but also future
13 expansion. And everybody has a new perspective, different
14 perspective, and the needs are justified. We need our
15 friends and our colleagues across the street to hopefully
16 understand that this is right for Texas, and hopefully
17 it's not about running a political campaign but it's about
18 what's right for Texas to help us, one, retain the
19 businesses that we have here, this is economic
20 development, but also keep the state strong with
21 infrastructure. So we hope they'll come to some
22 conclusion or resolution to provide some additional
23 funding that we so desperately need.

24 But I started off after the last commission
25 meeting, had the opportunity to visit Chairman Houghton

1 out in El Paso. I too saw the Border Highway, and wow, as
2 you start looking at the needs and the traffic through
3 there, if we were to shut down one or two lanes, this is
4 going to be a much needed relief route with the Border
5 Highway, so I was really excited to see that.

6 I also went down to the Rio Grande Valley.
7 Wonderful, wonderful time to put up some signs for
8 Interstate 69 East and Central, and also Interstate 2. So
9 now Texas has about 170 miles of branded Interstate 69, so
10 this is really exciting, bringing new capacity, new
11 designation to a portion of the state that did not have
12 interstate access. But it doesn't stop there.

13 I also spent some time in Laredo with Marc and
14 Russell, Julie, looking and discussing some of their needs
15 for their section of what's going to ultimately start
16 working on Interstate 69 with the loop. But they're also
17 looking at forming an RMA, and we've had some discussions,
18 a couple of other areas of the state are looking at this
19 as well, and just want to maintain that there are some
20 tools in the toolbox that can really help local areas move
21 forward, but also that goes with good governance and
22 independence. There's a lot of folks that are wanting to
23 provide services and work and hope that they'll bring that
24 innovation back to the local areas to help them advance
25 some of these projects.

1 Also, in Longview we kicked off the Interstate
2 20 working group. They're studying Interstate 20 to look
3 at adding capacity and also multimodal need that is really
4 bringing the efforts of a lot of people together, looking
5 at rail, the high-speed corridor that's looking at some
6 initiatives there, also with the freight, but first and
7 foremost, expanded capacity. Judge Bill Stout from
8 Longview is chairing this group, and it includes county
9 judges and some other folks all the way from Dallas,
10 Kaufman, Van Zandt, Smith, Gregg and Harrison counties, so
11 really looking at what can come out of that group.

12 Last week I took a little road trip up through
13 the Panhandle, North Texas. I had the opportunity to
14 visit some of our team in Wichita Falls, Childress and
15 also up in Amarillo, and I would say seeing some of the
16 needs up there. One, thanking these teams -- Fred, I know
17 you know this so well -- for helping out during the
18 storms. It was hot when I went through there, it's hard
19 to imagine that all this equipment is there ready to help,
20 but we do appreciate that.

21 Two interesting things, I stopped by one of the
22 maintenance facilities and our needs, and especially in a
23 drought-stricken state, are really highlighted. There was
24 a water truck that we needed water to go out and do one of
25 our rehab projects, and they were pulling out well water

1 in one area where the lakes were dry. And I think that
2 goes back the need of getting back to the legislature
3 establishing water needs because water is going to have a
4 significant impact on us being able to maintain and build
5 and construct new capacity.

6 But I also had the opportunity, the second
7 item, to attend a safety briefing, a safety meeting, and
8 something interesting, I want to thank the legislature
9 because they passed the law where motorists have to move
10 aside for TxDOT vehicles that may be on the side of the
11 road. I wanted to note something else, in Illinois they
12 put up signs in construction zones that say if you hit a
13 worker, you're going to have a \$10,000 fine and go to jail
14 for 14 years. That would get my attention. You should
15 pay attention anyway, but that's something we may want to
16 look at the safety needs of expanding this moving forward.

17 But I also wanted to share, I believe, Mr.
18 Chairman, in November, he has asked about going back
19 around the state, and pleased to announce we'll be coming
20 to Tyler to meet, so please mark your calendar for
21 November and thank you for coming up there to take a look
22 at some of the projects. And that's all I have.

23 MR. VANDERGRIFF: I want to note that you went
24 the entire state, I think, you circled it, so you've got
25 to win the award for the month of the most traveling on

1 behalf of the commission.

2 MR. AUSTIN: But I didn't make it to Lubbock
3 yet.

4 MR. VANDERGRIFF: You made it to the Panhandle
5 so you missed that spot.

6 MR. UNDERWOOD: Sorry you missed the garden
7 spot of Texas.

8 I want to mention the impact that the new Faces
9 of Drunk Driving safety campaign seems to be making on the
10 public. I've seen numerous stories about the campaign in
11 the media. This campaign features individuals whose lives
12 have been torn apart by drinking and driving. I'd like to
13 commend everyone involved with the New Faces of Drunk
14 Driving campaign as we continue our efforts to save lives
15 and prevent roadway crashes by discouraging drinking and
16 driving. And you can find more information about this if
17 you go tour website TxDOT.gov.

18 On another deal, I want to remind our employees
19 on our highways, please, please, as your working on the
20 highways, especially this time of the year, please stay
21 hydrated. Now, hydrated is not some exotic fish in the
22 Amazon. This means to take lots of fluids.

23 MR. HOUGHTON: Got it. Thank you.

24 MR. UNDERWOOD: One thing that you heard about
25 Commissioner Austin -- is it okay if I share this?

1 MR. AUSTIN: Well, it depends.

2 MR. UNDERWOOD: It's a little late now, we've
3 already started. Commissioner Austin, in all his travels,
4 he didn't mention the fact that he got a ticket. It turns
5 out that it's against eh law to have an air freshener
6 hanging from your mirror in the shape of a handicapped
7 sticker.

8 (General laughter.)

9 MR. UNDERWOOD: But on a serious note, I want
10 to thank everyone for being here. Please, to our
11 employees, be safe, be smart, you're the face of TxDOT, we
12 want you to go home to your families. Thank you.

13 MR. HOUGHTON: What you can't appreciate, I
14 can, I have to follow Fred.

15 I echo some of the remarks from our fellow
16 commissioners, not entirely all. I do want to piggyback
17 something that Commissioner Moseley talked about the Grand
18 Parkway, a truly monumental event, a huge road project, 38
19 miles this segment. We'll open up the first segment in
20 December and we'll have, according to Commissioner
21 Moseley, a big grand opening of that road. And my
22 understanding, Commissioner Moseley, they said two years,
23 I think we talked about 38 miles and having it completed
24 in a two-year period, and then enough money to seed the
25 eastern side of the Grand Parkway.

1 And the week prior to that, we had a successful
2 bond underwriting of \$2.9 billion. That went kind of
3 unnoticed in the industry -- or maybe it didn't -- and
4 people are still gasping. I want to thank you Ben Asher
5 and James Bass and the finance team for a successful
6 underwriting of the Grand Parkway, the third largest in
7 the state's history, not just roads but underwriting, the
8 third largest.

9 And I also want to thank three people -- there
10 are a lot more involved -- for doing yeoman's work,
11 Victoria Miller, Gaby Garcia and Raquel Lewis from the
12 Houston District on putting all the dynamics together for
13 the Grand Parkway. I appreciate your work, it came off
14 without a hitch, and it was a magnificent opening.

15 And Commissioner Austin, I think you need to
16 get to Lubbock but I think you ought to wait out going to
17 Lubbock until you get that invitation to a Tech football
18 game in the private box of one Commissioner Underwood. I
19 understand it is decorated to the hilt and it's air
20 conditioned and you don't have to sit out with the fans.
21 But that should be the way you get to Lubbock; I think you
22 ought to insist upon it, personally.

23 MR. AUSTIN: Actually, I've been there.

24 MR. HOUGHTON: You may have been there, but not
25 in his box.

1 MR. AUSTIN: Yes.

2 MR. HOUGHTON: You have? Oh, my heavens, you
3 haven't been full disclosure here.

4 MR. AUSTIN: Well, actually, SMU played
5 competitively for that game for three quarters and then it
6 was over.

7 MR. HOUGHTON: So with that, we shall move
8 ahead, but I have to give a commercial announcement. If
9 you noticed in the lobby, we're already starting to
10 advertise for the 2014 -- we're going to have pictures up,
11 I guess -- Transportation Forum. We're going back to San
12 Antonio from the 6th through the 8th of January, and
13 registration, I understand, begins Friday, August 23.
14 Every year we have outstanding speakers.

15 Coby, do you have anything to say about it, you
16 got any surprises yet we can announce?

17 MR. CHASE: No, just the registration you get
18 today is the cheapest one you're going to get.

19 MR. HOUGHTON: That's right. But we hope to
20 see you all there. It seems to be a place where we can
21 all gather, share ideas and hear about new and innovative
22 ways, the world, as far as transportation, how we're
23 addressing transportation needs.

24 We will now start the regular agenda and we'll
25 start with the approval of the minutes of the June 2013

1 meeting and the workshop meeting of the Transportation
2 Commission. Is there a motion?

3 MR. UNDERWOOD: So moved.

4 MR. AUSTIN: Second.

5 MR. HOUGHTON: All in favor?

6 (A chorus of ayes.)

7 MR. HOUGHTON: And I turn the balance of the
8 agenda over to Phil.

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

10 Our first agenda item today is a resolution
11 extending sympathy to the relatives of Ciro A. Lozano, an
12 employee in the El Paso District, who died while
13 performing his duties with the department.

14 "Whereas, it is with profound sorry that the
15 Texas Transportation Commission acknowledges the death of
16 Ciro A. Lozano, who tragically lost his life on the
17 afternoon of June 25, 2013, while performing his duties as
18 an employee of the Texas Department of Transportation;

19 "And whereas, Ciro served the El Paso District
20 for six years, eight months, and he loved performing his
21 job as an engineering technician;

22 "And whereas, Ciro, after traveling the world
23 with the United States Marine Corps, enjoyed spending time
24 with his family and friends;

25 "And whereas, Ciro demonstrated his dedication

1 and loyalty to the State of Texas and its citizens in the
2 work he performed every day to help accomplish the goals
3 of this agency;

4 "And whereas, the incident will forever serve
5 as a reminder of the sacrifices our employees make on
6 behalf of the department;

7 "And whereas, it is the desire of the Texas
8 Department of Transportation to honor his memory;

9 "Now, therefore, be it resolved that the Texas
10 Transportation Commission does hereby extend its sincerest
11 sympathy to the relatives of *Ciro A. Lozano*.

12 "Signed this day, Thursday, the 25th of July,
13 2013."

14 Commission, *Ciro's* family was unable to attend
15 this meeting today, but it is our intention to ensure that
16 this resolution will be personally presented to *Ciro's*
17 family in El Paso.

18 With that, are there any comments from the
19 commission?

20 (No response.)

21 MR. WILSON: Hearing none, we'll remember
22 *Ciro's* family in our thoughts and prayers.

23 Next is a resolution recognizing *Bill Glavin*,
24 director of the Rail Division, for his service to the
25 department.

1 "Whereas, the Texas Transportation Commission
2 takes great pride in recognizing William "Bill" E. Glavin,
3 P.E., for his outstanding service to the Texas Department
4 of Transportation and the nation's rail industry after a
5 distinguished career totaling more than 36 years;

6 "And whereas, in 2009, Glavin was named
7 director of TxDOT's first Rail Division and tasked with
8 the shaping of the future of the state's rail services;

9 "And whereas, Glavin joined TxDOT with 32 years
10 of experience in the rail industry with stints with
11 Burlington Northern Railroad, North American Railnet, and
12 as a consultant with Raul V. Bravo + Associates;

13 "And whereas, he earned a bachelor's degree in
14 biology in 1975 from Johns Hopkins University, and a
15 bachelor's degree in civil engineering from Michigan State
16 University in 1977;

17 "And whereas, after graduation from MSU, Glavin
18 went to work for BN as a corporate management trainee,
19 rose through the ranks to eventually become system chief
20 engineer, and retired as general manager for strategic
21 network design in 1995;

22 "And whereas, under Glavin's leadership, the
23 state identified solutions for improved safety at rail
24 crossings, funding was secured to upgrade the Texas-owned
25 South Orient Railroad Corridor between Coleman and San

1 Angelo, and great strides have been made in an effort to
2 relieve congestion at the Tower 55 rail intersection near
3 downtown Fort Worth;

4 "And whereas, with his capable guidance, the
5 state has moved forward on a proposal to move Amtrak onto
6 the Trinity Railway Express line in Dallas-Fort Worth, and
7 a study of higher speed rail service between South Texas
8 and Oklahoma City is underway;

9 "And whereas, Glavin has been dedicated and a
10 loyal member of the TxDOT family and a true public servant
11 of the State of Texas;

12 "Now, therefore, be it resolved that the Texas
13 Transportation Commission does hereby extend its sincerest
14 best wishes to William "Bill" E. Glavin, P.E. in
15 recognition of his professional achievements in a career
16 of loyal service on behalf of the State of Texas, its
17 citizens and the railroad industry.

18 "Presented this Thursday, the 25th of July
19 2013."

20 Are there any comments from the commission?

21 MR. HOUGHTON: Bill, why don't you just come on
22 up. Thank you for your service. My question is now what?

23 MR. GLAVIN: Old railroaders never fade away,
24 they just recycle themselves as consultants.

25 MR. HOUGHTON: Oh, is that right. You're going

1 to the dark side is what you're saying.

2 MR. GLAVIN: That's where I came from.

3 MR. HOUGHTON: The floor is yours.

4 MR. GLAVIN: Well, thank you very much. I
5 appreciate it. I'm honored and humbled by this
6 recognition. And I want to thank the commission for its
7 dedication, first off, to safety which is very near and
8 dear to my heart, no matter what form it takes, whether
9 its track safety, railroad highway or safety on the
10 highways, safety for employees and everything else, and
11 then also for its dedication to multimodal, rail
12 initiatives, and other multimodal initiatives here within
13 the State of Texas.

14 I have a small parting gift for you, if you
15 allow me. Rose has them. They're spikes that were
16 initially intended for the rededication of the South
17 Orient when the rehabilitation process took place during
18 the 2009-2010-2011 time frame, however the business boomed
19 on that rail line so much so quickly, going from 2,031
20 cars per year to last year 2,800 carloads in the month
21 alone, they're on track for 30,000 for this year with the
22 oil boom. The movement of EEOG crude, Muscat crude is
23 going to be coming in there, and then of course, all the
24 frac sand that we were never able to hold that official
25 grand opening. So if you could keep those near and dear

1 to your heart and remember rail as you're moving forward,
2 it would be appreciated.

3 And thank you for the opportunity to work here
4 for the Texas Department of Transportation and the
5 citizens of Texas. I surely and sincerely appreciate
6 that.

7 MR. MOSELEY: Well, Bill, thank you for
8 launching this very important division here at TxDOT.
9 It's really a strong recognition that as freight grows on
10 our systems that we have to find better and better ways to
11 recognize the value of rail. So thank you for what you've
12 done to launch this and appreciate deeply the spike that
13 you presented. I guess this is our rail line. Right?
14 The South Orient is a TxDOT rail line, so thank you for
15 managing that as well.

16 But very best wishes in the next chapter of
17 your life, and God bless you.

18 MR. GLAVIN: Thank you, sir.

19 MR. AUSTIN: Bill, congratulations, and I want
20 to say again you signify what we're all about, multimodal.

21 We are a department of transportation, not just a highway
22 department. And I don't know if any of you have really
23 looked at the rail plan, but it's not an executive summary
24 of one or two pages, it's a thick document that really
25 outlines the needs of the state, anything from rail

1 relocations, future corridors, working with local
2 communities and the need for rail spurs, but also high-
3 speed connectivity.

4 And I know you've been able to look at the
5 different and work with the three different constituencies
6 of rail: freight, first and foremost, you've got high-
7 speed passenger, and then the intercity or local higher
8 speed rail. And I know just being in a couple of
9 presentations with you, bringing it all together to tie in
10 with everything else that we're doing, and the freight
11 component, some things that came out of the Panama Canal
12 working group, everything else, freight is first and
13 foremost, and now we have a permanent Freight Advisory
14 Committee. And thank you for all your efforts and what
15 you've done.

16 MR. UNDERWOOD: One quick thing, thank you
17 again, Bill, and I align myself with my colleagues'
18 comments. And also thank you for being a classy person, a
19 patient person, and for your guidance in helping TxDOT go
20 forward and actually truly understanding rail for the
21 first time. So thank you for all you've done for us,
22 thank you, sir.

23 MR. HOUGHTON: And we're going to take a
24 picture. Thanks for the golden spike.

25 (Pause for photographs. Applause.)

1 MR. WILSON: Next is item 4a, a report on
2 addressing the safety challenges in areas with growing
3 energy exploration and production. Deputy Executive
4 Director John Barton will present.

5 MR. BARTON: Good morning, Chairman, members of
6 the commission, Phi. Thank you for the opportunity to
7 make this presentation to you. As Phil said, for the
8 record, my name is John Barton, and I have the honor of
9 serving the state as the deputy executive director and
10 chief engineer at the Texas Department of Transportation.

11 Commission members, if you'll recall, last
12 month you asked the staff to explore the development of a
13 plan to address the growing challenges that we face in
14 certain areas of our state due to the boom in the state's
15 economy caused by the oil and gas industry, and to report
16 back to you this month on that plan. So that's the
17 purpose of today's presentation, and as I go through that
18 information, if you have any questions, please feel free
19 to stop me and ask those at that time or you can wait
20 until the end of the presentation.

21 I wanted to begin, first, by thanking Becky
22 Blewett of our Office of General Counsel. She's been
23 instrumental in helping us think through the things that
24 we can do to address these challenges within the construct
25 of our authorities, and she's been very helpful and I

1 wanted to give her credit for the fine work that she's
2 done.

3 Just to recap, the challenge is dramatic. As
4 you can see from this photograph, we have seen a
5 tremendous boom in the oil and gas industry, in
6 particular, as well as other industries across the state
7 as Texas leadership has provided an opportunity for
8 continued business growth in our great state, and these
9 economic benefits, although tremendous, are also creating
10 traffic demands that are overwhelming some parts of our
11 transportation system.

12 MR. HOUGHTON: John, where is that picture?

13 MR. BARTON: This picture was taken, I believe,
14 in the Corpus Christi District in the coastal Bend area of
15 our network on one of our farm to market roadways. And as
16 you can see, this is a fracking operation, as trucks are
17 moving in to help delivery through the drilling of a well,
18 the fracking operations.

19 When you look at the challenges as they relate
20 to these issues, whether it's oil and gas or other
21 industry growth, this map depicts where we've seen some of
22 the largest changes in our traffic volumes over the last
23 decade, and those darkest shaded counties are the ones
24 that have seen the greatest growth, greater than 35
25 percent. I would note that some of them have seen over

1 250 percent increases in traffic volumes over the last
2 decade, so that's 2-1/2 times as much traffic as they've
3 seen in previous years, and I think it's also important to
4 remember that most specifically much of this traffic is
5 increases in heavy truck traffic.

6 I will note, however, that Mike McAnally, our
7 district engineer in Odessa is always quick to remind me
8 that in the last few months he and his staff have kept a
9 record and they've noted license plates on vehicles from
10 all 50 states, including Alaska and Hawaii, operating in
11 Midland-Odessa, Permian Basin area. So we've got people
12 moving in from all over the country to support these
13 industries.

14 MR. UNDERWOOD: John, I want to ask you when
15 you brought up Midland-Odessa, how much has that
16 population grown in that city? Is it 36,000 in the last
17 two years, is that right?

18 MR. BARTON: Those are numbers that I've heard.
19 I haven't confirmed those, but it's a tremendous growth.

20 MR. UNDERWOOD: In just two years.

21 MR. BARTON: In two years, 36,000, it's almost
22 like a small mid-size urban city.

23 MR. UNDERWOOD: Population of 140,000-150,000.

24 MR. BARTON: That's correct, tremendous growth.

25 And just coincidentally, if anybody is having a hard time

1 finding a job, I think if you went to Midland-Odessa and
2 could find a place to stay, employment would not be a
3 challenge for you.

4 We've also seen tremendous increases in our
5 safety concerns, and this is the heart of the matter, I
6 think, for the commission and certainly for us at the
7 staff level. It's important to think about the immediate
8 and pressing safety needs associated with this increase in
9 traffic volumes. This is a stark reminder of the fact
10 that in areas prior to this tremendous economic boom saw
11 little traffic, and consequently, little safety risk.
12 Over the last five years, however, they've seen
13 significant percent increases. And to think about Goliad
14 County where they had very few, if any, fatal accidents on
15 an annual basis and now are at 1,422 percent higher rates
16 than they were just a few years ago, it helps us remember
17 our responsibility to do whatever it takes to address
18 these safety challenges.

19 A lot of that is predicated on the fact that
20 this traffic demand is putting a pressing demand on a
21 transportation system that is stressed beyond its intended
22 design. Many of these roads were designed for much lower
23 traffic volumes and much lighter traffic vehicles, and our
24 pavements are deteriorating at a substantial rate as a
25 consequence or in result of that. This map reflects those

1 pavement deteriorations, and again, the darkest area
2 counties are where we've seen significant declines. Some
3 of those are very extreme.

4 The five worst counties are shown on this slide
5 where you can see that Karnes County, which is at the
6 epicenter of the oil and gas exploration in the Eagle Ford
7 Shale, has seen a 33 percent, roughly, decrease in its
8 pavement condition values over the last five years. These
9 are unprecedented declines that are going to be very
10 expensive for us to address, and they are stressing our
11 resources beyond what we can do to keep up with this pace
12 of traffic and the impact it's having on our
13 transportation system.

14 MR. WILSON: John, if I may ask you a question,
15 please.

16 MR. BARTON: Certainly.

17 MR. WILSON: That \$1 billion is apart from our
18 traditional maintenance and capacity program we've been
19 talking about in this process. Isn't that correct?

20 MR. BARTON: That is correct, Phil. As you've
21 been now talking about these challenges facing the state,
22 you've asked staff to share with you what do we need in
23 terms of additional revenues to just take care of our
24 existing transportation and then to address growing
25 traffic volumes, and the numbers are very simple to

1 remember: \$1 billion in additional money to maintain our
2 system at the levels that Texans expect, and an additional
3 \$3 billion to address congestion. But we put those
4 numbers together before we fully understood the impact of
5 these types of traffic volumes on our rural networks in
6 the oil and gas impacted areas. Those numbers alone are
7 an additional billion dollars per year, so it's a very
8 large number.

9 MR. HOUGHTON: Per year?

10 MR. BARTON: Per year, to keep up with the
11 growing traffic volumes associated with these situations.

12 MR. VANDERGRIFF: That's what I was going to
13 ask you to clarify, because it's not just a billion
14 dollars and that fixes it because these roads will
15 continue to be used, continued deterioration, at least as
16 long as these plays last, that we'll have to maintain them
17 at a higher level than we otherwise would have because of
18 the heavy traffic.

19 MR. BARTON: That's correct, Commissioner
20 Vandergriff, and what's happening is these roads that were
21 designed to last 20-30 years and have already reached the
22 end of those pavement life cycles but we've maintained and
23 rehabilitated them over time, are being consumed, if you
24 will, in a two to three year period of time. And we
25 didn't come to this conclusion on our own, we asked the

1 professional experts, scientists, research and academic
2 minds at the Texas A&M Transportation Institute to
3 investigate and evaluate this impact, and they are the
4 ones that determined, again, just for the current oil and
5 gas activities -- which are phenomenal -- the cost is
6 about a billion dollars per year to keep up with the
7 consumption that's occurring.

8 MR. VANDERGRIFF: In addition to the billion
9 that we already need for just regular maintenance.

10 MR. BARTON: That's correct. So just to put it
11 in simple math, \$3 billion a year more for congestion and
12 about \$2 billion more per year now for maintenance.

13 MR. UNDERWOOD: But John, these figures are
14 based also off of today's dollars. Isn't that correct?

15 MR. BARTON: That is correct.

16 MR. UNDERWOOD: That's not inflated prices.

17 MR. BARTON: And I think that's important to
18 remember, that's in 2012 dollars, yes, sir.

19 MR. HOUGHTON: So wait a minute, we've been
20 publicizing the Wilson plan of \$4 billion has now grown to
21 \$5 billion.

22 MR. BARTON: That's correct, unless we can take
23 proactive measures to try to trim that, but just honestly,
24 and we'll talk more about it this morning, we have things
25 we can do to help abate that, but it is a growing demand

1 and it's not something we can ignore or overcome without
2 additional resources.

3 MR. MOSELEY: John, further clarification, most
4 of the roadways, I believe, are farm to market/ranch to
5 market roads that are being used now by the oil and gas
6 sector, and is it true these roadways were designed to
7 carry 58,600 pounds?

8 MR. BARTON: In many cases, Commissioner
9 Moseley, they were, and you're right, a lot of these roads
10 are part of our rural network, so they're farm to market/
11 ranch to market roadways. Many of them were built to that
12 lower standard, some were built to the 80,000 pound load,
13 but most, in the days that we did that, were built for the
14 Thurston truck which was a much lighter vehicle and it's
15 that 58,000 pound limit.

16 MR. MOSELEY: So I guess my question would be
17 when you talk about maintenance, are you talking about
18 reconstructing a roadway so that it can carry an 80,000
19 pound load? You're not talking about maintaining a 58,000
20 pound farm to market, you're really talking about
21 rebuilding and redesigning roadways so they can handle the
22 1,200 trucks that go for each well for exploration and the
23 300 trucks per year that need to go to carry the crude
24 away from that well to be refined. Is that correct?

25 MR. BARTON: That is correct, Commissioner

1 Moseley. It's to address that demand that's being placed
2 on it that can provide a system that can sustain the
3 industry, and most importantly, protect the safety of the
4 motorists that are using those roadways.

5 MR. MOSELEY: Thank you.

6 MR. BARTON: Just carrying on. So as we looked
7 at what we can do within the existing resources available
8 to us and the authorities given to us by the legislature
9 and the citizens of Texas, you asked us with the money we
10 have, the people and contracts that we can put out, and
11 the authorities within us, what can we do, what can we do.

12 And of course, again, I think it always starts and ends
13 with a conversation about safety. We're at a point, as
14 Commissioner Moseley pointed out, no longer can safely
15 take the traffic that's being generated on those
16 developments and that are coming to those roadway
17 networks, so we first started there: what do we need to
18 do to ensure the safety of the motoring public?

19 And we know that we have the ability to look at
20 access points as those developments are being considered
21 and thought through and planned for, and I think that's
22 where we start the conversation today. We believe that to
23 get a plan in place to address this, we need to start
24 requiring, for all new commercial developments, a traffic
25 impact analysis. That's an engineering study that a

1 proposed developer would bring forward that says this is
2 the impact, the traffic my development will generate will
3 have on your transportation system.

4 This is not something new. In most of our
5 metropolitan and urban areas, when a new development is
6 being built and planned for and they approach the
7 department about getting access to the highway network
8 that they are adjacent to, we require a traffic impact
9 analysis. So we are proposing in this plan to begin
10 requiring those on all commercial developments, whether
11 it's in a rural area of the state or within the
12 metropolitan communities of the state. We do think this
13 is a key component of what we can do to make sure that we
14 are properly addressing the safety issues that our
15 motorists face.

16 We believe that as they do that, the process
17 will simply be this: A traffic impact analysis would be
18 performed by the developer and submitted when they ask for
19 a driveway permit. The department staff would then
20 evaluate that information and consider what impacts that
21 development may have on the safety of the transportation
22 system around it, can the roadway safely accommodate that
23 traffic, and if not, what needs to be done to ensure that
24 that roadway will continue to be safe, do we need to add a
25 right-turn lane near the entrance point, a left-turn lane,

1 traffic signals, maybe strengthen the pavement of the
2 roadway itself to carry that level of traffic that would
3 be generated by those access points.

4 And if we can't address those safety needs
5 within our limited available resources, then we feel like
6 we're going to have to not approve that permit request.

7 We just can't allow traffic to come out there and cause a
8 safety issue that we can't overcome.

9 There is an appeals process that's currently in
10 place. The timelines associated with that are prescribed
11 in our rules, and we would follow that, give the developer
12 a chance to appeal if it they feel like it's appropriate.

13 It's going to be a big issue. We have over 1,500 access
14 requests coming to us on an annual basis today that are
15 associated with commercial activities, so we feel like we
16 need to bolster this activity by creating a central office
17 to support our districts and also provide a document to
18 the industry and the commercial community of what it is we
19 are looking for in a traffic impact analysis, in
20 particularly in rural areas of our state.

21 For our rural roadway network, like some of the
22 photographs I showed, I think that what we would look for
23 is a traffic impact analysis that addresses several
24 things. One is the existing roadway conditions. That
25 would include things like how much traffic is currently on

1 the road, how much proposed traffic would be brought to
2 the road and the character of that traffic, what's the
3 current speed limit, what are the sight distances
4 associated with any particular location point.

5 We'd also ask for them to describe to us what
6 their proposed access point would look like: how wide is
7 it going to be, how far is it from adjacent driveways or
8 other access points to the highway network, are there any
9 anticipated improvements to be made within the highway
10 system to accommodate that driveway.

11 Then how will it be used: what type of
12 traffic, the size of traffic, the characteristics of the
13 traffic, is it going to occurring frequently or
14 infrequently. Those kind of things need to be addressed
15 so we can fully understand the impact that it might have
16 on the system and the safety of the traveling public.

17 And then what kind of environmental issues are
18 there: are there going to need to be improvements to the
19 drainage networks, the roadside ditches, cross culverts,
20 are there going to need to be drainage devices installed
21 within the right of way to accommodate runoff from storms,
22 when and if it does rain in Texas.

23 And lastly, what do they propose to address the
24 safety issues they've identified as they've looked at the
25 impacts of that access on the roadway system and the

1 safety of the motoring public.

2 MR. HOUGHTON: Just quickly, if you go back to
3 that visual -- and you don't need to go back to it --
4 those pictures and the pictures with the trucks and you
5 say existing, if you look at the trucks on that existing
6 road and if you take that road and you apply the
7 permitting to say okay, that road is now degraded so
8 badly, how do you go back and fix that? Illustrate that
9 to me, how would you do that.

10 MR. BARTON: If I understand the question
11 correctly, if we've got existing access points, then we've
12 got traffic currently impacting roadways like these and
13 other pictures I've already shown, is there a way to go
14 back and say this traffic associated with this development
15 is causing these types of challenges for us and we have to
16 do something about it.

17 What we can do right now within our legal
18 authority, Chairman Houghton, is as we look at that safety
19 issue, obviously we want to see is there something we can
20 do, do we have resources to bring to bear that we can use
21 to address the safety challenge. If not, has the
22 character of that access point changed from what we
23 anticipated it to be when we issued the permit: is it
24 carrying different types of traffic than we thought it
25 would be and what we were told it would be; is it much,

1 much more traffic than we were told.

2 And if those changes have occurred, then we can
3 go back to the permit-holder and say you've changed the
4 character of the use of his permit from what you
5 prescribed and assigned it to be when you asked for it,
6 and we need to talk to you about it, a mediation plan, a
7 mitigation, or a revocation of that access permit, but it
8 would have to be based on a change from what they
9 presented to us. If it's not a change from what they
10 presented to us, then there's some additional information
11 I was about to cover on what we can do to help us
12 accommodate or address these safety challenges that are
13 occurring within areas that are already developed, and
14 there are a few available to us.

15 Those include: putting up load postings on
16 roadways that no longer can carry that heavy and that
17 volume of traffic; putting in width restrictions because
18 some of our roads now have deteriorated to a point where
19 some of these wider loads that are using them are not safe
20 to use those roadways. And then in the worst case
21 scenario, Chairman Houghton, we have some roads that we
22 actually feel like it is a time to protect the safety of
23 the motoring public, to convert them to gravel roadways,
24 to take those paved roadways and revert them back to those
25 old type roadways where it's just a gravel-caliche based

1 road. And I'll cover that in just a few minutes.

2 MR. UNDERWOOD: But when you do that, you're
3 going to actually lower the speed, too, on the gravel
4 road. Isn't that correct?

5 MR. BARTON: Clearly, when we take a road that
6 is paved and it's not safe to operate at the speeds it's
7 currently carrying and the width of the road has started
8 to deteriorate to a point it's too narrow and we put it
9 back as an unpaved roadway, the speed limits will be
10 appropriately posted.

11 MR. UNDERWOOD: Because you don't want to have
12 a 70 mile an hour speed limit on a gravel road.

13 MR. BARTON: Correct. A lot of unpaved
14 roadways in Texas likely would be posted at a speed limit
15 of 40 miles per hour or lower.

16 MR. UNDERWOOD: Right. That's what I wanted to
17 make sure we understood.

18 MR. BARTON: So talking about those additional
19 challenges, Chairman, this is a photograph of one of those
20 roadways that's just been stressed to the point where it
21 no longer can carry those larger, heavier traffic loads
22 that are being used in some of these areas.

23 What we believe, based on a very preliminary,
24 very quick review -- I only gave our district engineers
25 and their teams about a day and a half to do this, go out,

1 look at your roads that look like this, that you believe
2 are experiencing traffic that they no longer can safely
3 carry because of their conditions, and tell me how many of
4 those you feel like we need to consider load posting,
5 we'll have to do an engineering study, we'll have to go
6 out and take some additional data -- but in that very
7 preliminary review, they identified over 51 highways in
8 seven of our districts across the state for a length of
9 over 518 centerline miles, so that's like traveling from
10 the Valley of Texas to the Metroplex on a two-lane
11 roadway. That's the length of the system that they feel
12 like we need to lower the posted load limits on today, and
13 we'll continue to do an analysis on that as we execute on
14 this plan and start to put in those load posting
15 restrictions and put the signs up.

16 MR. AUSTIN: John, as you come back and look at
17 these roads where we're going to lower the restrictions,
18 that means some of these vehicles may look at alternate
19 routes. Will they be able to handle it, or is that just
20 going to push it off to another time?

21 MR. BARTON: To answer your question,
22 Commissioner Austin, it will require that some of these
23 loads look at other routes and they may choose to do that.
24 As they do that, we may experience deterioration on those
25 routes as well and at some point may have to load post

1 them. But our plan is to take care of our immediate
2 safety needs and to deploy the limited resources that we
3 have to try to start abating some of these challenges.
4 And we have another item in a few minutes to talk about, a
5 very small amount of resources that the legislature has
6 made available to us to help address this.

7 MR. VANDERGRIFF: I have two questions. The
8 first is that when you take these roads, if you do, to
9 gravel, then what does it do if you try to -- say funding
10 magically is restored to us at some point in the future or
11 enough funding and you come back to these roads, what kind
12 of cost is associated with bringing them back up? Is that
13 also going to be like an increased cost to be able to do
14 that?

15 MR. BARTON: It will, Commissioner Vandergriff.
16 The general rule of thumb is that if we can get out in
17 advance of having to do something as dramatic as taking a
18 road and converting it to a gravel road and repair it,
19 restore it to sustain the traffic before too much
20 deterioration has occurred, rather than waiting until it's
21 completely consumed and having to convert it to gravel and
22 rebuild it, it's about a seven to one ratio, so it's going
23 to be seven times more expensive. Unfortunately, for some
24 of our roadways, we're to a point where it's really not
25 safe to the public to continue to allow them to be paved.

1 MR. VANDERGRIFF: I hear that now, and perhaps
2 I'm looking at this wrong, but I want to be sure. We
3 talked about potentially a billion for basically energy
4 sector stressed roads and a billion for road maintenance.
5 If you take 518 centerline miles of road down to gravel,
6 how does that cut into that number? It seems to me a
7 relative drop in the bucket but it's obviously a part of
8 that.

9 MR. BARTON: It is a part of that, but
10 unfortunately, it would be a relatively small part of it.

11 518 miles is not what we think we need to put to gravel
12 yet, but it would reduce that need of a billion dollars by
13 perhaps a hundred million. It wouldn't be substantial
14 amount.

15 MR. VANDERGRIFF: I just wanted to quantify
16 that a little bit.

17 MR. UNDERWOOD: John, one other thing I want to
18 remind our audience also, we've had meetings all last
19 year, you and Phil and I traveled around, with the energy
20 areas and discussed these issues and discussed the
21 problems we have, and we're now to this point.

22 MR. BARTON: That is correct, Commissioner
23 Underwood. You took leadership almost two years ago now
24 and started having meetings around the state, inviting the
25 local governments, industry, concerned citizens, and very

1 good dialogue, very good conversation about the growing
2 need for us to address this challenge, and that is
3 something I think there is unanimous support for. We
4 stand here today, after two years of those conversations,
5 and our resources being strained to a point where we're
6 having to make some very difficult, challenging decisions
7 now.

8 MR. VANDERGRIFF: I want to come back to this
9 later, but I want to ask one more question on this
10 particular point. The seven to one ratio then, if you
11 took these roads down and basically save a hundred million
12 which is kind of a one-time savings, and then you had to
13 come back, you're looking at \$700 million, is that my
14 understanding, to try to bring them back?

15 MR. BARTON: That is correct, Commissioner
16 Vandergriff, and again, that's a general rule of thumb.
17 We did do some specific science on a couple of roadway
18 segments where we were able to get out in advance, repair
19 them before the traffic consumed them, and just adjacent
20 to an identical road in the same area, what it cost to
21 rebuild it because it was so poorly deteriorated, and that
22 cost was seven to one. So it's a rule of thumb but it's
23 been proven over time to be an accurate rule of thumb.

24 MR. VANDERGRIFF: And Mr. Chairman, I'm going
25 to come back after Mr. Barton finishes his presentation to

1 ask a couple of questions, if I can, just about overall
2 funding of what we've got and what we're doing with what
3 we have today.

4 MR. HOUGHTON: Sure.

5 MR. BARTON: Just to wrap up because you've
6 asked these questions, but again, I talked about some of
7 the narrow roads. These are roads that were originally
8 built to be 18 feet wide, probably over time we had
9 widened them to be 22 feet wide, two eleven foot lanes,
10 and of course, the traffic using these roads needs and
11 deserves to have a wider system but they don't, and
12 because of that, these edges have started to deteriorate,
13 the width of some of these pavements, these two
14 particularly that I show here, are about 16 feet wide,
15 eight foot either side of that centerline. You can see
16 that one wheel is running off of the pavement, the other
17 wheel is running on the pavement. Assume you have two
18 vehicles passing each other, what I've observed as I've
19 traveled these areas is most people are driving in the
20 middle of the road until they see somebody and then are
21 moving over.

22 Those types of conditions just aren't safe to
23 have these very wide loads on, those loads that are
24 greater than eight feet wide, and so we do have the
25 authority to put up width restrictions on some of our

1 roadways. It requires a minute order. Ms. Blewett has
2 prepared the form and nature of the minute order, and if
3 we move forward with this plan, we'll be able to bring
4 before the commission for consideration a list of these
5 roads that needs to be width-restricted.

6 MR. MOSELEY: On those photographs, what would
7 the weight limits be on those roadways?

8 MR. BARTON: I don't know specifically,
9 Commissioner Moseley, but I would venture to guess that
10 the weight limit on these would be 80,000 pounds.

11 MR. MOSELEY: If a vehicle operates on a ranch
12 to market that's posted at a weight limit of 58,000 and
13 their vehicle is significantly heavier, are there penalties
14 for that?

15 MR. BARTON: If they don't get the proper
16 permits, there are. They can get permitting to operate at
17 a heavier load than the load posting.

18 MR. MOSELEY: In these areas where we're
19 showing dramatic increases in traffic, are we showing
20 dramatic increases in permits to operate heavier trucks on
21 our ranch to market/farm to market road system?

22 MR. BARTON: We are.

23 And just real quickly, I just wanted to show
24 that, again, in a very preliminary survey, about 56
25 highway segments our districts feel like are in a

1 condition where we should consider restricting the width
2 of loads, nine different districts and 517 centerline
3 miles.

4 And then the last issue was the thing that we
5 all want to avoid at all costs, if possible, and that is
6 taking roads that look like this that, as you can clearly
7 see, are not safe to leave open to the motoring traffic
8 without doing something significant. The cost of that is
9 stretching our resources beyond our ability to address all
10 these issues across the state, and so these are the types
11 of roads that we would consider converting into gravel
12 roadways, unpaved roadways, as some people call them.

13 This, unfortunately, is challenging for me
14 because this is the frontage road of Interstate 35 south
15 of San Antonio, and it's a bit disappointing to stand
16 before you as the chief engineer of this department and
17 tell you that my recommendation is that we start
18 converting part of our frontage road systems as long
19 interstates to gravel roadways because that is the right
20 thing to do to protect the safety of the traveling public.

21 Again, our districts were asked to look at
22 those very quickly. Three of our districts took the
23 challenge so seriously that they said we do have roads
24 that we feel like are at these conditions, there are
25 twelve different ones and in those very brief reviews,

1 total about 83 centerline miles. I will tell you that,
2 unfortunately, I think this number will rise as the time
3 progresses over the next several months.

4 So with that, Chairman and commissioners --

5 MR. HOUGHTON: Let's say that again. You're
6 going to recommend that 83 centerline miles, you're going
7 to plow them under, convert them to gravel.

8 MR. BARTON: My recommendation to this
9 commission is that we execute on this plan, with the
10 engineer having the discretion of when to do this.

11 MR. HOUGHTON: And this is part of the plan.

12 MR. BARTON: Yes, sir. And we would do these
13 immediately and I would suspect that we will continue to
14 convert other roadway segments as we move forward.

15 MR. HOUGHTON: That's pretty daunting, pretty
16 profound.

17 MR. AUSTIN: Let me ask which three districts.

18 MR. BARTON: The three are Odessa District, the
19 Laredo District and the Corpus Christi District.

20 MR. AUSTIN: So this is really geared towards
21 the energy sector.

22 MR. BARTON: These are energy sector related
23 challenges. Yes, sir.

24 MR. AUSTIN: This is a challenge that I face,
25 something that is generating so much revenue for our state

1 yet it's causing some of the most damage to the roadways,
2 so to protect everybody else, we're going to have to come
3 back and make some tough decisions.

4 MR. BARTON: Absolutely.

5 MR. UNDERWOOD: But this is a safety issue.
6 It's not our roads are bad so we're not going to keep them
7 up, it's our roads are bad and we want to protect the
8 driving public. Isn't that correct?

9 MR. HOUGHTON: What would the speed limit be on
10 that?

11 MR. UNDERWOOD: But isn't that correct, John?

12 MR. HOUGHTON: I'm sorry.

13 MR. BARTON: That is correct, Commissioner
14 Underwood. The speed limit on this particular facility,
15 before these types of conditions existed, likely were 55
16 to 60 miles per hour. This condition, they need to be
17 probably 20 miles per hour. When we convert this to a
18 gravel roadway, it's likely that we would recommend it be
19 30 miles per hour.

20 MR. HOUGHTON: I'm taken aback.

21 MR. UNDERWOOD: It's safety. Protect the
22 driving public.

23 MR. HOUGHTON: I understand.

24 MR. AUSTIN: To go back to something you said
25 earlier, we look each year at about 1,500 driveway access

1 permits across the state. During our workshop last month,
2 we talked about some of the roads that we maintain that
3 have come city streets, but they're out state highway
4 system. Let me use one in Tyler, South Broadway. How
5 many of the 1,500 would be on roads like that that we
6 operate that maybe they're better suited to be city roads,
7 turned back over to the city than it is to maintain them
8 on the state system?

9 MR. BARTON: Let me clarify. I apologize
10 because I obviously stated something that wasn't very
11 clear. The 1,500 is for commercial driveways

12 MR. AUSTIN: For commercial.

13 MR. BARTON: We have a lot more than that for
14 residential and other types of driveway permit requests,
15 but for the commercial it's 1,500. And so of that 1,500
16 that's related to commercial driveways in these
17 municipalities, it's probably a small percentage,
18 Commissioner Austin. I don't have the exact number, but I
19 would think that those commercial driveways would be for
20 things like new pharmacies or fast food restaurants, that
21 sort of thing.

22 MR. AUSTIN: Shopping centers, developments.

23 MR. BARTON: And so there's a significant
24 number, but a lot of those are redevelopment where there
25 already was an existing commercial driveway, so it's not

1 so many of those. But in those areas, as you said,
2 Broadway in Tyler, the challenge there is that while that
3 is technically a state facility, the community, whether
4 it's the residents of the business community, see it as a
5 city street and it would be desirable for them to have it
6 managed by the city rather than having to come to the
7 state agency to get permission to put in a utility tap or
8 a driveway or a landscaping element, or those kinds of
9 things.

10 MR. AUSTIN: Thank you.

11 MR. VANDERGRIFF: I have a question, if I can,
12 to take this to a little broader perspective just a bit to
13 help me, and obviously, I'm relatively new, but my
14 understanding is that we have currently free money that we
15 can count on -- I shouldn't say free money but available
16 funds of about \$2 billion a year and we allocate that
17 accordingly, and then we've got maybe -- I saw today in
18 the newspaper -- another \$800 million that's coming in
19 from the legislature. I'm not sure what that means past
20 the energy sector funds that come in, and that perhaps we
21 can, by squeezing blood out of a turnip, refinancing of
22 bonds, et cetera, and perhaps federal money coming in,
23 that maybe there's another billion a year, so it's \$3
24 billion or so a year, maybe \$3-1/2 at one point, at least
25 for the next couple of years. What does that do and why

1 does that not keep pace with -- the difference between
2 that and the \$5 billion a year that we're talking about?
3 Can you help me on that one?

4 MR. BARTON: I'll try my best, Commissioner
5 Vandergriff, and I may ask Phil and our chief financial
6 officer, James Bass, to help me, as well as Marc Williams,
7 our director of Planning.

8 When we hear that information, it does sound
9 like good news, and any time there are new revenues
10 available to the department, that is good news. But with
11 all of that public information about possible sources of
12 funds for us, when we put that into our forecast, we still
13 see that our available dollars to start new contracts next
14 fiscal year, 2014, is lower than it is this fiscal year in
15 2013, and then in 2015 it's going to be much, much lower,
16 so we have kind of a declining availability of funds,
17 based on what we know, to address our challenges. And the
18 point of those revenues to be able to address these
19 existing maintenance needs and our committed projects to
20 address congestion is already there. We don't have any
21 money to start identifying new projects into the future.
22 We can't plan for that because there's evidence that
23 there's going to be anything there.

24 And so where we stand today, to specifically
25 answer your question, is those dollars that you talked

1 about will help us meet the commitments, if you will, that
2 are kind of already out there on our new larger, added
3 capacity type projects, reconstruction type projects.

4 MR. VANDERGRIFF: Things we've already voted.

5 MR. BARTON: Already voted for and committed
6 to.

7 MR. VANDERGRIFF: And some of them long before
8 I got here.

9 MR. BARTON: That's correct. And to address
10 our maintenance needs at the levels that we had already
11 set, which are about a billion dollars than we know we
12 need without even talking about these energy sector
13 impacts.

14 So the challenge that we face, as a state, is
15 that with what we know on the table, what we've forecasted
16 to be the available resources, with all these
17 conversations taking place and what we know to be certain
18 is that we don't have enough money to add new, big
19 reconstruction, major mobility projects into the mix, and
20 those usually take five to ten years to develop, once
21 you've identify the need, go through the public
22 involvement process to describe what the project will be,
23 to define that, to buy the necessary rights of way, move
24 the utilities, to get the plans and permits in place and
25 then build it, and we can't start that process if we don't

1 believe those revenues will exist. And so we're kind of
2 in a position and a situation where it's hard to plan for
3 anything future and we're basically taking care of what we
4 already have, and knowing that there's not enough money to
5 even do that the way that we have been asked to do that by
6 the citizens of Texas.

7 MR. VANDERGRIFF: So can I ask a question,
8 maybe more personal. I come from the Metroplex, and as
9 you know and many others do, I come from a toll authority,
10 and one of the last things I did when I was at NTTA was
11 work with the department to at least create the structure
12 in which the department could loan North Texas Tollway
13 Authority \$300 million, or thereabouts -- I'm sorry, I
14 shouldn't have even said a number -- could loan some money
15 to NTTA to fund that project, but that was speculative
16 based on financial resources. Do we have the money
17 currently in the budget to do that? The commission makes
18 those choices, but from your perspective as a builder,
19 knowing that you have allocated money for projects, is
20 that a project like that that's at risk?

21 MR. BARTON: To be very clear, I think it is a
22 project that is at risk, as many others are, Commissioner
23 Vandergriff. And as James Bass has been very good at
24 saying, and I like to steal that phrase: We can do
25 anything people would ask us to do, we just can't do

1 everything that people would ask us to do. And it comes
2 down to a matter of choices.

3 The State Highway 360 project is a strong
4 partnership between this agency, NTTA and the North
5 Central Texas region, and staff from all of those entities
6 and leadership have been working on a plan to make that
7 available through a loan, as you mentioned, that would be
8 repaid to the State Highway Fund, from TxDOT to the NTTA
9 to deliver that project. But to make a loan, as the
10 engineer and not the financial expert, to make a loan you
11 have to have money in the bank to do that, and in order to
12 do that, you would have to make a decision to not do
13 something else. So I think it is the type of project, and
14 there's been a lot of discussion and a lot of partnership,
15 but it's still early enough in its delivery stage that it
16 could be one that's at risk.

17 MR. VANDERGRIFF: And how about projects, like
18 say the continuation of the improvements on I-35 all the
19 way from the Metroplex on up north, east or west, would
20 those projects be impacted by the lack of additional
21 funding?

22 MR. BARTON: Very clearly, yes. Projects that
23 are that far into the future that we're just now starting
24 to talk about, we know the need exists and we want to
25 define what we need to do there, the reality of funding,

1 those, with the revenues we see available to us, doesn't
2 exist. And so it's important to talk about those things,
3 but to actually start the meaningful planning preparation
4 process, to get the environmental clearances and the
5 permits and the right of way acquired are commitments that
6 are likely not going to be possible because we don't have
7 a currently defined available revenue stream to do those
8 things into the future.

9 MR. VANDERGRIFF: And I'm just obviously
10 familiar with the Metroplex and certain parts of the rest
11 of the state, but that really impacts everybody, not just
12 these projects in the Metroplex.

13 MR. BARTON: It does, and I need to make sure
14 that Phil doesn't want to offer any other thoughts on it,
15 but as an example, we were approached recently about a
16 corridor here in the Austin area on the west side of the
17 community, the metropolitan area, that would open up a
18 good travel corridor and relieve some pressing
19 transportation challenges there. It just was brought to
20 our attention, and while it likely is a very good project,
21 one that needs to be fully vetted and considered, that's
22 the kind of project that we can't make any commitments on
23 because we don't have any predicted revenue to be able to
24 do those kind of things into the future.

25 MR. VANDERGRIFF: I know we've had some

1 conversations but no robust presentations yet at the
2 commission meetings, some conversations about the
3 potential where else can we save money and put the
4 responsibility for road where they could continue,
5 perhaps, moving them forward back into communities, so
6 that there's some currently state highways but are really
7 operating more as a city street, that those are issues, or
8 opportunities, perhaps, for the communities to keep going
9 and move those forward and keep them updated and
10 maintained, we may have to look at that as well. Is that
11 correct?

12 MR. BARTON: That is correct, and we talked
13 about that last month in your workshop meeting, and you
14 asked us to start the process of getting a better idea of
15 what that reality might be and then to start engaging
16 those communities in that conversation and report back to
17 you in your August meeting. So in a few weeks we'll be
18 back before you talking to you at greater length about
19 that potential opportunity to provide cities the ability
20 to control those roadways as city streets and to pull
21 back, if you will, our responsibilities to those that
22 provide more statewide connectivity and major congestion
23 relief.

24 MR. VANDERGRIFF: And as you indicated, and I
25 did in my questions, that's preliminary discussion, but

1 nevertheless, part of the realities of today.

2 MR. BARTON: It is.

3 MR. VANDERGRIFF: I would ask, Mr. Executive
4 Director, at some point, maybe to kind of in a very broad
5 way show our \$2 billion, or whatever we have available to
6 spend, and just kind of how that's already committed at
7 some point. That would, I think, be very helpful.

8 MR. WILSON: Will do, Commissioner Vandergriff.

9 And I would just add a couple of thoughts to John's
10 excellent presentation and the questions about commitments
11 on projects we've already made and available funds. And
12 you and I have had this conversation, and I think it's a
13 very interesting illustrative thing that I try to remember
14 is that John made the point on our new contracts, our
15 lettings, and our new contracts right now, let's consider
16 TxDOT as a factory and our production level and new
17 contracts is about \$6.2 billion. In a couple of years our
18 factory will produce about \$2.5 billion, and then you take
19 your right of way costs and your design costs, and that's
20 where your factory of \$4 billion short comes from. So our
21 factory production, if you kind of put that in lay
22 person's terms, is we can't produce as much with available
23 funding because our factory goes from \$6.2- in new
24 contracts to \$2.5- and then we still need additional
25 funding for right of way, for design work and others, and

1 that's where we hit that production schedule around where
2 we're trying to go to.

3 And we will get that chart to you in a way that
4 shows where the UTP ties in to commitments on projects,
5 like we're going to hear about in a little bit. And then,
6 John, if you would also speak to the fact, we always have
7 this inherent tension with maintaining what we own versus
8 a thousand people a day moving to the state, trying to
9 address new capacity and congestion mitigation where
10 people live, which is part of the inherent tension we're
11 going through on a regular basis.

12 MR. BARTON: Phil, and we talked a little bit
13 about that last month at the commission workshop, that
14 there are a variety of needs but when you boil it down
15 simply, knowing that safety is the first and foremost,
16 there are three transportation challenges: addressing
17 congestion in our metropolitan areas growing by more than
18 a thousand people a day across the State of Texas;
19 connecting those communities together in a way that they
20 can be economically competitive, that's our instate
21 national highway system and our Texas trunk system; and
22 then just that local rural network, providing farm to
23 market access and that sort of thing. And by balancing
24 the maintenance of all that system with the need to
25 connect it in an efficient way and those growing

1 congestion needs, there has to be a balanced approach.

2 Where we stand today because our resources
3 aren't large enough to address all those in a meaningful
4 way and the way that we know we have to, we're having to
5 make decisions that are difficult about do we invest in
6 something like the rehabilitation and maintenance of the
7 interstate system between the Metroplex and Houston, and
8 if we do, what does that mean in terms of the condition of
9 these rural networks, these farm to market roads, state
10 highways, ranch to market roads. And we are making, as
11 your engineering staff and financial staff, difficult
12 decisions to, if you will, make sure that we're holding
13 each of those systems to an appropriate level of quality.

14 So our interstates need to be very good quality
15 to carry that international freight, economic bloodline of
16 traffic. Some of these rural roads that have been in
17 really good shape because they carried lower volumes of
18 traffic and under less stress, we're going to have to
19 start working on them less often, deferring that activity
20 to take those dollars and move them into these other
21 areas. And so we're creating a caste system, if you will,
22 a tiered system where certain things are of a higher
23 priority and get the available resources, and other things
24 are at a medium and lower priority and will get less of
25 the resources, because otherwise, the system will start to

1 collapse around us. And it is a difficult decision but it
2 is a decision that you charged me with the responsibility
3 of carrying out for you, and that's what we're doing.

4 MR. VANDERGRIFF: And I promise I won't hog it.

5 One last question back to the executive director. Your
6 factory example I think is an excellent example, but I
7 also think that it might be refined just a bit because I
8 heard something in what you said that the light bulb in my
9 head, the right of way, for example, that's a material
10 that goes into the factory that you're talking output
11 being \$6 billion and you've got \$2-1/2 billion, but when
12 you don't have that material, that gums up the output even
13 worse than it is, so likely think about that.

14 MR. AUSTIN: And Victor, I appreciate what
15 you're saying because the funding aspect prevents us from
16 doing planning, right of way acquisition and getting them
17 on the long-range plan, so it all ties back in.

18 I have a question. If we look back at some of
19 these roads, your analogy or your statement that we're
20 going to have to go back to some of the roads in the rural
21 areas to let them decline --

22 MR. HOUGHTON: Plow them under.

23 MR. AUSTIN: We're going to have to. How many
24 of those that have been identified, either currently or
25 whatever, are on our trunk system? Are most of them farm

1 to market roads?

2 MR. BARTON: Most of them are farm to market
3 roads. The roads that I was discussing about maybe
4 looking at a lower quality standard, in other words,
5 rather than expecting them to be at a road condition score
6 of 90 or above, we may say for these volumes of road, the
7 expectation and our desire is that they only be at a 70 or
8 above. Those are rural ranch to market or farm to market,
9 they're not part of the trunk system.

10 The trunk system, the Texas trunk system that
11 this commission created several years ago was intended to
12 be that interstate-like network that connected communities
13 of over 50,000 populations in Texas with other communities
14 of 50,000 or greater population. So it's a supplemental
15 commerce, economic development corridor network that
16 supplements the interstate system and the national highway
17 system, and those would be at the higher tier of quality
18 expectations that I've asked the districts to take under
19 consideration.

20 MR. AUSTIN: But it could have an impact to
21 them for future funding and maintenance even less often to
22 come back and fix some of these.

23 MR. BARTON: Yes, Commissioner Austin. I think
24 to your question, what we've experienced is because of
25 the change in what available resources have been to the

1 department and to the state, we've not been able to
2 develop that full network as quickly as we had envisioned
3 and planned, and so some of those roads that were expected
4 to go from a two-lane to a four-lane may only be going
5 from a two-lane to a super two and could be staying just
6 the two-lane they are today for many years yet to come.
7 And so we keep the quality of the pavement up but we
8 haven't been able to add that additional freight
9 connectivity, if you will, at the pace that we had hoped.

10 MR. AUSTIN: One final comment. As you look at
11 a lot of these roads that we're talking about in the
12 Valley, Corpus area, these are also hurricane evacuation
13 routes. That may not be officially designated, but people
14 are using them to travel, take relief routes or bypass
15 some other area, and that can also have an impact with
16 additional heavy traffic.

17 MR. BARTON: Not only additional heavy traffic,
18 but also the safety of the public. Those hurricane
19 evacuation routes are critically important, and it's
20 interesting that you note that because the first storm of
21 interest to Texas actually was put on our screen
22 yesterday. So just to let you know, we're already
23 tracking the storm that is coming across the Atlantic. It
24 is likely that it won't make a Gulf Coast landfall, but we
25 are still monitoring it, and I want to point that out.

1 It's expected to be in the Caribbean on Monday, but your
2 team at TxDOT is so focused on doing what we have to do
3 right for the traveling public that our districts were
4 notified yesterday that area along the coast: start
5 monitoring and tracking the storm, prepare your employees
6 to be able to respond if called upon to do so, and
7 hopefully it will be a rainfall event for Texas but not a
8 storm event that we would be uncomfortable with.

9 MR. AUSTIN: This discussion has been centered
10 on economic activity, not Mother Nature, but you were in
11 Beaumont during one of the big hurricanes and there was a
12 lot of damage to the roads there caused by water. We
13 haven't even talked about these roads that are teetering
14 just a little bit and you have severe water damage put in
15 there, because that could expedite things a lot quicker in
16 the wrong direction.

17 MR. BARTON: You're absolutely right, just
18 another factor to add into the ever-growing complication
19 of the equation.

20 MR. HOUGHTON: Can I get you to stand aside for
21 just a minute.

22 MR. BARTON: Certainly.

23 MR. HOUGHTON: James Bass, I saw you back in
24 the doorway, a looming presence waiting to expound a
25 little bit.

1 First of all, I did earlier thank you all for
2 the magnificent job on the underwriting in the marketplace
3 on Grand Parkway, \$2.92 billion.

4 MR. BASS: Yes. For the record, I'm James
5 Bass, chief financial officer. Thank you for the
6 comments, but as you know, that was a true TxDOT team
7 effort, not just the financial team, but legal,
8 engineering, a broadly based team at TxDOT that led to
9 that success.

10 MR. HOUGHTON: I stand corrected.

11 James, when is the last time we had an annual
12 revenue source to the Fund 6 or to the Texas Department of
13 Transportation, or however you'd like to describe it?

14 MR. BASS: An increase to that, the first one
15 that comes to mind would be the last time the gas tax was
16 increased in October of 1991.

17 MR. HOUGHTON: 1991. What have we been living
18 on since then?

19 MR. BASS: We've been living on borrowed money,
20 whether that would be from the Highway Fund. A new
21 revenue source -- I don't want to forget this --
22 technically, it was a not a new revenue source to the
23 Highway Fund, but a new revenue source for transportation
24 was the Texas Mobility Fund that was early in the 2000s
25 adopted by the legislature and the citizens of Texas where

1 transportation-related fees, driver's license fees,
2 vehicle inspection fees were dedicated towards the
3 repayment of bond issuance.

4 Another source in the past ten years we've been
5 living off of is what we refer to as Proposition 14 bonds
6 where we pledge future gas tax, future vehicle
7 registration fees, future revenues of the State Highway
8 Fund to repay those bonds. We've been living off of
9 Proposition 12 which is a \$5 billion general obligation
10 bond, again approved by the legislature and the voters of
11 Texas, capped at \$5 billion. And then we've been looking
12 at other innovative ways, partnerships with both local
13 public partners and also looking to the private sector to
14 partner with us to deliver the needed infrastructure.

15 MR. HOUGHTON: Following this presentation, we
16 have folks from a little further east from here, Grimes
17 County and Montgomery County and Harris County, to talk
18 about State Highway 249. My understanding is,
19 Commissioner Moseley, that that will appear on the agenda
20 item for August to include State Highway 249 in the
21 Unified Transportation Plan.

22 Can you talk about how we came to this
23 opportunity? Because we're talking about the dire straits
24 that we have currently that we're facing, but now we're
25 talking about a new transportation asset following on the

1 heels of this discussion, and how this new money came to
2 appear for this state highway.

3 MR. BASS: For 249 itself?

4 MR. HOUGHTON: Our piece that we're talking
5 about. I know how Montgomery County and Harris County
6 have come to funding their piece of it.

7 MR. BASS: There have been a number of cost
8 savings initiatives over the past couple of years that
9 have been implemented under the guidance of both the
10 commission and the executive director, process
11 improvements and cost reduction measures that have led to
12 a freeing up of some funding. Specifically for State
13 Highway 249, I apologize, I would actually have to defer
14 to someone else to give you specifics on 249.

15 MR. HOUGHTON: Wasn't it the refi, we refied
16 out on the Grand Parkway the Mobility Fund dollars?

17 MR. BASS: Correct. So on Segment E, D and E,
18 which is roughly 17 miles, in addition to the 38-mile
19 design-build project that had the groundbreaking ceremony
20 yesterday, the commission made the decisions to accelerate
21 the delivery of those segments through the utilization of
22 Texas Mobility Fund bond proceeds. Well, part of the \$2.9
23 billion financial close that you mentioned earlier for
24 Grand Parkway will include reimbursing the department for
25 those earlier expenses, thereby freeing up those earlier

1 expenses and that reimbursement to be used for other
2 projects in that area.

3 MR. HOUGHTON: So in fact, and at the same time
4 we had additional dollars then to plan the east side of
5 the Grand Parkway.

6 MR. BASS: Correct. Another part of the \$2.9
7 billion was \$300 million to pay for the pre-development
8 planning, right of way acquisition, if there's any
9 environmental studies needed on that, there was \$300
10 million included as part of the \$2.9- to advance Segments
11 H and I-1 and I-2.

12 MR. HOUGHTON: So when you look at the Grand
13 Parkway in itself, and now it is spinning off, through
14 financing, the opportunity -- which we have not yet voted
15 on -- the opportunity for State Highway 249 which is about
16 \$350 million or so, give or take?

17 MR. BASS: I believe so.

18 MR. HOUGHTON: Give or take. So how much gas
19 tax money do you think is going to be in the Grand Parkway
20 on a percentage basis of 100 percent, on the Grand Parkway
21 in these segments as we finish them out?

22 MR. BASS: Zero, when it's done, because the
23 \$2.9- is paying for D, E, F, G, and then as we look
24 forward, there's \$300 million for H and I, and we're
25 looking at other opportunities, that I think the

1 commission will consider later today, to the ultimate
2 delivery of Segments H and I that the hope and plan would
3 be that there would be no state motor fuels tax as part of
4 that ultimate delivery.

5 MR. HOUGHTON: And we have another state
6 highway toll road in the Harris County-Houston area called
7 288.

8 MR. BASS: Correct.

9 MR. HOUGHTON: How are we delivering that?

10 MR. BASS: It's through a partnership with
11 Harris County Toll Road Authority, and I don't have my
12 notes with me so I can't give you detailed specifics at
13 the moment but I can get that.

14 MR. HOUGHTON: About a \$500 million project.
15 And how much gas tax money will we see in that?

16 MR. BASS: I'm not sure. On that one there
17 could be some. I'm not sure if the commission has
18 ultimately decided yet of the state's participation in
19 that project, if any, which funding source it would come
20 from.

21 MR. HOUGHTON: My understanding is it will be a
22 concession.

23 MR. BASS: I think that's the current plan,
24 yes.

25 MR. HOUGHTON: So in other words, the gas tax

1 will be very little, if none, in that project.

2 MR. BASS: Correct.

3 MR. HOUGHTON: These are the tools that have
4 been presented to us by the legislature, but leveraging
5 these projects is coming to these go get 'em type projects
6 are far and few between, and now we're looking at, as
7 Commissioner Vandergriff was talking about in the
8 Metroplex area, how do we overcome the shortfall of
9 funding to continue on.

10 MR. AUSTIN: Mr. Chairman, back to your initial
11 point, here we are getting ready to consider and have an
12 update on 249 and then you look at Grand Parkway, there's
13 revenue components, and I guess what we've got to take a
14 look at, where we have a dedicated source of revenue, we
15 can advance those projects.

16 MR. VANDERGRIFF: Can I ask a question, just
17 because you've been here a long time -- I'm not aging you,
18 you started when you very, very young, like ten or twelve
19 when you started here -- and obviously we've gone from a
20 pay-as-you-go type system, and I think in the last decade
21 rather successfully, with the tools that have been
22 provided, borrowed money, financed, refinanced, done
23 things to advance transportation projects. It appears --
24 and I'm not asking you to comment on the legislature -- no
25 new debt vehicles, no new support for that and no new

1 funding, so it just kind of logically goes to a point
2 where the spigots have been turned off at this point.
3 Does that basically boil it down?

4 MR. BASS: Yes, sir.

5 MR. VANDERGRIFF: Now, we do have some funding
6 coming in, but that goes back to the factory analysis,
7 which I'm so anxious to see the chart and the diagram and
8 see if you can draw appropriately how that factory looks.

9 But having said that, that's really it, if it boils down
10 it. Right? We've kind of almost fooled them because
11 we've been able to keep going with borrowed money and now
12 we're shut off both directions.

13 MR. BASS: It was just over eleven years ago
14 the first time the department issued debt for any highway
15 project, and that was for the Central Texas Turnpike
16 System here in the Austin area. Then for the more
17 traditional TxDOT factory, the production of it, it was
18 the 2005-2006 time frame that you saw production being
19 funded by bond proceeds going into our monthly letting.
20 And so for the past six-seven years, those figures have
21 been elevated and boosted, thanks to the tools the
22 legislature provided, Texas Mobility Fund, Proposition 14,
23 Prop 12, we all understood on day one that that was a
24 temporary increase.

25 MR. VANDERGRIFF: And you had two other

1 temporary increases, if I could be so bold, at least that
2 I've seen one. One would be the federal government, with
3 the disastrous financial climate out of 2008, they
4 stimulated infrastructure production, so Texas, being a
5 big state, got money there, but that was a one-time event.

6 And then also, I know we've used the private sector for
7 some financings on CDAs and the like, but that also seems
8 to be a somewhat limited capacity in that they have to be
9 able to see a return off those roads.

10 MR. BASS: There are only certain projects that
11 are going to lend themselves to those types of
12 partnerships. In addition, the legislature gave us the
13 opportunity to partner with cities and counties to deliver
14 projects faster through the pass-through arrangement, and
15 that all happened within the last seven years or so.

16 MR. VANDERGRIFF: And now they have some
17 concerns with the pass-through arrangements, based on what
18 I'm reading.

19 MR. BASS: I understand, as well. But we saw,
20 primarily from the bond sources, especially Proposition 14
21 and Prop 12, that are capped -- the Mobility Fund is a
22 little bit different in that it's a perpetual program --
23 but we saw an initial increase that we all knew was not
24 going to last forever. I say we all knew that and I'm not
25 sure everyone knew that. Bonds have to be paid back at

1 some point, and so they give you a temporary boost. That
2 temporary boost may last four or five years, and what
3 we're finding ourselves in is we're at the end of that
4 temporary boost, and as we do our planning, going into
5 2015, 2016, 2017, that a lot of people don't fully
6 understand or appreciate, but to your point, in order for
7 production to be coming out of the factory in 2017,
8 somebody needs to be working on the input to the factory,
9 the right of way, the environmental studies, the design
10 plans, so in 2017 the factory is not sitting silent.

11 MR. HOUGHTON: But James, to input that to the
12 design, environmental, et cetera but you don't have the
13 construction money, so do you pull back on the
14 engineering, environmental and design and bring your
15 horizon -- you know, you're looking out here, the horizon
16 just go real short on you. So let's say the federal
17 government says, Oh, gee, we found some more money or
18 we'll print some more money.

19 MR. BASS: Right. The dilemma is as you look
20 into your planning documents and you expect X amount
21 available for construction in the future, you try and have
22 the inputs coming in at the same time, the right of way,
23 the environmental and everything coming in, well, if it
24 turns out you don't have enough money for construction, as
25 much as what you thought, you're open to criticism, well,

1 why did you spend so much money on right of way and
2 environmental, because if you hadn't spent that much,
3 there would be more money for construction. So if you cut
4 back on right of way and environmental, and then Congress
5 or someone else comes through and says hey, we want this
6 money out the door in the next nine months on shovel ready
7 projects, well, you can't make mobility improvement
8 projects shovel ready in a six to nine month period, it
9 requires planning over a longer term period.

10 One of the things, one of my nicknames of
11 Donnie Downer or something like that --

12 MR. HOUGHTON: Darth Vader?

13 MR. BASS: -- some of the whispered
14 conversations Mr. Chase and I heard yesterday in
15 Washington, D.C. was the Congressional Budget Office has
16 come out recently and said the Federal Highway Trust Fund,
17 given current estimates, and including the general fund
18 transfers that Congress has authorized, is scheduled to be
19 insolvent in 2015.

20 MR. HOUGHTON: That was in the *Bond Buyer*
21 yesterday.

22 MR. BASS: And so apparently, some of the
23 whispered conversation is, you know, we kind of heard
24 through sequestration that the sky was going to fall, and
25 the sky hasn't really fallen as much as people proclaimed

1 or thought it was going to be, if the Highway Trust Fund
2 goes insolvent in 2015, is it really going to be that big
3 of a deal? Maybe we, Congress, just don't appropriate
4 money to the states for one year, solve the problem that
5 way, and let it go on, that really wouldn't be much of a
6 problem, would it? Well, no, it would be a very drastic
7 and dramatic problem because our ability to award projects
8 would be severely cut, the ability for people we partner
9 with and contract to deliver those would be severely
10 hampered to continue that business through that twelve-
11 month period.

12 So I'm not suggesting that's anyone's current
13 plan, but apparently these are some of the thoughts going
14 through people's minds currently when they hear that the
15 Highway Trust Fund may go insolvent.

16 MR. HOUGHTON: So go back to your horizon. Is
17 at some point in time staff going to say bring the horizon
18 in and let's cut out the planning a little bit and the
19 right of way acquisition, the design, the engineering?

20 MR. BASS: Well, in our cash model that feeds
21 into the UTP, we're making our best efforts to balance
22 those, so when we look out in 2017 and we see \$2-1/2
23 billion for contract awards, as people are looking to do
24 environmental or right of way acquisition today for those
25 projects, our target balance is that \$2-1/2 billion. And

1 so if we're going to have more money, obviously, the
2 sooner we know that, the better the planning and the
3 delivery of those projects will be.

4 MR. VANDERGRIFF: And with all due respect --
5 and again, correct me if I'm wrong -- I think that we've
6 already seen some of that. Living in the Metroplex, for
7 example, Interstate 35E was expected to be a wider road
8 with more robust capacity for a longer period of time, but
9 reality of budget constraints, you couldn't spend all your
10 money up on that road, so therefore, a lot of that right
11 of way acquisition was not done and the road, in essence,
12 was shrunk in order to continue the capacity.

13 MR. AUSTIN: James, let's add another layer of
14 complexity to this. I'm looking at item 14, and when we
15 award our new construction, I believe over the engineers'
16 estimates we're looking at about 6.7 percent over. Last
17 month was about 10 percent, the month before that we were
18 under one-half of one percent, so absent those three
19 months, right now going back two, prior to that we were
20 averaging 5 to 10 percent, sometimes higher, of being
21 under.

22 Now we're starting to see the indexes pick up,
23 construction materials go up, cost of construction going
24 up, rehab going up, rates are at all time low, already
25 starting to tick up. I think we saw a little uptick just

1 recently with the Grand Parkway issuance. All those
2 things start adding up, that takes away from other dollars
3 for new capacity and even maintenance.

4 MR. BASS: Right, and our engineers' estimates
5 try and keep up with those indices as they're either
6 rising or falling. But to your point, I think in the last
7 twelve months the Highway Cost Index, which is our
8 equivalent of the Consumer Price Index, has gone up in the
9 neighborhood of 15 percent in the last twelve months.
10 Well, we're ultimately going to be able to deliver because
11 our revenues don't rise and fall with that cost, our
12 revenues are affected by other factors, so ultimately,
13 we're going to be able to deliver in the neighborhood of
14 15 percent less than what we thought twelve months ago.

15 Now, in our planning documents we look at that
16 historic average and I think we generally plan for an
17 annual increase in the neighborhood of 4 percent, but what
18 we've experienced the last twelve months has been in the
19 neighborhood of 15.

20 MR. AUSTIN: So going back to your conversation
21 back to D.C. with the Federal Highway Trust Fund, 2015 we
22 know there's going to be substantially less. Going back
23 to Executive Director Wilson's comments, we're looking at
24 two years out having deficit funding need at the state
25 level. We add, on top of that, rising rates, we add on

1 increase in construction costs. As our CFO, what does
2 that mean for the rest of the state, what does that mean
3 for our maintenance needs, what does that mean for new
4 capacity?

5 MR. BASS: First, to just highlight one thing,
6 unfortunately, we don't know what's going to happen in
7 2015. Given no action by Congress or others, that would
8 happen. One of the challenges is if late in that process,
9 you know, 11:59 on December 31 of 2014, Congress acts,
10 there's an expectation that we'll be able to respond very
11 quickly, but without the planning, that would be very
12 challenging.

13 When we look at our forecast, and I mentioned
14 earlier the \$2.5 billion in 2017, some people will look at
15 that and go, well, that's about the same amount that was
16 awarded back in 2000-2001 before we saw these temporary
17 boosts. From a dollar volume perspective, yes, that would
18 be accurate, but what could be purchased with \$2-1/2
19 billion in 2017 is going to be significantly less than
20 what that same \$2-1/2 billion figure delivered in 2001
21 because the \$2-1/2 billion is not adjusted for inflation,
22 it's just \$2-1/2 billion of cash in 2017, and whether it
23 delivers 1,000 projects or 800 projects, because of the
24 price volatility, it's going to be \$2-1/2 billion, given
25 our current forecast.

1 MR. HOUGHTON: James, to wrap this up a little
2 bit, what are the amounts of dollars being considered in
3 the dueling bills across the street on an annual basis to
4 the Texas Department of Transportation?

5 MR. BASS: They are both roughly in the
6 neighborhood, in the initial stages, of \$900 million per
7 year, whether that is 25 percent of the gasoline taxes.

8 MR. HOUGHTON: Is that on the high end, or is
9 that right in the middle?

10 MR. BASS: I think that particular one, the gas
11 tax is probably in the neighborhood of \$830- to \$850. The
12 sharing in the oil and gas severance taxes, currently
13 going into the Rainy Day Fund, that one early on is
14 slightly higher, I think in the neighborhood of \$875-.
15 Both of them would then be projected to grow into the
16 future at different rates. One, oil and gas severance,
17 historically speaking, has had much more volatility, peaks
18 and valleys, than gasoline tax has had historically, so
19 predicting what those balances might be eight years from
20 now than what it would be two years from now.

21 MR. HOUGHTON: Of course, I want to go back and
22 tie in that same whisper campaign that you may be getting
23 out of D.C., there's a whisper -- not a campaign but
24 whispers that maybe we just ought to let this thing go
25 into the ditch and have a scorched earth and let the next

1 legislature deal with it, maybe that's the way to get
2 their attention. What does that type of attitude or path
3 do to this agency and to transportation, in your opinion?

4 MR. BASS: The challenge again would be --

5 MR. HOUGHTON: No money.

6 MR. BASS: -- 2016-2017 letting, we're working
7 and planning to deliver those projects today, and have
8 been for already a couple of years, if late in 2015
9 there's additional funding brought to the table with an
10 expectation that those projects be delivered in 2016, I'm
11 sure there are projects that could be delivered but would
12 they necessarily be the highest and best use by not having
13 the benefit of a multi-year planning process? That would
14 be something that others would have to give their opinion
15 on. But that would be the challenge of if additional
16 funding comes in late in the planning process, is it
17 really being put to the highest and best use because it
18 does not get the benefits of that planning process with
19 our local partners and others.

20 And as people are making their business plans
21 and looking into the future of what opportunities may be
22 there for their companies to participate in, if they don't
23 see those advantages and if they're getting tight times in
24 2015, if they don't know that there's something to hold
25 onto for 2016 and after, could some of those be in a

1 position that they may be forced to make that difficult
2 decision of, well, they don't see the opportunity for
3 successful business going forward and they may just have
4 to close down or severely reduce their capacity.

5 MR. AUSTIN: Mr. Chairman, you know, we've been
6 focusing on roads, we haven't even talked about the other
7 multimodal aspects of what we oversee. The Intracoastal
8 Waterway so desperately needs expansion, our airports, we
9 were talking with Bill Glavin earlier about the rail plan,
10 so we can go on and on. This is going to have impact big
11 time.

12 MR. VANDERGRIFF: But isn't it true, those have
13 zero money at this point, except for federal dollars,
14 which is very limited.

15 MR. AUSTIN: That's right.

16 MR. VANDERGRIFF: So that's actually additional
17 financial opportunity that we need.

18 MR. BASS: So even the revenues under
19 consideration currently by the legislature would go for
20 maintaining, building and acquiring right of way for
21 highways, so it would just be one of the modes that we as
22 a department are responsible for.

23 MR. HOUGHTON: James, what I asked you was if,
24 in fact, there wasn't that money, zero.

25 MR. BASS: Correct. Then that would be what's

1 in our current UTP, in our current cash model, we don't
2 anticipate any of those funds because it's not current
3 law. So you would see the drop-off from the lettings that
4 we've seen over the past years down in the neighborhood of
5 \$2-1/2 billion going out into the future with, again, that
6 \$2-1/2 billion delivering much less than that same dollar
7 figure did a decade ago.

8 MR. HOUGHTON: And the ripple effect to the
9 private sector industry, consultants, contractors.

10 MR. BASS: As people have brought on staff,
11 equipment and other things to handle the increased
12 capacity of recent years, I assume and fear the reverse
13 would happen as in if our letting volumes actually go down
14 into the future, there would be an adjustment to match
15 those levels.

16 MR. VANDERGRIFF: But I want to emphasize also
17 what you said -- and I know I'm being redundant -- as we
18 ramp down to meet the realities of the money that we have
19 in the department, if that is opened up, it takes
20 exponentially all that time you were ramping down, it
21 takes you all that time to ramp back up, so you're losing
22 a lot of years, potentially, in this if it drags on for
23 too much longer.

24 And I know from a personal perspective,
25 Chairman and commission members, having served on the

1 Tollway Authority -- and they may strike me down for
2 saying this -- we reached what we called the pinch point
3 because we spent all the money and it was used in the
4 Metroplex, in up-front payments, \$3.2 billion to the
5 region through the Transportation Department here, and did
6 the projects we could, but NTTA can no longer be the
7 player that it was, it depends upon TxDOT and the private
8 sector, and if those get dummed down as well, based upon
9 a lack of financing, then you're going to see nothing
10 happening. Whereas, now a lot is happening and people are
11 excited about that, but they're forgetting that that
12 funding came into place four or five years ago and it's
13 just now taking effect, it's what's the next four or five
14 years.

15 MR. AUSTIN: Let me go back, James, to the
16 chairman's question, what happens in two years. Yes,
17 lettings will be down, but also it's going to have an
18 impact on what John was talking about earlier on our
19 maintenance needs. But you know, knowing this, seeing
20 this potentially coming, we have taken steps -- and Phil,
21 I want to turn this to you -- we've taken some steps but
22 there's only so far we can go to identify some cost-saving
23 initiatives, and we've realized over a ten-year period in
24 excess of close to a billion dollars. But there's only so
25 much of that as we can go through modernization, looking

1 at fleet, IT, other things, even using our iPads here,
2 that's \$10,000 a year -- \$10,000 a year by not printing
3 books is what I meant. Little things add up but we can
4 only go so far. Are there still things? But Phil, you
5 might look at we're trying to get ahead.

6 MR. WILSON: Thank you, Commissioner Austin.
7 We're trying to take every dollar we can, and I think the
8 fleet utilization program where we're trying to take our
9 fleet down by a third, from 16,000 to 10,000 vehicles.
10 That can save us \$50-plus million a year. We've done our
11 IT outsourcing that we invest that money back in so we
12 don't have to take money out of Fund 6 to pay for IT, the
13 cost savings there and getting a better product,
14 hopefully, for our men and women of TxDOT. We've got a
15 Project Management Office led by Lynn Isaac under Russell
16 Zapalac where there's a total cycle project management
17 discipline which any large industry company would have and
18 hopefully we'll be able to gain efficiencies out of that.

19 But at this point in time, we're doing
20 everything we can to be a good steward of the taxpayers'
21 dollars, but there's only so far we can go. The agency's
22 budget, as you know, and you've heard me say, almost 80
23 percent of our budget goes to low bid letting which means
24 when we talk about letting later in the day when John Obr
25 comes up and you will vote on that, about 6-1/2 to 7

1 percent goes to pay people. So you can get rid of all the
2 employees at TxDOT -- I'm not arguing that -- but you
3 would only save that 6 percent of the budget because you
4 would then not have people doing the maintenance work and
5 take care of projects across the state.

6 So we're going to squeeze every efficiency we
7 can through being better disciplined, but that will not
8 get us out of the problem at \$100 million or \$200 million
9 a year at a time.

10 MR. HOUGHTON: All right. John, come on back
11 up here and let's wrap all this thing up in a nice bow, if
12 you can do that.

13 MR. BARTON: If I can do that. Well, I think
14 James did a great job of answering a lot of the questions
15 that I believe the intent of this conversation was to
16 have. But at the end of it all, it is a safety issue, and
17 I don't want us to lose sight of that. The things that
18 I've suggested the department move forward on, the plan
19 that we've developed is to make sure that we are doing the
20 right things to preserve the safety of the traveling
21 public and the motorists.

22 The traffic that we're seeing out there on
23 these roadway systems all over the state from all
24 industries, not just oil and gas but others as well, are
25 having impacts on roads that weren't designed to carry

1 that kind of traffic, and we have to do something in
2 response to that. Those roads are being consumed,
3 damaged, whatever term you would like to use, and it's
4 compromising our ability to do our job and to carry out
5 our responsibility to maintain a system that sustains that
6 industry and protects the safety of the motoring public.

7 And so we believe that the solutions that have
8 been presented to you this morning will help us address
9 those challenges, take our limited resources, stretch them
10 as far as we can, and do some things that are undesirable
11 on face value but are the right things to do to preserve
12 our system to the extent that we can and to ensure the
13 safety of the traveling public.

14 So I hope that this met the intent of your
15 request for us to come forward with a plan. There's been
16 a lot of really good discussion, and I'll try to answer
17 any other questions you may have. If not, then that
18 concludes my presentation of the plan this morning.

19 MR. MOSELEY: Chairman, I just had one other
20 question. When, if ever, has TxDOT taken an asphalt-
21 covered roadway and taken it back to gravel? Is there
22 precedent for this?

23 MR. BARTON: There is a slight precedent for
24 it. We've done it in some cases where the situation is
25 deteriorated rapidly, the impacts that were occurring were

1 going to be short-lived, and so for a very brief period of
2 time we would convert them to an unpaved surface, maintain
3 them with a lower cost maintenance approach for a few
4 months, usually -- for a few months, I want to make sure
5 that's clear -- and then once that activity, whether it
6 was the building of a site or harvesting of timber from a
7 site, whatever the case may be, was completed, we would go
8 in there and rebuild that section of roadway. They were
9 usually very small sections and for a very short period of
10 time. That's not what I'm talking about today.

11 MR. MOSELEY: So your recommendation today
12 really is a historic first for the agency, in a sense. I
13 mean, we've not seen this recommendation before. Is that
14 correct?

15 MR. BARTON: That is correct. And as I
16 prepared for today's meeting, this has been a challenging
17 assignment, but I reflected back on the beginning of this
18 agency and was blessed to receive a copy of if not the
19 first, one of the first organizational charts of this
20 department, and as I reflected on it this morning with
21 some others, it reminded me that we were given the
22 responsibility to take unpaved surfaces and create a paved
23 network to connect our state together, with safety being a
24 great consideration. Today we're talking about doing the
25 reverse, with safety being the great consideration.

1 MR. HOUGHTON: This is not an action item, this
2 is your recommendation to implement this plan, you will
3 now go into implementation of your plan.

4 MR. BARTON: That is correct. Our intent is to
5 move forward with this plan, and of course, we take
6 direction from the commission, but this is not an action
7 item, no vote is required.

8 MR. HOUGHTON: Okay. Any other questions of
9 John?

10 MR. AUSTIN: Thank you for your presentation.

11 MR. VANDERGRIFF: Thanks.

12 MR. MOSELEY: Thank you, John.

13 MR. WILSON: Next is item 4b, an update on the
14 State Highway 249 study. Director of Planning Marc
15 Williams will present. Marc.

16 MR. WILLIAMS: Good morning, commissioners,
17 Executive Director. Again for the record, my name is Marc
18 Williams. I'm the director of Planning for the Texas
19 Department of Transportation.

20 I have a presentation today on State Highway
21 249. That was alluded to a little bit earlier in some of
22 the discussion about some of the potential financing that
23 the commission may consider for addressing some of the
24 safety and mobility needs along this important and growing
25 corridor relative to both population and traffic, and we

1 wanted to take a few minutes today to update the
2 commission on this project and what the department and our
3 other partners have been doing, and we do have several
4 individuals in the audience today that have been part of
5 this effort, as well as local stakeholders, and that I
6 believe will probably be making comments as well.

7 This map kind of gives an overview of the Grand
8 Parkway, starting at the Grand Parkway on the south end
9 shown in green, and extending north, the 249 corridor
10 connects the Greater Houston area with Highway 6 in
11 Navasota, where it also extends on to the Bryan-College
12 Station area and on up to Waco and I-35. The lower end of
13 the corridor, we mentioned the groundbreaking on State
14 Highway 99, Grand Parkway, that's going to be a very
15 significant mobility connection, not only for the Greater
16 Houston region but also for this corridor that we've
17 identified, extending north the Grand Parkway.

18 We have two phases of construction that are
19 under development and making progress that Harris County
20 and Montgomery County are working in partnership on. The
21 first phase, which is referred to as the Tomball Parkway,
22 it's at the lower end, was successfully let by Harris
23 County just this week and is going through the award
24 process. Harris and Montgomery counties are working
25 together on the second phase of that project which would

1 extend from 2920 in Tomball up to the community of
2 Pinehurst, which is not identified on that map but it's at
3 the top of the orange line that is shown.

4 We have two additional areas that TxDOT is
5 leading the project development effort on, working with
6 local stakeholders. The first section is shown in blue
7 which is the 249 extension which is proposed to be a new
8 facility that would connect to the Tomball Parkway and
9 provide a relief route around the communities of Magnolia
10 and Todd Mission, and that is currently going through the
11 environmental phase of study right now. The department is
12 expecting a draft environmental study report to be
13 available later this year.

14 And then we have initiated a planning for the
15 State Highway 249 study portion, which is shown in red,
16 that would look at how do we provide a connection and
17 continue this connection to State Highway 105,
18 potentially, and Highway 6 in the Navasota area. And so I
19 was going to talk a little bit about, in particular, the
20 red and the blue areas where TxDOT has been focusing a lot
21 of our time and attention on over the past several months
22 with local stakeholders.

23 One of the areas that we did to start this
24 effort was to kind of empanel a group of local
25 stakeholders in the State Highway 249 Working Group. Both

1 Judge Betty Shiflett from Grimes County and Commissioner
2 Craig Doyal from Montgomery County, both represented here
3 today, agreed to serve as co-chairs for this committee to
4 really help guide the department on the issues and the
5 goals and objectives for this project.

6 We've had three working group meetings starting
7 in March. We did have a couple of our commissioners
8 attend these meetings and speak with the working group as
9 well, and through those meetings we were able to get a lot
10 of good input from those representatives on goals,
11 objectives, issues and constraints, particularly on the
12 planning study end of it.

13 One of the things that was emphasized
14 significantly in that discussion was the issue of not only
15 mobility but more importantly, safety. As traffic has
16 increased along these corridors, the growth of traffic and
17 the mix of traffic has really caused some significant
18 safety issues. We've had probably about two dozen
19 fatalities along that corridor, 1774 and 249 and State
20 Highway 105, over the past several years, about 200
21 accidents, crashes have been recorded along that route.
22 So safety has been one of the top goals, enhanced mobility
23 as well. Sustaining economic competitiveness and
24 vitality, this is an economic corridor for the region as
25 it connects the Greater Houston area with some of the

1 other locations I mentioned previously.

2 The working group also emphasized their desire
3 for the department to go through this effort in a
4 transparent manner. We've worked through the working
5 group to reach out to the public to get input from their
6 constituents and from some of the other agencies and
7 organizations that were there in the area. And
8 recognizing, and as the previous discussion spoke toward,
9 that available funds and resources are very precious to
10 the department, the working group members understand and
11 realize that efforts to develop this project successfully
12 require us to look at opportunities to leverage funding on
13 this. And so this project has been looked at as one that
14 would advance as a toll road project within some or all
15 elements of it in order to help us to stretch these
16 limited transportation funds that the commission might
17 consider in the future for this project.

18 Again, some of the issues and needs: safety,
19 traffic congestion, system connectivity, hurricane
20 evacuation, a lot of the same topics that were discussed
21 previously, but coming from the working group, we've been
22 able to take those issues and we've crafted them into the
23 purpose and needs statement for the 249 environmental
24 study on the red portion that the state is initiating now
25 as a state environmental study, and capturing the purpose

1 and needs really provide a good foundation as we move into
2 the environmental phase of work on the red portion and
3 begin further outreach and engagement with the public and
4 many of the local communities in that area.

5 I'd mention that safety has been a very
6 important theme for the department for this corridor.
7 This is really a continuation of ongoing safety
8 improvements in the area. State Highway 105, would
9 mention that there have been some accidents in that
10 corridor. The district, Catherine Hejl and the Bryan
11 District have been working and have recently initiated a
12 project to add super two passing lanes along 105 to help
13 improve that.

14 Also, along the bypass on State Highway 6 in
15 Navasota, we've been making efforts to work to convert
16 one-way frontage roads in that area, and also make
17 additional frontage road connections along that corridor.

18 There's been areas and locations as that corridor has
19 grown in traffic, it has become very difficult for a lot
20 of motorists, local motorists to merge onto the mainlanes
21 of State Highway 6 and come off of that, a lot of school
22 bus and school-related traffic needing to make connections
23 of those parallel frontage roads to really keep up with
24 the traffic growth that's occurring along State Highway 6.

25 And then farther to the north, again making

1 improvements to upgrade the safety and mobility of the
2 State Highway 6 corridor, to add safer ramps and
3 operational improvements as you move toward and into the
4 Bryan-College Station area has been kind of an ongoing
5 program of safety improvements that the department has
6 been undertaking.

7 I mentioned earlier transparency, public
8 engagement, public outreach and support. The working
9 group has really been a key group in this area, gathering
10 resolutions of support and public input. This is just a
11 few of the resolutions of support that we have received
12 all along the corridor. We've received dozens of letters
13 from local citizens, voicing comments, concerns. Any time
14 you look at a project of this size and significance, there
15 are public concerns, local concerns in some communities,
16 areas that citizens are worried that this project could
17 impact their homes and businesses and property in the
18 area, and so the working group has been a very essential
19 and worthwhile part in helping us to sort of craft a
20 recommended option that the department will focus our
21 attention on as we work toward further development of this
22 corridor.

23 Next steps. One of the challenges that the
24 commission really gave to the working group was to develop
25 recommendations within a six-month time period. That's a

1 relatively fast planning process for a project like this,
2 but we're scheduled to meet with the working group on
3 August 8 of this coming month. We've been going through,
4 since our last meeting, some technical analysis of some of
5 the options on the north side, along the red corridor, to
6 develop a recommended option that the department will move
7 forward. We're going to be presenting that to the working
8 group at the next meeting and asking for their review and
9 endorsement on that.

10 We're also making progress on the 249
11 extension. The schedule for that has us having a public
12 meeting in the fall of 2013 and a public hearing early
13 next year for that environmental document that's underway.

14 And I mentioned before that we're going to be kicking off
15 the state environmental process for the SH 249 study,
16 which is the red line, and having a public meeting in the
17 fall time frame, followed by a hearing and a final
18 environmental decision on that section in December of
19 2014.

20 As mentioned before, public involvement
21 opportunities, public engagement opportunities is ongoing,
22 and that's been an important aspect that, again, the
23 working group has emphasized to us, and we're continuing
24 to make progress. And again, I would like to just
25 conclude by expressing my thanks and appreciation to all

1 the members that have served on the working group, as well
2 as others that have not necessarily been part of the
3 working group but have taken the time to participate, and
4 again, a number of those individuals are here today.

5 That concludes the formal presentation. I'd be
6 happy to answer any questions or take any comments.

7 MR. HOUGHTON: Before the commissioners ask
8 questions, we've got three people signed up. Chief of
9 Police Domingo Ibarra, Magnolia, Texas. Chief Ibarra.

10 CHIEF IBARRA: Good morning, Chairman,
11 commissioners.

12 First of all, let me compliment you, not only
13 for your transparency but for your disciplined minds. You
14 honor us in law enforcement. It is truly spectacular for
15 me to read on a national scale that Texas is in the top
16 twenty with respect to our roadways, and now I see why.
17 Congratulations.

18 I've got to start off by telling you that, yes,
19 it is a given fact, and I think you would all appreciate
20 that time means saving lives. Unfortunately, when we have
21 a fatality, there's not much that we can do there but try
22 to maintain the segment of safety. We just lost a young
23 man last week in our roadways, and tragically, this is the
24 nature of the business. That being said, we work
25 together. I'm here speaking on behalf of police, fire and

1 emergency ambulance responders.

2 We are very happy to say that under the
3 leadership of Commissioner Craig Doyal, we have been able
4 to bring forth what I call social hydraulics.
5 Stakeholders in our community are enthusiastically
6 embracing this; overwhelmingly, people are coming.
7 Yesterday we had a meeting with our developers, our
8 Realtors, and everyone is coming forward saying that it's
9 just fantastic that we have this type of foresight, and
10 now I'm seeing why we have this type of foresight.

11 We're looking forward to continue to work with
12 you, and we bless the opportunity that we have to come
13 here and actually make some comments. So thank you, and
14 congratulations on your professionalism and disciplined
15 minds.

16 MR. HOUGHTON: Thank you, Chief.

17 Next is Montgomery County Commissioner,
18 Precinct 2, Craig Doyal. Commissioner Doyal.

19 MR. DOYAL: Mr. Chairman and commissioners,
20 first of all, let me thank you for the opportunity to be
21 here with you today, and thank you for your consideration
22 of this projects, for your efforts so far and your efforts
23 in the future to make this a reality.

24 It's been real exciting to me to see the
25 cooperative effort that's occurred so far between Harris

1 County, Montgomery County, Grimes County and TxDOT
2 personnel at all levels. It's really been encouraging.

3 Commissioner Cagle and I are working currently
4 on the southern portion of 249. We have an MOU that was
5 put together that will allow HCTRA to fund us some dollars
6 to help in the initial phases of construction or the
7 initial portions of the project. We also have our Cracker
8 Barrel contract that Commissioner Cagle and I signed that
9 may not be a legally binding instrument but certainly an
10 interesting document that I'd like to present to you at
11 some time. But it shows the spirit of cooperation across
12 county lines to make a project work and work well.

13 There are a number of people from Montgomery
14 County that are here that represent businesses, they
15 represent the City of Magnolia, they represent developers
16 and property owners, property owners that are willing to
17 come forward and donate rights of way for this project,
18 which is really, really encouraging to me. I know there's
19 some true financial constraints that you guys are fighting
20 every day, but we're here today to tell you that we're
21 willing to step up to try to do our part in Montgomery
22 County in terms of funding the project, in terms of
23 acquiring right of way and working with individuals to
24 help you in any way that we can.

25 So to that end, let me say thank you for

1 helping us with this corridor that will provide access
2 from downtown Houston to Tomball, to Magnolia, to Todd
3 Mission, to Navasota, to College Station and all points in
4 between, not only that access but economic development,
5 and certainly a much, much safer route, as Chief Ibarra
6 had indicated before.

7 So thank you again for all of your efforts, and
8 we stand here ready to support you in any way that we can.

9 And thanks again for all that you do, not only for us but
10 the entire State of Texas.

11 MR. HOUGHTON: And Commissioner Doyal, you said
12 that you got a loan from Harris County Toll Road Authority
13 or Harris County?

14 MR. DOYAL: Harris County Toll Road Authority.

15 MR. HOUGHTON: Did you get the brother-in-law
16 rate?

17 MR. DOYAL: We're working on that. We're still
18 in negotiations right now, but I think so. It's been
19 really a fresh air to work with my colleague to the south
20 and it's been real encouraging, and I'm sure that brother-
21 in-law deal is coming. Thank you again for all that you
22 do.

23 MR. HOUGHTON: Thanks.

24 Judge Betty Shiflett from Grimes County.
25 Judge, welcome.

1 JUDGE SHIFLETT: Thank you so much for allowing
2 me to come. I hope that we are going to work together
3 very closely on this 249 project. I know that you've been
4 helpful in the past with helping us to solve our problems
5 as a rural community that is growing rapidly and
6 experiencing a lot of growing pains. And again, we do
7 appreciate all the help that you are giving us.

8 I want this project. We need this project, not
9 just for the citizens of Grimes County but for the people
10 that travel through Grimes County. Health and safety has
11 been addressed all through the meeting, and that is my
12 main concern. You brought up hurricane evacuation. We're
13 right in the middle. Our infrastructure is suffering
14 because we seem to be sandwiched in between two
15 metropolitan areas, followed by a third one in the south
16 and on the north, and we don't have the infrastructure to
17 accommodate all of the connectivity that we need to get to
18 these areas.

19 I'm not going to belabor and be repetitive,
20 things that have been said, but I am part of the working
21 group. I would like to thank everyone that has been
22 working so hard on this project. We have been going out.

23 I have my folder, in case anyone wants an activity form.
24 I understand there's someone in Grimes County from the
25 audience; I will see if you will fill one out and reflect

1 a definitely positive approach.

2 But I do want to thank you, especially you,
3 Chairman Houghton, and also Commissioner Moseley. We need
4 help and you are reaching out to us, and I hope we are
5 able to make this a success. And also, I notice that
6 Commissioner Underwood isn't here, but he is the rural
7 representative, and we are growing, and I will accept any
8 advice that he can give us on helping us to help you
9 succeed.

10 Thank you again for the opportunity for being
11 here.

12 MR. HOUGHTON: Thank you, Judge.

13 And firsthand, I can tell you that the County
14 Judge Shiflett, when she says I want something, she
15 generally gets it. I did make a visit to her, Judge, if
16 you remember that visit, back in 2006 or 2007, and I asked
17 you for something and you said, No, I don't think I can do
18 that, but I've got something that I want. And do you have
19 that piece regarding the access road?

20 MR. WILLIAMS: I can show you on the map here
21 one of the access roads that's illustrated here. It's not
22 quite showing up, but on the northern piece of the green
23 line, there's a connection between Highway 90 and I
24 believe Farm to Market 3090 where there's a gap in the
25 access road.

1 MR. HOUGHTON: Remember the gap in the access
2 road, Judge, that you told me about that school buses had
3 to get on 6 and it was a safety issue.

4 JUDGE SHIFLETT: I knew health and safety would
5 be in your soft spot.

6 (General laughter.)

7 MR. HOUGHTON: That safety issue that you told
8 me about, about six years ago.

9 MR. AUSTIN: Judge, are you suggesting the
10 chair has a soft spot?

11 MR. HOUGHTON: For the Judge, yes. My
12 understanding is that that project will be let in
13 September, so that gap will be filled in shortly.

14 JUDGE SHIFLETT: Thank you very much.

15 MR. HOUGHTON: And I want to thank everyone for
16 their leadership in this room, from Montgomery, Harris
17 County, and obviously Grimes County.

18 I'm surprised Commissioner Cagle, you're not
19 speaking? It's a great speaking opportunity for you. Are
20 you running for reelection.

21 MR. CAGLE: Well, I am.

22 MR. HOUGHTON: You know, this is videoed, this
23 could be all over the place. Please come up. We'll get
24 you a card.

25 (General laughter.)

1 MR. CAGLE: I'm the new kid.

2 MR. HOUGHTON: We'll make sure you fill out a
3 card, we'll get a card for you.

4 MR. CAGLE: Twenty months ago when I had the
5 opportunity to serve the citizens of Precinct 4 in Harris
6 County, I was told that the Tomball Parkway would never
7 exist, to give up on it, to forget about it.

8 The problem is that the citizens in Tomball --
9 and Mayor Fagan is here, would you stand up? This is one
10 of the gems of Harris County is our Mayor Fagan, and
11 Shackelford, sitting next to her, who is her Uncle Guido,
12 and all of the other residents of the region, from our
13 state reps Allen Fletcher to Debbie Riddle, began to tell
14 me you must, and so we sought to find a way to make this
15 happen.

16 And Commissioner Doyal made a reference to a
17 Cracker Barrel meeting, and we've got a number of
18 engineers that are in this room that have been planning
19 and dreaming and salivating that this project would
20 perhaps occur some day, and we met together almost at the
21 border at a Cracker Barrel, HCTRA brought out one of those
22 little place card maps -- and in fact, I think I'll show
23 you one of those a little bit later on -- and so after
24 hearing the proposition, I wrote "I want this, make it so"
25 and signed it, handed it to Commissioner Doyal and he

1 signed it and dated it, and that's our contract.

2 And so to that end, Harris County will loan up
3 to \$20 million that are already approved by both
4 commissioners courts for the preliminary design and
5 initial construction phases for that. We've done our
6 feasibility studies. This is a project that is
7 desperately needed in the region. The reason why we're
8 loaning the funds from Harris County to Montgomery County
9 is because it benefits us. We'd like to say it's
10 altruistic, but it's not. This is a regional mobility
11 matter and what rises the tide for the region rises the
12 tide of the residents of Precinct 4 whom I represent. And
13 so we are very excited to have this.

14 And then what I want to commend you for, for
15 your vision, is coming in and taking care of that rural
16 piece, because not only do you meet the needs of the 1.2
17 million residents of Precinct 4 that I represent, you help
18 the 120,000 citizens that Commissioner Doyal represents in
19 Montgomery County which is considered a big place, but now
20 you're tying into the rural regions, and so we're now able
21 to meet all the needs of all the regions in one fell
22 swoop.

23 That's the kind of project that you want to
24 have where it's the trifecta, to where the whole state
25 benefits in both multiple types and levels and regions of

1 folks. It makes sense. I commend you for pitching in and
2 taking care of that last leg because it makes the whole
3 project work and work for the whole State of Texas. Thank
4 you.

5 MR. HOUGHTON: Thank you, Commissioner.

6 Come on up, Marc, and Commissioner Moseley has
7 some comments, I believe.

8 MR. MOSELEY: Just to add to what you've said,
9 I really have enjoyed the leadership that Commissioner
10 Cagle, Commissioner Doyal, Judge Shiflett have provided to
11 this very dynamic project, and I want to thank them
12 publicly, and the entire working group. And I was honored
13 to be in Navasota for one of the sessions and am very
14 impressed with the regionalism, and we all know that that
15 does take effort, it doesn't just happen. So Mayor, thank
16 you again for being here representing Tomball. But it's a
17 wonderful corridor and it does serve the interests of the
18 entire state.

19 MR. CAGLE: I couldn't forget one comment. We
20 keep mentioning Texas A&M, but mind you, Highway 6 ties
21 into the Sic 'em Bears up in Waco, as well, and so we
22 cannot forget the green and gold.

23 MR. MOSELEY: That's a great, great team
24 effort, so thank you Judge Shiflett, Commissioner Doyal
25 and Commissioner Cagle that are all involved in this.

1 Mayor, thank you.

2 MR. AUSTIN: Marc, a couple of questions. One,
3 I want to say thank you. I know when we had our meeting
4 up in The Woodlands last year, I had the opportunity to be
5 briefed a little bit on this, and during the forum,
6 commissioners, you came in and gave us a great
7 presentation -- I was with Commissioner Moseley -- to look
8 at the long range, and you talked about at that time, back
9 in the spring, some things that could happen or might
10 happen, including donations of potential property, also
11 looking at potential resolutions, potential support, and
12 that centered around a lot of our questions, and you've
13 come forth with that, so thank each and every one of you.

14 I have a question, is Grimes County part of the
15 MPO?

16 MR. WILLIAMS: No.

17 MR. AUSTIN: It is not. So it's just right on
18 the outside boundaries so you're getting into the rural
19 areas. And I think it is important to continue working,
20 you've got the urbanized areas, going to the more rural,
21 because it does have an impact. And then you look at
22 going up to Texas A&M. I know they have passed a
23 resolution supporting this. I have talked to a lot of
24 students, with the chancellor and some other folks, about
25 how important this is to be within one hour of

1 Intercontinental. And I'm not an Aggie, but John, we've
2 learned that Texas A&M is the largest university right now
3 and one of the most rapidly growing universities in the
4 state.

5 (Several audience members said "Whoop!")

6 MR. AUSTIN: There you go, I gave you your
7 chance.

8 But as we begin looking at this, a little
9 insight, is this area looking at doing a TRZ, using some
10 of the other innovative tools, kind of beginning to have
11 the discussion about how are we going to pay for this,
12 what are some of the financial plans?

13 MR. WILLIAMS: We're continuing to discuss
14 financial options with the working group. As I mentioned
15 before, tolling is really one of the areas that the
16 working group is aware of and understand that the
17 leveraging for this project would really come from toll
18 roads. And sometimes with toll roads, because of how
19 they're designed and built, they don't necessarily
20 translate into always good opportunities for TRZs.

21 But it is an area, as well, particularly in
22 Montgomery County, one of the really important areas that
23 the working group guided the department on is working with
24 some of the local property owners through the
25 environmental process to see how the road was being

1 designed, and to look at developing it in such a way that
2 can help minimize the impact on their property and their
3 development activities. And in exchange for that, we've
4 gotten very good reception from those property owners and
5 a willingness, in many cases, to donate the necessary
6 right of way for that project. And so it's kind of been a
7 win-win and for the department has helped to reduce what
8 we anticipate will be the overall cost of having to
9 deliver this project.

10 MR. AUSTIN: So we're able to help do some
11 advance planning, that's part of our contribution, and
12 we're not looking at -- back to the chairman's comment
13 earlier of not looking at any of our gas tax money at this
14 point to go back into that.

15 If Commissioner Meadows were here, he would, I
16 think, quickly go back and look back to three major areas
17 of the state. If you look at the Metroplex, you're
18 looking at using all of the tools to advance projects; for
19 every dollar that they receive, we're getting four dollars
20 of benefits back. Houston area is rapidly catching up now
21 with the Grand Parkway, looking at two and a half to
22 three, maybe a little bit more. Then you've got the San
23 Antonio area that's still about one to one because of not
24 using some of the tools that are available.

25 So all this to be said, I want to commend the

1 region and the partnership. Commissioner Cagle, with you
2 working with your neighboring county and up into Grimes
3 County to continue to partnership along a route that can
4 really bring solutions. So I would say let this be a
5 continuing example to use in other parts of the state.

6 MR. VANDERGRIFF: With risk of throwing cold
7 water, we spent an hour and a half on other discussion,
8 this is a great project and it has some unique financial
9 characteristics that maybe make it more viable as a toll
10 project than others, but I continue to think we ought to
11 always reinforce that message that this is going to stop
12 at some point, we're not going to be able to continue to
13 have these feel-good moments of bringing communities in
14 here that have come together in a partnership because
15 you're not going to be able to plan with them because
16 you're not going to have any funding.

17 MR. HOUGHTON: Well, that was a nice setup,
18 Commissioner Vandergriff, for my next request. Judge
19 Shiflett asked who does she need to go talk to about our
20 situation and the state situation. Jerry and Trent in the
21 back of the room can provide you a very short list of
22 folks across the street that you can go talk to about
23 funding transportation, a very short list, like maybe two
24 people. So we would love to have you all enlist
25 yourselves in the actions in helping transportation in the

1 State of Texas.

2 With that, this is a discussion item, right, no
3 action needed?

4 MR. WILLIAMS: Yes, sir.

5 MR. HOUGHTON: Thank you all for coming, thank
6 you very much for coming, I appreciate it very much.

7 We're going to take a five-minute break. We're
8 going to let the folks that need to leave, leave, and
9 we're going to take a five-minute break because I know
10 some of us will want to talk to the people that came from
11 Grimes, Harris and Montgomery counties.

12 (Whereupon, at 11:16 a.m., a brief recess was
13 taken.)

14 MR. HOUGHTON: We shall reconvene the meeting
15 of the Texas Transportation Commission. It is 11:23.

16 I'd like to, with the permission of the
17 commission -- I don't even have a commission, it's gone,
18 it left -- I've got one, there's Victor, okay, I've got
19 three -- we're going to move an item up on the agenda,
20 item 6, Aviation. Phil.

21 MR. WILSON: Thanks, Mr. Chairman.

22 Next is item 6, the award of federal and state
23 grant funding for airport improvement projects. Aviation
24 Division Director Dave Fulton will present. Dave.

25 MR. FULTON: Thank you, Phil, commissioners.

1 For the record, my name is Dave Fulton, director of
2 TxDOT's Aviation Division.

3 This minute order contains a request for grant
4 funding approval for eight airport improvement projects.
5 The total estimated cost of all requests, as shown in
6 Exhibit A, is approximately \$18.1 million: about \$16
7 million in federal dollars, \$200,000 in state, and \$1.9
8 million in local funding.

9 A public hearing was held on June 20. No
10 comments were received. We would recommend approval of
11 this minute order.

12 MR. HOUGHTON: Any questions? We do have a
13 speaker, Mayor of McKinney, Brian Loughmiller.

14 MR. UNDERWOOD: Hello, Mayor.

15 MAYOR LOUGHMILLER: How are you, Commissioner?

16 MR. UNDERWOOD: Doing great, sir.

17 MR. HOUGHTON: Collin County Regional Airport.

18 MAYOR LOUGHMILLER: Yes, sir. And first of
19 all, I'd like to thank you, Chairman and commissioners,
20 for the opportunity to come before you and speak to you
21 today. And I especially want to thank Commissioner
22 Underwood. He's come to our airport a couple of times in
23 the past as we opened our runway and our control tower,
24 and we appreciate your support.

25 To put in context my comments this morning,

1 just to give you an idea with regard to McKinney and
2 Collin County, as you know, we are one of the fastest
3 growing counties in the country, and the City of McKinney
4 has grown 175 percent in the last ten years, and if you
5 take a 30-mile radius around our community, we have over
6 92 corporations that have either national or international
7 headquarters in our area. And the significance of that,
8 as it relates to our airport, is that we are developing a
9 general aviation airport for corporate aviation, we are a
10 reliever for the DFW Airport, and recently, I'm proud to
11 tell you, that Collin County Regional Airport was actually
12 given a national designation by the Federal Aviation
13 Administration. We are only one of only 84 airports, GA
14 airports, out of 2,952 GA airports that have that national
15 designation.

16 I guess the flip-side of that is what does that
17 really mean, and I think they're still trying to determine
18 what that means from a standpoint of priorities and
19 funding. And as you know, we've gone through some
20 challenges recently with regard to funding, especially as
21 it relates to our contract tower funding, and I do
22 appreciate the commission's support and TxDOT's support in
23 funding that when we faced the possibility of control
24 tower closures this past year.

25 We were in Washington, D.C. a couple of weeks

1 ago and we met with the FAA and we met with our
2 congressional delegation, and of course, during those
3 meetings what we learned is that they really don't know
4 what's going to happen in the future, and I wasn't
5 surprised by that. But the contract tower funding issue
6 is going to continue to be an issue for several years to
7 come, and so we certainly want to reiterate our thanks to
8 you, but also recognize, as it relates to our airport and
9 our desire to continue to draw corporate aviation, it's
10 necessary that we have our control tower open. The City
11 of McKinney currently subsidizes our airport to the tune
12 of about \$600,000 per year. That amount would double if
13 we had to fund the contract tower program.

14 In addition to that issue, one of the things
15 that we, as a council, recognize and believe in is that
16 economic growth and economic vitality is dependent upon
17 investing in our infrastructure, investing in
18 transportation and investing in our airport, and we have
19 consistently over the last -- I'm going into my second
20 term as mayor, I've been on the council for ten years --
21 we have consistently put economic development and funding
22 of our infrastructure is one of our top priorities, and by
23 doing that, what we do is we create certainty and
24 consistency with regard to our corporate customers, and we
25 want to continue to do that with our airport.

1 One of the challenges that we're facing today,
2 in addition to the contract tower issue, is securing our
3 airport as it relates to our airport layout plan. We have
4 approximately 400 acres of undeveloped land surrounding
5 our airport, recently 200 acres of that land was acquired,
6 and as you know and you move forward and you try to
7 proactively plan for your city, as land is acquired, it
8 makes it more difficult to plan from a governmental
9 standpoint as to what you can do in terms of development.

10 We have about 200 acres left. The City of
11 McKinney and the city council, we're prepared to invest
12 heavily in our airport in the future, we're prepared to
13 try to continue to develop our ALP. Part of that
14 challenge will be in the acquisition of some land, and
15 part of the challenge in acquiring land, obviously, is the
16 constraints that you have as it relates to reimbursements
17 from the FAA because those reimbursements do not occur
18 until you actually have an aeronautical use in place for
19 that land. So those are some of the challenges that we're
20 facing today.

21 My main goal in coming before you today is
22 primarily to thank you, but also request continued support
23 and continued assistance for our airport program. Our
24 city is committed to investing in our airport. We
25 invested over 25 percent of the funds necessary to build

1 our new runway project that the FAA contributed \$33
2 million through TxDOT Aviation, and we are contributing at
3 a higher rate from a matching standpoint than what is
4 traditionally required because we do believe it is one of
5 our most important economic development engines in our
6 community.

7 So with that, thank you again for allowing me
8 to appear before you. Thank you very much.

9 MR. MOSELEY: Thank you, Mayor.

10 MR. UNDERWOOD: Good to see you, sir.

11 MAYOR LOUGHMILLER: Good to see you.

12 MR. HOUGHTON: Any questions of Dave? Any
13 other questions?

14 MR. AUSTIN: What is the length of the McKinney
15 runway?

16 MAYOR LOUGHMILLER: Seven thousand by 150 feet.

17 MR. AUSTIN: And you want to go up to?

18 MAYOR LOUGHMILLER: Ultimately, we have room,
19 we could add another 1,500 feet to that runway, and we
20 also have on our ALP a site for a potential parallel
21 runway in the future, as well as a terminal building and a
22 general aviation terminal.

23 MR. HOUGHTON: You've talked about Commissioner
24 Underwood showing up. Has he buzzed the tower?

25 MAYOR LOUGHMILLER: No, but if you continue to

1 help us with funding, we'll let him buzz the tower.

2 That's not a problem.

3 MR. UNDERWOOD: No buzzing.

4 (General laughter.)

5 MR. HOUGHTON: Thank you. Any other questions
6 of Dave?

7 (No response.)

8 MR. HOUGHTON: Is there a motion?

9 MR. UNDERWOOD: So moved.

10 MR. AUSTIN: Second.

11 MR. HOUGHTON: All in favor?

12 (A chorus of ayes.)

13 MR. HOUGHTON: Thank you, Mayor.

14 MAYOR LOUGHMILLER: Thank you.

15 MR. HOUGHTON: Thank you, Dave.

16 With your permission, commissioners, we're
17 going to move one other item up on the agenda, it's in the
18 routine minute orders. We've got two people here from the
19 Hidalgo County Metropolitan Planning Organization and the
20 Harlingen-San Benito Metropolitan Planning Organization
21 about some boundary issues. Item 17d. Phil or John, do
22 you want to take this one?

23 MR. WILSON: I think it's Marc.

24 MR. HOUGHTON: Did he leave the building? Did
25 Elvis leave the building or is Elvis still in the

1 building?

2 MR. WILSON: I'll introduce it.

3 MR. HOUGHTON: Do you want to introduce it?

4 MR. WILSON: Yes, sir.

5 MR. HOUGHTON: They came all this way. We'd
6 like to get them up if they need to get back. Go ahead.

7 MR. WILSON: All right. Item 17d, routine
8 minute orders: Approve revisions to the Hidalgo County
9 Metropolitan Planning Organization (HCMPO) and Harlingen-
10 San Benito Metropolitan Planning Organization (HSBMPO)
11 area boundaries. And federal law requires that a
12 metropolitan planning area boundary cover the existing
13 urbanized area and the continuous geographic area expected
14 to become urbanized within a 20-year forecast period
15 covered by the MPO's plan. The boundary may be expanded
16 to encompass the entire metropolitan statistical area.
17 Revisions to metropolitan planning areas must be approved
18 by the governor who has delegated authority to approve
19 such changes to the Texas Transportation Commission. The
20 HCMPO policy board and the HSBMPO policy board have agreed
21 to include a portion of Hidalgo County in the HSBMPO
22 metropolitan planning area.

23 So with that, we have a couple of speakers, Mr.
24 Chairman.

25 MR. HOUGHTON: We have a speaker. Andrew

1 Canon, transportation director, Hidalgo County MPO.

2 MR. CANON: Yes, sir. Thank you. Andrew
3 Canon, transportation director, Hidalgo County MPO. Thank
4 you, Mr. Wilson, Chairman, commissioners.

5 I just want to say thank you for consideration
6 and approval of the boundary changes. We have to go
7 through this formally every ten years, so it's good to get
8 that done and out of the way with the growing area that we
9 both have in Harlingen-San Benito, Brownsville and Hidalgo
10 county, so we appreciate that.

11 On a side note, I'd also like to say thank you
12 to Mr. Wilson and Commissioner Austin for making it down
13 for the I-69 signing. That was stupendous for our area,
14 we really appreciate it.

15 And on behalf of my county judge, Ramon Garcia,
16 my chair, Deanna Martinez, mayor of Alamo, I just want to
17 say thank you and that we're also looking forward to the
18 commission meeting that we'll be hosting down in Hidalgo
19 County soon, and looking forward to hosting all you
20 gentlemen down there and give you a little more tour of
21 the area. I know many of you are very familiar with our
22 area, our needs and the demands that the growth of our
23 area is having on the transportation system. We have some
24 new commissioners we look forward to exposing to our area
25 and to the gateway into the United States with Mexico.

1 I appreciate it.

2 MR. HOUGHTON: Andrew, thank you. Do you have
3 any questions of Andrew?

4 MR. AUSTIN: Andrew, I just want to say thank
5 you. I want to make note of your I-69 pin.

6 MR. CANON: I did this just for you.

7 MR. AUSTIN: Well, I appreciate that. Just we
8 put up some signs in certain areas there, I want to
9 encourage you to work with your partners to the north
10 through the counties to begin to work through challenges
11 they may have to help expedite funding and using some of
12 the tools that you set the examples for, because just
13 because the signs are up, it's not complete, and we need
14 to keep working advocacy and working together to try to
15 use tools to advance it.

16 MR. CANON: And as you know, Commissioner, two
17 days later I was in Laredo with you over at the Border
18 Trade Advisory Committee. The mayor of Laredo bent my ear
19 for quite a long while during a baseball game the night
20 before on where their I-69 signs were, so we're definitely
21 looking forward to try and partner with everybody and get
22 those completed all the way up. It's important for the
23 continuity of it and it's important for the economic
24 growth that we're going to have there, and with the new
25 interstate system that's going to be completed in Mexico

1 bringing that produce over into our area a lot quicker,
2 moving it into Texas and into the United States a lot
3 faster than the routes that it's taking now, we're going
4 to have even more trucks demanding to come up north.

5 MR. AUSTIN: And you did mention about the
6 possibility of a commission meeting. Chair Houghton,
7 we're looking at going to McAllen?

8 MR. HOUGHTON: McAllen, it's Commissioner
9 Moseley's desire to go to McAllen.

10 MR. MOSELEY: So we're really looking forward
11 to being with you.

12 MR. CANON: Well, we're looking forward to it.
13 I know the judge, the chair and the three MPO boards are
14 looking forward to having you gentlemen down there as a
15 regional perspective to the transportation planning.

16 MR. MOSELEY: We especially look forward to a
17 discussion on how that region ties into the ports
18 community, and the chair of the Maritime Caucus will be
19 bringing us some updates, so of course, I-69 ties into
20 that discussion.

21 MR. CANON: I'm certain that we can fill your
22 plate on that discussion for all you want, Commissioner.

23 MR. HOUGHTON: Thank you, Andrew.

24 MR. CANON: Thank you, gentlemen.

25 MR. HOUGHTON: Did we vote? Motion?

1 MR. UNDERWOOD: So moved.

2 MR. AUSTIN: Second.

3 MR. HOUGHTON: All in favor?

4 (A chorus of ayes.)

5 MR. WILSON: Item 5 will be approve projects
6 related to House Bill 1025. This item will be presented
7 by Deputy Executive Director John Barton. John.

8 MR. BARTON: Thank you, Phil. Again for the
9 record, my name is John Barton, deputy executive director
10 here at TxDOT, and I have the privilege of presenting this
11 item for the commission's consideration.

12 I would like to begin by thanking Howard
13 Holland, Carolyn Diehl, and Mark McDaniel of our
14 Maintenance Division for their hard work and effort with
15 our district engineers from across the state, and the
16 expert advice of Lynn Passmore, former district engineer
17 from the Brownwood District, now working with us on this
18 particular initiative, and they have done a tremendous
19 job.

20 Just briefly, commissioners, the minute order
21 before you would authorize funding, as Phil said, for some
22 of the state's most pressing safety focused rehabilitation
23 and maintenance improvement projects in areas that have
24 been impacted by this tremendous boom in the oil and gas
25 industry. We spent some time already this morning talking

1 about that, and it's important for us to remember this is
2 really all about safety.

3 House Bill 1025 was passed by the legislature,
4 providing \$225 million to the department to be used on
5 highways under our responsibility. We know that we have
6 \$400 million in immediate needs and we've assessed in
7 relationship to where we would spend \$225 million to
8 address those needs. There's \$750 million per year also,
9 we know just to take care of these kind of needs, we
10 talked about the billion dollar bogey for the statewide
11 issue in terms of oil and gas and other impacts to our
12 transportation system.

13 In a conversation with Chairman Houghton
14 yesterday, he reminded me that it's important for us to
15 understand the magnitude of this issue and what \$225
16 million means to that. There are over 12,000 wells being
17 actively drilled each year in the State of Texas at its
18 current pace. That's over 48 percent of all the rigs that
19 are active in the United States of America and over 25
20 percent of the world's rigs, so there's a lot of activity
21 out there, and these funds must be specifically used on
22 roadways that have been impacted by this oil and gas
23 exploration and production.

24 We asked all of our districts to submit their
25 priorities based on that list of projects we had already

1 identified. Eleven of those districts submitted those
2 projects, and we were then able to analyze those on the
3 four conditions or criteria that are listed on the screen.

4 We looked at safety by analyzing the three-year average
5 of crash history in each of those roadways, and then also
6 the cost-benefit ratio of those projects themselves.

7 We assessed pavement conditions by analyzing
8 the four-year average pavement scores for each roadway
9 segment, and also roadway characteristics: how wide is
10 the roadway, and of course, the more narrow the roadway,
11 the more important it was for us to try and address it.
12 As well as having Lynn Passmore, as I mentioned, go out
13 and look at each individual project that was proposed to
14 give it that honest, hard, engineer's independent
15 assessment so that we didn't have any disparity from one
16 district or region or area of the state to the other.

17 And then lastly, we looked at traffic: how
18 much traffic do we have out there per lane, what percent
19 of that is trucks, and what kind of increase have we seen
20 in these oversize/overweight permits that you asked me
21 about earlier, the increase in those traffic volumes.

22 In total, we had 155 different projects that
23 were identified to be considered. We were able to
24 estimate that the top 39 of those, if you will, could
25 possibly be funded with this \$225 million, and that's the

1 purpose of this minute order that is in front of you this
2 morning. These projects lie in 19 different counties in
3 some of the very most active oilfield plays, the Permian
4 Basin, the Eagle Ford Shale and the Granite Wash, eight
5 different districts, and I'll just show you the map.

6 These are the projects that are shown by these
7 red marks that we believe are the most important to
8 advance with the limited resources that we have available
9 to us. In total, it's 39 projects, again, in 19 counties,
10 eight different TxDOT districts. And so staff would
11 recommend your approval of this minute order. I would be
12 happy to try to answer any questions you have, and I
13 appreciate the chance to briefly discuss this with you.

14 MR. VANDERGRIFF: I do have a question to put
15 this in perspective. It's a lot of money, and I
16 appreciate that. Actually, I have two questions, but one
17 is we have \$225 million, if I understood the math from the
18 earlier discussion that we had, that's basically slightly
19 less than 25 percent of one year's worth of funding, based
20 on the estimate of a billion a year to keep up with this.

21 MR. BARTON: That is correct. It's less than
22 25 percent of what we've identified as the annual need.

23 MR. VANDERGRIFF: Very appreciative of the
24 money, but still very little.

25 Then the second question is obviously when you

1 look at the map, there's nothing up here in the Barnett
2 Shale. Can you address that a little bit?

3 MR. BARTON: I can. As I said -- and I'll back
4 up, if I could -- we looked at the four conditions that
5 are listed there: safety, pavement condition, roadway
6 characteristics and traffic. And when analyzing the needs
7 that we have around the state, in the Barnett Shale
8 particularly, we know we have needs but that play took
9 off, if you will, with a great deal of intensity several
10 years ago, 2006, '07, '08 and '09, and impacts were being
11 seen during that time period, and we deployed a lot of our
12 resources, both in additional contracting authority for
13 the Fort Worth District and the Wichita Falls District.
14 As well as taking our own employees and materials from
15 other districts, the Brownwood District -- Lynn is here --
16 he and several of his members went over and helped address
17 some of those most pressing needs, other districts from
18 around the state moved in to help address those immediate
19 needs.

20 As that kind of activity then spread to other
21 areas of the state, we have the needs we're facing today.

22 So when we compared the still existing needs in the
23 Barnett Shale to these other needs, they just weren't as
24 intense. The traffic volumes, honestly, right now are a
25 little lower in comparison in the Barnett Shale area than

1 they are in these other oil and gas plays. We looked at
2 some of the safety data, and as an example, there's
3 actually only been a 2 percent increase in traffic crashes
4 in the Barnett Shale area, but in the same time period
5 over the last three years, the number of fatalities or
6 crashes that have occurred have increased by more than 41
7 percent in the Eagle Ford Shale.

8 And so when you look at all those variables,
9 the safety concerns, the pavement conditions, the widths,
10 the needs in the Barnett Shale just don't stack up as
11 pressing as in these other areas. It doesn't mean they
12 don't exist, they're just not as pressing.

13 MR. VANDERGRIFF: Thank you.

14 MR. UNDERWOOD: Now, we also saw the increase
15 in fatalities in the Permian Basin area.

16 MR. BARTON: That is correct. The Permian
17 Basin is about a 21 percent increase, and so it's a very
18 good increase -- a very big increase, not good increase, a
19 big concern for us, and it's some of the projects that are
20 on this list would help address some of those areas that
21 are most impacted.

22 MR. UNDERWOOD: John, am I right, though, in
23 the Barnett Shale didn't we spend about \$300- or \$400
24 million over the past few years in that area, addressing
25 the issues that they have? That's one reason why they're

1 not in quite as bad a shape. They're in bad shape, don't
2 get me wrong. Am I wrong?

3 MR. BARTON: No, you're not. That is correct.

4 In the period when we started seeing those immediate
5 impacts, 2008, '09 and '10, we put additional letting
6 capacity in the district to allow them to take bids on
7 more projects to address some of their needs. We did move
8 in some additional materials and resources, and so we were
9 able to address those needs. And because of the type of
10 minerals being developed and produced in that particular
11 area, it's primarily natural gas, not as much oil, the
12 demand for those commodities has changed a little bit, so
13 some of the traffic volumes have declined or drilling
14 activities have declined.

15 We're starting to see an uptick there again
16 now, and we're going to have to keep our eye on it, but in
17 these immediate needs.

18 MR. UNDERWOOD: That was going to be my next
19 question, to make sure to keep an eye on that. The fact
20 that we're not forgetting it, it's just that this is a
21 more pressing need down south.

22 MR. BARTON: That's exactly right.

23 MR. UNDERWOOD: Okay. Thank you.

24 MR. HOUGHTON: Any other questions?

25 MR. MOSELEY: We talk about increased traffic

1 demand on these corridors. Are we really talking about
2 increased trucks on these corridors?

3 MR. BARTON: That is the most significant
4 increase, Commissioner Moseley. Most the traffic
5 increase, I believe, as we've analyzed it has been
6 associated with truck traffic, but I also want to make
7 sure that I don't incorrectly present the issue, because
8 pickup trucks, cars, buses, vans carrying employees out to
9 those well sites have to do that as well. We have seen
10 increases in other types of traffic, but the biggest
11 increase has been in the truck traffic, no question about
12 it.

13 MR. MOSELEY: And is it because of that
14 increase in truck traffic we're seeing this degradation of
15 the roadway? That's really what's triggering this need to
16 get out there quickly and provide for the safety. Is that
17 correct?

18 MR. BARTON: There is no question about that,
19 Commissioner Moseley. I guess the best way to illustrate
20 it is something that Phil has told before, and that is the
21 1,200 trucks required to drill a well that you mentioned
22 earlier in this meeting, when we put it into equivalencies
23 of passenger vehicles, it's 8 million passenger vehicles.

24 That's the difference in impact on the roadway, and so it
25 would take a tremendous increase in passenger cars to have

1 this kind of impact. It's clearly the increased truck
2 traffic, and particularly heavy truck traffic that's
3 causing these issues.

4 MR. MOSELEY: So Chairman, it seems like what
5 we're doing is really providing for some very critical
6 truck lanes, we used to call them farm to market/ranch to
7 market but they're being enhanced now to handle trucks
8 that, in fact, are after the exploration they become a
9 form of a pipeline to monetize the crude that needs to go
10 to a refining process.

11 MR. BARTON: That is correct, Commissioner
12 Moseley, and in a lot of these areas, with the exception
13 of the Permian Basin -- and I don't want to make it sound
14 like it doesn't have these challenges as well -- a lot of
15 the commodities have to be trucked out because the
16 pipeline system is not extensive enough, it's not mature
17 enough to handle piping these commodities out. So as you
18 said, these highways, in many cases are becoming pipelines
19 with the product being carried on rubber-tired vehicles.

20 MR. MOSELEY: Truck lanes that are conveying
21 the crude so it can be monetized. And that's a good
22 problem. I think we can agree there are bad problems and
23 good problems. The good news is that this discovery is
24 creating wonderful revenues back to the counties, back to
25 the cities, as well as to the state, so that's the good

1 news.

2 My other question is the legislature provided
3 funds for counties as well, and so we're looking at this
4 recommendation today related to funds directly allocated
5 to this agency. What about the funds that come through
6 this agency but are allocated to the counties, what's the
7 next step on that?

8 MR. BARTON: We are in the process of gathering
9 a working group that includes representatives of the
10 counties and the industry partners to talk about the
11 rulemaking process that will enable us to then make
12 available to the counties their appropriate amount of that
13 \$225 million. And we expect to bring those rules forward
14 to the commission in the August or September time frame in
15 draft format, and then we will take public comment on them
16 and finalize those rules later this calendar year, with
17 the intent that we would be asking the counties to submit
18 their projects under a call for projects, if you will,
19 late in the winter of 2014, January-February time frame,
20 perhaps maybe even a little later because of some of the
21 data collection that we'll need to undergo.

22 MR. WILSON: We'd get the projects in this
23 winter and hopefully award by January-February-March of
24 next year.

25 MR. BARTON: Well, I think, Phil, we'll start

1 the process now in August, we'll finalize the rules by the
2 end of this calendar year, and then we'll have the
3 counties submitting their projects in January-February of
4 next calendar year, and then hopefully be able to give
5 them their money so they can start their projects next
6 summer.

7 MR. MOSELEY: As a part of the rulemaking, it's
8 my understanding that the private sector has a willingness
9 to share in the cost of constructing roadways to the areas
10 where they're benefitting from, so is there going to be
11 also this working group will include voices from the
12 private sector so we can see how they can share and
13 enhance and leverage these dollars?

14 MR. BARTON: The private sector has been
15 engaged in these conversations and they were clearly
16 identified in the legislation as members of these county
17 transportation reinvestment zone boards, and also, the
18 legislation enabled them to contribute or donate to these
19 projects. All of that will be part of our rulemaking
20 process and they'll certainly be engaged in those
21 discussions.

22 MR. WILSON: Just for clarification,
23 Commissioner Moseley, I do think it's important that we do
24 have some very precise parameters around how the
25 calculations are done so we can put that into, I think, a

1 review period, but as far as how the dollars themselves
2 are allocated, we have to go through a formula that's in
3 the legislation. And so I think we can give credit to and
4 understand that, but as far as in the cycle there are four
5 key drivers as to how the dollars have to be divvied up in
6 that process, and our rulemaking really will go, I think,
7 through the application and verification and how we do an
8 audit, but there are some very specific drivers that are
9 very precise to how they're going to have to divvy those
10 dollars up.

11 MR. MOSELEY: Where I was going was, I guess,
12 in the second tranche of money that relates to these lines
13 on the map and other counties that would receive funds out
14 of that second tranche, that there would be the ability
15 for those counties that are benefitting from exploration
16 and the private sector that are benefitting to share in
17 the cost and leverage the funds that are allocated to the
18 counties.

19 MR. WILSON: Absolutely, and I think that
20 should be part of the overall planning they go through,
21 but I was going to try to comment on the agency and
22 commission side we're not allowed to give credit, in a
23 sense, because they did that. So they have to go through
24 the math, the dollars will be allocated based on the math,
25 and then you can say to the private sector, the county

1 relationships: By the way, we're doing this, if you want
2 to get an exponential benefit, you ought to partner with
3 us as well.

4 MR. MOSELEY: Thank you.

5 MR. HOUGHTON: Any other questions of John?

6 MR. AUSTIN: I know we have another item coming
7 up on item 12 to look at how we're going to pay for this,
8 but I just want to say you've also got the Haynesville
9 Shale not in there with the Barnett. As identified on
10 here, should we have additional monies, we can come back
11 and pick up that next sector and get it ready to go.

12 MR. BARTON: That is correct, Commissioner
13 Austin. These 39 projects that are in the minute order,
14 we actually included four additional as alternatives. If
15 we get the commission, or someone other than the
16 commission, the private sector to donate to projects, we
17 could continue down. But as I said, this is 39 or 42 out
18 of 155, if we were to continue to ask, as time goes on
19 that would grow and it would include the other formations,
20 whether it be the Haynesville, the Barnett.

21 MR. AUSTIN: This is the optimist in me,
22 they're still in session.

23 (General laughter.)

24 MR. BARTON: And I think it is an important
25 note, though, that while this is important for us to be

1 bringing forward for your consideration on the use of this
2 \$225 million, your staff is continuing to assess these
3 needs, the challenges we're facing, we'll continue to
4 prioritize them. Lynn Passmore and Mark McDaniel and
5 others are going to be continuing to evaluate these
6 issues, and we will keep this in front of the commission
7 on a regular basis.

8 MR. AUSTIN: I'd like to ask one favor, and
9 this is for down the road, as we go in and we're starting
10 to do work on these, I'd like to see a before and after,
11 or at least a before picture of these projects to kind of
12 demonstrate the need, because the visuals we saw in the
13 earlier presentation, I think that's something not
14 everybody gets to see. I haven't driven all of these but
15 I've been on some of these roads, that would be good for
16 everybody to see.

17 MR. BARTON: We'll be happy to do that and it's
18 a great idea.

19 MR. HOUGHTON: Any other questions of John? Is
20 there a motion?

21 MR. AUSTIN: So moved.

22 MR. HOUGHTON: Second?

23 MR. MOSELEY: Second.

24 MR. HOUGHTON: All in favor?

25 (A chorus of ayes.)

1 MR. HOUGHTON: Thank you, John.

2 MR. WILSON: Now item 7a awards federal funds
3 to designated lead agencies as fiscal agents for
4 coordinated regional public transportation planning for FY
5 2014. This item will be presented by Public
6 Transportation Division Director Eric Gleason. Eric.

7 MR. GLEASON: Eric Gleason, TxDOT's director of
8 Public Transportation.

9 Mr. Chair, if you wish, I could briefly
10 summarize each of my four items for you and then you could
11 come back and vote on them individually. It's up to you.

12 MR. HOUGHTON: That would be fine.

13 MR. GLEASON: All right. Let me go through
14 that real quickly, and then I can take questions about any
15 of them.

16 Agenda item 7a awards approximately \$420,000 of
17 planning money to support regional coordination planning
18 in each of the areas of the State of Texas. We've been
19 supporting this effort since 2005. This award awards
20 funds to 16 of 24 regional planning areas in Texas.

21 Item 7b awards \$96,000 of federal funding to
22 the Panhandle Independent Living Center to help them train
23 folks with disabilities how to use the regular fixed route
24 system. That fixed route system costs the transportation
25 provider about 25 percent of what the curb-to-curb service

1 expense is to that same provider for those folks, so
2 that's very cost-effective investment.

3 Item 7c awards \$24,000 of state funds to the
4 Rolling Plains Management Corporation Rural Transit
5 District. Jack County is transitioning from being a part
6 of the public transportation system to joining the Rolling
7 Plains Management Corporation, and this \$24,000 is to
8 assist in that transition time frame to make sure service
9 is continued.

10 And then finally, agenda item 7d awards
11 approximately 715,000 in transportation development
12 credits to the Texoma Area Paratransit Service System,
13 TAPS. This is to support a variety of capital projects in
14 the McKinney urbanized area and will allow them to apply
15 for federal funds which the previous provider of service
16 in that area had not yet applied for, for a variety of
17 different capital improvements, including remodeling and
18 upgrading existing buildings, purchasing fleet, and also
19 replacing and upgrading outdated IT equipment.

20 And just as a side note, in the McKinney area,
21 since that new provider started service on July 1, weekday
22 ridership has doubled.

23 MR. HOUGHTON: Oh, is that right?

24 MR. GLEASON: Yes. So that's a great start for
25 us.

1 MR. HOUGHTON: There is obviously a pent-up
2 demand.

3 MR. GLEASON: And we would recommend your
4 approval of all four of these minute orders.

5 MR. HOUGHTON: Any questions? Let's go through
6 them one at a time. 7a.

7 MR. UNDERWOOD: So moved.

8 MR. AUSTIN: Second.

9 MR. HOUGHTON: All in favor?

10 (A chorus of ayes.)

11 MR. HOUGHTON: 7b.

12 MR. UNDERWOOD: So moved.

13 MR. AUSTIN: Second.

14 MR. HOUGHTON: All in favor?

15 (A chorus of ayes.)

16 MR. HOUGHTON: 7c.

17 MR. UNDERWOOD: So moved.

18 MR. AUSTIN: Second.

19 MR. HOUGHTON: All in favor?

20 (A chorus of ayes.)

21 MR. HOUGHTON: And 7d.

22 MR. UNDERWOOD: So moved.

23 MR. AUSTIN: I'll second.

24 MR. HOUGHTON: All in favor?

25 (A chorus of ayes.)

1 MR. HOUGHTON: Thank you. Boy, that was quick.

2 MR. GLEASON: Thank you.

3 MR. HOUGHTON: It sounds like people want to go
4 on vacation. Do they sound like legislators wanting to
5 get out?

6 (General laughter.)

7 MR. WILSON: Moving on to item 8, the
8 Transportation Enhancement Program project selection, the
9 item will be presented by Deputy Executive Director John
10 Barton. John.

11 MR. BARTON: Thank you, Director Wilson.
12 Again, John Barton, deputy executive director.

13 The minute order before you, commissioners,
14 would authorize a list of projects that have been selected
15 for funding for Transportation Enhancement funds. This is
16 a very popular program. I know that many of you have been
17 contacted by a variety of nominating entities about
18 projects that they would like to see funded under this
19 program.

20 These projects were reviewed by TxDOT staff, as
21 well as a group of outside entities that we refer to as
22 our TEPEC committee -- I'll talk briefly about that in a
23 moment -- and also include a list of projects that were
24 selected by the state's largest metropolitan planning
25 organizations because under current law and department

1 rule, those eight large metropolitan planning
2 organizations receive an allocation of our Enhancement
3 Program funds for their discretionary use on projects
4 within their regions.

5 Of course, all projects must meet the federal
6 requirements to be an enhancement project, and the program
7 call that this particular minute order addresses was
8 opened on September 14 of 2012, we closed it in November
9 of 2012. And I want to give credit and a great deal of
10 appreciation and thanks to Bill Kerwin of our Design
11 Division who oversaw this program call and initiative for
12 us. I think he did an excellent job.

13 There were 206 projects nominated from around
14 the state; 171 of those projects were deemed eligible
15 after review by our staff and the Federal Highway
16 Administration. The requests total a little over \$215
17 million, and today we are offering for your consideration
18 a recommendation to approve funding for 81 of those
19 projects. Again, the projects that the department is
20 bringing forward include those that were selected by the
21 metropolitan planning organizations, just to get your
22 affirmation of their selections, and then projects that
23 were reviewed, again, by this committee that I mentioned.

24 This Transportation Enhancement Project
25 Evaluation Committee, we call it TEPEC, consists of

1 members from the following state agencies and entities:
2 the Department of Transportation has membership in that
3 group, the Texas Historical Commission, the Texas Parks
4 and Wildlife Department, the Texas Department of Economic
5 Development, the Texas Natural Resources Conservation
6 Commission, and the General Land Office. And that diverse
7 group of state entities allowed their staff to evaluate
8 these proposals and to consider the value of those
9 proposals for this program.

10 I would like to point out that there were many
11 projects that were strategic partnerships. The normal
12 funding requirement is that if a project is selected, it's
13 eligible for 80 percent of its costs to be through the
14 federal enhancement program funds, and it does require a
15 minimum of a 20 percent local match. Many of these
16 projects had matches that far exceeded that 20 percent
17 requirement.

18 We were very excited about this list of
19 projects. I know all of the entities are waited with
20 bated breath to find out if they made the list, and that
21 list will be made publicly available after your vote
22 today, assuming that you consider to move forward with
23 this particular recommendation and minute order.

24 So with that, commissioners, I believe that
25 I'll end my presentation by sharing with you that we are

1 thankful to be able to offer 81 projects for your
2 consideration for funding. We think they represent a good
3 and diverse group of projects to provide very unique and
4 beneficial enhancements to the state's transportation
5 system, and I would be happy to answer any questions you
6 may have as I recommend your approval of this minute
7 order.

8 MR. HOUGHTON: Before we do that, we have two
9 speakers. Manager of volunteer engagement, Annie Wells,
10 United Way of Greater Austin.

11 MS. WELLS: Yes. Hey, y'all. I'm Annie Wells
12 and I work at United Way, and through my work with United
13 Way for Greater Austin, I also represent Austin ISD as
14 well as Manor ISD. Through my work this past year with a
15 couple of the middle schools, three of them, in fact, in
16 our lowest income neighborhoods, a project came up from
17 the students there and they highlighted the need for
18 increased safety out on FM 3177, Decker Lane.

19 The packet that you have in front of you that
20 Ms. Walker placed in front of you have their letters of
21 advocacy, the letters they called to action several people
22 in the community, their superintendent, several members of
23 our board of directors at United Way for Greater Austin,
24 as well as some other community members. There are some
25 pictures in there that are very cute.

1 On a serious note, there have been three deaths
2 on that 1.6-mile road, walking to school, and that's
3 because there are just ditches on the side of the road,
4 and so what we'd like to ask you to do is give priority
5 funding for that project. So that's the Decker Lane,
6 FM 3177.

7 And that's it, that's my request. Please and
8 thank you.

9 MR. HOUGHTON: Any questions of Annie?

10 (No response.)

11 MR. HOUGHTON: Thank you very much.

12 The next speaker is the chair of Downtown
13 Amarillo, Inc., John Lutz. John.

14 MR. LUTZ: Hello, commissioners. My name is
15 John Lutz and I'm with Downtown Amarillo, Inc. Downtown
16 Amarillo, Inc. is the city's tool by which we have
17 undertaken since 2008 a downtown revitalization and
18 development process, a strategic plan was developed in
19 2008. And I'm representing the citizens of Amarillo in
20 terms of our interest in having you support our efforts.

21 Highway 287, what we call Buchanan Street, is a
22 major artery into downtown Amarillo. Much of our
23 development of Amarillo, including a new ballpark, hotel
24 environment, et cetera, is on Buchanan, and so we're
25 looking to use these funds to enhance our streetscape, to

1 provide a safer environment for drivers and certainly
2 pedestrians as we look to enhance our use of downtown, but
3 particularly in this Buchanan corridor.

4 So we humbly ask for your support of this
5 project, and thank you for your service.

6 MR. AUSTIN: I have a question. I had the
7 opportunity to drive through there last week.

8 MR. LUTZ: And thank you for doing that.

9 MR. AUSTIN: And I was stuck in traffic, by the
10 way.

11 MR. HOUGHTON: Where, in Amarillo?

12 MR. AUSTIN: Amarillo, absolutely.

13 MR. HOUGHTON: Where, what road?

14 MR. AUSTIN: Well, 287. I know I passed your
15 CVB, the convention center, this is all right in that
16 area.

17 MR. LUTZ: Exactly. So in that area the
18 convention center, we actually have plans to build a
19 ballpark right in that area, we have a convention hotel,
20 and this is a catalyst project for us for our downtown
21 development, and all of that is centered on Buchanan
22 Street. And so we're going to have some different uses of
23 Buchanan, instead of just being the pass-through downtown,
24 we're actually going to have a lot more pedestrian traffic
25 on that road, and we just need to utilize these funds to

1 make pedestrian traffic safer, as we've talked a lot about
2 safety today, and enhance that roadway for future use.

3 MR. AUSTIN: While I was paused at the red
4 light a couple of times --

5 MR. HOUGHTON: Oh, it wasn't a traffic jam, it
6 was a red light.

7 (General laughter.)

8 MR. AUSTIN: There was a traffic jam.

9 MR. LUTZ: Humbly, that's a traffic jam in
10 Amarillo.

11 MR. AUSTIN: That is a traffic jam. I was
12 amazed, while I was there and it was right around five
13 o'clock, at all the pedestrian traffic that was going back
14 and forth.

15 MR. LUTZ: Correct. And I think you'll see is
16 that as we continue with these projects which are just on
17 the verge of being funded, that pedestrian is only going
18 to increase, and o that's why these funds are important to
19 us and would be put to a very good use.

20 MR. AUSTIN: Thank you.

21 MR. VANDERGRIFF: Chairman, maybe next month we
22 can get a map of where Commissioner Austin did not go in a
23 month.

24 MR. HOUGHTON: That's right. Jeff, why don't
25 you provide us that? Do you have a GPS we can put on you?

1 MR. AUSTIN: I prefer not to have one.

2 MR. UNDERWOOD: And I can say for a fact he
3 didn't make Lubbock.

4 MR. HOUGHTON: He's already been there.

5 (General laughter.)

6 MR. LUTZ: Thank you.

7 MR. HOUGHTON: Any other questions of John? If
8 not --

9 MR. AUSTIN: Actually, I do have one comment.
10 Of those projects, of the 81 projects that are being
11 funded, I want to make note of something, 61 of those,
12 which would be 75 percent of all the projects, or 71
13 percent of the dollars, meaning \$68 million of the \$91
14 million that we're approving, do involve hike and bike.

15 MR. HOUGHTON: I knew you were going to get
16 there.

17 MR. AUSTIN: I want to make sure my fellow
18 commissioners see that.

19 MR. HOUGHTON: Did you want to write Robin a
20 letter?

21 MR. BARTON: That is correct, Commissioner
22 Austin. I think it's also important to note this program
23 has traditionally been a big tool in advancing hike and
24 bike and bicycle facilities. Over 50 percent of our funds
25 and 50 percent of our projects historically have gone to

1 hike and bike trails, and as you said, in this case it's
2 well over 70 percent.

3 MR. HOUGHTON: Do you remember the courthouse
4 days?

5 MR. BARTON: I do remember the courthouse days.

6 MR. UNDERWOOD: John, quick question for you.
7 This project from Amarillo is showing to be about
8 \$1,500,000. Is that correct?

9 MR. BARTON: Yes.

10 MR. UNDERWOOD: But the letter from Senator
11 Seliger was addressing \$1.9 million, so I'm a little
12 confused on that.

13 MR. BARTON: I believe that the total project
14 cost is the \$1.9-, the request for the community for
15 federal enhancement funding is for the \$1.54 million, and
16 so they're having to match it with the local funds.

17 MR. UNDERWOOD: I just wanted to make sure,
18 because I really respect Senator Seliger and I want to
19 make sure that we're on the same page.

20 MR. BARTON: Yes, sir.

21 Just to make sure the commission knows as you
22 consider this vote, and you probably have already picked
23 up on it, for the two people that came to speak, today is
24 my lucky day because both of those projects are on our
25 recommended list of projects. So if you choose to approve

1 it, it's a good news day for them and it's two less people
2 that are going to be angry at me at the end of this
3 meeting.

4 MR. VANDERGRIFF: I did make sure that I looked
5 at the list to be sure of that.

6 MR. AUSTIN: John, I want to say thank you to a
7 lot of the staff because there's a lot of time and
8 analysis that go into these. And I know, yes, we talk
9 about bicycles, there's conversation you hear people
10 talking about what's not happening, but I think it's
11 important to focus on what we can do and what we have done
12 and been able to leverage with partners for bicycles and
13 for pedestrians wanting to improve safety and have safer
14 routes. So I want to say I commend y'all and following
15 through on what we said we want to partner and work
16 towards good solutions.

17 MR. BARTON: I appreciate that, Commissioner
18 Austin. And I mentioned Bill Kerwin of our Design
19 Division earlier, and he has done a phenomenal job on
20 this, Mark Marek is the director of our Design Division,
21 and his leadership has been invaluable, and a lady that
22 works with him, Shawn McMann, is our coordinator for the
23 Transportation Enhancement Program, and all three
24 critically important to making this a successful program,
25 and they should be applauded for those efforts. They

1 spent tireless hours on this.

2 And you mentioned partnerships, and I just
3 wanted to again give the example, I don't know that I can
4 give you the dollars and cents, but it's an 80 percent/20
5 percent matching program, but we're delivering far more
6 than that. As one example, Commissioner Vandergriff and I
7 were visiting yesterday, there's a project in the
8 Metroplex where over half of the money for this \$4 million
9 project is coming from the regional group and we're only
10 putting in \$2 million. There's a University of Texas El
11 Paso project which is an enormous project, over \$24
12 million in total, we're being asked to put in about one-
13 third of that, they're putting in two-thirds of it.

14 So this is an opportunity to take those limited
15 resources that we've been given the responsibility to
16 manage and stretch them very, very far through leveraging
17 partnerships. So a lot of credit goes to our
18 transportation partners from across the state for
19 leveraging their valuable resources with those that you
20 have available to you.

21 MR. AUSTIN: Mr. Chairman, I'd be happy to make
22 a motion to approve.

23 MR. UNDERWOOD: Second, as presented.

24 MR. MOSELEY: Under discussion, Chairman. I
25 wanted to say thanks to John and the committee for this

1 evaluation.

2 And Annie, please tell the boys and girls thank
3 you for all their letters to Mr. Phil Wilson. Those were
4 very useful and we appreciate you presenting those.

5 MR. WILSON: I liked those letters.

6 MR. HOUGHTON: There is a motion and a second.

7 All in favor?

8 (A chorus of ayes.)

9 MR. HOUGHTON: Thank you very much.
10 Congratulations, Annie and the children of Austin, and
11 Amarillo.

12 MR. WILSON: Next up is the promulgation of
13 administrative rules. First up is item 9a(1) the final
14 adoption of amendments to Chapter 9, Contract and Grant
15 Management. This item will be presented by Design
16 Division Director, Mark Marek. Mark.

17 MR. MAREK: Thank you, Mr. Wilson. For the
18 record, I am Mark Marek. I'm the director of the Design
19 Division for the Texas Department of Transportation.

20 This minute order proposes a relatively minor
21 change -- this is final adoption -- to Section 9.35. This
22 section pertains to federally funded contracts for
23 engineering and design-related services. The proposed
24 revision relates to administrative qualifications of firms
25 providing these services. Administrative qualifications

1 is a means of verifying that a firm's overhead rate as
2 billed and paid by the department is true and accurate.
3 Administrative qualifications is typically achieved
4 through a formal audit and conducted by a certified public
5 accounting firm.

6 The Federal Highway Administration has noted
7 that these audits can be a financial burden to some firms
8 and particularly small businesses. In response, the FHWA
9 is conducting a pilot program that will provide a safe
10 harbor rate. Under this program, firms not
11 administratively qualified can use the safe harbor rate in
12 lieu of audited overhead rates on contracts with federal
13 participation.

14 A total of ten state DOTs are expected to
15 participate in the program, including the Texas Department
16 of Transportation. The proposed amendment, if adopted by
17 the commission, will permit TxDOT to participate in the
18 pilot and allow Texas small businesses to better position
19 themselves to compete for these federal participatory
20 contracts.

21 The amendment was proposed before this
22 commission at the May 30 meeting and posted in the *Texas*
23 *Register* on June 14. The department received no comments
24 regarding this rule revision. We did go over this rule
25 revision with the private industry.

1 Staff recommends approval of this minute order.

2 MR. MOSELEY: So moved, Chairman.

3 MR. UNDERWOOD: Second.

4 MR. HOUGHTON: All in favor?

5 (A chorus of ayes.)

6 MR. WILSON: Item 9b(1) is the proposed
7 adoption of amendments to Chapter 9, Contract and Grant
8 Management. This item will be presented by Chief
9 Procurement and Deputy Administrative Officer Lauren
10 Garduno. Lauren.

11 MR. GARDUNO: Thank you, Mr. Wilson. Good
12 afternoon, commission. My name is Lauren Garduno. I'm
13 the chief procurement and deputy administrative officer
14 for the Department of Transportation.

15 This minute order proposes amendments to
16 Sections 9.31 through 9.34, and Sections 9.36 through
17 9.40. These sections pertain to the rules concerning
18 contracting for architectural, engineering and surveying
19 services. These services are procured by the department
20 in accordance with Government Code Chapter 2254,
21 Subchapter A and 23 CFR, Section 172.5.

22 The department has studied its contracting
23 program for architectural, engineering and surveying
24 services and has determined that improvements are in order
25 with respect to its provider selection. Currently, the

1 provider selection process takes an overly rigid and one-
2 size-fits-all approach. All contracts go through the same
3 process regardless of complexity or risk, and also, we
4 found out that solicitations tend to utilize the same set
5 of general evaluation criteria as listed in the current
6 rules. This inflexibility and imprecision, of course,
7 causes systematic inefficiencies and makes it difficult
8 for us as the department to evaluate our providers in
9 accordance with the precise needs of a given contract.

10 And so to address these issues, the proposed
11 amendments establish three new selection processes which
12 will constitute the department's core provider selection
13 processes. The first is the comprehensive process under
14 Section 9.34, and it is designed for specific deliverable
15 contracts that are \$1 million or more in value. The
16 streamlined process under Section 9.36 is designed for
17 high complexity and definite deliverable contracts. And
18 the accelerated process under Section 9.37 is designed for
19 specific deliverable contracts less than \$1 million in
20 value and low complexity, indefinite deliverable
21 contracts.

22 These processes ensure that the evaluation
23 rigor is proportional to the complexity and risk, and
24 also, the proposed amendments remove the general
25 evaluation criteria, allowing us to allow our consultant

1 selection teams to use and develop specific criteria on a
2 solicitation by solicitation basis.

3 The proposed rules also establish a fourth
4 process known as the urgent and critical process. It is
5 anticipated that this process will be seldom used,
6 nonetheless, this process is important because it gives
7 the administration the flexibility it needs to address
8 situations in which time constraints render the other
9 selection processes impractical.

10 Further measures to improve efficiency include
11 reducing the minimum posting time for solicitations and
12 removing proposals as a basis for evaluation.

13 Prior to proposing these amendments, staff has
14 met with consultant industry representatives and will
15 continue to do so and will consider their input in
16 drafting these rule revisions.

17 Staff recommends approval of this minute order,
18 and I'll be glad to answer any questions for you.

19 MR. HOUGHTON: Any questions?

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 9b(2), the proposed
25 adoption of amendments to Chapter 28, Oversize and

1 Overweight Vehicles and Loads. This item will be
2 presented by Bridge Division Director Gregg Freeby.
3 Gregg.

4 MR. FREEBY: Good afternoon. I'm Gregg Freeby,
5 the director of the Bridge Division of TxDOT. I'm here to
6 present proposed rules regarding the approval of private
7 engineering firms to perform route analysis for superheavy
8 permits.

9 The Texas Department of Motor Vehicles issues
10 permits for the movements of oversize/overweight vehicles
11 on Texas roadways, and for the permitting of superheavy
12 loads, a specific route analysis is required. This
13 analysis includes the structural evaluation of bridges.
14 TxDOT reviews and approves these analyses as part of the
15 permitting process.

16 Historically, we've only had two firms that
17 have been performing this work for the carriers.
18 Additional firms have addressed interest in providing
19 these services, and the haulers have expressed interest in
20 having access to more qualified firms. So these rules
21 will provide TxDOT a means to review and approve the
22 qualifications and approve the third party engineers, and
23 thereby, ensuring efficiency and ensuring the safety of
24 our system.

25 We worked with Texas DMV in the development of

1 these rules, and TxDOT recommends approval, and I'm happy
2 to answer any questions.

3 MR. HOUGHTON: Any questions? Jeff.

4 MR. MOSELEY: I appreciate this work because
5 bridges are the most expensive part of our roadways, and
6 clearly, we're seeing more freight hauls on our highways,
7 so thank you for this.

8 MR. FREEBY: Thank you, Commissioner Moseley.

9 MR. MOSELEY: I'd be pleased to move approval,
10 Chairman.

11 MR. UNDERWOOD: Second.

12 MR. HOUGHTON: All in favor?

13 (A chorus of ayes.)

14 MR. WILSON: Next is item 9b(3), proposed
15 adoption of amendments to Chapter 31, Public
16 Transportation. This item will be presented by Public
17 Transportation Division Director Eric Gleason.

18 MR. GLEASON: Again for the record, my name is
19 Eric Gleason, TxDOT director of Public Transportation.

20 Agenda item 9b(3) recommends proposed changes
21 to Chapter 31 in the Texas Administrative Code. These
22 changes are necessary to align existing department
23 policies and procedures with new or amended federal
24 requirements in MAP-21 and subsequent program updates from
25 FTA.

1 Key substantive changes include program
2 consolidations created by MAP-21 and a major rewrite of
3 the FTA Section 5310 Program, now called Formula Grants
4 for the Enhanced Mobility of Seniors and Individuals with
5 Disabilities Program. Other substantive changes include:
6 1) clarifying the department's ability to address
7 unforeseen anomalies in the allocation of state public
8 transportation grant and federal Formula Section 5311
9 funds due to natural disaster, census impacts, transit
10 district area changes, and 2) modifying program
11 administration procedures to alleviate over-burdensome
12 regulatory procedures on our subrecipients.

13 Finally, there are changes proposed throughout
14 the entire chapter to improve the consistency and
15 uniformity of terminology, eliminate and/or update out-of-
16 date information, and provide clarity.

17 The department, along with the Public
18 Transportation Advisory Committee, began this process in
19 the fall of 2012. The process engaged a diversity of
20 stakeholders throughout, offering multiple opportunities
21 to participate through a variety of formats, including
22 five meetings of the Public Transportation Advisory
23 Committee, a series of statewide webinars, discussions
24 with urban and rural transit districts at two separate
25 business meetings, surveys of key stakeholder groups, and

1 web-based comment opportunity on issue papers developed by
2 PTAC.

3 The Public Transportation Advisory Committee
4 met on July 9 and by motion recommended to the commission
5 all of the amendments included in the proposed rule
6 package. A public hearing on these proposed changes is
7 scheduled for September 4, 2013, 9:00 a.m. here in
8 downtown Austin.

9 Staff recommends you adopt this minute order.

10 MR. HOUGHTON: We have a speaker, John McBeth,
11 president of the Association of Community Transportation.

12 MR. McBETH: I almost wrote it so it was
13 legible.

14 MR. HOUGHTON: Almost.

15 MR. McBETH: Thank you. I'm John McBeth. I'm
16 the president and CEO of the Brazos Transit District which
17 will be affected by these proposed rules. I'm also the
18 president of the newly formed Association of Community
19 Transportation for Texas.

20 My comments are brief. I just wanted to come
21 here today and commend you, the department and Eric over
22 in the Transportation Division for the level of
23 transparency that took place in this process. I have done
24 this since 1982, I've been through a lot of TAC changes
25 with a lot of different agencies, and I have never

1 witnessed this level of transparency. I've sat through
2 several of your commission meetings and listened to you
3 talk about one of your key goals, other than safety, is
4 transparency of this agency, and you have certainly
5 achieved it in this particular set of rulemaking.

6 Those of us that are going to be affected were
7 included very early on. What ultimately ended up going to
8 the Public Transportation Advisory Committee was put
9 together by those that are affected by these rules, and
10 even then, we were able to go to your PTAC and fine tune
11 these, and what you have here is going to be welcomed with
12 open arms by the rural and the small urban public transit
13 entities that it does affect.

14 So I just wanted to commend you today for your
15 transparency. This has to be absolutely the most
16 transparent project that has ever taken place in this
17 state. So thank you.

18 MR. HOUGHTON: John, thank you very much for
19 your comments. Appreciate it.

20 Eric, it's a testament to you and your
21 department of the buy-in that the community and the state
22 have in transit. Thank you very much.

23 MR. GLEASON: Thank you.

24 MR. HOUGHTON: With that, is there any
25 questions or is there a motion?

1 MR. UNDERWOOD: So moved.

2 MR. AUSTIN: Second.

3 MR. HOUGHTON: All in favor?

4 (A chorus of ayes.)

5 MR. HOUGHTON: Thanks, Eric.

6 MR. GLEASON: Thank you.

7 MR. WILSON: Now item 10 considers the action
8 on Reagan National Advertising of Austin v. the Texas
9 Department of Transportation. This item will be presented
10 by TxDOT Attorney Rich O'Connell. Rich.

11 MR. O'CONNELL: Good afternoon.

12 The Office of General Counsel is presenting to
13 you a proposed order prepared by the State Office of
14 Administrative Hearings. This is a contested case
15 concerning an outdoor advertising sign adjacent to US 183
16 in Caldwell County.

17 As background, the outdoor advertising sign in
18 this case is nonconforming. That means when the sign was
19 permitted in the year 1982, it was fully compliant with
20 the department's rules, but since that time the
21 department's rules have changed, and this particular sign
22 is grandfathered, meaning that TxDOT would not issue an
23 original permit for a sign on that location today and also
24 would not issue an amendment to the permit.

25 Concerning this enforcement case, TxDOT staff

1 discovered that the sign was illuminated, even though it
2 was not permitted for lights. Staff then gave notice that
3 the permit would be canceled and that the sign must be
4 removed. What you have before is the facts are not
5 contested. Even the sign company agrees, indeed, that the
6 sign was unlawful, that it was not permitted to be
7 illuminated. So the only contested issue is what is the
8 proper penalty.

9 Because there was no contested facts, each of
10 the parties filed competing motions for summary judgment
11 which the administrative law judge has prepared a
12 recommendation for your consideration. And what the
13 recommendation is is that the sign was altered without
14 getting a permit amendment, in violation of the
15 department's rules which say that under those conditions
16 the permit will be canceled. That was the administrative
17 law judge's recommendation, and the Office of General
18 Counsel has prepared an order implementing the judge's
19 recommendations, and we've prepared that for you and we
20 propose that you adopt it.

21 MR. VANDERGRIFF: I have a couple of questions.
22 And obviously, this is the first contested case that I've
23 heard, but we have final decision-making authority and
24 preliminary decision-making authority is with SOAH. Is
25 that how this process works?

1 MR. O'CONNELL: Yes. The administrative law
2 judge for TxDOT only makes recommendations.

3 MR. VANDERGRIFF: But it's SOAH.

4 MR. O'CONNELL: That's right, the SOAH judge.
5 So they make recommendations, you are the judges.

6 MR. VANDERGRIFF: Okay. So the other party, do
7 they have a right to come before us, and did they decline
8 to do so?

9 MR. O'CONNELL: They filed exceptions. Reagan
10 filed exceptions and the administrative law judge filed a
11 reply to exceptions, and so as far as the custom of the
12 department is that we do not normally invite the parties,
13 either the sign company or the department's lawyer, who is
14 the Attorney General's Office. We do not normally invite
15 them to make a presentation. We could, but for the past
16 several years we have not. We post it publicly.

17 MR. AUSTIN: But it doesn't preclude them from
18 speaking in open session on the item.

19 MR. O'CONNELL: That's correct.

20 MR. VANDERGRIFF: In like public comments
21 portion, or on the actual item itself?

22 MR. AUSTIN: On the actual item.

23 MR. O'CONNELL: But we did not give them
24 notice, other than the general public notice that we give
25 for all of our public meetings.

1 MR. VANDERGRIFF: Are there any limits on our
2 decision-making authority? Like in some agencies, for
3 example, the review process by the entity is limited to
4 certain circumstances, and what's the case in these cases
5 before TxDOT -- before the commission? Excuse me.

6 MR. O'CONNELL: You can change the judge's
7 recommendation. The limit, so to speak, is you must
8 explain why you're changing it.

9 MR. VANDERGRIFF: But we can re-hear facts if
10 we wanted to, we can do all that? I'm not suggesting I
11 want to do that.

12 MR. O'CONNELL: Yes, sir.

13 MR. VANDERGRIFF: I want to be clear what the
14 role is.

15 MR. O'CONNELL: Your role is to make the final
16 decision. As far as changing findings of fact, you would
17 have to explain why you changed the fact.

18 MR. VANDERGRIFF: And I understand that, but we
19 can, in essence, do it no vote. Can we do this again?
20 I'm trying to just understand.

21 MR. O'CONNELL: No. There is a standard of
22 review. If, for example, you were to change the judge's
23 decision and it were to go to court --

24 MR. VANDERGRIFF: They have the right to appeal
25 to Travis County?

1 MR. O'CONNELL: Yes.

2 MR. VANDERGRIFF: Or go to the appellate court,
3 do they go district or appellate?

4 MR. O'CONNELL: Travis County District Court.
5 And so the district judge would want to make sure that the
6 commission had explained its decision. And here, the
7 facts are uncontested, it's just what is the appropriate
8 penalty. So frankly, you have a great deal of discretion,
9 because really the only contested matter before you is
10 what's the appropriate penalty.

11 MR. VANDERGRIFF: Well, I won't take any more
12 time up before the commission, I just wanted to understand
13 that a little better, and I'm sure we'll have a further
14 talk at some point.

15 MR. O'CONNELL: Yes, sir.

16 MR. HOUGHTON: Any other questions?

17 MR. MOSELEY: I'll second Commissioner
18 Vandergriff's motion.

19 MR. VANDERGRIFF: I didn't make one.

20 (General laughter.)

21 MR. HOUGHTON: Is there a motion?

22 MR. AUSTIN: So moved.

23 MR. MOSELEY: Second.

24 MR. HOUGHTON: All in favor?

25 (A chorus of ayes.)

1 MR. WILSON: Item 11 will be presented by
2 Suzanne Latimer, director of the Office of Compliance and
3 Ethics. She'll make her monthly report on the
4 department's Compliance and Ethics Report. Suzanne.

5 MS. LATIMER: Good afternoon. For the record,
6 I am Suzanne Latimer, director of the Office of Compliance
7 and Ethics for TxDOT.

8 The purpose of this report is to provide a
9 summary of information related to complaints and
10 investigations for the month of June 2013, in accordance
11 with Transportation Code 201.452 and 201.454.

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

19 There were 37 complaints received during the
20 month of June, 23 were closed during June and allegations
21 were substantiated in five of the investigations. No
22 action by the commission is needed. Thank you.

23 MR. HOUGHTON: Thank you very much.

24 MR. WILSON: Item 12 authorizes the department
25 to issue a request for qualifications for the design and

1 construction of the Energy Sector Roadway Repair Project.

2 This item will be presented by Strategic Project Division
3 Director Ed Pensock. Ed.

4 MR. PENSOCK: Good afternoon, Chairman,
5 commissioners, Phil. For the record, Ed Pensock, director
6 of the Strategic Projects Division of TxDOT.

7 Item 12 authorizes the department to issue a
8 request for qualifications to design, construct and repair
9 the Energy Sector Roadway Repair Project. The project
10 will provide for the reconstruction and rehabilitation and
11 repair of roadways and bridges within the state highway
12 system that were damaged by oversize vehicles, overweight
13 loads, or by the above normal usage of the roadways by
14 vehicles from the development and production of energy.

15 The project will include identified roadways in
16 the Corpus Christi, Yoakum, Laredo and San Antonio
17 districts of TxDOT. We've worked in conjunction with Mr.
18 Barton and the district engineers on this project. We're
19 working from the list of projects that you approved
20 earlier on item 5. There is intense competition for labor
21 and materials in this region of the state, as you're
22 aware, as you've heard this morning. The goal for this
23 project is really to get the most bang for the buck out of
24 those limited dollars to rebuild as many roadways as
25 possible with those limited dollars. Completion of the

1 project will rehabilitate and repair the heavily traveled
2 energy sector regions and improve safety and congestion.

3 Staff is here to answer any questions and
4 recommends acceptance of this minute order.

5 MR. HOUGHTON: Okay. Any questions?

6 MR. AUSTIN: Just a couple of comments. We're
7 directed to try to move as fast as we can.

8 MR. PENSOCK: Yes, sir.

9 MR. AUSTIN: And we're looking at doing one
10 project, one design-build to do all of them. Can these be
11 divided up into smaller projects?

12 MR. PENSOCK: Yes, sir. We have a lot of
13 flexibility. What we've done is we've taken a cluster of
14 projects that are in one region of the state, the South
15 Central portion.

16 MR. HOUGHTON: Let's clarify that. We're
17 talking about the South Texas region only for a design-
18 build.

19 MR. PENSOCK: Right, yes, sir.

20 MR. HOUGHTON: RFQ for a design-build.

21 MR. PENSOCK: The RFQ is for the South Texas
22 region only.

23 MR. AUSTIN: Only. So with those -- finish
24 your response on that.

25 MR. WILSON: Let me rephrase the question.

1 Under design-build, how many design-build projects are we
2 able to do annually?

3 MR. PENSOCK: We're allowed to do three design-
4 build projects a year by statute, and this would be one of
5 the calendar year 2014 projects.

6 MR. WILSON: And how big can they be?

7 MR. PENSOCK: They have to be at least \$50
8 million in size.

9 MR. AUSTIN: So by having one of this size,
10 this does not preclude entities, firms or anybody else
11 from partnering, working together to come forth with a
12 consortium to bid.

13 MR. PENSOCK: No, sir. It's wide open.

14 MR. HOUGHTON: That will come out in the RFQ.

15 MR. AUSTIN: That will come out in the RFQ.

16 MR. PENSOCK: Right.

17 MR. HOUGHTON: Are there any other questions?

18 Is there a motion?

19 MR. UNDERWOOD: So moved.

20 MR. AUSTIN: Second.

21 MR. HOUGHTON: All in favor?

22 (A chorus of ayes.)

23 MR. HOUGHTON: Thank you.

24 MR. WILSON: Now item 13a authorizes a request
25 for qualifications for development, design, construction,

1 and potentially, financing, maintenance and operation of
2 the Segments H, I-1 and all or part of Segment I-2 of
3 State Highway 99. Ed Pensock will continue.

4 MR. PENSOCK: For the record, Ed Pensock,
5 Strategic Projects.

6 Item 13a authorizes the department to issue a
7 request for qualifications, again, for the development,
8 design, construction, and potentially, financing,
9 maintenance and operation of the three segments Director
10 Wilson just mentioned, Segments H, I-1 and all or a
11 portion of Segment I-2.

12 The proposed scope of work on this project will
13 be to construct toll lanes and discontinuous frontage
14 roads along that corridor. Segment H is approximately
15 22.6 miles in length, Segment I-1 is approximately 14.8
16 miles in length, and Segment I-2 is approximately 6.5
17 miles in length.

18 Each of the counties, Chambers, Harris,
19 Montgomery and Liberty, have withdrawn their previous
20 election of primacy to develop these projects. The
21 commission has, in separate minute orders, previously
22 approved the department's determination to exercise the
23 option to develop these segments of the Grand Parkway,
24 including Chambers, Harris and Montgomery counties.

25 The development of the Grand Parkway is a

1 crucial development of the corridor and growth in the
2 region. This action will authorize us to issue a request
3 for qualifications which actually is the first phase,
4 first step that starts the SB 1420 Committee process, the
5 local stakeholder committee process involving toll road
6 authorities in the areas in the region, so this will start
7 that 1420 Committee process.

8 Staff is here to answer any questions, and
9 recommends acceptance of this minute order.

10 MR. HOUGHTON: Does this, Commissioner Moseley,
11 get us into the port?

12 MR. MOSELEY: Yes, sir.

13 MR. HOUGHTON: It's the big one.

14 MR. PENSOCK: Yes, it does. A total of 43.9
15 miles that gets us from US 59 north of Houston to the
16 port, State Highway 46, southeast of Houston to the port.

17 MR. HOUGHTON: Any other questions?
18 Commissioner Moseley?

19 MR. MOSELEY: Chairman, I'm pleased to move
20 approval.

21 MR. AUSTIN: I'll second that.

22 MR. HOUGHTON: All in favor?

23 (A chorus of ayes.)

24 MR. HOUGHTON: Another great day.

25 MR. WILSON: Item 13b establishes a new toll

1 rate table on State Highway 99, Segment I-2. This item
2 will be presented by Toll Operation Division Director Doug
3 Woodall. Doug.

4 MR. WOODALL: Good afternoon. For the record,
5 Doug Woodall, director of Toll Operations.

6 This item authorizes new rate tables for State
7 Highway 99, Segment I-2 in Chambers County. This change
8 is necessary to reflect modifications to the vehicle
9 classification system used at these locations which
10 classifies a vehicle by shape. The new system will
11 classify vehicles based on the number of axles. The base
12 toll rate does not change.

13 The transition to the new system will result in
14 cost savings of over \$136,000 annually in lane equipment
15 maintenance. This transition will also provide for
16 consistency in reporting and reconciliation among all
17 TxDOT-operated toll facilities. If approved, this
18 transition will be effective on October 1, 2013. Staff
19 recommends approval.

20 MR. HOUGHTON: Questions?

21 MR. MOSELEY: So moved, Chairman.

22 MR. AUSTIN: Second.

23 MR. HOUGHTON: All in favor?

24 (A chorus of ayes.)

25 MR. HOUGHTON: All right. Onward.

1 MR. WILSON: Item 13c establishes new toll rate
2 tables on State Highway 255. Doug Woodall will continue.

3 MR. WOODALL: This is a very similar minute
4 order, except it's for State Highway 255 in Webb County,
5 changing from a shape-based classification system to an
6 axle-based. This transition to the new system will result
7 in annual savings of \$185,000 a year in lane equipment
8 maintenance, in addition to the consistency in reporting
9 and reconciliation amongst the other TxDOT-operated toll
10 projects. If approved, this transition will begin on or
11 about August 21, 2013. Staff recommends approval.

12 MR. AUSTIN: I have one comment, but I will
13 move for approval of this.

14 MR. UNDERWOOD: Second.

15 MR. AUSTIN: This system is right there close
16 to one of the new facilities that we're building that
17 we're going to be turning over to DPS, one of the
18 inspection stations for oversize/overweight vehicles.
19 Wonderful facility, and I know DPS will be happy to accept
20 that from us.

21 MR. HOUGHTON: There's a motion and a second.
22 All in favor?

23 (A chorus of ayes.)

24 MR. HOUGHTON: Thank you very much, Doug.

25 MR. WILSON: The next items are the award of

1 contracts for maintenance and department building
2 construction and highway construction contracts. John
3 Obr, Construction Division director, will present these
4 minute orders. John, item 14a.

5 MR. OBR: Good afternoon. For the record, I am
6 John Obr, director of the Construction Division.

7 Before I go into item 14a, I would ask the
8 commission for a few minutes of your time to follow up
9 with some information that was requested during our
10 discussion at last month's commission meeting.

11 Again, this month our maintenance minute order,
12 item 14a, will indicate that there was a 6.39 percent
13 underrun of the engineers' estimate, while our item 14b,
14 construction projects minute order, will indicate there
15 was a 6.6 percent overrun of the engineers' estimate, and
16 the question was asked last month, I believe by
17 Commissioner Underwood, why is that. Let me say after
18 much work by much of my staff in the past month, it's
19 difficult to pinpoint with numbers, however, I would like
20 to address some contributing factors, in our opinion, and
21 these come from the July letting.

22 To start with, construction projects for July
23 averaged over \$5.5 million in size. During the same
24 month, maintenance contracts were just under \$1 million,
25 thus, typically it's easier to put together an engineer's

1 estimate on maintenance contracts because for the most
2 part they're simpler projects.

3 Another point, the larger construction
4 contracts will typically last longer than our maintenance
5 contracts, thus, there is more risk associated for
6 contractors for the longer term contracts, and we see
7 higher bid prices due to that risk. They're trying to
8 reduce it so they're putting more money into the bid items
9 in those longer contracts.

10 For instance, asphalt pricing, which is never
11 quoted long-term on a project that has more than twelve
12 months in the contract, will be a higher risk for that
13 contractor than a shorter term maintenance contract that
14 is trying to expend out in that fiscal year with our 144
15 funds. Therefore, your risk is minimized in that
16 maintenance contract and you're more likely to get price
17 quotes for that shorter time frame that you can hold to
18 rather than the riskier long-term projects.

19 And then finally, our maintenance contracts and
20 contractors tend to be more local than our larger
21 construction projects, therefore, reducing overhead and
22 mobilization costs associated with contractors moving
23 around the state on those larger contracts.

24 Hopefully, that will give you some general
25 reasoning behind what I believe to be contributing factors

1 to the differences between construction and maintenance
2 contracts.

3 If I could just have a few more minutes of your
4 time, I would like to give you some interesting facts,
5 kind of piggybacking on Mr. Barton's comments and Mr.
6 Bass's comments, regarding the July letting.

7 Our Highway Cost Index tracks crude oil prices.
8 That's a simple factor. So all of you can keep track of
9 what's happening at the pump, our prices are going to go
10 up with it, if they come down, our prices to do our work
11 are going to come down with it. And we've tracked our
12 Highway Cost Index since 1997. It was established at a
13 baseline of 100 points at that point. Right now, as of
14 the July letting, our Highway Cost Index is at 213.78, so
15 our costs since 1997 has more than doubled, similar to
16 what crude oil and fuel prices have done in that same time
17 frame.

18 Our Highway Cost Index is a lagging indicator
19 because it's based on the previous twelve months'
20 information. That's what we report. We have a one-month
21 cost index, we have a three-month cost index, but our
22 twelve-month is our most stable, so we report that to you
23 on a monthly basis. In July, looking back to that July
24 2010 period, our Highway Cost Index has been rising since
25 then. At that point it was 161.11; again, now in July of

1 2013, it is 213.78.

2 So similar to seeing the 30 percent increase in
3 traffic in a lot of our areas, we have seen a 30 percent
4 increase in cost to do work in those same three years, so
5 any planning work that was done in 2010, we didn't
6 anticipate a 30 percent increase in our cost to our
7 letting process this year. Especially if we were using 4
8 to 5 percent, you can see how far we've gotten behind.

9 Another factor that we're seeing right now is
10 competition is down. Going back to our July 2010 and our
11 July 2013 statistics, if you look at the dollar volume of
12 awards going to projects that had at least five bidders on
13 that project, in 2010 we had 82 percent of those projects
14 had at least five bidders, the month of July it was cut in
15 half to 41 percent.

16 If you look at dollar volume of awards going to
17 projects with at least one or two bidders --

18 MR. AUSTIN: Would you go back and repeat that
19 again, because that's significant. So what we're seeing
20 is less competition for the projects, which is one factor.

21 MR. OBR: If you looked at all the projects we
22 let in July of 2010, over 80 percent of those projects had
23 at least five bidders, this past month it was down to 41
24 percent.

25 MR. AUSTIN: Just not to put you on the spot,

1 but maybe you've talked with some of the trades, why is
2 that? Is it because they're full of work, labor issues?

3 MR. OBR: Another factor that I'm going to
4 report to you is that the biggest impact we're seeing
5 right now is in our rural and urban districts. That's
6 where the competition has really been reduced, and I point
7 a lot of that to similar to energy sector. There's lots
8 of work out there in those areas.

9 MR. UNDERWOOD: It's not building roads, it's
10 doing something else.

11 MR. OBR: And it is cash basis, from my
12 understanding.

13 MR. HOUGHTON: Bigger money.

14 MR. OBR: And they don't have to deal with a
15 lot of the contractual obligations through bidding work
16 with TxDOT to get the product we want. Therefore, make
17 that money while you can, and that is strictly an opinion
18 of mine.

19 MR. AUSTIN: Just as a point of reference, I
20 know we have our HUB and DBE goals. This would seem like
21 a great opportunity for some of those firms to
22 participate.

23 MR. HOUGHTON: They're doing the same thing,
24 they're going to the energy sector.

25 MR. OBR: Yes, sir.

1 When you look at the dollar volume of awards
2 going to projects with two or less bidders, in 2010 we had
3 1 percent of our contracts were awarded on projects that
4 we had two or less, in this past month it was at 27
5 percent. But I want to assure you that bid prices are
6 increasing across the board for all projects.

7 A couple more quick facts and then I'll move on
8 to the minute orders. I appreciate your patience.
9 Winning low bids exceeding the estimate by 5 percent or
10 more, in July of 2010, 13 percent of the winning low bids
11 exceeded by 5 percent or more, in 2013 it's gone up 5
12 percent to 18 percent, so that's increased.

13 The losing bids, those that didn't get a
14 contract, that exceeded the estimates by at least 5
15 percent went from 59 percent in July of 2010 to now it's
16 69 percent. So folks, we're seeing a lot more bids that
17 are exceeding the 5 percent threshold, and keep in mind,
18 the same time our Highway Cost Index is escalating.

19 These low bids are going up particularly in
20 non-metro districts in Texas, and although they are rising
21 in all districts, they are increasing more rapidly in our
22 non-metro areas. In July, the metro districts exceeded
23 their estimates by less than a percent, so that was good,
24 but in our urban and rural districts, urban districts we
25 exceeded engineers' estimates by 14 percent, in our rural

1 districts we exceeded by approximately 10 percent. And
2 the big issue that was relevant to the 6.6 percent we're
3 seeing is that 50 percent of the dollar volume of projects
4 in July was for projects in non-metro districts, so it
5 naturally ties right to that 6.6. percent.

6 MR. HOUGHTON: But if you fully weight those
7 numbers, do you weight the numbers?

8 MR. OBR: They're on dollar volumes.

9 MR. HOUGHTON: Okay. But it's not weighted,
10 the dollar volumes seem to be bigger in the metro areas.

11 MR. OBR: Typically you would think they would
12 be, but this past month in July, it was even.

13 MR. HOUGHTON: That's why we're seeing that.

14 MR. OBR: Correct. If there would have been
15 more dollars in the metro areas, we would have brought it
16 closer to the 1 percent.

17 MR. HOUGHTON: Brought it back down. Okay.

18 MR. OBR: But I want to assure you that we've
19 looked at the last twelve months on over and under, and
20 for the last twelve months we're at .42 percent under
21 engineers' estimates, we're still a small portion under,
22 but you can only go through so many letting months to
23 where you go \$30 million over on a \$500 million estimate.

24 MR. HOUGHTON: We've got one more month.

25 MR. OBR: We've got one more month, another

1 \$560 million next month.

2 But hopefully, that information helps you a
3 little bit with what we're seeing, and if so, if you have
4 no further questions, then I'll move on to item 14a.

5 MR. AUSTIN: That was very helpful.

6 MR. OBR: Item 14a is for consideration of the
7 award or rejection of Highway Maintenance and Department
8 Building Construction contracts let on July 9 and 10. We
9 present 32 projects today. The average number of bids per
10 project was 3.81; the low bid value was \$29,308,600.98; we
11 had an overall underrun of 6.39 percent.

12 Staff recommends award of all maintenance
13 projects with the exception of the following project, that
14 being a Hardin County project, number RMC - 625514001.
15 The project received one bid which was 80.55 percent, or
16 \$316,759 over the engineer's estimate. The project is for
17 district-wide tree and brush removal. The district had
18 limited historical data available for this type of work
19 which made it difficult for them to determine an accurate
20 estimate. They feel the bid received is too high, they
21 would like to have the opportunity to perform some
22 research and redesign the project, therefore, we recommend
23 that the project be rejected and relet at a later date.

24 MR. HOUGHTON: Any questions? Motion?

25 MR. UNDERWOOD: So moved.

1 MR. AUSTIN: Second.

2 MR. HOUGHTON: All in favor?

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

5 MR. OBR: Item 14b is for consideration of the
6 award or rejection of Highway and Transportation
7 Enhancement Building Construction contracts let on July 9
8 and 10 of 2013. We present 92 projects today; the average
9 number of bids per project was 3.73; the low bid value was
10 \$542,020,467.64; the awards are split as 14 projects in
11 Mobility totaling \$246,636,856.93, and 78 projects in
12 Preservation totaling \$295,383,610.71; we had an overall
13 overrun of 6.64 percent.

14 Staff recommends award of all construction
15 projects with the exception of the following project, that
16 being a McLennan County project number IM 0355(154). The
17 project received one bid which was 10.24 percent, or
18 \$2.330 million over the engineer's estimate. This project
19 is for frontage road and ramp construction and bridge
20 replacement. The district discovered there were details
21 that were inadvertently omitted from the plans and they
22 would like the opportunity to correct the plans,
23 therefore, we recommend that the project be rejected and
24 relet at a later date.

25 MR. MOSELEY: So moved, Chairman.

1 MR. HOUGHTON: Commissioner Moseley, you had an
2 off month, \$67 million, that's not very good.

3 MR. UNDERWOOD: Second.

4 MR. HOUGHTON: All in favor?

5 (A chorus of ayes.)

6 MR. WILSON: That brings us to item 15, Eminent
7 Domain Proceedings. Right of Way Division Director John
8 Campbell will present. John.

9 MR. HOUGHTON: Here you go. Can you see the
10 excitement at the end of the table?

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

14 I'd like to present for your consideration item
15 15 which authorizes the filing of condemnation proceedings
16 necessary to progress the acquisition of 27 parcels by
17 exercise of the power of eminent domain. Staff recommends
18 your approval of the minute order.

19 MR. VANDERGRIFF: I move the Texas
20 Transportation Commission authorize the Texas Department
21 of Transportation to use the power of eminent domain to
22 acquire the properties described in the minute order set
23 forth in the agenda for the current month for
24 construction, reconstruction, maintenance, widening,
25 straightening or extending the highway facilities listed

1 in the minute order as part of the state highway system,
2 and that the first record vote applies to all units of
3 property to be condemned.

4 MR. MOSELEY: Chairman, I'll second
5 Commissioner Vandergriff's well-worded motion.

6 MR. HOUGHTON: All in favor?

7 (A chorus of ayes.)

8 MR. VANDERGRIFF: I do want to note that I
9 asked Rose earlier today is this like an ongoing joke that
10 the new guy will have to do this. And she said, No, Bob
11 Jackson. I said, That explains it, I've got it.

12 (General laughter.)

13 MR. WILSON: Now item 16 approves proposed lane
14 use restriction for trucks in the cities of Dallas and
15 Fort Worth and the surrounding counties. This item will
16 be presented by Traffic Operation Division Director Carol
17 Rawson. Carol.

18 MS. RAWSON: Good afternoon. We're almost
19 there, guys, we're almost there.

20 MR. HOUGHTON: Please.

21 MS. RAWSON: For the record, I'm Carol Rawson,
22 director of the Traffic Operations Division.

23 This minute order allows for a left lane
24 restriction for trucks on 174 centerline miles of I-20, I-
25 30, I-35E, I-35W, I-45, I-635, I-820, SH 114, SH 121, SH

1 360, SL 12, US 75 and US 175 in the cities of Dallas, Fort
2 Worth, and in the surrounding counties. These
3 restrictions will prohibit trucks from operating in the
4 far left lane for sections of these highways in the six
5 counties. Trucks would still be allowed to use the left
6 lane to pass other vehicles and exit the highway.

7 With the proposed additional miles, Texas will
8 now have a total of 607 miles of restricted truck lanes in
9 19 counties. These types of lane restrictions have been
10 shown to improve safety by increasing the number of
11 vehicles traveling at the same speed and decreasing lane
12 changes and other types of passing maneuvers.

13 A traffic study conducted by the Texas
14 Transportation Institute for truck lane restrictions
15 implemented on I-10 East in Houston showed that these
16 restrictions have contributed to a reduction in vehicle
17 crashes by 68 percent during the 36-week study. In a
18 similar study on I-20 and I-30 in Dallas and Fort Worth
19 showed a decrease by 78 percent on I-20 and 22 percent on
20 I-30.

21 The department published a notice requesting
22 public comment in the April 19, 2013 edition of the *Texas*
23 *Register* and also held a local public hearing on May 16.
24 No public comments were received at the public hearing and
25 seven written comments were received through the mail.

1 None of the seven comments were opposed to the proposed
2 restriction.

3 Staff recommends approval of this minute order.

4 MR. VANDERGRIFF: Just had one question. So
5 the trucking industry and trucking association did not
6 register any?

7 MS. RAWSON: No comments.

8 MR. VANDERGRIFF: Then I would move for
9 approval.

10 MR. UNDERWOOD: Second.

11 MR. HOUGHTON: All in favor?

12 (A chorus of ayes.)

13 MR. AUSTIN: I do have one quick question. So
14 we're adding 174 miles and you said this will bring our
15 total to 607?

16 MS. RAWSON: Yes, sir, 607 miles in 19 counties
17 in the state.

18 MR. AUSTIN: I think this is a good safety move
19 because this is one of the biggest complaints I receive,
20 what about the trucks. And I would just like to also
21 encourage when we begin to put up signs, let's remind the
22 citizens of the state, put up road signs that slow traffic
23 does need to keep right, because I see a lot of accidents
24 about to happen or that are prevented. You get slow
25 drivers that just park in the left lane, and I think

1 that's something to keep safety foremost. And I think we
2 put up 3,000 signs last fall statewide.

3 MS. RAWSON: Yes. Any location when you pass
4 the 75 mile per hour speed limits, as they put the speed
5 limits up, they put the left lane for passing only signs
6 too, so you're seeing a lot of those.

7 MR. AUSTIN: I hope DPS would enforce that.

8 MR. HOUGHTON: There's a motion and a second.
9 All in favor?

10 (A chorus of ayes.)

11 MR. HOUGHTON: Okay. Thank you, Carol.

12 MR. WILSON: Item 17 contains the routine
13 minute orders, including donations to the department,
14 right of way dispositions and donations, release of
15 access, transportation, planning, finance, speed zones,
16 and compensation of leadership positions.

17 MR. HOUGHTON: Motion on the routine minute
18 orders?

19 MR. UNDERWOOD: So moved.

20 MR. AUSTIN: Second.

21 MR. HOUGHTON: All in favor?

22 (A chorus of ayes.)

23 MR. WILSON: This concludes the action items on
24 today's agenda, so Commissioner, I will hand the meeting
25 back to you.

1 MR. HOUGHTON: Is there any other business
2 before the commission? If there is none, I will entertain
3 the most privileged motion.

4 MR. UNDERWOOD: So moved.

5 MR. AUSTIN: Second.

6 MR. VANDERGRIFF: I want to note one thing,
7 that my esteemed former colleagues from NTTA are here, and
8 they must have heard comments I made earlier in the
9 morning, and they're already down here to move forward, so
10 I just want to note that.

11 MR. HOUGHTON: So there's a motion and a
12 second. All in favor of adjourning?

13 (A chorus of ayes.)

14 MR. HOUGHTON: Thank you.

15 (Whereupon, at 12:53 p.m., the meeting was
16 concluded.)

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MEETING OF: Texas Transportation Commission

LOCATION: Austin, Texas

DATE: July 25, 2013

I do hereby certify that the foregoing pages, numbers 1 through 188, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Nancy H. King before the Texas Department of Transportation.

(Transcriber) 07/31/2013
(Date)

On the Record Reporting
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