

TEXAS DEPARTMENT OF TRANSPORTATION

COMMISSION MEETING

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

Thursday, August 29, 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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17. **Routine Minute Orders** (continued)
- a. **Donations to the Department**
- (2) **Various Districts** - Consider the acceptance of donations made to the department to include: (a) donations in any form, including realty, personalty, money, materials, or services, which are made to the department for the purpose of carrying out its functions and duties; and (b) donations from landowners, with land adjacent to a highway that is part of the state highway system, to construct an improvement on the highway right-of-way that is directly related to improving access to or from the owner=s land (See attached itemized list) (MO)
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- (3) **Denton County** - FM 423 north of Panther Creek Parkway in Little Elm - Consider the sale of a surplus drainage easement (MO)
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- (1) **Dallas County** - I-20, eastbound frontage road at Hampton Road in Dallas - Consider the designation of a location on the highway at which access will be permitted to the abutting property (MO)
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f. **Finance**

- (1) **Travis and Williamson Counties** Approval of the Central Texas Turnpike System (CTTS) annual operating, maintenance and capital budgets (MO)
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- (3) Annual review of debt management policy and derivative management policy for financing programs of the department, and authorization for department personnel to execute certain derivative transactions for financing programs of the department (MO)
- (4) Adopt the 2014 Operating Budget (MO)

g. **Speed Zones**

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

18. **Executive Session** (none required)

OPEN COMMENT PERIOD (no commenters)

ADJOURN

259

P R O C E E D I N G S

1
2 MR. HOUGHTON: It is 9:00 a.m., and I call to
3 order the regular August 29, 2013 meeting of the
4 Transportation Commission. Note for public record that
5 notice of this meeting, containing all items on the
6 agenda, was filed with the Secretary of State at 4:04 p.m.
7 on August 21, 2013.

8 I ask that before we begin today, would you
9 please turn your communication devices in the silent or
10 off mode. Thank you, Commissioner Underwood.

11 And if you wish to address the commission
12 during today's meeting and want to be a speaker on an item
13 it's a yellow card, in the open session it is a blue card.
14 With that said, we want to limit, since we have a whole
15 lot of folks here, comments to three minutes, except for
16 those of the legislators that are here today. They can
17 speak as long as they'd like.

18 And now we turn over to the executive director
19 for our safety minute.

20 MR. WILSON: Thank you, Mr. Chairman. I'd like
21 to ask Deputy Executive Director John Barton to come
22 forward and provide a quick safety briefing.

23 MR. BARTON: Good morning, Chairman,
24 commissioners, Director Wilson. Thank you for the
25 opportunity to start this meeting with a brief safety

1 discussion.

2 We have a lot of visitors with us and I'll get
3 to some important safety facts for them, but before I do,
4 I want to take this opportunity to thank this commission
5 and our executive director, Phil Wilson, for their
6 commitment to safety. Fiscal year 2013 has been a
7 remarkable year for this agency. We have elevated the
8 importance of safety in our program and we've created a
9 safety culture stronger today than it ever has been within
10 this agency, and for that, the employees of your Texas
11 Department of Transportation will be eternally grateful.

12 We also are proud to be able to promote roadway
13 safety. It is the most important thing that we focus on
14 each and every day: the safety of those 26 million people
15 who are blessed to be able to call this great State of
16 Texas home, those that visit us on a daily basis and the
17 employees of the municipalities, counties, contractors and
18 vendors and Texas Department of transportation employees
19 who put their lives on the line and focus on building and
20 maintaining the safest system possible for this great
21 state.

22 Since January 1 of 2013, with all of that focus
23 on safety, it's sad to report that we still this morning
24 have 2,074 fatalities reported so far in calendar year
25 2013. So as we approach this upcoming holiday weekend, I

1 would just remind all of us to be safe, drive smart, make
2 sure that as we celebrate Labor Day with our family,
3 friends and those that are nearest and dearest to us that
4 we do so in a safe fashion, that we remain sober while
5 we're driving.

6 And many of our schools, both at the
7 elementary, middle school, high school and college
8 campuses have opened up classes recently, and it's
9 important for us to remember that there will be many, many
10 more children walking to get on school buses, across
11 streets to get on campuses and we need to be mindful of
12 that as this new school season starts.

13 For those that are visiting with us today, if
14 you haven't been here before, a couple of safety points
15 just to make sure you're aware of. If there is a medical
16 emergency, if anyone needs medical assistance, please walk
17 out of this building, to my right as I face the
18 commission, to the left if you're walking towards the back
19 of the room, to the guard station where you entered the
20 building this morning. There is a first aid kit available
21 there, we have people who are trained and certified in
22 first aid that can assist you, and if your medical needs
23 go beyond that, they can certainly call 911 and get you
24 emergency medical services.

25 I don't believe that we'll be experiencing any

1 weather related events today, but if we need to shelter in
2 place because of a storm, I would ask everybody to leave
3 this room, again to my right and the doors that are marked
4 with exit signs. We will gather in the foyer and then
5 collect in the basement of this facility which is one
6 below us, taking the stairwells, and if that is not enough
7 capacity, we can stay within the stairwells themselves.

8 If we need to evacuate the building for any
9 reason, you will be notified of that by someone coming up
10 and speaking from this microphone, instructing you to
11 vacate the building. I would ask that we all use these
12 exits, again, to leave this room. We can go out the front
13 door of the Greer Building out onto 11th Street. I would
14 ask that we patiently walk to the corner of 11th and
15 Congress, safely cross 11th Street over to the grounds of
16 the Capitol and gather there so that the emergency
17 response teams will be able to occupy this building and do
18 what they must.

19 So that is the safety briefing that I wanted to
20 share with you this morning. Again, commissioners,
21 Chairman and Phil, thank you for your commitment to
22 safety, and thank you for helping us do more each day to
23 protect the lives of those Texans that we have the honor
24 of serving.

25 MR. WILSON: With the safety briefing

1 completed, I'll had the gavel back to you, Mr. Chair, to
2 complete opening remarks.

3 MR. HOUGHTON: Yes. Now we will open with
4 remarks from our my commissioners, starting with
5 Commissioner Vandergriff.

6 MR. VANDERGRIFF: Thank you. It's great to be
7 here today.

8 This month has been a very, very good month for
9 me personally in my short time on the commission. I got a
10 chance to be in several places in the last 30-40 days,
11 most notably Corpus Christi with the Harbor Bridge and the
12 road projects there, and also in the Metroplex, my home
13 area, looking at 183 and at the Irving Transportation
14 Forum, and at I-35E in Denton County as TxDOT and the RTC
15 region up there, as well as the counties, celebrated and
16 moved forward on that project which hopefully we'll have a
17 groundbreaking in October and the chairman and I will be
18 there for that.

19 And then also got a chance to be with the group
20 on the DFW Connector as we cut the ribbon there, and I
21 noted in my remarks -- I was the emcee, if you will --
22 that it was the best "No" vote that I'd ever done. In
23 2008 I was on the board of the North Texas Tollway
24 Authority, and we have nine members and I was the only
25 vote "No" in letting the managed lanes go so that TxDOT,

1 because it was their role, in my opinion, to take those
2 kind of roads on. Ultimately, the rest of my fellow board
3 members came around with me and a few months later we
4 unanimously voted to give that road back, waive our
5 primacy, and the result on that was quite astounding.

6 We were able to get that road out and put
7 together a connection of partners and the developers that
8 made it happen, the community that got behind it, and got
9 a road project done, a billion one, that was under budget
10 and was a year early in getting that accomplished. And I
11 think that's a great tribute to the TxDOT staff here, but
12 also, as I noted, there were a lot of people that were not
13 there, one most notably was Ric Williamson, who had
14 championed that, and his wife and widow, Mary Ann
15 Williamson, was there, and also several representatives
16 and senators and local officials who had pushed hard for
17 that project, but as a lot of projects go, they left
18 office, moved on to other things, and didn't get a chance
19 to really be the ones celebrating that success directly,
20 and so appreciate that.

21 It reminded me again how the number one
22 ingredient of anything is people, respect for people,
23 listening to people, working with people, and you can't
24 get a enough good people and enough listening and enough
25 respect.

1 I also want to note that during the month, last
2 month we got a bill passed in the Senate and the House
3 which has the opportunity for the first new funding for
4 transportation, really new funding in about two decades.
5 It wasn't pretty, it was arduous, but there were a lot of
6 people there, some in this audience, that really worked
7 hard to get that done in the environment that we're in.

8 But the most important thing of that to me was
9 the leadership and the opportunity they give TxDOT in that
10 to really come under House Bill 16 and prove our case.
11 Everybody understands there's a \$4- to \$5 billion number,
12 but nobody really understands what we really are going to
13 do with that money and what the processes are to select
14 projects and to move forward in meeting the needs of the
15 state, and I think we have a great forum before the House
16 and the Senate over the next year and a half to work on
17 that, up front, personal, and direct and informative, and
18 I'm excited about that for us.

19 And last but not least, we're going to talk
20 about the UTP today. To me, that document, I know there
21 are about a hundred people, mostly engineers, who can
22 probably understand it and read it and know how we select
23 road projects and how we get things out, but I'm not one
24 of those. And I think that the current document is
25 larger, more comprehensive, but it actually makes it

1 simpler to understand. And I applaud the department and I
2 applaud the people that have been working on it trying to
3 move forward the process so that we can better understand
4 fairly, transparently, openly and up front how we select
5 projects, and therefore, any thought of backroom deals or
6 side negotiations on projects, that's out of the picture,
7 it's really as it should work. And I believe it works
8 that way for the most part already, but this will, I
9 think, better ensure it.

10 And the last thing I'd say, I welcome and
11 appreciate all the people that are here. I am a firm,
12 absolute, resolute defender of bottom-up development of
13 ideas and new ways of doing business and dealing with
14 problems, and our best friends, our best stakeholders, our
15 best allies in the fight over the decade I've been around
16 transportation have been the cities and the counties who
17 have been there with us, and the best way to deal with
18 issues involving cities and counties is to bubble-up, not
19 top-down. So I appreciate you being here.

20 Thank you.

21 MR. MOSELEY: Chairman, members, appreciate so
22 much everybody being here today. As Commissioner
23 Vandergriff stated, it's really good to have this ability
24 to listen and hear and dialogue.

25 I was recently with the Texas Municipal League,

1 16 counties, the mayors had gathered in Galveston and it
2 was a chance for us to open a dialogue about concerns that
3 cities had on an initiative to take back local control of
4 farm to market and ranch to market roadways, so I welcome
5 this dialogue today and know that we really have a desire
6 to be responsive and listen and hear how we can best put a
7 template together that serves everybody's common
8 interests.

9 Chairman, I'm pleased to also report back to
10 this commission that since we last met I've been able to
11 tour the ports of Port Arthur, Port Beaumont and Port
12 Orange, and look forward to getting some more port tours
13 in as we move next month to our commission meeting in
14 McAllen. And our goal is to bring back a report to this
15 commission about the dynamic development of our ports
16 communities, particularly in relationship to the new
17 shipping lane that Panama is opening and how these ports
18 serve the entire interests of the states and how they
19 integrate into our intermodal system.

20 So look forward to hearing more from the
21 audience today and from our cities and counties on the two
22 initiatives that we have on our agenda, and I'll yield the
23 balance of my time.

24 MR. AUSTIN: Good morning, everyone. I'm happy
25 to see such a great audience out here. I'll start by

1 saying there's more than one right answer and I hope we
2 look forward to having some good discussion.

3 I want to apologize to some of you that I may
4 not be here at eleven o'clock. I did book a trip back in
5 February with my daughters, and I thought this was going
6 to be a slow month, so that's what I get for thinking. So
7 please forgive me when I do excuse myself a little bit
8 later.

9 I want to talk for a second, since I'm going to
10 be gone, recognize some of our employees, some of the
11 great things that they're doing, but also there's some new
12 team members. First, I'd like to congratulate Dalton
13 Pratt -- I don't know if Dalton is here -- for being
14 promoted to our fleet manager for TxDOT. You've probably
15 heard about our Fleet Forward program that has gone out
16 where we're reducing our fleet, some of our cost-saving
17 measures, from 16,000 down to 10,000 vehicles. That's
18 going to save approximately \$50 million a year. Dalton,
19 if you'll recall, you heard us talk a year or so ago about
20 the Federal Yellow, Dalton is the one that uncovered that,
21 so I really appreciate Dalton for speaking up. And we do
22 listen to our employees, that's where some of our best
23 cost-saving ideas are coming from.

24 Also, I'd like to introduce Scott Butterfield.
25 Scott, are you here? There's Scott. Scott has recently

1 joined us as our director of Real Estate Management and
2 Development. He recently worked for Alcon Ventures out of
3 Boston and has a master's of science in real estate
4 development from MIT, plus a master's in accounting and
5 bachelor's in economics from Rice. This is one smart dude
6 right here. Scott, welcome. Look forward to working with
7 you on all this.

8 Also, Dan Harmon. Here's Dan over here. He
9 recently joined TxDOT as our new Maritime Division
10 director. He's a native of Houston and is a retired U.S.
11 Navy commander -- thank you for your service -- with 22
12 years of active duty. Dan most recently worked for
13 another state agency, but he has an MBA from the U.S.
14 Naval Postgraduate School, and a bachelor's in government
15 from UT. So please welcome Dan and Scott.

16 This month, Commissioner Underwood and I had an
17 opportunity to visit Midland and Odessa to look at some of
18 their very important projects, and I want to thank a
19 moment to thank Mike McAnnally and his team for being a
20 great host to us. Also, I want to thank Gary Law. He is
21 the Odessa District director of transportation and
22 planning for taking us around, really giving us a
23 firsthand look at a lot of the projects and the needs,
24 from the energy sector to safety, that really drove some
25 points home.

1 We had the chance to meet with some of the
2 local leaders there. It was unfortunate that two
3 commissioners go out to Midland and MOTRAN did not want to
4 visit with us. But we look forward to working with the
5 MPO and establishing future priorities there.

6 But Commissioner, I know when you left, you
7 left a little bit before I did, I was still looking at
8 some other projects, you missed the five-inch rain. We
9 had a couple of drops on the windshield that were five
10 inches apart.

11 (General laughter.)

12 MR. AUSTIN: Also, I had the opportunity down
13 in Lufkin, working with Angelina and Nacogdoches counties
14 on I-69. The committees continue to work all up and down
15 the route, but they have really made some improvements,
16 recommendations back to us on future alignments and that's
17 what it's supposed to do is bottom-up really working with
18 them. But they're running and they do have a lot of
19 choices.

20 I want to talk just for a second about the
21 conversion, why many of you are here, the turn-back and
22 the conversion. Some of the roads going back to gravel, I
23 was thinking about this and I asked a gentleman who called
24 me with one of the oil companies that was talking about
25 this, and I said, If you had a million dollars to do a

1 work-over on a rig, are you going to do one that has two
2 barrels a day or 200 barrels a day? I think we know the
3 answer to that.

4 But I was also thinking about rationing, and
5 we're talking about rationing of dollars. I had the
6 opportunity to work out of state for two years in
7 California and we experienced water rationing. We were
8 allowed in 1989, 40 gallons per person per day of water.
9 And I had two small kids and you think about that where
10 you're flushing, you're taking a shower, drinking water,
11 dishwasher, whatever that is, 40 gallons a day, and there
12 were penalties for that.

13 If we look back and take our maintenance issues
14 right now and we were to come back and say we only have X
15 dollars for maintenance and we were to back into that
16 using that analogy with the water, I hope we never come to
17 a day where we say right now we can only drive, because of
18 dollars and the wear and tear on the roads that we can
19 only drive ten miles a day per vehicle. I don't think
20 we're there, I don't think we're going to get there,
21 because I have confidence in our leaders that when they
22 come back into session we're going to do the right thing
23 to help look at and find some right funding mechanisms.

24 All that to be said, there's more than one
25 right answer. Again, I apologize for having to be gone,

1 but many of you have visited with me. Let's take a look
2 at what we can do instead of all the reasons why we can't.
3 We're all in this together. There's some of these roads
4 that do probably need to go back that are local connectors
5 in different parts of the state, and look forward to
6 having a good discussion there.

7 Last couple of things, I want to assure you
8 that we're doing as much as we can to control costs
9 because that keeps coming back up. That's why I'm really
10 proud of what Dalton is doing. But it's the little
11 things. I had the opportunity to stop in the Livingston
12 maintenance office, and one individual, Rhonda Barton,
13 spoke up and said, You know, a few years ago we looked at
14 something, it's time for us to do it again. What Rhonda
15 was talking about is to go back and look at all the
16 meters, the electrical meters that we have throughout the
17 state.

18 She used an example, about 10 or 15 years ago
19 we went and looked at seven of them and they were
20 someplace else being charged. We have over 20,000 meters,
21 and I know Scott Butterfield is going to be working on
22 this to go back and look at are we using these right, are
23 they still ours, to take a look at what's going on. We
24 are trying to control costs. It may seem like a little
25 thing but these dollars do add up.

1 Thank you all for being here. I know safety is
2 not negotiable, we're going to spend a lot of time talking
3 about that today, and also trying to make our dollars go a
4 little bit further.

5 MR. UNDERWOOD: I'm going to reinforce what
6 Commissioner Austin said, and thank Gary Law for his time
7 and spending the day with us, for showing us really the
8 needs.

9 And I want to thank Commissioner Austin for
10 taking the time to come to West Texas. I know you
11 understand the needs of East Texas, you've been to South
12 Texas, and now you understand the needs we have in West
13 Texas because of the oil and gas. It's important to our
14 economy, but it's also important to our citizens to be
15 able to work safely, and you've seen what the roads are
16 like and you've seen what the traffic is like, so I want
17 to thank you very much for taking the time. I know you've
18 got a busy schedule. And he also has a day job, just for
19 those that don't know it. But I appreciate that. Thank
20 you very much, sir.

21 On another note, if you notice that we all have
22 a ribbon. We would like for one day in Texas to not have
23 a fatality on our highways and for all of you in this
24 room, if you can do what you can to help us, that really
25 would be appreciated, and I know the families that lose

1 these family members would appreciate it also. Also, I
2 would just remind you do not text, talk and drive. If
3 you'll notice that a lot of our employees are wearing this
4 to remind you of that.

5 And thank everyone for taking the time to be
6 here today. I know in life there's only so much finite
7 time you have on this earth. The only guarantee you have,
8 I think, is salvation and a short amount of time, and
9 thank you for sharing that time with us.

10 And I'll turn it over to our chairman with just
11 this thought: Chairman, if at first you don't succeed,
12 skydiving is not for you.

13 (General laughter.)

14 MR. HOUGHTON: I don't know. Well, thank you
15 for that. I echo some of the remarks, not all, from the
16 commissioners, but some.

17 I do want to point out to you something that
18 you may have noticed in the lobby, the new cover of our
19 *Texas Highways* magazine. We're going to celebrate 40 years
20 of the magazine next year, and this staff has done an
21 outstanding job. The new look features new graphics,
22 expanded coverage about great travel destinations around
23 our state. Travel and tourism play a huge integral part
24 to the economic success of Texas and we're all proud of
25 the Travel Information Division that produces *Texas*

1 *Highways* each month. So my hat's off to those folks in
2 that department.

3 I'd be very remiss, and probably disciplined
4 for it, if I did not recognize the elected class in the
5 room: Representative Morrison is here back in the back,
6 Representative Deshotel, Representative Pickett,
7 Representative Doc Anderson, and Senator Campbell. We had
8 a nice meeting with the senator this morning.

9 Welcome all, and with no further ado, let's
10 move on to the agenda items. We've got to approve the
11 minutes. You've all seen the minutes, they were posted in
12 your book.

13 MR. AUSTIN: Move they're approved as
14 presented.

15 MR. UNDERWOOD: Second.

16 MR. HOUGHTON: All in favor?

17 (A chorus of ayes.)

18 MR. HOUGHTON: Thanks.

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

20 Next is a resolution recognizing Carolyn Icard,
21 executive assistant to the commission, for her 27 years of
22 service to the department.

23 Carolyn, would you come on up, please. Good
24 morning.

25 MS. ICARD: Good morning.

1 MR. WILSON: "Whereas, the Texas Transportation
2 Commission takes great pride in recognizing Carolyn Icard
3 for her outstanding service to the Texas Department of
4 Transportation after a distinguished 27-year career;

5 "And whereas, Icard began her TxDOT career in
6 1986 with the Equipment and Procurement Division as the
7 secretary for the fleet management and materials supply
8 management system sections;

9 "And whereas, in 1990, Icard moved to TxDOT
10 headquarters at the Greer Building to serve as
11 administrative assistant to the program analysis section
12 director in the Planning and Policy Division, and in 1993
13 was named executive assistant to the director of the
14 Legislative Affairs Office which later became the
15 Government and Business Enterprise Division Office;

16 "And whereas, since 2005 she has served as
17 commission secretary for the Texas Transportation
18 Commission, working for a total of four commission chairs
19 and eleven commissioners;

20 "And whereas, in addition to all of her other
21 duties over the years, Icard has been recognized by the
22 Women's Information Network, now TxDOT Connect, as a
23 winner of the month, served on the employee advisory
24 committee, and represented administration as coordinator
25 for the SECC blood drive and CAP programs;

1 "And whereas, in retirement she plans to
2 volunteer at a hospital and for the Meals on Wheels
3 Program, crochet, spend time with her spouse and
4 grandkids, and occasionally take trips to Las Vegas to
5 continue her lucky streak with the one-armed bandit;

6 "And whereas, Icard has devoted her
7 professional live to improving the quality of life for all
8 Texans;

9 "Now, therefore, be it resolved that the Texas
10 Transportation Commission does hereby extend its sincerest
11 best wishes to Carolyn Icard in recognition of her
12 professional achievements in a career of loyal service on
13 behalf of the State of Texas and its citizens.

14 "Presented this 29th day of August, 2013."

15 Are there any comments from the commission?

16 MR. VANDERGRIFF: It's really a pleasure to
17 have had a chance to work with you on the inside. I want
18 to tell everybody in the audience there's no better
19 indication of the character and the quality of a person
20 that I saw when I was in a very different role about five
21 years ago. I was a revolutionary. I advocated to move
22 the divisions that were the motor vehicle operations in
23 TxDOT into its own agency.

24 I think time and history has judged that to be
25 a good move to make, but at the time, being here and being

1 appointed by this very commission and one of the
2 commissioners at that time was our current chairman, to
3 head a task force to look at the possibility of this, so I
4 was afforded space in this building to do so, and the
5 commissioners, of course, were very gracious in that and
6 especially Chairman Delisi, but the rest of the staff, as
7 you can understand, looked at me with a bit of
8 apprehension because I was a revolutionary.

9 And yet, one of the first faces I saw was
10 Carolyn Icard, and she greeted me warmly as if I was her
11 brother, and I will always remember that kindness and that
12 consideration. Now, she made sure that I dotted my Is and
13 crossed my Ts and followed all the procedural rules as
14 well, and she's done the exact same thing for all of us
15 here on the commission as I've been here.

16 I thank you and I applaud your efforts over 27
17 years, and I know you will enjoy your retirement and have
18 a lot of great moments in it. So thank you.

19 MS. ICARD: Thank you, Commissioner.

20 MR. MOSELEY: Carolyn, thank you. I echo these
21 comments that Commissioner Vandergriff has given. You've
22 really made me feel right at home. As I was hearing Phil
23 talk about your service to eleven members of the
24 commission, I think I was number ten, and my only regret
25 is that we didn't have longer to work together, but from

1 the day that I joined the team, you've made me feel right
2 at home. You are blessing. You're going to be a blessing
3 wherever you serve, and so I wish you the very best.
4 Texas is better because of your 27 years of service, so
5 God bless you and congratulations on this next chapter.

6 MS. ICARD: Thank you, Commissioner.

7 MR. AUSTIN: Carolyn, I know we had a great
8 chance to visit this morning, a little surprise with a lot
9 of the staff coming together. I want to say thank you for
10 everything you've done, like Victor said, before we were
11 on the commission coming up and seeing you. But there's
12 one other title I would like to bestow upon you as you
13 leave, and he described it very well, is that when we come
14 on the second floor you are the director of first
15 impressions, and it is a great impression because you're
16 always smiling and warm and quick to greet folks, and
17 that's something you can't teach anybody, it's
18 instinctive, and you've set a great example of customer
19 service internally and externally. There's a lot of
20 companies that could benefit from what you do. So thank
21 you and appreciate being around you.

22 MS. ICARD: Thank you. I'll look you up for a
23 job.

24 (General laughter.)

25 MR. UNDERWOOD: Well, Mom, you know I'm going

1 to miss you. This is my surrogate mom. She may be a few
2 years younger but she has more seniority than I do. And I
3 want to thank you for your patience, for all you've done
4 for myself and dealing with my wife, I appreciate that
5 too. That's a yeoman's job.

6 MS. ICARD: Cut it out.

7 MR. UNDERWOOD: I just have to get one zinger
8 in, you know how I am.

9 But thank you very much, I really appreciate
10 it. You will be missed, and I agree with the smile, she
11 always greets everyone with a smile, and I cannot tell you
12 how much that makes your day go better. And for those
13 that don't know, if you were to look in the dictionary
14 you'll see a picture of classy lady and it will be this
15 young lady right here.

16 Thank you very much. You will be missed.

17 MS. ICARD: Thank you, Commissioner.

18 MR. HOUGHTON: It was in 2005 Ric Williamson
19 tapped you on the shoulder and said, I've got a job for
20 you. Right? And he was very perceptive and understood
21 the person that he was elevating into that position that
22 would be the first face when you walk into the commission
23 office and who you would meet and who would be greeted,
24 and was is, again, a great day. Today is another great
25 day. I call you the den mother. Herding these folks to

1 my right is like herding cats, and the other six that you
2 worked with.

3 You will be missed but you won't be forgotten,
4 and thank you for everything you have done, Carolyn.

5 MS. ICARD: Thank you.

6 MR. WILSON: Carolyn, would you like to say a
7 few words.

8 MS. ICARD: Well, in the essence of time, I'm
9 going to cut it really short because I know folks are not
10 here to hear me and all and there's a lot of business on
11 the agenda that you need to take care of. So I just want
12 to say thank you very much. I've enjoyed my time working
13 here, the 27-year journey, it's been wonderful, the people
14 have been wonderful, my commissioners have been wonderful.

15 And there is one commissioner that said to me one time,
16 he said -- excuse me. I'm just going to say thank you.
17 I'm sorry.

18 (Applause.)

19 MS. ICARD: Let me say this, one commissioner
20 said to me: Who's your favorite commissioner? That's it.
21 Thank you.

22 (General laughter.)

23 MR. WILSON: Carolyn, if you'd stay right
24 there, we're going to take some pictures.

25 MR. HOUGHTON: Well, Carolyn, I'll ask you

1 something. Who was the toughest commissioner to work
2 with. I heard it was the female chairwoman that we had.
3 Is that true? Hard, I understand, real hard.

4 (General laughter; pause for photographs.)

5 MR. WILSON: Now a resolution recognizing
6 Herbert Bickley, P.E., Abilene district engineer, for his
7 30 years of service to the department. Herbert, if you'd
8 come forward?

9 "Whereas, the Texas Transportation Commission
10 takes great pride in recognizing Herbert Bickley, P.E. for
11 his outstanding service to the Texas Department of
12 Transportation, after a distinguished career of more than
13 30 years, most recently as Abilene District engineer;

14 "And whereas, Bickley began his TxDOT career in
15 1976 with the Lufkin District as a summer employee for the
16 resident engineer's office in San Augustine, and after
17 working five summers while attending Angelina College and
18 Texas A&M University, he graduated in 1984 with a
19 bachelor's degree in computer science and began working in
20 the district's maintenance operation section;

21 "And whereas, after working two years in the
22 Lufkin District, he returned to Texas A&M University and
23 earned his bachelor's degree in civil engineering in 1987,
24 while working part-time in the Bryan area office in the
25 Bryan District, and returned to the Lufkin District to

1 work in the Livingston area office;

2 "And whereas, in 1991 he became a registered
3 engineer, accepted the position as Lufkin District traffic
4 engineer and advanced to serve in several other district
5 positions as assistant director of operations and
6 Livingston area engineer, before being named director of
7 transportation operations in 2000;

8 "And whereas, in 2010 he received the
9 department's prestigious Dewitt C. Greer Award for
10 outstanding contribution to the Texas Transportation, and
11 in March of 2013 was named Abilene District engineer,
12 managing the planning, designing, building operations and
13 maintenance for the 13-county district;

14 "And whereas, Bickley's engineering and
15 management talents helped advance TxDOT's mission to
16 provide safe and reliable transportation solutions for
17 Texas;

18 "Now, therefore, be it resolved that the Texas
19 Transportation Commission does hereby extend its sincerest
20 best wishes to Herbert Bickley, P.E. in recognition of his
21 professional achievements in a career of loyal service on
22 behalf of the State of Texas and its citizens.

23 "Presented this day, Thursday, the 29th of
24 August 2013."

25 Are there any comments from the commission?

1 MR. VANDERGRIFF: Good luck.

2 MR. MOSELEY: Herbert, thank you again for your
3 three decades of outstanding service. Texas is a better
4 state because of your service, and anybody that can
5 transition from Lufkin to Abilene gets a gold star. Thank
6 you so much for you've done to serve TxDOT.

7 MR. AUSTIN: And back and forth. The
8 commissioner took the words right out of my mouth. Thank
9 you. You've seen different parts of the state, and we
10 appreciate your long tenure. Good luck.

11 MR. UNDERWOOD: Herbert, thank you very much
12 for all you do, and thank you for how you've handled your
13 employees too. I appreciate that. Thank you for your
14 professionalism and your dedication to TxDOT and to the
15 taxpayers of Texas. Thank you, sir.

16 MR. HOUGHTON: Herbert, again, thank you, and I
17 echo the remarks of my fellow commissioners. You are the
18 face of this agency and what makes the agency go, the
19 unsung heroes out there, and I want to thank you for
20 everything you do. But I do have a question: Now what?

21 MR. BICKLEY: I'm going to relax a little bit.

22 MR. HOUGHTON: Are you? Good. Congratulations
23 to you.

24 MR. WILSON: Herbert, we're going to hold for
25 one more moment before we get pictures, but do you have a

1 few words that you'd like to say?

2 MR. BICKLEY: Yes. You'll have to bear with
3 me, my cheeks are a little bit sore from smiling here the
4 last couple of weeks. But you know, you go to work one
5 summer and 30 years later you retire. It's been a great
6 trip.

7 I noticed one of the agenda items is the
8 tuition assistance program, and I'd like you to know that
9 going back to school I was allowed to do that through that
10 program to get my civil engineering degree, so I
11 appreciate the department for that.

12 And I just want to thank the commission, the
13 administration for giving me the opportunity, and I
14 appreciate it and it's been a great 30 years. Thank you.

15 (Applause.)

16 MR. WILSON: If you'd wait up there for one
17 minute, we're going to ask Maribel Chavez, our retiring
18 district engineer from the Fort Worth District, to also
19 come forward at this time. Maribel.

20 Maribel, before I begin, I want to give a
21 sincere thank you for your service to the department. I
22 would now like to read a resolution prepared on your
23 behalf.

24 "Whereas, the Texas Transportation Commission
25 takes great pride in recognizing Maribel P. Chavez, P.E.

1 for her outstanding service to the Texas Department of
2 Transportation after a distinguished career of 31 years,
3 most recently as the Fort Worth District engineer;

4 "And whereas, a native of Pecos, Chavez earned
5 her bachelor's degree in civil engineering from the
6 University of Texas at Austin;

7 "And whereas, Chavez began her TxDOT career in
8 1983 as an engineering assistant in the Pecos area office
9 and held positions as a design engineer, an assistant
10 field operations engineer in the Odessa District office
11 before becoming area engineer in Pecos and later served
12 2-1/2 years as executive assistant to Texas Transportation
13 Commissioner Ray Stoker, Jr.;

14 "And whereas, in 1992 she was named the Abilene
15 District engineer and in 1998 became the El Paso District
16 engineer, overseeing a court of inquiry case and the
17 construction of border inspection facilities and the
18 reconstruction of Loop 375 and I-10;

19 "And whereas, as the Fort Worth District
20 engineer since January 2002, Chavez has overseen more than
21 \$3 billion in public-private partnerships in the DFW
22 Connector and North Tarrant Express, approximately \$700
23 million in traditional construction work and \$433 million
24 in American Recovery and Reinvestment Act funded
25 construction and maintenance projects;

1 "And whereas, Chavez was named Woman of the
2 Year in 2004 by the Dallas Fort Worth Chapter of the
3 Women's Transportation Seminar, received a Preservation
4 Leadership Award in 2011 from the Historic Fort Worth,
5 Inc. for her efforts to preserve bridges and was honored
6 as one of the *Fort Worth Star Telegram's* 2011 DFW
7 Newsmakers for her guidance in developing the \$1 billion
8 DFW Connector, the \$1.4 billion Chisholm Trail Parkway and
9 the \$2-1/2 billion North Tarrant Expressway;

10 "And whereas, her leadership has exemplified
11 communication, partnership and innovative ideas between
12 the department, elected officials, community leaders and
13 employees;

14 "Now, therefore, be it resolved that the Texas
15 Transportation Commission does hereby extend its sincerest
16 best wishes to Maribel P. Chavez, P.E. in recognition of
17 her professional achievements in a career of loyal service
18 on behalf of the State of Texas and its citizens.

19 "Presented this 29th day of August 2013."

20 At this time would the commission like to say a
21 few words?

22 MR. VANDERGRIFF: Well, this is my home
23 district district engineer, and it's been a real privilege
24 and a pleasure to get a chance to work with Maribel for
25 really almost the entire time she's been there, and I've

1 gotten a chance, which probably so many of you have not
2 had that opportunity, to watch her up close and personal
3 in very tough and challenging situations, when we meet
4 with stakeholders and interested citizens in road projects
5 where we don't have enough money to get them done, or
6 you're clogging their neighborhood and causing them
7 problems traveling. But she always dealt with every one
8 of those with not only professionalism but with great
9 charm, a smile and we can work together to get these
10 things done.

11 You have epitomized what Michael Morris always
12 talks about in the region about having partnerships and
13 relationships and you've done that. You've been a
14 tremendous face for TxDOT in the DFW area, a respected
15 face, an appreciated face and a good voice for a solid way
16 of doing business, including saying this is a bad idea,
17 when it's appropriate, or we can make this happen, when
18 it's appropriate. So I've always appreciated your
19 service.

20 The only disappointing thing for me is that now
21 that we are on the same team, so to speak, you retire, you
22 quit. So I'm not sure what to make of that message to me
23 personally, but I wish you well and you know that I'll be
24 calling on you often in the future. Terrific job and a
25 terrific friend for the DFW area. Thank you.

1 MR. MOSELEY: Maribel, thank you for your three
2 decades plus one of service to the state. There aren't
3 very many engineers in the world that have had a chance to
4 oversee the billions and billions of dollars that you've
5 very successfully seen to completion, so we thank you for
6 that. God bless you and every best success as you go
7 forward in your next chapter.

8 MR. AUSTIN: Maribel, you've certainly been a
9 part of a team that has set an example of using all the
10 tools to move projects forward. And I will say if
11 Commissioner Meadows were here, he'd probably be up here
12 talking for 20 minutes about all the projects and the work
13 zone signs that are up. Thank you because it is going to
14 make a difference, you've made a difference in the lives
15 and the traffic and the quality of life up in the DFW
16 area. Thank you.

17 MR. UNDERWOOD: You know, I'm going to always
18 remember our trip to Fort Worth, and I still have that
19 blowup that you did of the commissioners and my wife has
20 kept that at the house ever since. The public doesn't
21 know what I'm talking about but Maribel does, and she's
22 very proud of that.

23 On a serious note, though, thank you very much
24 for what you've done, and thank you for your
25 professionalism and the way you've taken care of your

1 business and made TxDOT a better organization and put a
2 happy face on it too. So thank you very much. You will
3 be missed by this commissioner for sure.

4 MR. HOUGHTON: Not only, Commissioner
5 Underwood, the blowups but the jerseys that went with it.
6 That was a great meeting that time in Fort Worth.

7 But I will remind Commissioner Vandergriff that
8 you got your training in El Paso to do those billion
9 dollar projects in Fort Worth. So congratulations to you,
10 Maribel. We're going to miss you, and congratulations on
11 the next journey in life. Thank you very much for your
12 service.

13 MS. CHAVEZ: Thank you.

14 MR. WILSON: Do you have a few words?

15 MS. CHAVEZ: You know, my guess is you would
16 like for me to tell you that I brought my family, that I
17 brought my kids and my grandkids, but I've only got four
18 kids and only two grandkids, so these are not all mine.

19 And in case you need it, I brought my book and
20 I'm prepared to read from it for as long as you need me
21 to.

22 MR. HOUGHTON: Are you a member of the
23 legislature?

24 (General laughter.)

25 MS. CHAVEZ: Just in case you need me to read,

1 I can.

2 So I had the privilege of working for former
3 Commissioner Ray Stoker, Jr. of Odessa back in the early
4 '90s, and it's interesting to me that 20 years ago we were
5 having the same conversation about the future of
6 transportation funding and we were having the same
7 conversation about the mission of this agency, and it's
8 interesting to me that we're still having that
9 conversation.

10 But I got to witness how hard he worked, the
11 time and effort that he put into it and how much time he
12 spent away from his family, and for that I thank him, and
13 I thank you because I know you're doing the same thing.
14 It takes a lot away from family and you sacrifice a lot
15 for this program and for the employees of this agency. I
16 know that as well, and so for that, again, I thank you.

17 One of the things that I absolutely would like
18 to say, and I believe that you know that, but you have an
19 incredible workforce, you have people with a can-do
20 spirit, a workforce with a lot of tradition and people
21 that care about doing what's right for transportation for
22 the citizens of this state and for each other. The
23 employees truly do care about each other and care about
24 their jobs and care about what they do day-in and day-out.

25 I chose to do what I did for so many years

1 because I believe in this mission, because I believe in
2 the employees, and because I believe in trying to do
3 what's best for the citizens of this state. I can tell
4 you that all of us are good public stewards and we believe
5 that that is our job is to do the best that we can with
6 the resources that we have, and we do that. And I believe
7 in my TxDOT family and I know that it's because and
8 because I got to work in this agency that I am a better
9 engineer and that I am a better person.

10 So I thank you and I thank my TxDOT family for
11 a meaningful career and a very meaningful life. Thank you
12 very much.

13 (Applause; pause for photographs.)

14 MR. HOUGHTON: Maribel, don't leave. Oversight
15 on my part. Mr. Laughlin, where are you? Did you want to
16 say something?

17 MR. LAUGHLIN: I have a very brief resolution
18 from 35W Coalition that I'd like to read into the record,
19 if we could. First, commissioners, thank you for
20 indulging me here. I'm Russell Laughlin, president of 35W
21 Coalition in north Fort Worth, and one of our dearest
22 friends in transportation efforts and endeavors, as you
23 all have said here today, it's the face you put on, how
24 you work with the public, how you advance partnerships,
25 and there's been none better in my experience than Maribel

1 Chavez. So we're in your indebtedness forever and we hope
2 to have you around for a long time in North Texas.

3 So here's a resolution regarding the service
4 and retirement of Maribel Chavez, Fort Worth District
5 engineer of TxDOT.

6 "Whereas, Maribel Chavez provided more than 30
7 years of public service to the State of Texas, holding the
8 position of Fort Worth District engineer for TxDOT for
9 more than eleven of those years;

10 "Whereas, Maribel Chavez provided invaluable
11 leadership to the region as Fort Worth District engineer,
12 coordinating important transportation initiatives in
13 collaboration with the business and civic community, as
14 well as the general public;

15 "Whereas, Maribel Chavez successfully directed
16 the delivery of key TxDOT construction projects, including
17 the North Tarrant Express and ongoing expansion of I-35W,
18 an issue of primary importance for the citizens and the
19 business community of North Texas and Tarrant County;

20 "Whereas, Maribel Chavez continually championed
21 the importance of mobility throughout the rapidly growing
22 Tarrant County region and North Texas, bringing awareness
23 of transportation issues and their related impact on
24 economic development and air quality to the Texas
25 Legislature and the general public;

1 "Now, therefore, be it resolved the 35-W
2 Coalition sincerely thanks you her for her years of
3 service to North Texas, the community and region and the
4 private sector, and we wish her the very best in her
5 pending retirement."

6 And thank you so much for the opportunity to
7 say a few words, gentlemen. Thank you so much, Maribel.

8 (Applause.)

9 MR. HOUGHTON: Carolyn, do you want to
10 introduce your family? We overlooked your family.

11 MS. ICARD: Oh, thank you. I have with me my
12 husband and my son-in-law and his lovely wife who happens
13 to be my daughter, and she worked for TxDOT for almost ten
14 years.

15 (Applause.)

16 MR. HOUGHTON: Fred, are you ready for this?

17 MS. ICARD: No, he's not.

18 (General talking and laughter.)

19 MR. HOUGHTON: Thank you.

20 MR. WILSON: Now moving on to item 4a which
21 appoints members to the Border Trade Advisory Committee,
22 this item will be presented by Federal Affairs Division
23 Director Coby Chase. Coby.

24 MR. CHASE: Good morning. For the record, my
25 name is Coby Chase, and I'm the director of TxDOT's

1 Federal Affairs Office.

2 I wanted to speak with you today about the
3 minute order regarding appointments to the Border Trade
4 Advisory Committee. This minute order appoints ten
5 members to the Border Trade Advisory Committee. The
6 purpose of the committee, created in 2001 by the 77th
7 Legislature, is to define and develop a strategy and make
8 recommendations to the commission and the governor in
9 order to address the highest priority border
10 transportation challenges.

11 Border Trade Advisory Committee recommendations
12 are included in a border report which is presented to the
13 presiding officers of the State House and Senate. Nine of
14 the existing committee members' terms expire on August 31,
15 2013. The current border commerce coordinator, Secretary
16 of State John Steen, has requested that Ivan Jaime,
17 director of Border policy and community affairs at Union
18 Pacific Railroad and Rolando Pablos, CEO of the Borderplex
19 Alliance in El Paso be appointed as committee members.

20 Upon your approval of the eight positions named
21 in the minute order will be reappointed to the committee
22 with terms expiring August 31, 2016. One of the two
23 positions requested by the border commerce coordinator
24 will fill the tenth position and the other will add an
25 extra member to the committee. By statute, the size of

1 the committee is not limited. The positions reappointed
2 by this minute order represent international border
3 crossings and commerce.

4 I'm happy to take any questions you may have,
5 otherwise, I recommend approval of this minute order.

6 MR. HOUGHTON: Any questions? Motion?

7 MR. UNDERWOOD: So moved.

8 MS. NORTH: Second.

9 MR. HOUGHTON: All in favor?

10 (A chorus of ayes.)

11 MR. WILSON: Next is item 4b which appoints
12 members to the Aviation Advisory Committee. This item
13 will be presented by Aviation Division Director Dave
14 Fulton. Dave.

15 MR. FULTON: Thank you, Phil. For the record,
16 my name is Dave Fulton, director of TxDOT's Aviation
17 Division.

18 This minute order is to appoint one new member,
19 Mr. Mike Schnell, Spearman, Texas, and reappoint one
20 current member, Mr. Pete Huff, McKinney, Texas, to three-
21 year terms on the Texas Aviation Advisory Committee. Both
22 meet the statutory requirements for service on the
23 committee.

24 We would recommend approval of this minute
25 order.

1 MR. HOUGHTON: Any questions of Dave?

2 MR. AUSTIN: I just have one comment. Mike
3 Schnell, I know, is here. Mike, thank you for stepping
4 up, as many citizens have done throughout the state to say
5 we want to help, we want to participate, and you have done
6 so and I appreciate your willingness to serve.

7 MR. FULTON: I made an error today. I failed
8 to tell him to fill out a card. He wanted to make a
9 comment. Would you allow him? I apologize for that.

10 MR. HOUGHTON: Please. Do you want to do it
11 before you're voted in or after?

12 (General laughter.)

13 MR. AUSTIN: I'll be happy to make the motion.

14 MR. UNDERWOOD: Second.

15 MR. HOUGHTON: All in favor?

16 (A chorus of ayes.)

17 MR. HOUGHTON: Come on up.

18 MR. SCHNELL: Thanks for voting before you
19 listen to me. I'd like to thank the commission for the
20 opportunity to serve on your Aviation Advisory Committee
21 and to work with Dave Fulton and his great team at TxDOT
22 Aviation. I took a tour of the facility yesterday,
23 incredible operation, incredible people. You should be
24 proud.

25 I'm a small business owner in the Texas

1 Panhandle there in Spearman. Believe it or not, I'm
2 closer to five other state capitals than I am to Austin.
3 I'm actually closer to Rochester, Minnesota than I am to
4 Harlingen, Texas. Check out the maps, it's true.

5 In my travels around Texas, I've noticed over
6 the last 20 years there's been an incredible
7 transformation in general aviation facilities around
8 Texas. It was sorely needed, and again, it's something
9 you should be proud of. You're to be commended for your
10 foresight, for your continued support of general aviation.

11 TxDOT's shared funding for aviation and airports in Texas
12 is the lifeblood of general aviation in Texas. Without
13 it, I don't know where we'd be. On behalf of the City of
14 Spearman and general aviation communities across the State
15 of Texas, I say thank you.

16 MR. AUSTIN: Mr. Chairman, I'd like to say one
17 more thing about Mike. Mike has truly traveled the state
18 in different capacities as a small businessman. He's
19 former chairman of the Texas Bankers Association, has
20 contacts, and I know you talk to a lot of people about
21 aviation, like Commissioner Underwood. I did ask him if
22 he flew down here, and the obvious answer was yes.

23 So thank you again, Mike.

24 MR. SCHNELL: Of course. Thank you.

25 MR. UNDERWOOD: Dave, be sure and tell Pete we

1 understand why he couldn't be here and thank him for his
2 service.

3 MR. FULTON: Yes. And he also asked me to
4 communicate to you his appreciation of your support for
5 our programs.

6 MR. WILSON: The next item is 4c which creates
7 the I-20 East Texas Corridor Advisory Committee and
8 designating the entities that may appoint members to the
9 committee. This item will be presented by Director of
10 Planning Marc Williams. Marc Williams.

11 MR. WILLIAMS: Good morning, Mr. Chairman,
12 commission members, Mr. Wilson. For the record, my name
13 is Marc Williams, director of Planning for TxDOT.

14 This minute order creates the Interstate 20
15 East Corridor Advisory Committee and designates the 21
16 entities that may appoint members to serve on this
17 committee. The department has begun a comprehensive
18 corridor planning effort on Interstate 20 from Dallas to
19 the Texas-Louisiana state line to evaluate the current
20 safety and capacity needs and plan for the future of this
21 critical corridor.

22 On July 18, the department convened the first
23 organizational meeting of what was at that time called a
24 working group. A number of the governmental jurisdictions
25 along this corridor were represented at that meeting in

1 Lufkin, Commissioner Austin also was there and attended
2 that meeting, and it was through that meeting that the
3 members there recommended to the department two things:
4 one, the entities to be serving on this advisory
5 committee, and also asked that the department establish
6 this as a formal advisory committee with the purpose to
7 facilitate and achieve support and consensus from affected
8 communities, governmental entities, and other interested
9 parties in the planning of transportation improvements
10 along this corridor and the establishment of development
11 plans for the future.

12 Staff recommends approval of this minute order.

13 MR. HOUGHTON: Questions? Motion?

14 MR. AUSTIN: So moved.

15 MR. UNDERWOOD: Second.

16 MR. HOUGHTON: All in favor?

17 (A chorus of ayes.)

18 MR. HOUGHTON: Thanks, Marc.

19 MR. WILSON: Now we will move forward on the
20 agenda item 9b(1), proposed adoption of amendments to
21 Chapter 1. This item will be presented by General Counsel
22 Jeff Graham. Jeff.

23 MR. HOUGHTON: And let me explain why we had to
24 move this up on the agenda. We are under a time deadline
25 with the Secretary of State's Office for these rules and

1 we need to get to them very quickly. Jeff, brevity.

2 MR. GRAHAM: Is the soul of wit.

3 Gentlemen, commissioners, Chairman, Phil. This
4 specific amendment is necessary to extend committee sunset
5 dates for various advisory committees. This has to happen
6 every couple of years to make sure they continue in their
7 existence. This proposed adoption achieves that. There
8 are three which will not be extended because their
9 functions are either duplicated elsewhere or they no
10 longer need to exist because they've completed their
11 function.

12 Staff recommends that this be proposed for
13 adoption. If there are any questions.

14 MR. HOUGHTON: Any questions?

15 MR. MOSELEY: So moved, Chairman.

16 MR. AUSTIN: Second.

17 MR. HOUGHTON: All in favor?

18 (A chorus of ayes.)

19 MR. HOUGHTON: Thank you, Jeff.

20 MR. GRAHAM: Thank you.

21 MR. WILSON: Next is item 9b(2), proposed
22 amendments to Chapter 15. This item will be presented by
23 Design Division Director Mark Marek. Mark.

24 MR. MAREK: Thank you. For the record, my name
25 is Mark Marek. I'm the director of the Design Division

1 for TxDOT.

2 The accelerated road degradation in several
3 counties throughout the state in recent years has been
4 partially attributed to increased heavy truck traffic due
5 to energy exploration. In its last regular session, the
6 Texas Legislature found that county road and bridge
7 budgets were not sufficiently funded to maintain these
8 impacted roadways. Senate Bill 1747 was passed and
9 requires the department to establish and administer a
10 grant program that provides state funding to counties for
11 transportation infrastructure projects located in areas of
12 the state affected by increased oil and gas production.
13 The appropriated funds for the grant program total \$225
14 million.

15 The proposed new rules set forth procedures for
16 submission and review of applications, the allocation of
17 funds to eligible counties, and the reimbursement to
18 counties of actual costs incurred in their selected road
19 and bridge projects. There are four primary aspects to
20 the rules:

21 One, eligibility requirements. In order to
22 receive state funds under this program, a county must
23 create a county energy transportation reinvestment zone,
24 or TRZ create an advisory board for the TRZ; and provide
25 matching funds equal to 20 percent of the grant or 10

1 percent if the county is economically disadvantaged.
2 These eligibility requirements are imposed by Senate Bill
3 1747.

4 Two, requests for applications. The commission
5 will have authority to designate one or more periods of
6 time during a fiscal year for eligible counties to submit
7 applications for grants. Notice to the counties will
8 include the total amount of money available for
9 allocations during the particular request period.

10 Three, allocation formulas. The rules set out
11 mathematical formulas for allocation of money to
12 individual counties. The first step is to divide the
13 total available money into the four categories which are:
14 weight tolerance permits, oil and gas production taxes,
15 well completions, and oil and gas waste injections. The
16 second step then is to allocate the money within each
17 category to those eligible counties that apply based on
18 their relative percentages for that category. These
19 allocation formulas are mandated by Senate Bill 1747.

20 Payment of grant funds is the fourth. The
21 grant funds will be paid to counties in the form of
22 reimbursements for actual costs attributed to the work
23 performed on the transportation projects.

24 Through the efforts of Trent Thomas and Lauren
25 Friedrichs of the State Legislative Affairs Office, we've

1 had several groups involved in the development of these
2 proposed rules. These groups include the Texas
3 Association of Counties, the County Judges and
4 Commissioners Association of Texas, and the Texas
5 Conference of Urban Counties. Also, department staff has
6 had multiple conversations with staffs of elected
7 officials about the implementation of the program.

8 We also have consulted with various state
9 agencies and continue these discussions with respect to
10 the numbers that will go into these formulas. These
11 include the Texas Department of Motor Vehicles for the
12 weight tolerance permits, the Comptroller of Public
13 Accounts for the oil and gas production taxes, and the
14 Texas Railroad Commission for well completions and waste
15 injection.

16 Staff recommends approval of this minute order.

17 MR. HOUGHTON: Any questions?

18 MR. MOSELEY: Chairman, I was just curious, as
19 we go about the rulemaking, is there an opportunity to
20 invite the private sector, the businesses that are using
21 these roadways to also consider in participating and
22 perhaps leverage this fund account?

23 MR. MAREK: We can certainly take that into
24 account and reach out and see if we can make some
25 contacts.

1 MR. MOSELEY: I've had some communications with
2 some of the energy companies and my sense is they're
3 willing, if invited, so if there was some formal
4 structure, Chairman, on letting them know that this fund
5 account is available and maybe they'd like to put some
6 match funds in.

7 MR. MAREK: That certainly could be helpful to
8 the counties, Commissioner, for their match portion of
9 these funds.

10 MR. HOUGHTON: I think we just reach out,
11 Commissioner Moseley, to those across that sector.

12 MR. UNDERWOOD: And we're talking about helping
13 them match their like 20 percent. Isn't that correct? Or
14 some of the disadvantaged communities which would be 10
15 percent. Is that correct?

16 MR. MAREK: Yes, Commissioner, that's correct,
17 10 percent on the economically disadvantaged.

18 MR. UNDERWOOD: Allow them to help the smaller
19 communities that don't have the tax base to be able to do
20 something like this, so great idea.

21 MR. HOUGHTON: But not limited to, it would be
22 all encompassing. Sure, good idea.

23 With that in mind, motion?

24 MR. MOSELEY: So moved, Chairman.

25 MR. HOUGHTON: Second?

1 MR. AUSTIN: Second.

2 MR. HOUGHTON: All in favor?

3 (A chorus of ayes.)

4 MR. MAREK: Thank you.

5 MR. WILSON: Next up is item 9b(3), proposed
6 amendments to Chapter 25. This item will be presented by
7 Traffic Operations Division Director Carol Rawson.

8 MS. RAWSON: Good morning, commissioners. For
9 the record, I'm Carol Rawson, director of the Traffic
10 Operations Division.

11 The minute order before you proposes a new
12 section to our existing speed limit rules to implement the
13 requirements of House Bill 2204 of the 83rd Legislature.
14 This legislation directs the commission to establish by
15 rule a pilot program to evaluate the effectiveness of the
16 use of variable speed limits in up to three test
17 locations.

18 Variable speed limits have been used
19 successfully for many years by other states and countries.

20 They're used to temporarily lower speed limits in
21 situations where drivers encounter conditions such as
22 inclement weather, congestion, road construction or other
23 situations where traffic may slow down suddenly. These
24 types of slowdowns can result in drivers making abrupt and
25 frequent lane changes that can result in a higher number

1 of traffic crashes. By lowering the speed limit as needed
2 in small increments by five miles per hour, we believe we
3 can maintain a smoother, safer flow of the traffic.

4 This proposed new section establishes how
5 variable speed limits will be developed, how signs to
6 inform the drivers of the reduced speed limits will be
7 placed, that the department will coordinate with the
8 appropriate law enforcement agencies, and that the
9 department will keep detailed records of all variable
10 speed limits.

11 Staff recommends approval of the minute order.

12 MR. HOUGHTON: Any questions?

13 MR. AUSTIN: I move approval.

14 MR. UNDERWOOD: Second.

15 MR. HOUGHTON: All in favor?

16 (A chorus of ayes.)

17 MR. HOUGHTON: I want to note, I believe,
18 Representative Pickett, this is your bill, isn't it?
19 Congratulations.

20 (Applause.)

21 MR. WILSON: Carol Rawson will continue with
22 item 9b(4), additional proposed amendments to Chapter 25.
23 Carol.

24 MS. RAWSON: Once again for the record, I'm
25 Carol Rawson, the director of the Traffic Operations

1 Division.

2 The minute order before you proposes to amend
3 two sections of our existing rules dealing with the crash
4 records process. Current law requires that a law
5 enforcement agency report to TxDOT the traffic crashes
6 they investigate. TxDOT is the state office of record for
7 these reports. Currently whenever the department makes
8 any changes to the reporting form, we must go through the
9 rulemaking process. This proposed amendment to Section
10 25.977 would eliminate that requirement. TxDOT would
11 continue to seek concurrence from our partners at the
12 Texas Department of Public Safety and law enforcement any
13 time we propose any change to the crash report form.

14 We are also proposing to eliminate the existing
15 language in Section 25.975 that states that crash reports
16 must be submitted by the last day of June of each year to
17 be included in the statistical analysis that we prepare
18 for the preceding calendar year. This is confusing to law
19 enforcement communities since there's statutory language
20 that requires that the actual crash reports be submitted
21 to TxDOT within ten days of the crash. In addition, the
22 crash records information system database is considered to
23 be a live system and we add a crash report to the system
24 as submitted to us from law enforcement at any time. We
25 want to always make sure that every crash that is

1 investigated is sent in and reflected in our data.

2 Staff recommends approval of this minute order.

3 MR. HOUGHTON: Questions? Motion?

4 MR. UNDERWOOD: So moved.

5 MR. AUSTIN: Second.

6 MR. HOUGHTON: All in favor?

7 (A chorus of ayes.)

8 MR. HOUGHTON: Thank you, Carol.

9 MR. WILSON: Next we will go back to item 5 and
10 begin our discussion items. First up is item 5a, an
11 update on staff recommendations to address the safety
12 challenges in the areas of the state with growing energy
13 exploration and production. This item will be presented
14 by Deputy Executive Director John Barton. John, will you
15 please begin.

16 MR. BARTON: Thank you, Phil, Chairman and
17 commissioners. I appreciate the opportunity to share this
18 brief report with you on the maintenance program that we
19 have implemented to address some of the challenges that
20 we're facing in the areas of the state that are most
21 impacted by the increased truck traffic associated with
22 the oil and gas exploration. And just a brief reminder
23 that we discussed this with the commission in your June
24 and July commission meetings, and wanted to provide for
25 you today an update on what we have done so far and what

1 our path moving forward might be.

2 I think it's important to begin by refreshing
3 our memories on what it is we are doing and why this
4 maintenance program is so important. It is all about
5 safety. The numbers reflected on this slide are
6 indicative of the challenges we're facing as our system
7 continues to grow, as the great State of Texas continues
8 to prosper and we see these increases in traffic across
9 the state.

10 In 2012 we ended the year with 3,399 fatalities
11 statewide, which was an 11 percent increase over the
12 previous year. And year-to-date, I mentioned at the
13 beginning of this meeting this morning, the report
14 reflected that there have been 2,074 fatalities reported
15 across the State of Texas. We also know from research and
16 data analysis that more than 50 percent of these crashes
17 are occurring on rural roadways across the State of Texas.
18 And particularly in the two most prosperous and extensive
19 oil shale and oil formations being explored and produced
20 today, namely the Permian and the Eagle Ford, we've seen
21 increases that are, quite honestly, alarming: 41 percent
22 fatalities in 2012 from the previous year for a total of
23 249 in Eagle Ford Shale counties, and similarly in the
24 Permian Basin, 317 fatalities which is an indication of an
25 increase of 27 percent over the previous year.

1 So the challenge that we face is certainly
2 large and the resources available to do all that we would
3 like to be able to do just aren't there. So we have to
4 explore how can we address the multiple challenges we have
5 for the entire network that we are responsible for and do
6 so in a way that is cost-efficient, while maintaining a
7 safe condition for the traveling public.

8 The current traffic loading just doesn't allow
9 us to continue to do all that we would want to do in a
10 traditional approach, and so we're forced with making
11 difficult choices on how to maintain our roads in a safe
12 condition and to serve the traveling public.

13 For lower volume roads, in particular roads
14 that are in more remote areas of our state that are often
15 the area where this oil and gas exploration is occurring,
16 taking the traditional approach has not proven to be
17 effective because of the limited resources that we have
18 available to us. So we have begun to explore and have
19 implemented in two very small cases what we are referring
20 to as high-end unpaved surfaces to provide a clear
21 indication of what we're doing to those that are concerned
22 with and impacted by this challenge.

23 MR. HOUGHTON: John, where are those pictures?

24 MR. BARTON: These two pictures were taken on a
25 frontage road on Interstate 37 in Live Oak County, just

1 south of the Three Rivers area, near a community called
2 Whitsett.

3 MR. UNDERWOOD: One part you said limited
4 resources, if I understand this correctly, that really is
5 that we do not have it in our budget to be able to keep
6 repairing and replacing. Isn't that correct?

7 MR. BARTON: That is correct, Commissioner
8 Underwood, and as I go through, I have some additional
9 material on that that will help make that point a little
10 more clear.

11 MR. UNDERWOOD: Because you said limited
12 resources, it's really more we have a budget, we've used
13 all our budget up, yet we still have a problem.

14 MR. BARTON: And the budget that we have just
15 isn't sufficient to cover all the needs that we have out
16 there, following our additional approaches, as I
17 mentioned.

18 So in order to address the safety issues that
19 we face, in some cases we want to make sure that we are
20 doing what we can to widen that roadway surface. We know
21 that narrow roadways are a contributor to unsafe
22 conditions. It allows us to eliminate drop-offs at the
23 edge of a shoulder which is also certainly a serious
24 safety concern for us. We want to ensure that we're doing
25 all we can to provide a smooth travel surface, and as you

1 can see from these two photographs, many of those roadways
2 that we're talking about, pothole development and patching
3 is a challenge for us on a daily basis.

4 And by using these high-end unpaved surfaces,
5 we'll also be implementing a lower speed limit which will
6 allow us to control traffic speeds, with the support of
7 our law enforcement partners in these areas which will
8 also increase the safety of these particular facilities.

9 As I said, this isn't an approach that we're
10 taking on a widespread basis, it is on a limited scale, 83
11 particular centerline miles of roadway were identified for
12 potential conversion, and because our resources are
13 limited, our budgets are strained, we are having to make
14 some difficult decisions, so it's important that we
15 prioritize what we're doing and where we're doing it to
16 best use those resources to accomplish the goal which is
17 to make sure that safety, which is paramount, is something
18 we can provide for on all of our system.

19 We looked at roadways where we knew we had
20 unacceptable safety conditions. I would remind you of the
21 photograph on the previous slide. We also considered
22 those roadways where our traditional approach just wasn't
23 able to keep up with the traffic that we had out there and
24 to do it in a way that was acceptable. What I mean there
25 is if we are out there patching a pothole, the next day

1 there would be another one, if we went out and resurfaced
2 a roadway, within a few months it was destroyed, and I've
3 got some additional information about that in just a few
4 slides.

5 We also focused on those areas where we were
6 seeing significant increases in traffic, primarily due to
7 heavy truck traffic, but in relative comparison to a local
8 traffic volume, if you will, and we looked at systems
9 where it wasn't a road providing statewide connectivity
10 that was being used as, if you will, a major route for all
11 the traffic that might be coming into an area, and in
12 areas where there was lower residential densities because
13 we wanted to try to limit the number of roads like this
14 that would impact people living in their communities.

15 I wanted to share just a couple of examples.
16 This is one of the roadways where we have put in about a
17 quarter of a mile of this high-end unpaved roadway
18 surface. It's on FM 1916 in Dimmit County, and the two
19 photographs you see on the slide before you are kind of a
20 before the activity really picked in December of 2007 on
21 FM 1916 and then what the roadway looks like in its
22 current condition today. It was originally brought on the
23 system in 1951, it's about three miles of what was a
24 county road, brought onto the system as a farm to market
25 road and surfaced as an 18-foot wide pavement.

1 And I would note for you that as you look at
2 the two pictures side by side, in December of 2007, again,
3 about an 18-foot wide roadway, that means you had nine
4 foot either side of that centerline, if the grass hadn't
5 encroached on the edges a bit, but there was a lot of
6 roadside vegetation, if you will. Today, if you look at
7 that same stretch of three miles of roadway, because of
8 the oil and gas exploration, the right of way has been
9 driven on from fence to fence, if you will. You can see
10 the two high fences, wildlife game fences on either side
11 of the roadway there, truck traffic and other traffic is
12 moving off of the paved surface, or at least what we would
13 call that, and driving into the ditch area because of the
14 conditions that we have been experiencing out there.

15 When you look at the volumes of traffic
16 associated with this roadway, these are traffic counts
17 taken on this three-mile stretch of roadway just out of
18 Asherton, and in 2008 through 2012, it was carrying
19 probably 50 to 60 vehicles per day. There's some,
20 obviously, residential houses out there, there were
21 farmers and ranchers that live on this road or use it,
22 probably a lot of ranch hands because these are large land
23 holdings for the most part, as perhaps some oilfield
24 activity as they've considered not only the old well
25 formations but looking at potential exploration.

1 But in 2013 our count picked up to 730 vehicles
2 per day, and as our staff there in the Laredo District
3 looked at this, they have expressed to me that the vast
4 majority, if not all of that, is an increase in truck
5 traffic associated with the exploration and production of
6 oil and gas activities in this area.

7 When we talked about doing things in a
8 different approach, making sure we're most cost-efficient
9 in the use of our resources, I wanted to reflect that to
10 you in a visual way. The darker line is a year-over-year
11 rating of the roadways. We go out and look at the roads
12 with our engineers and with other consulting engineers
13 that we hire to look at our roadways and they give it a
14 score, it's a condition score, and as you can see, in the
15 2008-2009 time period it was rated around fair and we had
16 been spending about \$1,000 to \$3,000 per mile on that
17 roadway up to that date and for the next three years,
18 2008, 2009 and 2010.

19 In 2010, as the exploration activities started
20 to occur, some rigs were being moved in, we saw a sharp
21 decrease in the pavement conditions that were existent on
22 that roadway, and in response to that, we invested
23 significantly, over \$120,000 per mile, to go in there and
24 patch those failures and resurface the roadway, an
25 approach that under normal conditions would have allowed

1 that road to be in good condition and serviceable for 20
2 to 30 years without any more extensive maintenance, and
3 you can see that the pavement conditions in 2012 when they
4 were rated went way back up, in fact, were higher than
5 they were prior to that improvement.

6 Unfortunately, it was a short-lived
7 improvement. With the traffic that's out there, as we
8 rated this year in 2013, it had dropped down to the level
9 that it was before we made those very expensive
10 improvements on that roadway.

11 MR. HOUGHTON: John, go back. That's a huge
12 degradation in the roadway in a very short period of time.

13 MR. BARTON: That's correct. Less than a year
14 from the time we made the improvements to the time that
15 the conditions started to rapidly decline.

16 MR. HOUGHTON: You're spending how much a mile?

17 MR. BARTON: This was a little over \$127,000
18 per mile for that three-mile roadway.

19 MR. HOUGHTON: So when you put that down, what
20 are you putting down? Are you taking up the base?

21 MR. BARTON: No, sir. Our traditional
22 approaches would have been to repair the failures and then
23 to add an asphalt layer to the top of that roadway.
24 Again, under normal traffic conditions, we would have
25 expected that to last 20 to 30 years, but under the

1 traffic conditions we're facing today, it's just not
2 sufficient.

3 MR. HOUGHTON: So that didn't last but a year.

4 MR. BARTON: Less than a year.

5 MR. HOUGHTON: \$120,000.

6 MR. BARTON: Per mile.

7 MR. HOUGHTON: Per mile.

8 MR. BARTON: Yes, sir.

9 The magnitude of the issue is also something
10 that I think it's important for us to remember. This is
11 not just a few roads in a few areas of the state. When we
12 looked at the oil and gas industry and the energy sector
13 development all across the state -- which is bringing
14 great amounts of wealth to our state and something we
15 should all be very proud of and protective of -- we had
16 identified, going into this legislative session, with the
17 assistance of the Texas A&M Transportation Institute, a
18 need for \$400 million of immediate safety repairs on
19 roadways across the State of Texas. And as I said,
20 through research and analysis that we asked for, as well
21 as the legislature, the Texas A&M Transportation Institute
22 calculated an ongoing need to respond to these challenges
23 of at least \$600 million per year to go out and reinforce
24 these higher volume priority roadways in areas that are
25 affected.

1 So in response to that, Senators Williams and
2 Hegar, when they met with us down in the Eagle Ford Shale,
3 encouraged the department to submit these needs in our
4 legislative appropriations request.

5 MR. HOUGHTON: When was that meeting, John?
6 When was that meeting with Senators Hegar and Williams?

7 MR. BARTON: That meeting was in the summer of
8 2012.

9 MR. HOUGHTON: Okay.

10 MR. BARTON: And so as we entered into this
11 last legislative session, in response to that we did
12 submit a request for \$1.6 billion of exceptional items or
13 additional funding for the legislature to consider to
14 address these energy sector needs. Through their
15 deliberations and effort, the legislature came to some
16 solutions, they offered us and gave us an appropriation of
17 \$225 million to address on-system roadways impacted by
18 these challenges, and in your last commission meeting you
19 approved 39 projects across the State of Texas in eight
20 different TxDOT districts on 155 different projects to
21 address those most significant safety challenges out of
22 the \$400 million we had previously identified.

23 We are deploying those immediately. In fact,
24 we are taking bids on the first projects in a couple of
25 weeks, and it's important that we get that work out there

1 and start to improve those roadways.

2 Our approach to this challenge has been to
3 consider the challenges we have, the limited resources
4 available to address them, and to make cost-effective
5 decisions to maintain the safety of our roadways for all
6 of our users, and in doing that, we are considering the
7 conversion of some of our lower volume, more rural
8 roadways, as I showed you in that previous set of
9 photographs, to a condition that's acceptable and would be
10 safer for those people using that roadway within the
11 resources that we have available to us.

12 We're committed to monitoring the traffic on
13 those and all other roadways, as we do each day, to ensure
14 that those conditions are acceptable and that the system
15 that we're providing is meeting a standard that is
16 appropriate for the citizens of the State of Texas. And
17 as we convert some of these to high-end unpaved roadway
18 surfaces, our commitment is that as the traffic associated
19 with this extensive oil and gas exploration and production
20 begins to subside into the future, as they move on to
21 other areas or as the shales play out, that we will
22 re-pave those impacted roadways as our resources will
23 allow us to do that, and that's been the approach that
24 we've taken in other areas similarly, the Barnett Shale in
25 the past when these types of conditions were occurring.

1 MR. AUSTIN: John, would you mind repeating
2 that again? I think that's worthy.

3 MR. BARTON: Sure. As we looked at this from a
4 maintenance perspective and management of the system, our
5 intent is to monitor the system, make sure it's safe and
6 passable and in good condition, and then as the
7 exploration and production truck traffic volumes begin to
8 decline to a level that's more consistent with the normal
9 activity, then we would go in and re-pave those roadways,
10 bring them to those farm to market conditions that people
11 are historically used to as we move forward into the
12 future, as our resources will allow us to do that.

13 MR. AUSTIN: That's what I wanted to drive
14 home, that we're not looking at a permanent long-term
15 issue of going back to high-end unpaved roads, we do plan,
16 when it comes back down, to come and reestablish them back
17 to where they were.

18 MR. BARTON: That is and has been our plan.

19 MR. UNDERWOOD: If the funding is available.

20 MR. AUSTIN: If the funding is available.

21 Right.

22 MR. BARTON: So again, I want to just close out
23 with a couple of slides showing kind of what we have done.

24 As I said, we've done two sections of roadway so far,
25 we've done a quarter mile section on FM 1916 in Dimmit

1 County -- again, this is just to the west of Asherton.
2 The picture on my left side of the screen is the before,
3 and that's after we had gone in and spent the \$127,000 or
4 so per mile to patch the failures and to resurface it, and
5 shortly thereafter, these are the types of failures that
6 it started to exhibit again. On the right is that quarter
7 mile section that we've gone in, removed that asphalt
8 surface, widened out the structural component of the base
9 layer, if you will, put an asphalt dust control layer on
10 top of that, and we're monitoring that traffic and the
11 conditions of this roadway to allow us to understand how
12 best we can go about this type of approach on this roadway
13 and others as the conditions warrant.

14 MR. AUSTIN: Before you go on, was that an 18-
15 foot roadway right there beforehand?

16 MR. BARTON: Beforehand it was probably a
17 little less than 18 but it was built as 18 foot wide, yes,
18 sir.

19 MR. AUSTIN: So with what we're looking at
20 right now on the right-hand side, the improved one, what
21 is that, still about 18?

22 MR. BARTON: No, sir. The improvement would be
23 28 to 32. We're widening out that roadway base material
24 to provide a wider surface for the traffic to use.

25 MR. UNDERWOOD: Question for you, John. Once

1 you've done this, how do you differentiate the different
2 lanes? Because before you would always have a stripe down
3 there, how do you differentiate that once you've gone to
4 gravel?

5 MR. BARTON: Just like you would have on other
6 unpaved roadways across the State of Texas, there is none,
7 but on our particular system we'll put up signs that say
8 no center stripe ahead, lower the speed limit and indicate
9 that it's not a paved surface but it's an unpaved surface.

10 MR. UNDERWOOD: Okay. And when we lower the
11 speed limit, it will be to what, sir?

12 MR. BARTON: Depends on traffic conditions. It
13 would be in the range of 30 to 45 miles per hour and we're
14 in the process of our traffic engineers and specialists
15 analyzing those conditions so we can come up with the
16 appropriate speed limits for you to consider and approve.

17 MR. UNDERWOOD: For the safety is the reason
18 why we're lowering it.

19 MR. BARTON: Absolutely. This type of roadway
20 and the type of conditions that we have out there with
21 traffic, it's appropriate to reduce those speed limits.

22 MR. MOSELEY: John, before you move from this
23 slide, when we first had discussions about going back, the
24 term gravel was used, but the picture you're showing after
25 conversion is, in fact, the roadway that we're converting

1 the paved roads to. Is that correct?

2 MR. BARTON: That is correct.

3 MR. MOSELEY: And the reason I ask that, from
4 my experience in Denton County as county judge where we
5 had road maintenance responsibilities, I mean, the road
6 that you're showing here as an after conversion looks like
7 what we used to call a chip seal. Maybe there's no chips
8 in this but it has some kind of a sealing or a sealer on
9 top of the roadway.

10 MR. BARTON: That is correct, Judge Moseley.
11 And again, if you think about it, the road base is the
12 gravel that's been placed out there, we surfaced it with
13 this emulsified asphalt which is a liquid mixture of
14 asphalt and water and emulsifying agents. It's for
15 several reasons, but primarily to control dust, to make
16 sure that we don't have dust challenges on these roadways,
17 and then also to provide more of an all-weather surface.

18 MR. MOSELEY: Then the other question I have,
19 the discussion, I think it's tempting to focus on
20 resurfacing a roadway, but in reality, the farm to
21 market -- and in this case you've got 1916 -- the farm to
22 market system, as envisioned by then State Representative
23 Dolph Briscoe back in the '50s, was to have all-weather
24 surfaced roadways so that farmers and ranchers could get
25 into their fields and get to market, and those roads, as I

1 understand it, were designed for 53,000 pounds of weight.

2 Is that correct?

3 MR. BARTON: Approximately 58,000. We had
4 smaller trucks that carried lower gross weights at that
5 time.

6 MR. MOSELEY: But they were for farm vehicles,
7 and so now we're seeing these same roads being used by
8 trucks that are significantly heavier than the designed
9 weight of the roadbed. Is that correct?

10 MR. BARTON: That is correct. The new trucks
11 are 80,000 pounds or heavier in most cases.

12 MR. MOSELEY: So my question is in this slide
13 that shows after conversion, how much weight? It's not
14 just a matter of resurfacing, you're really rebuilding the
15 roadway, are you not, so that that roadbed can carry
16 heavier weights. Is that correct?

17 MR. BARTON: That is the thought behind this,
18 Commissioner Moseley, is that as we reconstruct this road
19 base, if you will, as that traffic which is heavier uses
20 it, if we have challenges it's much easier to maintain, we
21 can re-mix it, add a little bit more rock to it and
22 sustain that base layer much more effectively, much more
23 cost-effectively, and in a safer condition that we can on
24 the paved side because, honestly, to approach it from the
25 paved surface like on the left side, we have to add a lot

1 of material and a lot of surfacing that in a few years may
2 not be necessary for the type of traffic that would be out
3 there.

4 MR. MOSELEY: So the before conversion is
5 roughly a 56,000 pound bed, and then the after version,
6 how much weight, roughly, would you suggest that could
7 carry?

8 MR. BARTON: Well, they can carry the heavier
9 loads, and it's really not so much the weight as it is the
10 number of axles and the weight of the axles that go over
11 it, but the after condition allows us to respond to that
12 increased frequency of loading more cost-effectively and
13 in a more rapid and safe fashion.

14 MR. MOSELEY: So it can carry 90,000-pound
15 trucks without having the damage that we'd see on a
16 56,000-pound roadway.

17 MR. BARTON: That's correct.

18 MR. MOSELEY: Okay. Thank you.

19 MR. VANDERGRIFF: May I ask some questions, if
20 I could, please?

21 MR. BARTON: Sure.

22 MR. VANDERGRIFF: And I have no issue with the
23 fact that the roads are being torn up, they're taking an
24 impact and a use that is far beyond what they were
25 designed for, I just have some process questions, if I

1 could.

2 Obviously, the department made provisions, I
3 wasn't here but I understand that they made provisions in
4 its LAR request and met with appropriate legislators
5 involved in that process and attempted to get additional
6 money and we certainly didn't get additional money, and
7 clearly at the commission meeting -- I want to go to that
8 one first -- in June you presented some information. I
9 don't recall a few things, I want to make sure I'm
10 correct. You were not asking the commission for action at
11 that point, and I believe this is an action that the
12 department has the authority to do on its own. Is that
13 correct?

14 MR. BARTON: That is correct. This was a
15 report to the commission on staff's approach to
16 maintaining the roads that we're responsible for.

17 MR. VANDERGRIFF: And what I don't remember in
18 that -- and it might have been helpful if it had been
19 there -- was there anything involved in that presentation
20 that indicated when the energy sector traffic subsides
21 that these roadways, assuming funding was available, would
22 be re-paved? I don't remember that being in the
23 presentation. Has that been communicated to communities,
24 in your opinion, adequately?

25 MR. BARTON: Well, based on the information

1 that we've received from some constituents, it's clearly
2 something that's not widely understood, and I appreciate
3 the opportunity to make that clear today. Whether or not
4 it was specifically pointed out in that briefing in June,
5 I would have to go back and look at the audio-video tape
6 to make sure of that. I don't believe it was in the
7 presentation material that was projected onto the screen
8 at the time but it may have been part of our discussion.

9 MR. HOUGHTON: I want to ask a question, jump
10 in. Assuming resources, we will re-pave to a standard.
11 Correct?

12 MR. BARTON: That is correct.

13 MR. HOUGHTON: Assuming resources. So if you
14 put down that after conversion road and you have the
15 resources, what is the cost of rebuilding that road per
16 mile?

17 MR. BARTON: The normal approach to rebuilding
18 one of these roads per mile, if we didn't have the base
19 material there and we were having to reconstruct it, would
20 be about \$500,000 per mile, so for a regular roadway,
21 about a million dollars for every two miles. The approach
22 we're taking today, this conversion process, is costing us
23 less than \$10,000 per mile and the ongoing maintenance is
24 going to be relatively low but the thought would be that
25 you've got that road base there so that when you're

1 through you can reconstruct that road base, re-mix it like
2 we're doing today, and then put a new surface on it

3 MR. HOUGHTON: I'm sorry to interrupt.

4 MR. VANDERGRIFF: No. That's perfectly all
5 right.

6 Another question I have is that when the
7 department, particularly after the June meeting, has kind
8 of made the decision to move forward on the limited
9 basis -- and I certainly do get, I mean, 83 miles, limited
10 connectivity, there's lots of qualifications to this --
11 what was the effort, the outreach effort to areas that
12 were affected by this in terms of communication with them,
13 sitting down with whether it's the counties in those
14 areas, cities, or with the legislators? Can you describe
15 that to me? Was there a process in which before we
16 started to take these roads to gravel that we discussed it
17 with folks?

18 MR. BARTON: Our district engineers and
19 administrators were asked to reach out to their county
20 judges, make sure they knew what we were doing and when we
21 would be moving forward, which was in August of this year,
22 August 19 is when we started these two specific projects,
23 and let them know what we were doing. Was that a reach
24 out as the shovels are ready and the equipment is moving?

25 MR. BARTON: That occurred in July, those

1 conversations.

2 MR. VANDERGRIFF: So they had a month worth of
3 notice, something like that?

4 MR. BARTON: Yes, more or less. We weren't
5 asking them to engage in a conversation with us about it,
6 we wanted to inform them of what we were doing. They also
7 reached out to local representatives, elected officials
8 about it and informed them.

9 MR. VANDERGRIFF: It was this is what we're
10 going to do.

11 MR. BARTON: Correct. We've met with several
12 of the county judges in these areas that are most
13 impacted, primarily the Eagle Ford Shale, and there is one
14 over in the Permian Basin, as well, that is slated for
15 consideration of converting later on as conditions
16 warrant. But in those conversations they've made it clear
17 to us they would for us to have more extensive
18 conversations with them to look at these roadways
19 specifically, to talk about the challenges and our
20 approach moving forward, and to give them an opportunity
21 to collaborate with us on maybe possible other
22 alternatives, them taking them on as county roads, working
23 with industry to provide resources to allow a different
24 approach to be taken, and we've committed to reach out to
25 those communities and meet with them as we go forward with

1 this process into the future.

2 MR. VANDERGRIFF: All right. And recap for me
3 again, if we were to maintain these roads, rebuilding them
4 obviously is expensive, it was like \$100,000 --

5 MR. BARTON: \$500,000 per mile.

6 MR. VANDERGRIFF: -- \$500,000 per mile to
7 maintain them. And if we were to rebuild them once
8 they've taken them to gravel, then it's going to cost us?

9 MR. BARTON: The math works out, and our
10 maintenance professionals have put these together, but
11 it's roughly \$500,000 to rebuild them, and then you'd have
12 an ongoing cost of around \$40- to \$50,000 per year to
13 maintain those, assuming that you can keep them in
14 acceptable condition. The gravel conversion is about
15 \$10,000 per year.

16 So it's a matter of resource allocation and
17 management to address the multiple challenges we have
18 within that region because some roads obviously carry,
19 5,000, 6,000, 7,000, maybe even 10,000 vehicles per day
20 and this type of approach would not be acceptable and
21 we're not doing that, but on these very remote, if you
22 will, rural areas where there's only 40-50 local vehicles
23 per day and the rest of it is the oil and gas industry,
24 this is a more cost-efficient and safer approach to allow
25 us to address everything we have to do with the limited

1 resources we have.

2 MR. VANDERGRIFF: And I get that. And then I
3 want to make sure I connect the dot on the last part that
4 you had said is then if we take them to gravel and
5 resources allow us in the future, primarily not just the
6 money available but the fact that the energy sector has
7 subsided in the area and it doesn't appear to be throwing
8 good money after bad, then you're talking about how much,
9 again, per mile?

10 MR. BARTON: Well, because we've been adding
11 these base materials to it, we'll just reshape the base
12 and resurface it, and I don't know that we've actually got
13 a number that I've been reported, but it would be more in
14 that \$40,000 per mile range.

15 MR. VANDERGRIFF: But I thought there was a
16 million dollars.

17 MR. BARTON: That's to rebuild a road

18 MR. VANDERGRIFF: That's what I meant. If you
19 took it to gravel -- or gravel doesn't mean rebuilding it.

20 MR. BARTON: Correct, because the base material
21 is there, all the rock is there, we'll just reshape it and
22 then put a new asphalt layer on top of it.

23 MR. VANDERGRIFF: Okay. Thank you.

24 MR. BARTON: The half million dollars per mile
25 is when you have to rebuild the whole thing, haul in new

1 rock, redo the sub-grade, address the conditions like you
2 see on the left-hand side of the screen.

3 MR. UNDERWOOD: John, you'll actually widen it
4 when you do that, too, though, won't you?

5 MR. BARTON: We've already done that, we will
6 have already widened it.

7 MR. UNDERWOOD: If you were to rebuild it, part
8 of that expense is because you're going to have to widen
9 it to allow those heavier vehicles.

10 MR. BARTON: Yes. And in this case, in the
11 conversion process, we will have already widened that road
12 base.

13 MR. AUSTIN: John, I want to go back and expand
14 a little bit on Commissioner Vandergriff's question. You
15 know, we talked about this in a workshop in June. Let's
16 go back a couple of years. I know Commissioner Underwood
17 chaired the energy sector task force, and that was the
18 beginning to address the needs of what was happening.
19 Help me understand, let's go back and revisit, what type
20 of outreach did we have with the stakeholders, the
21 counties? But there's also a process going back to the
22 district engineers, not every sector received the money we
23 just allocated last month, the Haynesville Shale, the
24 Barnett Shale didn't receive any, there's still a lot of
25 other needs, but these were identified, my understanding,

1 a couple of years ago, a year and a half ago, and then we
2 allocated some emergency funds. If you can kind of
3 address that.

4 And I know, Jerry, you may have some comments
5 on that, just on the outreach, but if you kind of walk us
6 back through, how we got up to this point.

7 MR. UNDERWOOD: And the emergency funds,
8 remember we did for the oil and gas -- I call them
9 emergency funds.

10 MR. BARTON: Right. There were \$40 million of
11 resources the commission approved for a select number of
12 projects to respond to these immediate oil and gas
13 industry roadway impacts for safety issues, and those were
14 deployed this past fiscal year and those projects have
15 been funded, designed and under construction for the most
16 part.

17 To answer your question, Commissioner Austin,
18 this commission created an energy sector task force in
19 March of 2012 that included representation from this
20 commission, Commissioner Underwood chaired it, along with
21 Phil as our lead staff person on and the co-chair, we had
22 county representatives, Judge Fowler from Dewitt County,
23 the Johnson County judge was also a member of the
24 committee, and we included other county elected officials
25 as they wanted to participate in those meetings. Industry

1 was represented, ANGA, Texoga, TIPRO, most of the oil and
2 gas industry related associations, the Texas Farm Bureau,
3 the wind energy associations, and then representatives
4 from the other state agencies that are impacted by these
5 particular issues, the Department of Motor Vehicles,
6 Railroad Commission and Texas Commission on Environmental
7 Quality.

8 Meetings of that task force first were held in
9 April of 2012 here in Austin and a decision was made that
10 in order to make sure that the citizenry around the state
11 had an opportunity to participate in those meetings and
12 that the elected leadership and impacted stakeholders
13 would have an opportunity to travel to those meetings
14 without having to travel from all across the state here to
15 Austin, there were meetings held across the state. We had
16 a meeting in Cleburne, Texas, our first out of Austin
17 meeting, we met in Amarillo, we also went out to Midland-
18 Odessa, and then the last one was down in the Laredo area.

19 So we had six meetings in total, broke up into
20 our subcommittees for different tasks, one looking at
21 safety, one looking innovative approaches to a solution,
22 one looking at financing and one public involvement and
23 communication. And those task forces looked at relative
24 issues, brought back recommendations, and through a series
25 of six full committee meetings, a series of additional

1 subcommittee meetings, all that information was brought
2 back in October of 2012, a report was prepared and
3 submitted to all members of the legislature about this
4 very issue and the fact that we have these growing
5 challenges and limited resources to address them.

6 MR. VANDERGRIFF: Was the legislature in that
7 report -- and I haven't seen it and I apologize -- was
8 everybody apprised that hey, if we don't address this
9 situation, gravel roads is a consequence of this?

10 MR. BARTON: We began those communications, as
11 Phil and I met before an interim committee hearing of the
12 House Energy Resources Committee, we also testified during
13 the session at a variety of committee meetings on this
14 issue, and those conversations were had then. So it's
15 something that we've talked about throughout this process,
16 you know, that if resources aren't brought to bear, the
17 consequences are going to be such that we have to make
18 some difficult decisions.

19 MR. VANDERGRIFF: And one of those was going to
20 gravel roads.

21 MR. HOUGHTON: Let Jerry shed some light on
22 this too. Jerry, come on up.

23 MR. AUSTIN: And as you were looking at what
24 was reported back, did it have the list of all the roads
25 that were identified?

1 MR. HADDICAN: For the record, Jerry Haddican,
2 with the State Legislative Affairs at TxDOT.

3 It did not, we didn't have that information at
4 the time. And I think going back a little bit when this
5 issue -- and it kind of speaks to John's second slide --
6 when you have an issue of this enormity or this size in
7 the context of an already fiscally constrained budget and
8 the responsibilities that you have for a statewide system,
9 we spent time getting our arms around it, first of all,
10 and then rolling it out.

11 It's rarely a productive exercise to prejudge
12 what the legislature is going to do. Even if we had been
13 tempted to prejudge what the legislature was going to do,
14 it wasn't clear how that was going to play out, so we knew
15 it was in the LAR request. As John mentioned, Senator
16 Hegar and Senator Williams met with John and Phil in Cuero
17 a week before your July commission meeting in Corpus and
18 they explained a lot of the detail that you see here, but
19 what we had up to date at that time and they said this
20 needs to be part of the budget discussions.

21 So to talk about a gravel situation early on or
22 in June, the month before that in June there was an Energy
23 Sector committee meeting that Chairman Keffer had in the
24 House, if we'd have started talking then, I think the
25 perception, in my opinion, would have been that we were --

1 at least we would have been open to the criticism that we
2 were manufacturing a crisis or maybe it wasn't that
3 strong. It seems like whenever you communicate something
4 this big, you had to go step by step, roll into it, and I
5 think a lot of the things we did, collectively, not just
6 SLA but going back to the forum in February of last year
7 where we had an energy sector panel, that was a deliberate
8 decision to make that panel separate from the State
9 Legislative Affairs panel because the issue was such a big
10 issue.

11 The conversion occurred during session, towards
12 the end of session as it seemed that we were at an
13 appropriate time because if the resources were going to
14 flow, the flow was not going to marry up with what was
15 requested in the LAR. And I appreciate John's approach,
16 Commissioner Underwood's approach to doing that step by
17 step because, as Phil would say, you don't want to get
18 ahead of your skis on a discussion like this.

19 MR. VANDERGRIFF: I just want to ask the
20 question to make sure I get it answered, and again, I'm
21 just trying to understand because I was not here, so I
22 apologize. But the question I have is when did we tell
23 people that a consequence of a lack of funding would be
24 that the department -- and it can do that on its own
25 action, not needing commission approval -- that the

1 department would turn roads to gravel. Did they know that
2 during the course of their deliberations?

3 MR. HADDICAN: We began having an informal
4 discussion as we looked early in session about what other
5 states had done and we began to talk to offices about
6 that, just generally. And I think it's North Dakota
7 that's allowed -- they don't have this size of the
8 challenge that we do, but they had made the decision to go
9 to gravel. But it wasn't really until, say, April we
10 began with the leadership offices and we began to talk
11 about that in forums where we felt like it would be
12 measured, where we would try to minimize surprises.

13 But as it became clear at that point that the
14 money was not -- whatever the appropriation was going to
15 be, there was going to be a delta between what the
16 appropriation was and what the need was and that we were
17 faced with -- you would be faced with difficult decisions.

18 I remember distinctly saying that this is going to put
19 commissioners after session in a position where they're
20 going to have to make some very difficult decisions
21 between the overall statewide needs and the maintenance
22 required there and new construction and this very, in a
23 large part, localized need.

24 MR. VANDERGRIFF: So when did they know that we
25 would be going to gravel on roads? I'm kind of a black

1 and white type of guy.

2 MR. HADDICAN: Not to parse words, but I think
3 there's staffers who are still coming to terms with the
4 fact that we're doing it. A big event where a lot of
5 staff and members knew, when you had your workshop, we had
6 a meeting prior to that, that was very well attended, with
7 members of the House and Senate transportation committees,
8 probably had 30-plus staffers there and began to say:
9 Look, the commission is going to have a discussion item,
10 we haven't done a workshop in a long time, we want you to
11 understand what they're going to be talking about, and one
12 of the things that they're going to discuss is gravel.

13 We then sent out an email to a broader group to
14 say the workshop is occurring, you can watch it online,
15 and then the discussion flowed from that. And I think as
16 you had the workshop, quite frankly, it began to sink in
17 more deeply as the reporters attending the workshop
18 announced that. So I think right around the time of the
19 workshop.

20 MR. VANDERGRIFF: And that was the presentation
21 to us about that was an option that could happen, and
22 obviously the department has taken that on as an action
23 item.

24 MR. HADDICAN: Yes. And from our standpoint
25 from Government --

1 MR. VANDERGRIFF: But I don't think at that
2 commission meeting -- and again, you're not necessarily
3 the appropriate person, Jerry, to ask this question -- I
4 don't think we went to a date or a time certain at that
5 meeting. We were just briefed on here's our problems,
6 here's our challenges, we don't have the funding we'd
7 hoped to have to address some of these things, hard
8 decisions are going to have to be made.

9 MR. HADDICAN: I believe that's correct,
10 Commissioner.

11 MR. VANDERGRIFF: Okay.

12 MR. HOUGHTON: John, do you want to continue?

13 MR. BARTON: Just wrapping up very quickly, and
14 I'll be happy to answer any other questions you may have,
15 this is the section of Interstate 37 frontage road in Live
16 Oak County and the conditions before we went through the
17 process of converting shown there on the left-hand side of
18 the screen and the right-hand side of the screen is the
19 roadway after we resurfaced it with an unpaved surface.
20 And I wanted to share with you the response, if you will,
21 the opinion of Judge Huff. Judge Huff is the Live Oak
22 County judge and he was kind enough to share his thoughts
23 with us about this particular challenge, Commissioner
24 Vandergriff, on how he perceives what we're doing. And so
25 if they'll roll the video.

1 (Video began.)

2 JUDGE HUFF: (Speaking on a recorded video.)

3 "The condition of the road before, there were portions of
4 a total of that five-mile section that you basically could
5 not drive a car over or a heavy truck, it was very much in
6 disrepair. We had people that were taking to the ditch on
7 portions of it. Yes, it was in bad shape. I think it's
8 safer. That's going to be, I think, the overriding factor
9 in a lot of the decisions that are made, but yes, I do
10 think it's safer because people can actually travel the
11 path of the roadway itself. I think we'd all prefer to
12 have blacktop and have it kept in the best shape that it
13 can, I think that's what the public is going to demand it
14 be put back to. I do understand safety is a factor and
15 we're looking at this as maybe a stopgap or almost a band-
16 aid effect until something else can be done to make it
17 much better.

18 One of the things that has brought us here
19 today for this topic is the Eagle Ford Shale, and the
20 Eagle Ford Shale is the economic driving factor in South
21 Texas that's transforming it, but we can't forget that
22 transportation and good roadways are, in fact, what made
23 that possible. I know in the last legislative session our
24 state representatives and senators from our South Texas
25 area lobbied really hard for more funding and funding in

1 different fashions. It didn't seem to get the support
2 across the state that it needed, but we'll be back again."

3 (Video ended.)

4 MR. VANDERGRIFF: And John, I apologize, I've
5 got a couple of other process questions for you, if I
6 could just real quickly.

7 MR. BARTON: This is the process, but go ahead.

8 MR. VANDERGRIFF: Well, the questions I have is
9 like the trucking industry, the people that will be up and
10 down driving those roads, were they engaged at all in the
11 discussion about what the effect of gravel roads would be?

12 Like for example, my experience with them, and I don't
13 mean to disparage truckers, I don't mean this as a
14 negative, but when faced with obstacles, they will figure
15 out how to go around them to keep moving forward.

16 I know that we did a great thing together, the
17 Department of Motor Vehicles and TxDOT to create the
18 TxPROS system which puts a lot more trucks on the road, 30
19 percent more than there was, and I think for the most part
20 it's because it's easy to get a permit, and maybe -- I'm
21 not trying to suggest -- if it took a week or ten days to
22 get a permit for a daylong trip, they might have just
23 gone.

24 So in this case, for example, going around
25 these gravel roads, do they have options to go around

1 them? Because time is money to a lot of truckers, so is
2 there any discussion or any thought from the department
3 about could we have -- what is it the law of unintended
4 consequences that go around them, damage caused from
5 gravel coming up off of the roads, things like that. Did
6 you have any discussion about that? I'm not sure if you
7 have but I just wanted to ask that question.

8 MR. BARTON: Well, first of all, TMTA, the
9 trucker association, was involved in the energy sector
10 task force that we conducted, and were an integral part of
11 these conversations, and their focus is primarily on
12 safety. They also participated in a research effort that
13 was again led by the Texas A&M Transportation Institute.

14 MR. VANDERGRIFF: And I'm kind of aware of
15 those, but I mean in the actually taking it to gravel.

16 MR. BARTON: That's what I'm trying to get to.

17 MR. VANDERGRIFF: Okay.

18 MR. BARTON: So they were involved in this
19 research initiative with the Texas A&M Transportation
20 Institute that looked at all of this and quantified that
21 without addressing these challenges through this
22 thoughtful process that we're doing, the impact to the
23 industry is about \$3.5 billion per year estimated. That's
24 what the wear and tear on their trucks for roads that look
25 like this on the left-hand side would mean to the

1 industry.

2 When we converted this particular section of
3 roadway, Commissioner, we spent a couple of days out there
4 talking to the truckers using this particular roadway, and
5 if you would go to our website, we have some additional
6 information about it. They're very pleased with it, they
7 think it's a much safer facility, it's reducing wear and
8 tear on their vehicles, and they're excited about that.

9 MR. VANDERGRIFF: You answered my question.
10 Thanks.

11 MR. BARTON: So the process moving forward, as
12 I mentioned, we've worked with several of the members that
13 are interested in this, in particular Senator Uresti,
14 Senator Hegar, and some of the state representatives,
15 county judges and we've committed to reaching out to those
16 counties that are impacted by this. In fact, we're
17 traveling in two weeks, Phil and myself and our
18 maintenance team, down to put together some roadway visits
19 and to have a town hall meeting with some of the county
20 elected officials about these particular roadways and our
21 path forward, and we're very grateful for that opportunity
22 of working with them.

23 We were listening to their concerns, provided
24 them a 60-day review period for those counties that are
25 directly impacted by these 83 miles we've identified, and

1 to give them a chance to think through if there are other
2 options, if they want to take on those responsibilities or
3 if there are local options that can be brought forward to
4 help us address these challenges.

5 Of course, we'll always continue to take care
6 of the immediate safety needs as they come up and we'll
7 continue to proceed with the conversion of roadways, as
8 those conditions warrant, after we've allowed those
9 counties to work with us and the stakeholders involved as
10 the conditions and resources will allow us to do. And
11 again, Senator Zaffirini has been very helpful in engaging
12 in this conversation, as well, and putting together this
13 particular trip that I just described.

14 So as we move forward we'll be working with
15 those communities, looking at options that might be
16 available to us and making sure that we're doing what we
17 can within the resources available to us to protect the
18 safety of the traveling public.

19 As I started this presentation, this is about
20 safety, I want to end this presentation reminding us all
21 this is about safety and your Department of Transportation
22 engineers and professionals are committed to doing what we
23 can with the limited resources that we're given to ensure
24 the safety of all the traveling public, whether it's in
25 downtown Dallas or in the most remote areas of our state.

1 I'll be happy to answer any questions that you may have.

2 MR. MOSELEY: Chairman, I don't have a
3 question. I appreciate the overview, it's answered a lot
4 of questions that I've had, and I appreciate knowing that
5 we're committed to a vigorous dialogue with lawmakers,
6 with county and city officials, with the stakeholders. I
7 would add to that, though, Chairman, that this is really a
8 good problem, Texas is on the way to eclipsing Saudi
9 Arabia as an oil production, just as a state we'll eclipse
10 them in the near future, and so we will have demand for
11 capacity and for tonnage on strategic corridors, so it's a
12 very important dialogue that we continue. I would just
13 ask that we be sure and include the energy companies that
14 are benefitting from these corridors in that dialogue.

15 And I thank you, John, for the presentation.

16 MR. HOUGHTON: John, thank you.

17 MR. AUSTIN: I was just going to say I know
18 you're going to have some comments and I'm going to have
19 to leave in just a few minutes, and I agree with
20 Commissioner Moseley, this is too important to the state
21 and we don't want to have a black eye on our roads, we
22 want to make sure that they are safe, and I hope that
23 maybe next month or the next couple of months -- this
24 isn't going away and it is a good problem to have because
25 we are pumping oil, we are producing gas, but it's not

1 going away and I hope we can come back and continue to
2 have updates on this.

3 But one thing I'm going to be interested in is
4 what is the condition of those roads, what is the next set
5 of roads that need immediate and emergency attention right
6 now because what we allocated month is not nearly enough
7 and it's going to be ongoing, but what about the outreach,
8 and I think that's going to be critical with the
9 landowners, finding solutions. I know there's been some
10 progress made over the last couple of weeks in visiting
11 and looking at some local options. But I'd just encourage
12 you and the DEs and the local staff to really, really,
13 really be engaged and listening.

14 MR. HOUGHTON: Thank you.

15 MR. WILSON: Mr. Chairman, I want to thank John
16 for the great presentation, Howard Holland, who is our
17 maintenance director, former DE from Brownwood, and Lynn
18 Passmore, who has taken on this project to go examine
19 these roads across the state.

20 To echo what Mr. Barton said, as the
21 department, our primary priority is safety, and when we
22 identified the resources we had, we've gone and deployed
23 that \$225 million per the commission's direction. Post
24 that, we look at facilities across the state and when you
25 have the public safety potentially at risk or truly at

1 risk, we have to take certain actions at that point in
2 time.

3 What we've done on these facilities is not much
4 different than we've done on certain things in the Barnett
5 Shale in the past. We've taken these actions where we had
6 a time where production was high, traffic was high with
7 trucks, and we had to do conversion. What's unique about
8 this today is the size and scope of the 83 miles John
9 talked about. Not all of that is happening, they've done
10 3-1/2 miles so far. But it's incumbent upon the agency,
11 we believe, as being a transparent agency, that we tell
12 the public what we're doing in total. That's part of the
13 challenge we have, and so as these miles may be converted,
14 we have that conversation.

15 The last thing I'll say to Commissioner
16 Vandergriff and your question, I've had very explicit
17 conversation with leadership for the past year about the
18 opportunities and about the challenges we faced, with the
19 task force that Chairman Underwood had, Mr. Barton
20 testified before the House Energy Committee and brought
21 this up as a topic, and lastly, last October a year ago,
22 TTI in its report called this out as one of the challenges
23 we faced with this conversion issue. We're always going
24 to communicate better every day, I hope. That's part of
25 the challenge and the process.

1 But under maintenance, this is what the agency
2 has been charged with, working with the commission to go
3 make sure our system stays safe, and I thank John and his
4 team for the great effort they've done to make sure the
5 driving public stays safe, and then you go back to re-pave
6 that should resources be available in the future.

7 Thank you, Mr. Chairman.

8 MR. HOUGHTON: All right. Before we get into
9 folks who would like to testify on this, I'd like to offer
10 the opportunity to the elected officials. Senator
11 Campbell, would you have anything to say? Nothing?
12 Deshotel? Pickett? Representative Pickett, Chairman
13 Pickett, welcome.

14 Representative Morrison, would you like to say
15 anything on this issue? Okay.

16 MR. PICKETT: I can understand why we're here
17 in some respects. If you were just reporting, this
18 commission meeting you have a retired district engineer
19 whose cheeks hurt for the last two weeks, you've got a
20 commissioner who admits to traveling with a blowup when he
21 goes to Fort Worth visiting district engineers, and if you
22 take that out of context, it doesn't make it sound like
23 it's very good.

24 And I heard what Mr. Barton had to say, and I
25 really, really believe that you've got somebody very

1 passionate about safety, but I will tell you, I want to
2 give you just some observations, the timing couldn't have
3 been maybe worse, and sometimes that's the luck of the
4 draw, or they come in threes. There was an issue not too
5 long ago here about availability payments, then we heard
6 the asphalt to gravel, then we heard the turn back, and it
7 seems that there's missing, maybe with the dais and those
8 of us that are out there on the front of this.

9 I will say it's my opinion -- it's my opinion
10 that I think some of the presentation here today has been
11 altered a bit, in a good sense, but I don't think this is
12 necessarily what was originally presented, because me, as
13 one, I don't sit on the energy committee, and even though
14 Chairman Keffer held some meetings with what was going in
15 the regular and the special sessions, there needed to be a
16 little bit more communication.

17 The reason I'm here speaking on this is because
18 of the confusion even with House Bill 1. This was an
19 issue on the House floor, this particular issue right
20 here, and all the people in the room today, this is the
21 most important thing going in Texas in this room, but
22 there's a lot of people that aren't here. I'd like to
23 make some recommendations going forward, though, as well.

24 The numbers don't always add up, and John, you
25 get yourself in trouble, all of us get in trouble when we

1 start throwing out numbers, if there's 83 miles of road
2 and it's a half a million dollars to rebuild it back into
3 gravel, that's about \$40 million, that's not \$1.6 billion
4 that you asked for in your legislative appropriation
5 request. I also heard that it wouldn't be the wisest
6 thing to do right now to reconstruct these roads, anyway.

7 So if I was on the appropriations side, which I've been
8 for many, many years, I would ask you what you're going to
9 do with the \$1.6- and when.

10 So if your response was: Well, we really don't
11 have anything to do with it because if we do repair these
12 roads -- Mr. Chairman, you used the example there -- in
13 less than one year that resurfaced road was taken down to
14 next to nothing. So I would guess as conservative as
15 you're learning to be and have been here, it would be a
16 bad idea, bad idea to reconstruct some of these roads
17 right now.

18 You've got discussions here about the UTP,
19 Unified Transportation Plan for the State of Texas going
20 out the next ten years. What's in the UTP regarding these
21 roads? If this really is a temporary situation, somebody
22 like me could point to the commission has a plan, you have
23 a plan to turn those back into gravel. Is that in your
24 UTP? I'm asking because I didn't look this morning. If
25 it is, great; if it's not, why not, if it really is

1 temporary.

2 I heard, and this makes sense, when the
3 drilling starts subsiding, when those 750 trucks on that
4 particular road next to I-37 drops back down to 90, that
5 looks like it's the time, maybe, to reconstruct. Do you
6 have any idea when that time frame would be? If you do
7 have any idea, it's time to put it in the UTP, put it in
8 the plan, and we know that that changes, but the rest of
9 the state and those of us who are interested in
10 transportation could look and see that TxDOT has a plan,
11 it was always meant to be temporary, and you guys can take
12 care of a lot of these fires that are burning out of
13 control, as with the take-back.

14 And I'm going to mention that real briefly just
15 in case I don't have time to come back up, and I'm one of
16 the problems, if you will, on that. In my community, we
17 petitioned TxDOT -- Mr. Houghton, you may have been here
18 at the commission at that time -- to take one back, we
19 wanted it back, and we worked with TxDOT to make sure it
20 was in a condition that the City of El Paso wasn't going
21 to have to spend any major money for ten or twelve years
22 but we wanted the control of that road.

23 And again, the reason I'm here is because even
24 my own mayor sent a letter to you the last couple of days
25 and he is saying this is because of House Bill 1. Well, I

1 don't believe that that's the case and maybe it's one of
2 those misinformations again, maybe you've got another
3 commissioner traveling with a blowup to see another
4 district engineer somewhere else in Texas and really
5 there's another story there.

6 I think that issue -- and I'm going to be real
7 succinct on that one -- as well a suggestion, and I heard
8 or I read, Mr. Wilson, your op-ed in San Antonio's paper
9 the day before yesterday where you start to use the word
10 "voluntary." It absolutely does need to be voluntary.
11 The one year where you're proposing that there's maybe no
12 necessary for maintenance, I don't know about that. I
13 would suggest to you that you work with the cities, you
14 found out that low-hanging fruit, who wants what, just
15 show of hands, who wants this road, if you could get it in
16 good condition, who wants one. You're going to get that
17 list.

18 You have the ability that almost no other state
19 agency in Texas has, you can move money around like nobody
20 can, you can reach into the past, you can go into the
21 future like no agency can. You need to prioritize, then,
22 your maintenance dollars and rehab is part of maintenance.
23 You get that low-hanging fruit list and then you take that
24 and that becomes your priorities with your maintenance
25 dollars to turn those back over because in the long term,

1 I agree with you. In 2003 when I was sitting on
2 Appropriations, I think, Mr. Houghton, I said we need to
3 turn some of these roads back. And I think you'll get a
4 lot more participation.

5 So maybe what's happening here that it comes in
6 threes, there's got to be a reason for that too, and I'm
7 not here to beat up on you at all, but come on, think
8 about this. There's been three issues within the last
9 three months, basically, that have got people all upset.
10 There's got to be something to that, there's got to be
11 some misinformation, there's got to be something that's
12 not getting out the way it should be out there. And
13 because of the last several -- we were in session, I
14 guess, over 200 days this time instead of 140, it made it
15 really rough that last few days dealing with members who
16 have issues on the roads being converted to high-end
17 unpaved, and now we're having this rollback issue.

18 And I have a little pride in authorship, and
19 I'm concerned, I'm worried, I don't want to see this
20 become a publicity nightmare and hurt the chances in
21 November 2014. And this was a big deal, and I want to
22 thank TxDOT for your help. You're not allowed to lobby,
23 but I tell you what your agency did, your department, that
24 helped the last few days of that special session. When a
25 member approached me and said, Why should I vote for this,

1 we don't get anything, my district engineer. Who is your
2 district engineer? I don't know. You don't even know
3 your district engineer.

4 And I would call over here and I would ask that
5 somebody make that contact, not to lobby for the bill but
6 for that district engineer to make a contact, meet that
7 member, get a personal relationship, tell them how this is
8 working. And so you did a big service to yourselves in
9 getting out there. There's a lot of members who don't
10 know their district engineers. There's a lot of people
11 who don't even know what an MPO is and may never sit on
12 one as a legislator.

13 So my recommendations today, and the one before
14 us, the 60 days, I wish you didn't have any period in
15 there. The reason I say no period in there at all, maybe
16 a couple of these could be taken care of in a few days or
17 a few weeks, those that want to. When we met with Mr.
18 Wilson and company maybe a few weeks ago with some of the
19 House members that are here today and the Speaker's staff,
20 our recommendation was to just -- show of hands, how many
21 of you are married? Okay. Well, some of you were kind
22 of, you know, nobody went like this. How many times have
23 you been right but you had to say you were wrong? It's
24 time that you take that situation maybe here. Maybe you
25 admit we're wrong. And sometimes we all do that in

1 debating bills, we have to give in a little bit, and I
2 think it's time for TxDOT to say: We made a mistake,
3 we're not just going to tear all these roads up unless we
4 have town hall meetings, a buy-in from the local
5 governments; this turnover program, it's meant to be
6 voluntary only and we're going to put a plan together.

7 And on the unpaved roads, put some money aside,
8 you've got it, you have the ability to do it, you haven't
9 sold all your mobility dollars, you've got capacity there,
10 put some money there, put up some money, put it in the UTP
11 so that the people behind me can actually see that there
12 is a plan. And you're going to have to do some
13 guesstimating, but isn't everything that we do in our TIP
14 and our MTPs guessing? You could pick a part of those 83
15 roads, I'm guessing, and figure out three years from today
16 we believe that the production, the drilling will subside,
17 we're going to go in and start paving those roads. Well,
18 what if we need to change it? How many times do you
19 change something here monthly? But at least you have a
20 plan so that you can show people so there's no finger-
21 pointing and he said/she said. Just put it down, show us
22 in your plan, we'll go out and help you sell it.

23 Thank you for your time.

24 MR. AUSTIN: I'm going to have to go. Mr.
25 Chairman, I want to say thank you. We had a conversation

1 a couple of weeks ago, and I want to say thank you for
2 being a champion of transportation. Your comments on both
3 issues are acknowledged, and I want to say -- I'm going to
4 speak for myself -- there's multiple ways of doing things
5 and most importantly, one, we're not taking action today
6 but really listening, and I've heard a lot of the comments
7 before the meeting, a lot of different cities that have
8 talked, and counties, and we've got to find a way, who
9 wants it first and to be voluntary, and I hope that there
10 are some productive discussions. I can't/I won't is one
11 thing, how can we, it's something I want to participate
12 in, and we can go forward.

13 It is going to come with looking and working
14 when is the right time. The City of El Paso, as an
15 example, when is the right time, do you want it now, do
16 you want it next year, year after next, we may have a
17 need. I've participated in a couple of discussions with a
18 couple of other regions where they want some roads back.

19 MR. PICKETT: And I'll defend your department
20 in that. I know that that wasn't directly because of HB
21 1, I know that, I know that was not your intention. But
22 that doesn't mean it wasn't everybody that's in this
23 building's intention, or hey, maybe that's a way to get
24 somebody else's attention by saying HB 1 said we had to
25 come up with \$100 million in savings. Well, I just read

1 your press release on the Fleet Forward, you've already
2 made the goal if that's the case, it's \$50 million a year
3 savings, that's \$100 million in a biennium.

4 Me, who has some legislative intent behind HB 1
5 would say that doesn't count towards that \$100 million
6 that you're supposed to save. And according to what I
7 heard on the TV, Mr. Wilson said that was going right back
8 into roads anyway. House Bill 1 says the \$100 million
9 savings goes against your corpus of the debt. So by your
10 statement, I guess you're looking for another \$100
11 million, Mr. Wilson.

12 MR. WILSON: We're getting there.

13 MR. VANDERGRIFF: I want to note real quickly,
14 too, that Chairman Pickett has been a strong advocate for
15 years and years for transportation and he's one of the
16 most elegant and articulate speakers on behalf of. He
17 tells us when we're wrong in a polite and respectful
18 manner when he needs to, but he also provides a roadmap
19 for how to get things done.

20 And two things that I want to acknowledge to
21 you, and I say these things publicly, I'm an appointed,
22 not an elected official, and I appreciate the fact that
23 you go before the voters, as do all your colleagues, as
24 well as many of the men and women in this audience, and
25 get voter approval, and I think we need to listen to you.

1 I think your words here today have been very articulate,
2 very eloquent, very reasoned, and I think we were wrong
3 and I think we need to listen to that.

4 And thank you for your comments.

5 MR. PICKETT: Thank you, Commissioner
6 Vandergriff. Can you imagine, though, being the district
7 engineer in El Paso, Texas and having Chairman Houghton on
8 one side and Pickett on the other? I hope you're giving
9 him combat pay. And I want to publicly thank Mr. Houghton
10 for all that not just what he does for the State of Texas
11 but for El Paso, and when Chairman Houghton and I are on
12 the same page, we do wonderful things, and I want to
13 publicly thank you for that.

14 MR. HOUGHTON: Thank you, Representative
15 Pickett.

16 MR. PICKETT: So there's nothing wrong with
17 admitting you guys are wrong.

18 (General laughter and applause.)

19 MR. HOUGHTON: Welcome.

20 MS. MORRISON: Good morning, Chairman Houghton.
21 Good to see you. Commissioners, Phil Wilson, it's great
22 to be here. I'm Geanie Morrison, State Representative,
23 District 30.

24 I have six counties and I will tell you this
25 discussion is very important to my district. Being in the

1 Eagle Ford, right in the middle of it with Dewitt County
2 with all the production that they have and with Judge
3 Fowler being so involved in looking at all these issues,
4 and then also with the traffic going through Goliad and
5 Refugio, and of course, all of my counties, Victoria and
6 Aransas and Calhoun also have Eagle Ford traffic, this is
7 all very important to all of us.

8 Transportation is very important to my district
9 and the whole state. When you look around at everything
10 that transportation does, you look at the ports in
11 Victoria and Port Lavaca, with all of the issues there and
12 the help and airports that we're working on in Victoria,
13 and Aransas County having the big bridge over Copano Bay
14 being built at this time, there are a lot of things going
15 on in my district, and I thank you for all the good things
16 that have happened.

17 I do want to point out that I think probably
18 the biggest issue that we have going with the roads with
19 the Eagle Ford shale and the issues with the take-back is
20 just working together and information, and I think there's
21 been a lack of early information, especially to the
22 legislators. We did have a very tough session and we
23 fought very hard for transportation funding, and as
24 Chairman Pickett said, that was a very hard battle because
25 those that are not experiencing some of these problems

1 don't realize what's going on. Those up in the Barnett
2 Shale that have had the issues in the past do know, but
3 still there again, it's not as extensive and as wide as
4 what's going on down in the Eagle Ford.

5 And it's a great problem to have because we
6 have great money coming in, but also, it's something that
7 we've got to make sure that we've got good safe roads and
8 that we still have those roads where the production can
9 come in and out.

10 I do want to say that I do think it is just a
11 matter of being more open with communication earlier. As
12 legislators, we're closer to the county judges, and I also
13 want to recognize that Victoria County Judge Tom Pozzi is
14 here, and commissioners from the court are here because
15 they're very concerned about the take-back also that will
16 affect that county.

17 And so I want to make sure that we do have
18 those conversations, you come to the legislators and let
19 us know what you're proposing in a timely manner so that
20 we can get in front of it and work with our district
21 engineers and with our county judges and mayors and let
22 them know what's happening and have those conversations
23 and not have them after the fact and after they've already
24 had the conversations and we're not aware of it.

25 I do want to also point out that there have

1 been numerous people that have been talking about all the
2 issues that we have, and as you all know, as Phil Wilson
3 knows, and John knows, John Barton and Scott Hayward, that
4 we had a meeting with the Speaker's Office this past week
5 and talked about the issues, and Chairman Keffer, Chairman
6 Tracy King, Lyle Larson, myself and Chairman Pickett,
7 about the issues that we were having in our districts, and
8 I think opening up that communication -- and I already see
9 things that have changed and I thank you for that -- and
10 opening up that communication and making sure that we're
11 all on the same page because we're here to help you to
12 make good decisions for our areas and also for us to make
13 good decisions and help you.

14 It was a very tough session for funding and
15 there were a lot of us that knew that we needed some more
16 funds for especially the Eagle Ford area and we fought
17 hard to get what we got. And so I think as we go forward,
18 if you'll come back to us and let us help you with those
19 decisions and give the input and listen to your
20 legislators and to the county and city officials, I think
21 you will see a big change in the way things and the
22 communication is.

23 But I thank you for all of your help and
24 everything that you're doing and offer to you that we're
25 here to help you. Thank you very much.

1 MR. HOUGHTON: Thank you.

2 Representative Anderson.

3 MR. ANDERSON: Thank you and good morning, and
4 I sure appreciate you taking time to listen to our
5 concerns.

6 I don't sit on Transportation about we're very
7 concerned about the area. I'm not in the Eagle Ford area,
8 as far as my district, I'm in District 56 which is in
9 McLennan County and it's great to see you here in Austin,
10 and we see you in the district too which I very much
11 appreciate.

12 Chairman Pickett had some very good points
13 there. As we go through the process, in the last
14 legislative session with so many issues going on, it's
15 always a dynamic scenario, communication is the key, and
16 to have three different programs come down kind of one,
17 two, three, overlaying what we were trying to do with
18 transportation, in that setting certainly led to some
19 confusion.

20 But specifically with the turn-back program, I
21 think if it is on a voluntary basis and if we go slow and
22 steady, I think we can make some progress there. I can
23 see some advantages, and at the same time I see some
24 serious disadvantages. I talked with our local folks
25 there. If it wasn't voluntary and if they ended up taking

1 on some pretty heavy budgetary additions, that would be a
2 problem across the board, and I think there may be some
3 problems down the road with connectivity and if the cities
4 are contracting and trying to budget for projects to
5 interface with the state's projects, that the time frame
6 alone, with all the prerequisite with that, could
7 interfere with having an efficient process there.

8 And also, if it was not voluntary, if it was an
9 unfunded mandate, this would be the mother of all unfunded
10 mandates, and so we need to be very cautious as we go
11 forward and communication, as I say, is the key. We're
12 all concerned about safety. For Waco itself that would be
13 about 50 miles that they'd have to pick up and try and
14 maintain which would be a significant problem for them.

15 Let me say that I'm optimistic as we go
16 forward, the state is growing, our economy is growing. We
17 appreciate your efforts. We're blessed right there in
18 McLennan County, the I-35 corridor, and the progress
19 that's going there, we're very pleased and we appreciate
20 your efforts in that regard. And I think the state will
21 continue to grown and I think we will have revenues that
22 we can direct towards Fund 6.

23 This last session, you know, the ebb and flow
24 of the legislative process, early on in the second special
25 session I was thrilled, we had actually passed in the

1 House a bill to get rid of the diversions and we'd passed
2 a bill that any increased motor vehicle sales tax would be
3 going to Fund 6. But through the process, that all
4 evaporated, but we're looking forward to the
5 implementation of HJR 1. Hopefully the voters -- and this
6 may help in that regard as they start to realize, the
7 average person realizes the implications and the problems
8 that we're dealing with that hopefully that will help to
9 pass that, and then as we go forward, we can try and be as
10 efficient as we can on funding.

11 But all in all, I appreciate your efforts,
12 particularly, Phil, you're doing a great job.
13 Communication is always a problem, it's just human nature,
14 and particularly if you take a legislative setting it
15 really makes it difficult. But as you say, Phil, we need
16 to continue to work on communicating at all levels and
17 that will help, I think, more than anything else with
18 these little brush fires that we have to deal with. So
19 thank you.

20 MR. HOUGHTON: Thank you.

21 MR. WILSON: Thank you.

22 MR. HOUGHTON: Representative Deshotel.

23 MR. DESHOTEL: Thank you very much,
24 commissioners. Thank you for the opportunity to speak
25 with you. I was coming to speak on the other issue but

1 since we're covering it here, I decided to go ahead on the
2 charge-back or roll-back.

3 And also on the constitutional amendment, I was
4 very pleased that we were able to get that passed, and I
5 want you to know that all the legislators will be working
6 very hard to make sure that we have a good voter turnout
7 and that we are successful in passing that constitutional
8 amendment.

9 And I was very pleased that we were able to get
10 an amendment on there regarding the ports. Commissioner
11 Moseley mentioned that he toured the Ports of Beaumont,
12 Port Arthur and Orange, and this clarification, I think,
13 gave TxDOT some clarification that mobility funds could be
14 used available to draw down, on a competitive basis with
15 other projects, of course, to draw down federal funds
16 which are going to be much needed in some very important
17 port projects, so I was glad to see that and we're going
18 to work hard to get this amendment passed.

19 We are concerned, and I feel much better today
20 than when I first heard of the issue, Phil, on the roll-
21 back to the cities. I got calls from frantic mayors, a
22 couple of frantic mayors, and one of them here from Port
23 Arthur, Mayor Prince, and the city manager, Mr. Johnson,
24 are here on this issue because they just don't have it, of
25 course, in their budgets. And the way it as first

1 received is that all state-owned highways that passed
2 through a jurisdiction of 50,000 or more would be
3 automatically turned over to them for maintenance. Of
4 course, that was just something that they just can't
5 handle.

6 And I also thought of other things because I
7 thought of the patch work, as we saw some of these roads,
8 if that were to happen, as the road entered Beaumont
9 because they didn't have money, it would become kind of a
10 rough road and goes into Nederland which they weren't part
11 of the program, it's nice and smooth because the state is
12 taking care of it. You know, I could just see this road
13 that wasn't a continuity of nice pavement that we enjoy
14 here in Texas.

15 I also thought immediately this is just a ploy
16 to get attention to the problems of TxDOT so that we could
17 get this constitutional amendment passed and get people to
18 understand we don't want that to happen so we'd better
19 vote for this. Well, maybe that's ancillary, maybe that
20 would happen, if that does, that's fine.

21 But I'm glad to see that you're reconsidering
22 this and that you are listening to the constituency out
23 there because I know you heard a lot of comments on this
24 and I believe now that you understand that and are now
25 considering more of a voluntary basis. And there's some

1 value to a voluntary basis. Many times a city, if it's a
2 new road in very good condition, would like to take over
3 that road and have a little more control over curb cuts
4 and things that TxDOT would prevent, and traffic control
5 within their boundaries. But that's a different situation
6 and that's something they'd go into voluntarily and
7 jointly. And so if this is going to be a voluntary
8 program, I hope that's what you consider, that we continue
9 down that pathway because I think that would really help.

10 And in closing, one of the things you said,
11 Chairman, I think it was you in recognizing the three very
12 distinguished retirees today, and it may help in the
13 passage of the bond issues, you designated Mr. Bickley as
14 the face of TxDOT, I think maybe Miss Maribel or Carolyn
15 would make a better face of TxDOT.

16 (General laughter.)

17 MR. HOUGHTON: With all due respect to him.
18 Right?

19 MR. DESHOTEL: Yes, with all due respect.
20 Thank you very much for your time.

21 MR. HOUGHTON: Thank you very much.

22 All right. We have several people who have
23 signed up to talk about this issue. Dimmit County
24 Commissioner Mike Uriegas, you're up. And to get this
25 moved along, Commissioner, we'll ask you to keep it within

1 three minutes, and there's a little clock there, since we
2 have a whole bunch of people and we've got another agenda
3 item.

4 MR. URIEGAS: Thank you, Mr. Chairman, Mr.
5 Wilson, members.

6 I've got a prepared statement and a couple of
7 notes from what I've heard. Our county judge was notified
8 maybe -- I'm not sure about the date -- three weeks ago
9 that roads were going to be converted to gravel. He got a
10 call from our district engineer, Margaret Montemayor about
11 it, and that's the first time we heard about it.

12 My prepared statement. My name is Mike
13 Uriegas, Dimmit County commissioner, Dimmit County,
14 Carrizo Springs.

15 There are many safety concerns with the gravel
16 roads: during dry weather, heavy dust, you can't see
17 oncoming traffic; during rainy weather, washouts on the
18 roads, vehicles stalled in deep holes, vehicles slide off
19 the roads, there have been several rescues by emergency
20 responders. There have been numerous vehicle accidents
21 and deaths on our roads as they are now, and we feel like
22 it will get worse with gravel roads.

23 I checked FM 1916 this past Tuesday, the part
24 that has been turned to gravel already has potholes in it,
25 and I don't know how long ago they did that, it's been

1 done recently. There is a crew out there, I don't know
2 what they're going to do with it, but I'm here to tell you
3 that that road that was turned to gravel already has
4 potholes in it, and Mr. Wilson, I believe, will be there,
5 in a week or so and we'll verify that ourselves. The
6 shoulders on that road are worn. Part of the road, like I
7 said, has already been graveled and it already has
8 potholes, it's not safe.

9 Personally I'm aware of four accidents on FM
10 186, another road that's going to be turned to gravel,
11 three rollovers, one head-on. I remember one fatality
12 from that road, FM 186. In Dimmit County alone, since
13 January of 2012, we've had 691 motor vehicle accidents.
14 Those are the ones that the sheriff's department took care
15 of, it does not include DPS; 419 accidents in 2012, 272 in
16 2013.

17 There are hundreds of oil and gas wells located
18 off of these roads that are going to be graveled, the
19 volume of traffic is very high, there are people traveling
20 these roads that live and work on the ranches, the school
21 bus picks up daily, Border Patrol is always on these
22 roads, Texas State Troopers are on these roads, emergency
23 responders have to go down these roads. There's a lot of
24 oilfield activity and there's accidents out there, there
25 goes an ambulance down gravel roads, and I've seen them

1 myself personally just going up and down the gravel part
2 of the road which are the county roads, and there are, of
3 course, paved roads leading up to the county roads.

4 Dimmit County's oil and gas production alone
5 paid over \$91 million in severance taxes last year.

6 Is that my time limit already?

7 MR. HOUGHTON: Yes, sir.

8 MR. URIEGAS: Can I continue?

9 MR. HOUGHTON: Just sum up.

10 MR. URIEGAS: Eagle Ford Shale companies paid
11 over \$846 million last year, the amount will continue to
12 grow. The legislature needs to provide funding for our
13 transportation infrastructure, we must not let our present
14 infrastructure deteriorate. If these roads are not
15 passable, it's going to affect the oil and gas business
16 and the safety of our citizens more than anything. You
17 spent a lot of money on FM 186 last year; I would ask that
18 you protect and maintain that investment. It's 18 miles
19 of paved road from the city; please protect that
20 investment, don't let it go to gravel.

21 Why don't you convert roads in other parts of
22 the state that are not as busy as we are down there, go
23 somewhere else where it's not as busy. I mean, that's
24 just a suggestion. There are other counties that don't
25 have that traffic.

1 The Eagle Ford counties cannot afford to accept
2 these roads that you're going to convert to gravel. We're
3 going to spend \$3 million to repair six miles of county
4 road in Dimmit County, we've already let out the bid and
5 we have a contractor. And we are going to do more of
6 that. We're spending money on our county roads more than
7 we've ever had to and we think you should take care of
8 your part of the roads that are out there, especially
9 where all the heavy traffic is at.

10 MR. HOUGHTON: Commissioner, can you sum up
11 now?

12 MR. URIEGAS: Thank you very much. I
13 appreciate it.

14 MR. HOUGHTON: Thank you very much.

15 Next is Peggy Schulze Van Cleve. Peggy.

16 MS. VAN CLEVE: I appreciate the opportunity to
17 speak today. My name is Peggy Schulze Van Cleve, and I'm
18 a third generation to reside and ranch in LaSalle County.
19 For 26 years I have owned and operated a feed store in
20 Carrizo Springs, Dimmit County. So my concern is not only
21 as a landowner, but also as a business owner, therefore,
22 this is not only about my personal interests but also my
23 customers and my friends.

24 Let's remember what FM stands for: farm to
25 market. These roads are not only for residential traffic

1 but they're FM used for farmers, ranchers, hunters, oil
2 and gas, and whatever else the land will produce, so the
3 product can be delivered to market. If the product cannot
4 be delivered, then what?

5 It is critical to me that we keep the line of
6 communication open, which it has not been I feel TxDOT is
7 underestimating the cost of properly maintaining a gravel
8 road and overestimating the results. If you'll look at
9 the next page, I have a picture that I took just a few
10 days ago of FM 469. The bottom picture is in front of my
11 house. That pavement has been there over 60 years. You
12 have shown us pictures of a gravel road, and my daughter
13 traveled on it yesterday, and I can tell you that it does
14 not look like the picture that you showed us. My road
15 still looks like that and it's been there over 60 years.

16 I appreciate the opportunity to speak.

17 MR. HOUGHTON: Thank you very much.

18 Holly Van Cleve Fries. Am I getting it right?

19 MS. FRIES: Good morning. Thank you for
20 letting me speak. I did have something prepared, but
21 after listening to everybody, I'm going to just kind of
22 talk about what's been said.

23 I'm a local resident of LaSalle County, I live
24 15 miles outside of Cotulla, so I'm one of these people
25 that's used to driving unpaved roads and I drive a lot of

1 farm to market roads. I've worked a lot in the Barnett
2 Shale, I've worked in the Haynesville Shale and now in the
3 Eagle Ford Shale. Working in the Barnett and the Eagle
4 Ford, I never saw any road conditions like what we see
5 down here.

6 Basically, one of the biggest concerns I
7 noticed on the pictures you were showing -- and I did go
8 to Live Oak and looked at what had been done so far -- was
9 that there's not going to be any markings on the high-end
10 unpaved roads, you know, the center stripe line. That was
11 one of my big concerns. Another big concern is there was
12 a lot of rocks on this newly completed high-end unpaved
13 road. I didn't pass anybody, thankfully, but that was
14 another concern. Like I said, it looked a lot different
15 than what was presented.

16 Mainly I just wanted you to know that there's a
17 lot of us that do live out on these farm to market roads
18 and do have a lot of concerns about this. And I know
19 you're coming down there next month, and we appreciate
20 that. And thank you very much for letting us be here and
21 listening to us. Thank you.

22 MR. HOUGHTON: Thank you.

23 Obie Ehlert.

24 MS. EHLERT: My name is Obie Ehlert. I'm a
25 resident of LaSalle County, and I live on FM 469 which is

1 one of your designated roads to convert.

2 Thirty years ago when my husband and I built
3 our home we knew we wanted to live near pavement. Wayne
4 had lived in the area his entire life, he was familiar
5 with our red sand, and we knew that living on a graveled
6 road was not a good thing.

7 We recognize that TxDOT, along with the rest of
8 South Texas, has been caught without the resources to deal
9 with the impact of the Eagle Ford Shale exploration. Do
10 we want this economic boom to go away? Of course not.
11 It's been too good for all of us. TxDOT has cited it's
12 making these conversions due to economic shortfall and for
13 safety. If you've ever traveled on a graveled road in the
14 midst of 18-wheelers, there's nothing safe about it.

15 While we're opposed to any of the farm to
16 market roads being converted, I'm going to talk about FM
17 469 because that's the road I'm familiar with. 469 was
18 paved in 1951, it's the same width now as it was over 60
19 years ago. The chief problem with this road is there's no
20 shoulders. If well built shoulders could be added,
21 maintenance would be less of an issue. There are several
22 graveled roads coming off of 469 and they simply do not
23 stand up to this traffic even before the oil boom. It's
24 false economy to assume that a graveled road is going to
25 be easier maintenance and cheaper. In our area, sand will

1 not support the gravel, it won't stay put.

2 It doesn't rain very often in LaSalle County
3 but when it does, it often comes in large amounts and in a
4 short period of time. If you'll look at the picture on
5 the preceding page, there's several places on FM 469 where
6 the water does come across the road. Flooding doesn't
7 generally last very long because the road is asphalt; in a
8 few hours it's passable. If it becomes gravel, it will
9 wash out and remain impassable, probably for several days.

10 This would leave a number of residents completely
11 isolated, unable to get out and emergency vehicles to get
12 in. There's culverts and bridges on this 15 miles of FM
13 469 that would be completely washed out, even in
14 moderately heavy rains.

15 Speed limits are supposed to be reduced to 30
16 miles an hour. Let's face it, only the private vehicles
17 are going to slow down. Your trucks, company trucks,
18 18-wheelers, they won't be slowing down, and law
19 enforcement, that shouldn't be their priority is speeding
20 vehicles.

21 Thank you for the opportunity. We believe that
22 FM 469, along with numerous other farm to market roads,
23 those residents should not be punished because we live in
24 an area that is giving economic boom to the entire state.

25 MR. HOUGHTON: Thank you for coming.

1 Durrell Johnson.

2 MR. JOHNSON: Hello. My name is Durrell
3 Johnson, and I'd like to thank the commissioners for the
4 opportunity to speak here. I ran a little over three
5 minutes so I'm going to try to cut it down.

6 I'm a fifth generation native Texan. I do live
7 on FM 3408, one of the roads subject to the roll-back to
8 gravel. I've been there since 2006. I'm a fifth
9 generation native Texan, raised and educated in South
10 Texas. I am a Texas registered professional engineer,
11 specializing in petroleum and natural gas engineering,
12 with 28 years experience in the field.

13 Needless to say, I'm a supporter of the
14 prudent, environmentally responsible development of the
15 state's natural resources, and that development, while
16 greatly beneficial to many, comes at a cost. The cost of
17 the infrastructure to move the produced oil and gas from
18 the wells to the markets is generally well known as the
19 companies invest millions of dollars to install the new
20 pipelines and surface production and processing facilities
21 necessary.

22 The local communities and utility providers are
23 challenged to provide the human services required when the
24 tremendous influx of people come to a previously small
25 community, but somehow it all gets done. Entrepreneurs

1 step forward, money is invested in a future that's bright
2 and exciting. The exception to this phenomena is the
3 public road system, with traffic levels at 10 to 100 times
4 or more, as we've seen, than the roads have ever seen,
5 money and resources are not allocated to keep up with the
6 inevitable maintenance that comes as a small price of the
7 prosperity.

8 When my wife and I were looking for a ranch to
9 build our retirement home back in 2006, the number one
10 priority we gave our real estate agent was paved access,
11 number one. We had owned a ranch before in Live Oak
12 County that only had grave road access, and after a few
13 short years, we could not tolerate the inconvenience, the
14 wear and tear on our vehicles, and the safety hazards we
15 encountered every time we traveled that road, so we were
16 forced to sell the ranch. FM 438, where we live now, is
17 paved from I-35 access road to just past our gate at Elm
18 Creek, about 3-1/2 miles. Beyond Elm Creek the road is
19 gravel. All you have to do is drive that portion of the
20 road and you'll see what we will be facing if the pavement
21 is ground up and converted back to gravel: excessive
22 holes, washouts, washboard and terrible dust.

23 I fear for the safety of my wife and I meeting
24 semis on a gravel road doing 60 miles an hour. And don't
25 be fooled, they won't do 30. They will not only throw

1 gravel but they can easily lose control. There was a
2 rollover accident on 3408 on the gravel portion of the
3 road within the last few weeks of oilfield traffic, caused
4 by poor road conditions.

5 On our property we paved our road from our gate
6 all the way into our house, we poured over 15,000 square
7 feet of concrete between our house and our barn to ensure
8 that we could pull off of the state highway pavement onto
9 pavement on our property and right into our garage, keep
10 our vehicles clean and keep the property maintained.

11 The bottom line is this: converting these
12 roads from pavement to gravel is a step backwards. No one
13 can deny that, no argument can refute it. How many times
14 in the history of this great State of Texas have we taken
15 a step backwards?

16 Thank you for your time.

17 MR. HOUGHTON: Thank you.

18 Pamela Fitzsimmons Howard, San Pedro Ranch.

19 MS. HOWARD: Good morning. Thank you for
20 giving me the opportunity to address you. I yield any
21 remaining time to the commissioners from Dimmit County or
22 anyone else who is here representing Dimmit County.

23 At this point, I think my biggest question is a
24 practical one. I cannot envision how a graveled road with
25 no centerline could be safer. And I'm particularly

1 curious to know how in North Dakota, where they also have
2 increased oil and gas production and have converted,
3 evidently, some roads to gravel, how have they managed to
4 improve their safety with no centerline.

5 I personally have experienced two occasions
6 where I was run off of FM 186 by heavy trucks because they
7 encroached on my side of the road, and as one of the other
8 speakers mentioned, the gravel gets thrown up, there's
9 lots of dust. On another occasion, I've had trucks pass
10 me where there's lots of dust and visibility is very bad
11 and it's extremely dangerous. So I would appreciate
12 everyone's consideration of the practicalities of this
13 decision.

14 And very quickly, one other thing, I would
15 encourage, on behalf of the business owners in Dimmit
16 County and all of the residents, is that in your
17 deliberations, as one of the representatives mentioned, in
18 your communications, I would encourage you all to solicit
19 the viewpoint of Texas Department of Public Safety, how
20 this will impact them -- and you may well have already
21 done this -- as well as the Border Patrol because they are
22 other agencies, other state agencies whose mission is like
23 yours, to protect public safety, and it is their duty to
24 access these areas, how will they be impacted, as well.

25 Thank you so much. I yield any remaining time.

1 MR. HOUGHTON: All right. Thank you.

2 Then we have Jim Allison, last but not least,
3 County Judges and Commissioners Association of Texas. You
4 can wrap it up, Jim.

5 MR. ALLISON: Thank you, Mr. Chairman. I'll
6 try to cover 5a and 5b in less than three minutes.

7 MR. HOUGHTON: Let's see how good you are.

8 MR. ALLISON: I am the general counsel of the
9 County Judges and Commissioners Association and have
10 served in that position for 30 years. Our organization
11 has steadfastly supported adequate funding for our
12 transportation systems, both state highways and county
13 roads, and we have shared with you the frustration of
14 seeing no progress in the last 20 years in providing the
15 needed funding for our systems. We've gone with you to
16 the legislature, we'll continue to go to the legislature
17 with you and seek to improve that situation.

18 But we also have to recognize that the county
19 road system cannot absorb the problems of the state
20 highway system. Our funding source has not changed or
21 improved as well, and more and more, as the judge will
22 recall, we're dependent upon the property tax to support
23 the county road system. That is not a practical nor a
24 political solution to meeting the needs of the state
25 highway system.

1 So we join with you in saying that we will
2 continue, as we do every year, to work with you on
3 projects, counties help fund state highway projects on an
4 ongoing basis, but absolutely that participation must be
5 on a voluntary basis. We hope that you will reconsider
6 these programs and that we can help you meet these needs,
7 but the county road system will remain, both legally and
8 as a matter of public policy, under the control of the
9 commissioners court and we will not accept any mandatory
10 terms on what goes in the county road system.

11 Thank you.

12 MR. HOUGHTON: Thank you very much, Jim.

13 All right, John, take us home.

14 MR. BARTON: I'll be happy to answer any other
15 questions the commission may have.

16 I would like to respond to a couple of
17 comments, if I might. First of all, I want to thank those
18 who shared their comments with us today. They shared
19 those thoughtfully and considerately. We are certainly
20 listening and have taken note of them. They were
21 respectful and professional and I greatly appreciate the
22 passion and concern they have for themselves, their
23 brothers and sisters in their communities, and the elected
24 officials for the constituency they're elected to serve.

25 There was one bit of information that through

1 media contact has already started to resonate that I
2 wanted to clarify. I believe there was a statement that
3 for these 83 miles it would cost about \$40 million to
4 rebuild them, and that is true, and that the request we
5 had made in our legislative appropriation request of \$1.6
6 billion was not necessary for a \$40 million problem.

7 Oh, but if it were only 83 miles of roadway
8 that was the challenge we are facing. There are many,
9 many miles of roadway that are being heavily impacted and
10 significantly impacted, and I believe that the chairman
11 did not indicate or mean to indicate that our challenge
12 was only a \$40 million problem, but that is what others
13 are now reporting. So I just felt like it was appropriate
14 for me to respond that our challenge is large, it's not
15 just these 83 miles, and if it were, we wouldn't be having
16 this conversation.

17 So I'll be happy to answer any questions the
18 commission may have.

19 MR. HOUGHTON: I want you to sum up, John,
20 because I found that troubling too. We don't want to
21 leave here, we were batting numbers back and forth, taking
22 the road to high-end unpaved, and at some point in the
23 time, hopefully, in the future, if there are resources
24 there, we can take it to a paved transportation asset, and
25 we need to clarify that as one, what's the cost going to

1 be. But I think Commissioner Underwood, who was obviously
2 deeply involved in the energy sector meetings, I think six
3 across the state, identified the need, continuously that
4 need, and I'd like to have you go over again the
5 identified need, what it cost if and when -- it will be
6 when these roads are available and the trucks will be
7 somewhat gone, and what those costs are. And we will get
8 fast and loose with these numbers to try to illustrate
9 points, but I want to make sure that it's clarified.

10 MR. BARTON: And I think I understand your
11 question, Chairman, but as we discussed this challenge
12 across the state through 2012, prior to this last
13 legislative session, and involved all the industry and
14 stakeholder groups that I've mentioned, it was clear that
15 this challenge was very significant, and rather than
16 trying to do this ourselves, we solicited and secured the
17 support of the Texas A&M Transportation Institute and
18 their professionals to look at this with the oil and gas
19 industry, with the trucking community, and with the local
20 government communities. And looking at the magnitude of
21 the problem, they calculated, and in a report that they
22 provided to us, that the challenge we face is over \$1
23 billion per year for the state system and \$1 billion per
24 year for the county system.

25 Mr. Allison and I have met with many members

1 throughout the session and discussed those challenges. I
2 think that the members that were here today shared that
3 they understood the challenges and it was a hard fought
4 fight to bring resources to the table to help address
5 these challenges, and we're thankful for what was able to
6 be brought forward.

7 But on an annualized basis, to address this
8 growing need in the State of Texas, to continue to support
9 this industry in the way that it needs to in order to
10 flourish, is at least a \$2 billion per year increase above
11 available funding for the state and county systems. They
12 also calculated that left unaddressed, it's costing the
13 industry \$3.5 billion per year in wear and tear on their
14 vehicles, increased insurance costs and all of the costs
15 associated with that. Those are numbers that were put
16 together by the Texas A&M Transportation Institute through
17 the advice, input and research that they've gathered
18 throughout this process.

19 And the \$40 million to rebuild 83 miles of
20 roadway is certainly a lot of money, and I don't want to
21 argue that that's not an accurate assessment, but to put
22 it in context -- and I was going to mention that in this
23 next topic -- when you look at the 80,000 miles of highway
24 that are part of the state highway system here in Texas
25 and you think of how big that is, it's hard for most of us

1 to imagine, even myself, but that would circle the center
2 of the Earth three times if we took all those roads and
3 put them nose to tail. It's a tremendously large system.

4 We have over 50,000 bridges, and if you took
5 all those bridges and you rebuilt one of equivalent size,
6 it would stretch from Los Angeles, California to Boston,
7 Massachusetts. We have a large transportation system, it
8 takes a lot of resources to maintain it to the level that
9 Texans deserve, and the challenges that we face are
10 certainly large and that's why these alternative solutions
11 are so important for us to think about and to strategize
12 for implementation.

13 MR. HOUGHTON: Okay, John.

14 Is there any other questions from the
15 commissioners? If none, let's move on to the next agenda
16 item.

17 MR. BARTON: I think I have the distinct honor
18 of moving forward with this.

19 MR. HOUGHTON: You're not benched any longer.
20 Right? You've served the probation period?

21 MR. BARTON: I think my NCAA sanction for
22 signing too many documents expired earlier this morning.

23 (General laughter.)

24 MR. WILSON: Next up is item 5b, a report on
25 the status of a comprehensive plan to engage stakeholders,

1 and municipalities and counties included, to determine the
2 possible delegation of responsibility of certain state
3 highways in municipalities. John Barton will continue to
4 present. John.

5 MR. BARTON: Thank you, Phil.

6 Again, commissioners, as this challenge for
7 maintaining this expansive system of state highways and
8 bridges across the State of Texas was considered by the
9 legislature, by you, by the citizenry over the last
10 several years, and as we came through this legislative
11 session, the commission asked staff to bring forward to
12 them in their June commission meeting some ideas of things
13 that we might be able to do to most appropriately balance
14 those responsibilities between our community partners with
15 the agency. And so in June, I shared with you some
16 information about an opportunity to provide local control
17 over certain state roadways within those municipalities to
18 help appropriately balance those responsibilities within
19 the transportation industry partnerships.

20 I started with a summary of the size of the
21 challenge that we face here in the State of Texas, and the
22 map here shows the transportation system in part, and the
23 figures there document the size of the system. As I
24 mentioned, over 80,000 centerline miles. Again, that's
25 over three times the circumference or distance around the

1 center of this Earth that we're blessed to live on. If
2 you take the number of lane miles and you were to stretch
3 that out as one lane, it would circle the center of the
4 Earth more than eight times. And I've already mentioned
5 that the length of the bridge, if you were to replace all
6 52,000 bridges here in Texas with a two-lane bridge, it
7 would go from Los Angeles to Boston. A very extensive
8 system, and it requires, of course, extensive resources to
9 maintain.

10 So as the commission asked us to think about
11 how we might be able to balance those responsibilities
12 between the state and local communities who have partnered
13 so well over the years to build this system, we did an
14 analysis that indicated that there's about 10,000 lane
15 miles of non-freeway highways, so these aren't highways
16 that are freeways, that are considered major mobility and
17 statewide connectivity systems, in the 59 largest
18 communities here in the State of Texas. Those are
19 communities that have a population of over 50,000 citizens
20 or more.

21 And the reason we chose that level of analysis
22 to start this conversation is because those communities
23 are qualified to be metropolitan planning organizations
24 that are then given responsibilities through the federal
25 process for planning their transportation system and are

1 provided money to address those needs within their
2 communities.

3 About 6,900 lane miles of these non-freeway
4 systems, our local staff at the district level looked at
5 and were asked to determine do they fit into the overall
6 connectivity of the system, do they help people get from
7 the Metroplex to Houston, from San Antonio to Fort Worth,
8 and if they don't, let's just put that on the list for the
9 discussion to occur.

10 In many cases these are perceived as local
11 streets, anyway, and there are some examples that I'll
12 share with you, and if through these conversations it was
13 determined through this process that these local
14 communities would be able to take on the responsibility
15 for these roads that are more local in nature, it would
16 allow the department to take \$165 million that we annually
17 spend on the maintenance and rehabilitation of these
18 roadways and deploy it for other needs within those
19 communities.

20 So I've then moved on today to kind of give you
21 a history of this because I think there's been a lot of
22 conversation about when these roads first became part of
23 the state highway system and who's responsible for them
24 and how they evolved over time. And so I wanted to just
25 step back and do a very brief history lesson, if we could,

1 on the transportation system here in Texas.

2 The Texas Highway Department was created in
3 1917 to take advantage of federal funding that was made
4 available to all the states to connect their communities
5 together. Prior to that, the transportation system, roads
6 were either city streets or county roads, and so cities,
7 as they were platted and developed had their city street
8 network and then the counties had the responsibility of
9 trying to find ways for people that were traveling through
10 their counties or within their counties to get to those
11 communities.

12 Over time, as communities started to grow and
13 the Department of Transportation, then known as the
14 Highway Department, took on more of a statewide level,
15 communities were growing, the State of Texas was growing,
16 these incorporated communities started to be connected
17 better, and then as the highway systems were built from
18 our larger communities into others, they would follow
19 those city streets or county roads as they entered into
20 those communities, and ultimately, those facilities were
21 taken over as state highways.

22 Of course, as we looked at the last several
23 decades, we've started to grow through the development of
24 the interstate system, even the development and
25 implementation of the farm to market road system, and

1 these roads evolved from being the connected system to
2 back to a local system as outer loops around communities,
3 like 410 in San Antonio, 610 in Houston, 635 in the
4 Metroplex, started to provide that statewide level of
5 connectivity, and those inner city streets, if you will,
6 that were once part of the highway system, originally city
7 streets taken into the state highway system, started to
8 look and feel more like a local roadway.

9 I've got a few examples of the City of
10 Austin -- because that's where we are and I think most
11 people here might be familiar with it -- to try to
12 describe this, and if you will, I'm going to get a lapel
13 mic and walk to the screen. I apologize, commissioners,
14 I'm going to have to ask you to turn around. Our
15 technology doesn't allow us to have a pointer system. But
16 I would like to share with you some of the history of
17 this.

18 So if you look at this map that's on the screen
19 at the front of the room. This is a map of the City of
20 Austin in the 1920 era, and if you would imagine this, as
21 we sit here today we're at the corner of 11th and Congress
22 Avenue, this is Congress Avenue. It was the only crossing
23 of the Colorado River on the south side of Austin, and the
24 City of Austin was really just from the Colorado River
25 north. This was Congress Avenue. It was a city street

1 that extended out into the county and went down to the
2 City of San Antonio. This was not a state highway, it was
3 a city street/county road system that connected those two
4 communities together. Of course, this was the county road
5 coming in from Fredericksburg, it went under the railroad
6 tracks, connected back over to Congress Avenue, and came
7 into town.

8 There were a couple of major roadways, Red
9 River Street and Guadalupe and Lavaca that were the routes
10 that people would take as they traveled through Austin on
11 to the cities of Fort Worth and Houston. So this is kind
12 of how the system was first created as we connected our
13 communities together back in the 1920s.

14 This is a more difficult map to read, but it's
15 the Travis County map, and if you would like to look it
16 up, you can Google it, it's the 1932 version of the Travis
17 County map. And in 1917, after the Highway Department was
18 created, the state took on the responsibility from the
19 counties of connecting these communities together, and
20 what you would find is that this is State Highway 2, this
21 is State Highway 20, and that route that was once Congress
22 Avenue and county connections became a state highway to
23 connect San Antonio to Austin, and to travel through
24 Austin, again, on Congress Avenue, Lavaca, Guadalupe, up
25 to what ultimately became 281 to Fort Worth, or coming in

1 from Fredericksburg through Austin, Red River, Cameron and
2 other routes out to Houston, either on what is now
3 referred to as US 290 or 71. So during this time period
4 these local roads started to become more of a state
5 function and were converted or brought onto the state
6 highway system.

7 This is a map of the system today, and I wanted
8 to just replay a part of the video from the commission
9 meeting that was held in June as we introduced this topic
10 at the request of the commission.

11 (Video began.)

12 MR. BARTON: (Speaking on a recorded video.)
13 "This is a map of the City of Austin, the greater City of
14 Austin community. Those red highways are non-freeways,
15 they are roads that have stop lights and stop signs, some
16 have overpasses but most do not, they have uncontrolled
17 access with driveways moving out onto the roadways, if you
18 will, and for all intents and purposes they're seen as
19 local thoroughfares."

20 (Video ended.)

21 MR. BARTON: So again, that was the nature of
22 this conversation, and as I tried to lay out in this brief
23 history lesson, we went from having communities that
24 developed their own city street system, connecting those
25 communities to one another across the state with county

1 roads, then state highways that took over those city
2 streets as state facilities, in many cases, and now we're
3 at a point where we have roadways like Ben White, the Ben
4 White freeway on the south side of Austin, MoPac freeway,
5 if you will, on the west side of Austin, Interstate 35
6 which, if you go back into the annals of history, was East
7 Avenue here in the City of Austin, that provide for that
8 connectivity, US 183 on the north side of town.

9 And as that is the primary connective route
10 that provides for mobility, certainly a state-level
11 responsibility, those are the things that we need to
12 clearly manage at a state level. But roads like Lamar and
13 Guadalupe here in the City of Austin, most people wouldn't
14 think of as a state highway, and yet as this evolution had
15 occurred, had remained on the state highway system.

16 So the idea that was brought forward was to
17 look at whether or not there was an opportunity to balance
18 those responsibilities between the state and the local
19 governments and partners to allow for more appropriate
20 control of those functions, those that are primarily local
21 versus those that are certainly state-level
22 responsibility. And it's not a new idea. This map shows
23 those communities that we were asked to analyze, and on
24 the left-hand side of this chart, if you will, is a list
25 of roadways where cities have brought forward the request

1 to the department over time to remove those from the state
2 highway system and put them back into local control.

3 I'll just mention a few, you see several there,
4 it's certainly not an exhaustive list, but Lancaster
5 Avenue in Fort Worth, most people that drive in that
6 community know it as a city street, it is today, it's been
7 taken off the highway system, and it allowed the city to
8 redevelop their on-street parking, to have a much better
9 opportunity for redevelopment of their downtown business
10 community, and I think was something that was very
11 beneficial to them and obviously an interest they had in
12 coming to the department to ask for that.

13 Irving Boulevard in Dallas and in Irving is
14 another one that used to be State Highway 356. It's been
15 taken off the system and given back to those communities
16 and they've been able to do what they needed to and wanted
17 to through the local control of that roadway for the
18 betterment of their community.

19 So these are just some examples where
20 communities over the past several years have brought these
21 requests to the department, and it's not an uncommon
22 event. In fact, the commission often takes roadways off
23 the highway system during the course of their normal
24 business at the commission meetings.

25 So why are we even having this conversation?

1 Why is it appropriate to talk about re-balancing these
2 responsibilities between the communities? And the
3 reasoning behind it was to allow the state to address our
4 responsibilities of maintaining a safe system with the
5 limited resources that we have available, and to provide
6 that connectivity for the continued economic growth of the
7 State of Texas between our largest communities, at the
8 same time allowing local communities to take over control
9 of facilities that are within their communities and
10 operate as local assets, like Lamar Street here in Austin,
11 Westheimer Boulevard in Houston, and then the Northwest
12 Highway in Dallas. All are major local thoroughfares, if
13 you will, and again, most people would not even recognize
14 them as farm to market or state highways because they no
15 longer are connected to that statewide connectivity system
16 and aren't operating and functioning that way.

17 MR. HOUGHTON: John, has the legislature
18 weighed in on this issue before about authority to turn
19 them back?

20 MR. BARTON: Yes, sir. There's a couple of
21 issues, and I guess most specifically, as Chairman Pickett
22 pointed out, in the 2003 legislative session this was a
23 notion that was brought forward and there was actually
24 legislation passed that directed the commission to hand
25 back to local communities those roads that are not part of

1 the state highway system any longer, and they gave us the
2 express legal authority to do that. I can get you the
3 legislation, the number if you would like, but as I
4 recall --

5 MR. HOUGHTON: Jeff, do you have it? For the
6 record.

7 MR. GRAHAM: For the record, Jeff Graham,
8 general counsel for the TxDOT.

9 Specifically, the section that Mr. Barton was
10 talking about was Section 201.103 which specifically said
11 the commission may remove a segment of the state highway
12 system that it determines is not needed for the system.
13 There's no caveats or conditions precedent, that's a
14 simple grant of authority.

15 MR. HOUGHTON: Do we know the vote? Do you
16 know the margin? Was it a contentious issue?

17 MR. GRAHAM: It is my understanding that it was
18 not at all a contentious issue. I don't have the numbers
19 of the vote.

20 MR. BARTON: I don't know if Jerry Haddican is
21 still here.

22 MR. HOUGHTON: Jerry does.

23 MR. BARTON: Jerry, if you want to come on up.
24 I think Jerry was involved with the legislature at that
25 time.

1 MR. HOUGHTON: Were you working in the session
2 back then?

3 MR. BARTON: Did you have anything to do with
4 this piece of legislation?

5 MR. HADDICAN: I did not. Jerry Haddican with
6 State Legislative Affairs. It was overwhelmingly
7 approved, and it was carried by Representative Hill at the
8 time, who was the author, and Senator Ogden in the Senate.

9 MR. HOUGHTON: Okay.

10 MR. BARTON: So in being able to carry these
11 initiatives out for the reasons that I tried to describe,
12 the goal would be that this would allow the department to
13 build facilities that enhance the connectivity of the
14 statewide system, to maintain a safe transportation system
15 for the community that we are representative of serving,
16 and then to allow us to take any money that we don't have
17 to spend on these local roadways, roadways that are local
18 in nature, and reinvest those in other improvements within
19 those communities to continue to build out that system and
20 make it safer for those communities.

21 So some have asked, well, why would a local
22 community come to you voluntarily and ask for this, as
23 they've done in the past, or even consider entertaining a
24 conversation about this. There are several benefits that
25 local communities may have and primarily it's just having

1 local control over these assets. Many of these roadways
2 have businesses along them that would like to rearrange
3 their curb cuts, maybe put out banners in front of their
4 communities that are promoting their community or a
5 special event, maybe they want to have parades or bike
6 races, allow other encroachments like trash receptacles to
7 be in front for curbside delivery and pickup rather than
8 behind, do landscaping improvements and those sorts of
9 things, and have control over the speed limits along those
10 facilities.

11 And currently, as part of the state highway
12 system, they have to come to the department, get our
13 approval, which oftentimes requires commission action, and
14 the will and desire of the local communities is not
15 perfectly aligned with the responsibilities, requirements
16 and restrictions that the department has to follow. And
17 so there's often times where local communities feel like
18 they're hamstrung, handcuffed or hampered by these state
19 controls on these facilities that they feel like serve
20 those local functions. This would allow them to take
21 those responsibilities back and not be fettered by those
22 differences of alignment.

23 As we've listened to the communities across the
24 state, the individuals that are interested in this, many
25 of them have already spoken at the mic today, directly

1 we've had more than a hundred visits with mayors, council
2 members, city staff, county staff through our district
3 engineers and their staffs across the state in these 59
4 communities, we've also received several letters, taken
5 phone calls, talked to people on the street. And we
6 understand the concerns that have been raised, and many of
7 them been articulated here today:

8 The budgets that cities and counties have are
9 also limited, just like that of the state and the
10 Department of Transportation. There was this concern that
11 we were just imposing it without listening, that there
12 wasn't going to be collaboration and cooperation. In June
13 and July you actually asked us to reach out to these
14 communities and start a conversation, and in doing that,
15 through whatever failure of communication there was, it
16 seems like people felt like that we were jumping to a
17 conclusion rather than reaching out to them to have a
18 conversation.

19 There are concerns about the conditions of
20 these facilities and before they're handed back, to make
21 sure that they're in good repair, and that the timing is
22 done in a way that can fit within a budget preparation
23 process and that it's transitioned over time rather than
24 just next week you get them all -- as some have suggested
25 they thought we were doing.

1 There's a few quotes up there that as we've
2 listened I felt resonated with some of the things that
3 I've tried to articulate today. There's a recognition
4 that we all face challenges in terms of our budgets and
5 our resources available to do this and that the Department
6 of Transportation has a big challenge ahead of us and
7 that's why this issue is on the table for discussion.

8 There's also expression that we need to have a
9 continued and collaborative and cooperative process so
10 that we can build on past successes, as we have with our
11 transportation partners for many, many years.

12 And then finally, that there is this
13 understanding, there is an appropriate balance of
14 responsibilities between the various partners, what's
15 local versus what's state in terms of function and
16 responsibility.

17 So those are the types of things we've heard,
18 and it's been very positive to understand the issues but
19 also to understand that people realize the challenges that
20 we're facing.

21 So as we move forward, we want to continue this
22 conversation to make sure that we are able to address the
23 safety and mobility challenges that this state has and
24 that we are given the responsibility for governing and
25 taking care of. The conversations that we've already had

1 with communities will continue as we thoughtfully consider
2 how to move forward with this, that we enact a process
3 that is collaborative and cooperative so that everybody's
4 thoughts, ideas and concerns are laid out on the table and
5 that solutions can be forged together, and to ensure that
6 we are listening.

7 Today this was the beginning of a longer
8 process and it is unfortunate that some had seen it as
9 something different than that. But I'll be happy to
10 answer any questions the commission may have.

11 MR. HOUGHTON: Well, let's talk about a glaring
12 issue you brought to my attention in Houston, Westheimer.

13 MR. BARTON: Westheimer, FM 1091, I believe,
14 the farm to market road that runs in front of the Galleria
15 mall.

16 MR. HOUGHTON: What's the history of that farm
17 to market road?

18 MR. BARTON: That farm to market road comes
19 into Houston from the west side of the community, it most
20 likely was developed to provide a route for the rice
21 farming that occurs west of Houston in Katy Prairie, some
22 of the farm and ag activities out in that area of the
23 state, to bring in to the rail network and the market
24 interests that were in downtown Houston. And of course,
25 as Houston has grown and has annexed more and more

1 property, there's been development that's occurred.

2 Most of that now is professional office space,
3 and the Galleria mall, I happened to have had the pleasure
4 of spending quite a bit of time there with my wife and two
5 daughters, and I can tell you that it's not the farm to
6 market road that my ranch is on or that many of the people
7 here today talked about that they're challenged with and
8 concerned about. It's a multi-lane boulevard, and as I
9 said in one meeting, it looks more like Hollywood
10 Boulevard than it does a farm to market roadway.

11 MR. HOUGHTON: And I want to talk a little
12 about the not one size fits all. And I know, John, you're
13 aware, you were involved in two meeting with two counties
14 in the last 72 hours that have come in and raised their
15 hand and said, We want to do some stuff. And both were
16 completely different in their approach, and the last
17 bullet point, we listened to what they would like to
18 accomplish.

19 So I guess the point to the audience is, and
20 those who will have signed up to speak, there is no
21 mandate and we're not handing these roads back all at
22 once. Is that an accurate statement?

23 MR. BARTON: That is an accurate statement, and
24 again, not the communication that our district engineers
25 put forward, and as we've talked to individuals, there's

1 been misunderstanding about that. This a conversation to
2 start, it will require action by the commission; if there
3 is ever a decision to remove something from the state
4 highway system, this commission will have to vote on doing
5 that.

6 As you've mentioned, Chairman, a couple of
7 different communities have come forward over the last
8 couple of days to visit with you and myself and others in
9 the department about this issue and have expressed that
10 there are many roads within their communities they feel
11 like would be great to have back as a city street/county
12 road network system. There are a few that were on these
13 global maps that we generated to start the conversation
14 that they didn't understand and had concerns about.

15 They wanted to talk about how to transition
16 those responsibilities over time and if there was an
17 opportunity for the state to provide some of the money
18 that we would otherwise have been spending on them to
19 maintain them for a period of time before the transition
20 is completed. They also encouraged us and were excited to
21 hear that our intent was to take those resources we saved
22 and put them back into those communities for other
23 projects.

24 Those two communities had a little different
25 take on their challenges and how they would like to handle

1 it, but it was, I think, affirming and very good to hear
2 that they understood the challenges that we have, they
3 were able to express to us the challenges they have, and
4 they felt like this was a program they wanted to be a part
5 of, they were excited about the challenges and
6 opportunities that it presented, and that they felt like
7 cooperatively we could find solutions.

8 MR. HOUGHTON: Are there any questions of John
9 from the commissioners? None?

10 John, if you'd stand aside.

11 MR. BARTON: I will.

12 MR. HOUGHTON: I've got a bunch of yellow
13 cards. And with respect to one another, we would want to
14 hold to three minutes your comments. Mayor Wes Perry,
15 City of Midland, Texas. Where are you, Mayor? Come on
16 up. Are you building a huge high rise in Midland?

17 MAYOR PERRY: I have nothing to do with it.
18 That's a pretty controversial issue in our town.

19 MR. HOUGHTON: All over the state.

20 MAYOR PERRY: It's all over the state, and
21 we're getting through that, so thank you very much.

22 First off, thank you very much for having us
23 today. I don't know the challenge that you face with your
24 budget, I know that we have those challenges on a smaller
25 scale. So first of all, thank you for considering how can

1 you be the best stewards you possibly can for your
2 resources because they're our resources, so thank you.

3 When we heard about it, I met with our district
4 engineer a couple of weeks ago. He was very respectful,
5 told us kind of what he was thinking, what was the idea,
6 and so it was kind of our first time to hear about it.
7 Hearing Mr. Barton speak was very helpful to kind of say,
8 okay, we're going to have some conversations about this.
9 So it's really important that all of us kind of are
10 hearing the story, understand what we're trying to do, and
11 being able to use those resources for the state the best
12 way possible, and if the cities are ending up having to
13 invest more money in our streets, then I think that's a
14 fair thing to do. I think it's really appropriate to have
15 the conversation.

16 The not one size fits all was part of my
17 thoughts. In Midland's case, a few of the roads or most
18 of the roads, actually, maybe over 70 percent are
19 hazardous routes, truck hazardous routes, so we're not
20 quite sure that we have the ability, the equipment, the
21 manpower, et cetera, to take care of those roads the way
22 the state would. So just as long as we can have some
23 conversation and how does that actually work is really the
24 most important thing from our side.

25 And again, I'm appreciative. Contrary to

1 popular belief, Midland-Odessa is actually working
2 together and doing some things together. You know, we
3 always are getting into fights, and we have some of our
4 colleagues from Odessa here today as well. And we just
5 want to be a part of it, help you guys get to the things
6 that you guys need to be doing and we want to be partners
7 with you. And just thank you again for considering it,
8 because I think it's important for our communities and for
9 our state to make sure we're working together. So thank
10 you.

11 MR. HOUGHTON: Mayor, thank you.

12 Mayor of Harlingen, Chris Boswell, City of
13 Harlingen. Going once, going twice. If he comes back or
14 if somebody sees him, point him out to me.

15 Judge Clay Jenkins, Dallas County. Where did
16 Clay go -- Judge Jenkins? Excuse me.

17 JUDGE JENKINS: Well, I brought copies of the
18 letter and I will leave them with you. I'm assuming you
19 already have it because I saw one of the paragraphs on
20 your power point.

21 I want to thank you for your spirit of
22 innovation over the last couple of years. The leadership
23 of this board, Phil Wilson and his leadership team looking
24 at innovative ideas like this, and the fact that it is
25 voluntary and that we're going to have an open dialogue

1 about it is very encouraging.

2 I want to talk about some of the challenges in
3 this program because I think the challenges that we face
4 in Dallas County could be replicated across counties
5 throughout this state. Just taking very quickly a few of
6 our roads. Preston Road begins as Oaklawn in the Design
7 District, goes north to Frisco, goes through both park
8 cities, Highland Park, University Park, back through
9 Dallas, I think through Richardson, several Collin County
10 cities before it terminates.

11 What if that road were to be taken back over,
12 if we don't work closely through our MPOs or through some
13 framework, we could have a city that wants to lower than
14 down to two lanes to protect their neighborhoods, which
15 could be a good thing but could cause a great amount of
16 implications for their neighbors. Conversely, you could
17 have a city that is growing that wants to add a lane, and
18 that could have an adverse implication on the more
19 established bedroom communities. So very important that
20 we work through that collaboratively.

21 Lancaster Road, this road is near the inland
22 port area. The latest report on voluntary, if the money
23 that is saved goes back somewhere into the district, their
24 bursting at the seams right now with economic opportunity,
25 that's a good thing, we're scrambling to keep basic

1 infrastructures like water for these developers that are
2 down there. So if the money stays in the district but it
3 goes to a county, in the Dallas District, for instance,
4 you've got Dallas County and you've Denton County, Collin
5 County, Kaufman County, Ellis County, Hunt County, I would
6 think the people in Lancaster would be as excited about
7 their savings going to Denton County as the people in
8 Denton would be excited to hear about their savings going
9 to help the people of Lancaster. That has to be
10 addressed.

11 Transparency is incredibly important to be
12 addressed. As I understand it under the latest proposal,
13 if a city voluntarily takes back a road, we'll look at
14 what we're saving and we'll put that towards the district.
15 Well, there's a problem with the district, we want to be
16 regional in this, but my cities aren't happy with the idea
17 of the district, they want to talk more about -- I'm big
18 picture because I'm the county judge, but the cities want
19 to talk about their money staying in their area.

20 Then transparency, you say you're saving \$5
21 million but how do they know you're not saving \$10
22 million. I'm not saying you'd be anything but honest, but
23 they need a system, a framework, those who want to
24 participate in this, where they're very comfortable as to
25 those dollars.

1 Having said all that, to end on a positive
2 note, we're currently spending \$2 billion, \$1.3 billion of
3 Dallas County taxpayer money, \$750 million of UT
4 Southwestern State taxpayer money on our hospital district
5 to build new hospitals right now. So the idea of having
6 more control on Harry Hines, for instance, as we try to
7 redevelop our medical district, is exciting to us, but
8 there are many things that need to still be discussed on
9 this.

10 And we appreciate your spirit of transparency,
11 we encourage continued communication amongst yourselves
12 and us.

13 MR. HOUGHTON: Everything you've talked about,
14 Judge, are the things that are on the table that will be
15 discussed, and we know it's important to your county, as
16 well as everyone's county or municipality, and we look
17 forward to having you a part of those discussions going
18 into the future. And thank you for being a friend of
19 transportation, you've been stalwart.

20 JUDGE JENKINS: Thank you.

21 MR. HOUGHTON: Mayor Deloris Prince, City of
22 Port Arthur.

23 MAYOR PRINCE: Good afternoon. Thank you all
24 so much for allowing us this opportunity to appear before
25 you this afternoon. I am Deloris Prince, mayor of the

1 City of Port Arthur, but I'm not here just on behalf of
2 the City of Port Arthur, I'd like to think that I'm an
3 advocate for all of the cities who are going to be
4 affected by a turn-back program, except if it's done on a
5 voluntary basis.

6 Our city, we have approximately 53,000 citizens
7 in the City of Port Arthur. We are still, believe it or
8 not, trying to recover from Hurricanes Rita, Humberto and
9 Hurricane Ike, so when we got the news about two weeks ago
10 that there was going to be consideration of a turn-back
11 program, we panicked, and we did call State Representative
12 Joe Deshotel, who's always there when we seek that kind of
13 help.

14 So I'm asking that if you're going to consider
15 this, then let it be done on a voluntary program. There
16 may be cities in the State of Texas that can't afford to
17 do this. I know for the City of Port Arthur we cannot do
18 that, we cannot afford to take on an extra burden. We
19 spent over \$2.6 million in street repairs last year, and
20 that didn't touch the surface of the streets that needed
21 to be repaired. We are still suffering from lack of rain
22 over the past few years, our streets have cracked,
23 affecting other parts of the infrastructure, and even to
24 this day we are still trying to repair, we've had so many
25 calls for waterline breaks because the streets have

1 cracked. So we cannot afford to take on the burdens of
2 state streets and state highways.

3 We appreciate and understand that cost-cutting
4 is occurring across this nation and we can understand you
5 having to cut back on your budgets, but then that can't
6 come back on the backs of cities like ours. And I speak
7 for Port Arthur because we do have a 16-plus unemployment
8 rate, we have a 25 percent poverty rate in the City of
9 Port Arthur, and raising taxes is not an option to fix
10 streets. So we are faced with this dilemma just two weeks
11 ago we have not come out of the panic mode yet, so we're
12 asking that you reconsider what you're doing.

13 Last year we spent over one-half million
14 dollars cutting grass that don't belong to the city, so if
15 we take on that burden and the state's grass-cutting
16 costs, in a few years we could possibly become bankrupt,
17 and that is not a beautiful future for the City of Port
18 Arthur, for any city across the State of Texas.

19 And again, I ask that you please reconsider the
20 idea of this being an unfunded mandate, and that if it's
21 done, it's done on a voluntary basis. You get with those
22 cities that can afford to do that and allow them to choose
23 that. Because for the City of Port Arthur we are looking
24 at 30 miles, additional miles of streets and highways that
25 would be part of what our district engineer tells us would

1 be turned over to us.

2 And Mr. Wilson, I do appreciate the letter that
3 you sent trying to calm the fears that we've incurred in
4 the last two weeks. We do appreciate our district
5 engineer coming, and I know he was just the messenger and
6 we did embrace him, even though he brought us news that we
7 were not expecting.

8 So I'm asking that you all reconsider this
9 being done on a mandatory basis and that it be done on a
10 voluntary basis because there are no benefits that would
11 make up for the financial difficulties that cities would
12 face if this was done on a mandatory basis. And again, I
13 thank you all so much for allowing us to be here this
14 morning.

15 MR. HOUGHTON: Thank you, Mayor.

16 Now we get to hear from the city manager of
17 Port Arthur, Floyd Johnson.

18 MR. JOHNSON: Good afternoon, Mr. Chairman,
19 members of the commission. Like any good city manager who
20 wants to stay a good city manager, I will just say that
21 everything my mayor said is amen.

22 (General laughter.)

23 MR. JOHNSON: The fact of the matter is I think
24 the most encouraging thing that we have, in fact, heard
25 today is the fact that we're now talking voluntarily in

1 terms of this particular program being implemented. Like
2 all other city managers and like all other cities similar
3 to Port Arthur in size and in meeting the challenge,
4 anything that we have to do requires careful planning,
5 particularly on the budgetary side.

6 And we would hope in terms of making real those
7 words of cooperation and collaboration with this agency as
8 we move forward in facing the many challenges of the
9 current and future time with the transportation system
10 here in the State of Texas, we do hope that on a voluntary
11 basis we can come to agree on how we can approach it so
12 that it won't have a negative impact and we can turn all
13 this around for all of our citizens, not only in Port
14 Arthur, but as my mayor indicated, all other cities
15 similarly impacted.

16 We do thank you for the opportunity to come and
17 go on the record in support of your efforts, as long as
18 it's voluntary and not mandatory. Thank you very much,
19 Mr. Chairman.

20 MR. HOUGHTON: Thank you.

21 Mayor of the great City of Fort Worth, Betsy
22 Price.

23 MAYOR PRICE: Thank you, Chairman.
24 Commissioners, thank you. Mr. Wilson, thank you for
25 having us today and giving us a chance.

1 You've heard a lot and I think a lot is going
2 to be cleared up for us. Fort Worth is one of the fastest
3 growing cities in the state and in the nation, if not the
4 fastest growing, depends on where people are at the point.

5 There's been a lot of confusion about this issue. I
6 wanted to take just a minute today to address some of the
7 concerns and how they would impact Fort Worth. Like all
8 my fellow mayors in Texas, we've struggled the last few
9 years to manage, without unlimited resources, the issues
10 and the growth that we've had to manage.

11 Fortunately, TxDOT has continued to be a strong
12 partner with us. In Fort Worth we've built great
13 alliances with TxDOT and with public-private. The
14 Chisholm Trail Parkway that was on the drawing board for
15 almost 50 years is finally about to be a reality. The
16 North Tarrant Expressway is about to be finished. The 7th
17 Street Bridge, and indeed, I-35, the worst bottleneck in
18 the nation, will be under construction soon. So for that
19 we appreciate your partnership, we have had incredible
20 resources, and we've continued to be one of your biggest
21 cheerleaders.

22 So you can imagine the shock that we were given
23 when we were told we were going to be recipients, in a
24 very difficult budget year and time, of those roads. Now,
25 I understand now that's going to be voluntary and you'll

1 be working with us. But I want to give you just a few
2 examples of what that would mean to Fort Worth if we
3 accepted the responsibilities. We already maintain 7,300
4 lane miles in the Fort Worth street system, including 58
5 lane miles that are TxDOT's highways that we maintain
6 fully. We have taken possession of some on turn-back and
7 been glad to do that, small segments that needed to be in
8 our control, and for that, we appreciate it.

9 But this turn-back program would add an
10 additional 267 miles to our already crowded plate of
11 infrastructure. That would represent a 17 percent
12 increase in our arterial street system, including the
13 state-owned systems that Fort Worth already maintains.
14 The bare minimum estimate for the City of Fort Worth add-
15 on is an \$11 million increase to maintain those roads.
16 That's a cost the citizens of Fort Worth simply cannot
17 take on, nor will they absorb at this point. If
18 implemented without a long-term funding plan, the turn-
19 back program would simply force us to raise taxes on our
20 citizens or to cut essential services in a time when we
21 have already been forced to cut those services.

22 The State of Texas, and indeed, Fort Worth and
23 all our regions, are facing a mobility crisis and we
24 understand that. Fort Worth has nearly \$2 billion in much
25 needed infrastructure needs that we have not addressed.

1 We have a bare minimum bonding capacity -- and I'll keep
2 it short right now -- and or new bond election will only
3 address 25 percent of our road needs as it stands. We
4 want to be your partner, we want to go forward, but we
5 want you to understand that this simply is not a solution
6 that the citizens of Fort Worth can afford nor will they
7 afford.

8 We want to help the state solve this mobility
9 crisis, we want to work closely with our legislature and
10 with you to help make this possible. The cities are here
11 to be your partners, we appreciate your concern, but Texas
12 really must, along with their cities and TxDOT, step up to
13 the plate and take care of our transportation needs. If
14 we are to continue to be the economic engine for the
15 nation -- and the Dallas-Fort Worth region is the fourth
16 busiest metropolitan region in the nation and growing --
17 for us to do that, we simply have to have great funding
18 solutions for transportation and we must have a strong
19 partner who listens to our concerns and understands the
20 budgets that the economic engines of Texas -- and that is
21 your cities -- are facing.

22 So for that, we appreciate you listening to us
23 today, I know it's been a long morning and will continue
24 to be long, but we appreciate your partnership and we're
25 looking forward to working with you on it.

1 MR. HOUGHTON: Thank you, Mayor.

2 Mayor Pro Tem Arlington Kathryn Wileman.

3 MS. WILEMAN: Thank you, Mr. Chairman,
4 commissioners, Director Wilson. I'm proud to be here
5 today. I am Kathryn Wileman. I serve on the Arlington
6 City Council, I'm mayor pro tem, but I also serve as
7 chairman of the North Central Texas Council of Governments
8 Regional Transportation Council, so I have on a dual hat
9 today.

10 I want to thank you for having us here today
11 and that we have this opportunity to address this need. I
12 do, as a council person, obviously understand that there
13 are times when you've got to cut expenses to reach a
14 budget, and I know that you are challenged today with
15 that. Commissioner Vandergriff and I have spoken many
16 times about it and we appreciate his input into our
17 region.

18 This is a concern for Arlington. As you know,
19 we have over 35 miles in our city, 204 lane miles that
20 would come back to us, and staff has indicated to me this
21 would put a budget deficit that is already -- our
22 transportation and street deficit is already growing. It
23 would be \$2 million, that would be the lowest number that
24 would affect Arlington. However, as we know, in our city
25 public safety is a number one but street maintenance is

1 also a number one concern with our citizens. That's the
2 reason we have consistently approved a quarter cent sales
3 tax for street maintenance and we're still behind, so you
4 can see the constraints that we have also.

5 We are looking forward to this opportunity to
6 having conversation with you, whether it be one-on-one
7 with the cities or through our MPO which I think could be
8 an asset too where we bring our cities together through
9 the MPO to discuss the possibilities of partnerships and
10 working together. However, we must have local control, we
11 must be able to work with you to work this out for our
12 whole state. As we know, we are all Texans and we are all
13 for Texas, but with local control, we must have it.

14 So I thank you today. I thank you, Director,
15 for your letter. I think that we have had some
16 misunderstandings. Obviously, the past two weeks have
17 been difficult as well as for the cities, as well as for
18 you. So we look forward to working with you, and thank
19 you very much.

20 MR. HOUGHTON: Thank you.

21 Next up, Arlington is going to pile on here,
22 the assistant director of public works, Mindy Carmichael.
23 Where's Mindy? Did she leave?

24 Okay. Jeff Coyle, City of San Antonio.

25 MR. COYLE: Mr. Chairman, commissioners, good

1 morning. I will be brief. Our mayor and council are
2 voting this morning on a possible expansion of our MPO, so
3 I've been sent here in their behalf.

4 We were very much opposed to the original map
5 that came out, it was 125 miles within San Antonio.
6 However, in the spirit of discussion today, if we're
7 moving forward with a possibility that do make roads that
8 make sense for us, we're willing to work with you. Our
9 mayor just yesterday directed staff to do a cost-benefit
10 analysis on roads. I know he's had some conversations
11 with you already, Mr. Chairman, and we expect to be able
12 to work and move forward with you in that way. We need
13 the ability to make that analysis for ourselves and we
14 need the ability, ultimately, to say no if certain roads
15 don't make sense.

16 But we're willing to work with you, and thank
17 you.

18 MR. HOUGHTON: Send the mayor my regards.

19 MR. COYLE: I will.

20 MR. HOUGHTON: Thank you.

21 Next is director of inter-government
22 relations -- we already go that one -- Interim Director of
23 Public Works Anthony -- I don't want to butcher it -- who
24 is this, San Antonio. Anthony, how do you pronounce your
25 last name?

1 MR. CHUKWUDOLUE: It is Chukwudolue.

2 MR. HOUGHTON: See, I would have never gone
3 there.

4 MR. CHUKWUDOLUE: Everyone calls me Anthony.
5 (General laughter.)

6 MR. HOUGHTON: Thank you for doing that for me.

7 MR. CHUKWUDOLUE: Thank you.

8 I just wanted to echo what Jeff said and
9 obviously I think the dialogue has changed from what we
10 had heard earlier and so will actually open the lines of
11 communication to explore this further. Thank you.

12 MR. HOUGHTON: Thank you very much, Anthony.

13 Mayor Pro Tem Pete Kamp, City of Denton.

14 MS. KAMP: Now I'm going to say good afternoon,
15 Chair, commissioners and Phil. Thank you for hearing us
16 today, thank you for listening to me. My name is Pete
17 Kamp. I'm the mayor pro tem for the City of Denton. I've
18 also served for ten years on the Regional Transportation
19 Council and I was predecessor for Kathryn, I'm the
20 immediate past chair also.

21 I'm here on behalf of the City of Denton, and I
22 have all these prepared notes and talking points and
23 everything, but listening to everyone and listening to my
24 colleagues and your colleagues, and we are partners, we
25 have worked together for all these years. And so you've

1 already said it's going to be voluntary, that was our main
2 concern.

3 But I have a confession to make because your
4 very first letter that came out, Phil, I was actually very
5 excited, believe it or not because this has caused a
6 conversation between all of us and a lot of people who
7 have not participated in the conversation about
8 transportation before. We have some wonderful mayors from
9 across the state and we have utilities and we have our
10 engineers and we have our city managers, everyone is
11 having this conversation now. And I think a lot of people
12 are now understanding the fiscal challenges -- we
13 understand our own, but I think a lot of people are now
14 understanding the challenges that TxDOT does have, and I
15 think that's a wonderful thing that has happened from
16 this.

17 I one hundred percent believe that we will
18 continue this, and John, thank you for keeping that up
19 there that says "Not one size fits all." We all
20 understand that. Let me hold my hand up to say that we
21 have been talking to our area engineer. We want several
22 of the streets turned back over to us, we want this
23 program, and we know we will work together, you will work
24 with us locally.

25 Victor, when you were in Denton, what, a week

1 and a half ago, two of those streets around our downtown
2 square, that is the heart of Denton. You used to be there
3 every single day. Two of those streets we have asked
4 back.

5 MR. HOUGHTON: Do you want to sign the deed
6 now?

7 (General laughter.)

8 MS. KAMP: I'm sorry?

9 MR. HOUGHTON: Would you like the deed right
10 now?

11 MS. KAMP: Absolutely. I'll take it home with
12 me. We'd love to.

13 But I commend you for what you are doing. We
14 thank you very much for this. and we will continue to be
15 your partner, we will continue to support what you do, and
16 I know that you will continue with our needs also. So
17 thank you very much.

18 MR. HOUGHTON: Thank you.

19 County Judge Don Pozzi, Victoria.

20 JUDGE POZZI: Thank you, Mr. Chairman and
21 members.

22 The tone of my conversation obviously was going
23 to be very different a couple of weeks ago than what it
24 will be this morning because everything has simply been
25 said by the other judges and mayors of the cities and

1 counties and certainly by our distinguished members of the
2 legislature, the senator, certainly our representative,
3 Representative Morrison.

4 And you're right, Commissioner Vandergriff,
5 communication is the key. It's been mentioned a hundred
6 times this morning. I fall in the same category, getting
7 the letter on August 13, meeting with the district
8 engineer August 14, this is what we're going to do to you
9 in no uncertain terms, no discussions, it's going to
10 happen, we just don't know when. Then conversations, of
11 course, with legal and Geanie and letters from Mr. Wilson,
12 I've calmed down a little bit over the last couple of
13 weeks.

14 Maybe I'm one of the few in the room.
15 Everybody keeps saying now that it's voluntary, I don't
16 know that I've heard any of you say that it is voluntary.

17 I have not heard that, maybe they have, I haven't heard
18 it. But I will say to you if it is voluntary, we
19 absolutely in Victoria County and the City of Victoria --
20 no one is here -- but we absolutely have no problem with
21 looking at anything that we can do with you on a voluntary
22 basis. If it is not, we are vehemently opposed to it, we
23 will fight it tooth and nail.

24 As all of you know, Victoria County has a
25 distinguished record with TxDOT and has for many, many

1 years. We have had many partnerships with you, we want
2 those partnerships to continue. We are doing some very
3 good things in Victoria right now, we have done some very
4 good things in the past in cooperation with the \$3 million
5 that we put in on the overpasses that the city is
6 handling, helping with the financing, certainly many other
7 issues, certainly the heavy haul roads with Caterpillar.

8 You've done an outstanding job and I know that
9 you are going to continue that, certainly through the
10 commission leadership, Executive Director, through your
11 staff and everybody, all the members of TxDOT. It's
12 always been a pleasure working with you, we look forward
13 to that continued relationship, but communication and
14 voluntariness are the key. With that, we will work with
15 you as long as we can and as long as you wish.

16 So we appreciate your time. Thank you for
17 listening this morning. I know that you wish you could
18 leave as I'm about to do because I have other things to
19 do, but I've been in these kind of meetings before where I
20 couldn't. So thank you for your time and service, all of
21 you, very much.

22 MR. HOUGHTON: Judge, thank you for coming.
23 You've been a great partner of ours down in the Victoria
24 area.

25 JUDGE POZZI: Thank you, Mr. Chairman.

1 MR. HOUGHTON: Mayor Paul Harpole, City of
2 Amarillo. Did I get it right?

3 MAYOR HARPOLE: You certainly did. Chairman
4 Houghton, commissioners, Executive Director, thank you for
5 having us. I wish it was under different circumstances
6 than what we thought it was when we received this letter,
7 but I'm hearing now that the discussion points are
8 changing and it is a discussion.

9 We are concerned and we passed a unanimous
10 resolution at our meeting Tuesday, after receiving the
11 second letter, and maybe some of my comments can calm some
12 of the things mentioned in our resolution. Our resolution
13 revolves around the fact that we believe that if enacted
14 it would be bad public policy, it's an unfunded mandate,
15 it's double taxation where gas tax is replaced by property
16 tax, our people would abhor that, and it impedes economic
17 development. It also ignores a current mechanism that we
18 use very successfully and that concerns municipal
19 maintenance agreements.

20 We have done a great job with TxDOT, and while
21 others may have problems, you have sent us two fabulous
22 engineers, first Mr. Holland and now Mr. Johnson. They
23 are great to communicate with, they keep us on top of
24 things, and we glad to have them. But we hear, and they
25 don't say this, we hear often it's funding. As someone

1 mentioned earlier, maybe it's important we raise the
2 discussion to funding. We have the luxury as a city to
3 both seek revenue and spend it; you can just spend it.
4 And I think we've got to get back to the source and fix
5 this.

6 We are a small town, only 194,000 people, many,
7 many road miles up north, but we represent an area that's
8 500,000 and there's \$6 billion of economic impact that
9 comes north of us just through agriculture, not to mention
10 oil and gas that's expanding exponentially. This
11 government has helped us in the past. We would look on
12 this as a big problem. It changes it dramatically with no
13 other avenue for us than to deal with property tax. So we
14 are not in favor of that, and we look on it as putting a
15 little piece of gauze on a sucking chest wound, that gauze
16 just irritates and chafes, and that's why we're all here
17 because it's chafing us to think of this.

18 Our legislature has to deal with the
19 imagination and creativity in raising this money that you
20 have to in spending it. As I look at your agenda, I'm
21 impressed with the complexity of what you deal with and
22 I'm very proud that people of your caliber are doing this,
23 and the people in our city are doing yeoman's effort.

24 A quick mention of our city's size. In 1950 we
25 had 115 miles of paved roads and we were 74,000 people and

1 we were 22 square miles. In 2010 we were 104 square
2 miles, 919 miles of paved roads and 194,000 people, and in
3 three years we've added the number of roads that we had in
4 1950 paved roads. We're dealing with this. We've had to
5 direct more money towards many things that help us, and I
6 suggest we have been able to deal with the taxation that
7 responds to that, and you haven't, it's not our purview.
8 I think we need to address the state legislature about
9 dealing with this comprehensively as we grow.

10 Thank you very much. May I please deliver this
11 resolution?

12 MR. HOUGHTON: Sure, Mayor, please. Thank you
13 very much.

14 Randall County Judge Ernie Houdeshell. Did I
15 get it right?

16 JUDGE HOUDESHHELL: Yes, sir, you did. Ernie
17 Houdeshell, Randall county judge. Thank you today. Your
18 job is enormous dealing with the State of Texas. We have,
19 as you know, a lot going on in the great state.

20 I cannot talk big numbers. Very quickly,
21 Randall County is the southern part of Amarillo, 80
22 percent of all of our population lives in Amarillo,
23 although the county seat is in Canyon, the home of West
24 Texas A&M University. Randall County also has your state
25 park in it, the Palo Duro State Park which is one of the

1 finest parks in the State of Texas. So we are proud of
2 what we have in Randall County.

3 But I would like to say, because we, and
4 including Mayor Paul Harpole, have to travel so far, I
5 can't talk big numbers like Dallas and Fort Worth but it
6 is costing the taxpayers around the county \$230 a minute
7 for me to address you. So those are impressive numbers
8 due to the distance that I traveled.

9 The results for us in Randall County is the
10 same. You're not asking for us to take a lot but if we
11 took it and had to replace that small portion you're
12 giving us, it would take all of our budget this year of
13 our road department. Now, this road that you're asking us
14 to take part of it connects Interstate 40 and the state
15 park, it's a heavily traveled road, Road 1541. So that's
16 the kind of impact that this would have on our small
17 county of Randall County

18 Now, we're not small, we're 35th in population
19 in the state. You wouldn't think that this area would
20 have that much population, but we have grown. Randall
21 County is the tenth largest growing county in the United
22 States between 100- and 150,000. Seventy-two percent of
23 our budget are residents, 70 percent of our budget is
24 criminal justice, we only have 30 percent left to do
25 everything else in Randall County. We have a small tax

1 rate, 38 cents, it's going to be 39, we're raising taxes.

2 So I'm telling you that although it's not much road for
3 us, it would take a lot of our budget if we had to replace
4 it.

5 We work well with TxDOT. We've had some really
6 good district engineers. Ron Johnson, really, really easy
7 to work with. I submit to you if we're going to look at
8 this idea -- and by the way, not all ideas submitted in
9 life are really worth looking at, but this one has
10 different ideas, but I submit to you today that if we're
11 going to look at this, let Randall County look at it with
12 your district engineer and let us show him and the other
13 folks what it would do to us if this happened.

14 I thank you today for allowing me to spend \$230
15 a minute to come here. I'm going to turn a little bit of
16 the time back -- no, there's my time.

17 MR. HOUGHTON: You don't get to turn any time.

18 MR. HOUESHELL: Okay, so I don't get to give
19 any time back. But thank you for this, and again, I think
20 there's a lot of dialogue that should happen on this
21 before it's finalized. And again, thank you for the great
22 job you do for the State of Texas.

23 MR. HOUGHTON: Thank you for coming.

24 Midland County Commissioner Robin Donnelly. Do
25 you want to speak, Robin?

1 MR. DONNELLY: Just for a moment. Won't take
2 me long. Appreciate the opportunity to address the
3 commission.

4 By the way, we had a very good discussion about
5 the concerns in the listening session earlier this week on
6 the state freight plan, and that was very interesting to
7 be able to share that. The openness of the department is
8 quite refreshing. As a member of the MOTOR MPO, we look
9 at all the impacts of the different modes of freight and
10 transportation as well.

11 I see the reason for the give-back, given the
12 financial constraints of our budget for TxDOT, however,
13 when I reviewed the plan, I found that the majority of the
14 roads that you were asking for us to undertake are
15 designated as hazardous cargo areas under the Federal
16 Motor Carrier Safety Administration. Several of the roads
17 are connectors to these hazardous routes. I've been
18 engaged with the department on the Fairgrounds Road, FM
19 715 improvements, and that's the only hazardous cargo
20 route on our east side that connects the north part of
21 Midland to the tank farm. I'm very concerned about that.

22 On the south part of that FM Road 715 is our
23 connection 158 and the 140 that connects to the tank farm
24 road from our southeast part which is Garden City and
25 connects into there. We also have three saltwater

1 disposal wells on 158 within that area you're asking us to
2 give back.

3 In conclusion, we appreciate the openness of
4 the department and this commission, but we believe that
5 further planning is necessary before the initiation of
6 this plan, and we look forward to working with you in the
7 future. Thanks.

8 MR. HOUGHTON: Thanks, Robin.

9 David Turner, Mayor, City of Odessa, right up
10 on the front row.

11 MAYOR TURNER: I'm a Baptist; you'd think I'd
12 have been on the back row.

13 (General laughter.)

14 MAYOR TURNER: First, let me thank you for your
15 work. I do not envy the tasks that you have before you.

16 Let me just give you a few financial facts
17 about the Permian Basin. Last year we produced 430
18 million barrels of oil. Right now we are honestly just
19 limited by infrastructure. Probably within the next
20 twelve months we will go to 2 million barrels a day of oil
21 being produced. We understand that trucks run on roads
22 and we understand the problems that we're having.

23 When this was posed, the citizens asked me one
24 simple question: Why are they asking us to pay for
25 something that we're already paying for through gas tax?

1 The citizens of West Texas sometimes feel like we're
2 driving the bus economically but sometimes not a lot of
3 things come back to West Texas. We have already had to
4 issue \$51 million in debt to address our road problem in
5 Odessa. This is just simply from increased traffic with
6 the trucks and with the challenges that we're faced with
7 this boom. We're very blessed to have this boom but it
8 does bring its challenges.

9 Like I said, do not envy you the tasks that you
10 have before you. The City of Odessa and Ector County will
11 be happy to be partners as long as this is a voluntary
12 project. If it is a mandatory project, we will be
13 vehemently against it.

14 Thank you very much for your time.

15 MR. HOUGHTON: Thanks for coming.

16 J.D. Faircloth, MOTRAN chair. Come on up, J.D.

17 MR. FAIRCLOTH: Mr. Chairman, commissioners,
18 Mr. Wilson. I'll take just a moment. My name is J.D.
19 Faircloth. I'm former city councilman and mayor of
20 Midland and presently chairman of Midland Odessa
21 Transportation Alliance, or MOTRAN.

22 I want to personally thank Commissioner
23 Underwood and Commissioner Austin for coming and visiting
24 the Odessa District. We just have tremendous problems, as
25 both mayors talked about, mostly caused by the oil and gas

1 industry. As you know, we generate a tremendous amount of
2 oil and gas, half the drilling rigs are operating in the
3 Midland-Odessa area, and that's caused tremendous impact
4 on our streets and roadways and we've been working with
5 the district engineer to come up with solutions.

6 Our problem is that we've got so much need and
7 there's just very little monies coming out of TxDOT. We
8 understand the issues of funding, but one of the things
9 that we have tried to work with Senator Seliger, and I
10 think it's important for a lot of the small rural cities
11 and counties to do, is to try to find additional funding
12 sources that either come from the oil and gas severance or
13 the vehicle registration fees that stays in the area that
14 helps address these issues and doesn't necessarily go into
15 the general fund.

16 We appreciate your effort. One thing I would
17 say is there was a comment in the very near future all
18 this drilling activity is going to subside and all this
19 traffic will come back to normal. Well, that's not going
20 to take place. At least in the Permian Basin area there's
21 going to be significant drilling for many, many, many
22 years, and then the ongoing production effort. Most of
23 the wells in the Permian Basin last 40 to 50 years, and so
24 there will be ongoing traffic problems for many years.

25 We think that it's really important. Times are

1 good right now in the oil and gas industry and we need to
2 address these issues that are caused by the oil and gas
3 industry now and not necessarily go to gravel roads
4 because it is so hard to get those recovered. So we think
5 it's really important, at least in the oil and gas areas,
6 to address these issues now with some sort of additional
7 funding sources.

8 Thank you all.

9 MR. HOUGHTON: Thank you very much.

10 City Manager Larry Groth, City of Waco.

11 MR. GROTH: Larry Groth, City of Waco. I've
12 submitted written comments, so I won't take much of your
13 time.

14 Based on what I heard this morning and really
15 the clarifying presentation, based on our first indication
16 from the first letter we got, is very helpful. We are
17 very open for an open discussion to look at roads within
18 Waco that are truly local in nature and on that mutual
19 basis working together to look at some of those.

20 I also think that this has been good, it has
21 raised awareness to the need that you have. If you were
22 able to take this full \$165 million annual expenditure off
23 your budget, it's not going to make a difference. You
24 still have huge amounts of needs, and we do need to figure
25 out a way to fund the highway system the way it should be.

1 The Transportation Department, formerly the Texas Highway
2 Department, has a proud history and a proud tradition of
3 building the best and the best maintained roads in the
4 nation. I think some of the things that we're heading for
5 is not within that tradition, it's just not the way we
6 want to go, and we need to figure out, as Texans, how to
7 take care of this, and we're sure here to support you.

8 Also, Chairman, thank you for not suspending
9 John more than 30 minutes. We do need him, as proud
10 Aggies we need him on our team, we need him out here
11 talking for us, so thank you.

12 MR. HOUGHTON: Mayor John Monaco, City of
13 Mesquite. Mayor.

14 MAYOR MONACO: Thank you, Mr. Chairman,
15 commission members and Mr. Wilson. I appreciate the
16 opportunity to come speak.

17 Up until about noon today, I had to make the
18 observation and share it with that it's absolutely the
19 quietest I've ever seen a large group of mayors be, and I
20 know it was a challenge.

21 (General laughter.)

22 MAYOR MONACO: I am John Monaco and I'm the
23 mayor of Mesquite, Texas. I'm also the president of the
24 Texas Municipal League. Today I testify on behalf of all
25 of the over 1,130 member cities of the Texas Municipal

1 League. Please notice I said all of the cities, not just
2 those over 50,000 population that could be initially
3 impacted by the proposed turnover program.

4 Bad ideas that start out small in scope are
5 inevitably bound to get expanded. The 50,000 threshold,
6 if allowed to stand, could become 25,000 next year, and so
7 on. This proposed turnover program designed to save \$165
8 million a year for the state is nothing more than a
9 massive unfunded mandate and cost shift from one level of
10 government to another level, cities who can ill afford it.

11 In Mesquite, our road maintenance costs would
12 go up \$562,900 per year, and that's at a minimum, under
13 this proposal due to the turnover of State Highway 352 to
14 the city. That's a large amount of money, and many cities
15 would fare even worse.

16 Some of the rhetoric in support of this
17 proposal has said that many of these state highways have
18 begun to resemble streets and so the city ought to assume
19 responsibility. This makes no sense. A state highway is
20 a state highway and ought to remain on the system, just as
21 a city street will always remain a city street. In fact,
22 many city streets in Texas cities have grown to the point
23 that they begin to function like highways, but you won't
24 hear a mayor say the state ought to start paying for them.
25 We know better. Each level of government shows respect

1 for the other, and takes its responsibility for the share.

2 This program is an abrogation of that historic
3 respect for each other's sovereignty. The fact is this:
4 in almost every other state in the nation large amounts of
5 state aid flow to cities to help them pay for basic
6 services. In Texas we're unique, cities get virtually no
7 state funding. In return, we are left alone to provide
8 essential services like police, fire, streets and parks.
9 That's a better system than in most states because cities
10 aren't constantly begging for state money, but it can only
11 work in the absence of costly unfunded mandates like this
12 proposal represents.

13 If this \$165 million shift is allowed to occur,
14 we will be starting down a very dark and treacherous
15 course of unfunded state government, turning to cities to
16 pay for state services. That's the real turn-back that
17 would result from this cities turning over their money to
18 the state.

19 I understand that in recent news reports TxDOT
20 has indicated the program was either misunderstood or that
21 it is being rethought, and some recent reports suggest
22 that it would be made voluntary with perhaps up to a year
23 of maintenance paid by the state. This sounds like an
24 improvement over yesterday's plan, but I think we all know
25 where that money needs to come from and it's not from

1 cities. Cities need to be partners with state government,
2 not its ATM machine.

3 By the way, commissioners, I know what public
4 service is and I appreciate yours and I want you to know
5 that. Thank you.

6 MR. HOUGHTON: Thank you, Mayor.

7 Shane Kelton, City of San Angelo.

8 MR. KELTON: Thank you, Chairman. From a small
9 West Texas community, we're glad you let us come out here
10 and talk.

11 I don't think I can add a thing that hasn't
12 already been said here this morning or this afternoon, but
13 very encouraged with the dialogue that we've had here
14 today and that we are looking at a more voluntary. So
15 thank you.

16 MR. HOUGHTON: Thank you, Shane.

17 Mark McDaniel, city manager, Tyler.

18 Commissioner Austin said you do just anything.

19 MR. McDANIEL: He says a lot of things. Mr.
20 Chairman, commissioners, thank you for your time today.
21 Just very quickly, I bring you regards from Mayor Barbara
22 Bass. We look forward to having you in Tyler in November.
23 I think you have a commission meeting there.

24 MR. HOUGHTON: Yes, we do.

25 MR. McDANIEL: And I can't add to anything

1 that's been said. I think it's been very eloquent,
2 especially Mayor Monaco from Mesquite and representing
3 TML. We would adamantly oppose anything that was not
4 voluntary, and I think it's healthy to look at some roads,
5 but we would enjoy a dialogue on that. The map that was
6 presented to us I think was the beginning of some
7 misinformation when it says return or retain and it says
8 no, and so that kind of begins the dialogue in a different
9 way. Hopefully after today, the situation will improve
10 and we'll continue that dialogue.

11 Thank you for your time.

12 MR. HOUGHTON: Thank you.

13 County Judge Mark Riley, Parker County.

14 Welcome, Judge.

15 JUDGE RILEY: Thank you, sir. Mr. Chair,
16 commissioners, Director Wilson, thank you very much,
17 appreciate your time. I sat there many times and I know
18 it's difficult and we appreciate your patience.

19 Mark Riley, County Judge, Parker County, also a
20 member of the RTC and the Tarrant Regional Transportation
21 Coalition. I do not speak for either one of those groups
22 today.

23 I do want to thank TxDOT. We have a great
24 relationship with the Fort Worth District office and that
25 is a lot of the reason why we've been successful in

1 completing our \$80 million transportation bond project on
2 a five-year timeline that we were told would never happen.

3 I want to take a little different turn. I'm
4 confident the two issues you're dealing with, the gravel
5 roads, the turn-back, you've heard all of that and you're
6 going to work on that. But in my 23 years in the
7 courthouse, one thing I've learned, if nothing else, is
8 that perception is reality, and I can tell you that the
9 perception on the street and maybe with some in this room
10 is that TxDOT has stubbed its toe again, and
11 Representative Pickett I think touched on that just a
12 little bit as well, and it has to do with the
13 communication and it has to do with that public relations
14 side.

15 And so what I would hope, you can sell us, we
16 understand, we're in the back room looking at the details,
17 looking at those things, but the folks on the street don't
18 grasp it and looking at the big picture. And what I'm
19 more concerned about than anything else is November 2014,
20 and I would hope that maybe TxDOT would take this and look
21 at how that part of all this could be improved and build
22 on that, and everything we do as a transportation
23 community that we build towards 2014 with everything. We
24 deal with our problems, they're there, take care of them,
25 but everything should work in a positive manner and

1 communication to what we need in 2014. Otherwise, we're
2 going to have another setback, and I'm convinced of it.

3 But again, I appreciate you very much and
4 Parker County is proud to be a partner with TxDOT.

5 MR. HOUGHTON: Thank you, Judge.

6 Donald Lee, executive director, Texas
7 Conference of Urban Counties.

8 MR. LEE: Thank you very much. My name is
9 Donald Lee, executive director of the Texas Conference of
10 Urban Counties. I want to say special thanks to Judge
11 Moseley. Once a judge, always a judge in our association.

12 Our policy committee has met and discussed this
13 policy at length and we're very happy to hear about a
14 movement towards voluntary. We'd be very pleased to take
15 some information back and communicate that this will be a
16 voluntary program going forward. I think you hear enough
17 from local officials on the reaction on what mandatory
18 means in this situation.

19 I would like to clarify what I think we heard
20 some discussion about, the statute that was passed in
21 2003, and I have no heard of anyone who questions the
22 discretion or the authority of TxDOT to decide what they
23 are maintaining and what's on their road system. What we
24 believe very confidently is very clearly in the discretion
25 of the commissioners court is what's in the county road

1 system and what the county maintains. And so we could be
2 talking about an orphan road situation, and that wouldn't
3 be a good thing. So that's why a voluntary program with a
4 sort of one size doesn't fit all collaboration is what we
5 need to solve these sort of problems.

6 And from an association standpoint, we would be
7 very happy to offer our services to work with your staff
8 in the future, when these sort of proposals are being
9 developed, to identify where the hornets nests are and to
10 help you with communication and the shaping so that we can
11 keep the wonderful partnership between our counties and
12 TxDOT continued without any hiccups and miscommunications.

13 Thank you very much.

14 MR. HOUGHTON: Thank you.

15 Okay. To bring it home, wrap it all up for us,
16 our good friend from the Metroplex, Michael Morris,
17 Director of Transportation, NCTCOG.

18 MR. MORRIS: Mr. Chairman, members, Mr. Wilson.
19 Just a few observations.

20 I had the pleasure to be here at the June
21 workshop on other business. I left the June workshop that
22 this was moving ahead in a voluntary, partnership way. I
23 don't know what happened since June, but I think someone
24 should follow Judge Riley's advice, and if this is a
25 communication issue, what sort of happened and why and sit

1 down with those particular players because there's a lot
2 more at stake than obviously \$153 million a year in
3 maintenance. But I left your June workshop thinking this
4 was a partnership-driven strategy.

5 Second observation is don't prejudge -- the
6 term I heard earlier, don't prejudge the legislators,
7 don't prejudge the inspiration and the out-of-the-box
8 thinking that the locals may bring you. I think that
9 you're going to see things that you're sitting here now
10 you couldn't comprehend that locals will put on the table
11 with regard to this particular issue, and I hope you're
12 open to those particular strategies.

13 The third point is quite ironic. For years we
14 would knock on TxDOT's door to request a lot of these on-
15 system projects to come off. It's interesting we meet
16 past that you have an interest and locals have an interest
17 and somehow the communication isn't clear. I think you're
18 going to get a lot of interest in taking some of these
19 particular projects off system, and I'll say why in a
20 moment.

21 John Barton raise the MPO 50,000 or above. I
22 think some clarification probably should be given on what
23 the role of the metropolitan planning organizations in
24 this conversation is. I think there are facilities on
25 your list that actually need to stay on system for lots of

1 reasons, and we need to have that particular conversation
2 before you go to a local government who takes it off
3 system and then there are horrible unintended consequences
4 to the rest of the regional system with regard to that.

5 I think John Barton brings up a terrific point
6 that I don't think was quite understood. The purpose of
7 our roadways are changing. We're going from roadways
8 where 90 percent of the purpose of the roadway was
9 throughput and 10 percent of the purpose of that roadway
10 was to access the land use, and now 20, 30, 40, 50 years
11 later, you have situations where 5 to 10 percent of the
12 purpose of a roadway is throughput and 90 percent of the
13 purpose is the local land use that is there.

14 And I think what we should be really calling
15 this is an evaluation of the purpose of our roads: are
16 they still a purpose of throughput or a purpose of local
17 economic development opportunities and see what type of
18 innovation could be brought.

19 The last I'd leave you is as policy officials
20 you are probably the best to author what the policy
21 sequence should be between now and the next legislative
22 session. What issues should be brought up now, what
23 issues should be brought up two weeks from now, Judge
24 Riley indicating what issues should not be brought up
25 October previous to the 2014 vote, what issues should not

1 be brought up before the constitutional amendment for
2 water in 2013. We should probably have a Mississippi
3 paddle boat of rhythm with regard to the issues, all
4 grounded in that election and in advance of the next
5 legislative session.

6 Mr. Chairman, I'd be happy to take any
7 questions.

8 MR. HOUGHTON: Thank you, Michael.

9 Okay, John. Any questions of John from the
10 commissioners?

11 MR. MOSELEY: Chairman, I think it might be
12 useful for John or Phil just to state again that this is a
13 voluntary initiative. For some reason that message
14 probably needs to be very clearly stated. There were one
15 or two of our guests that weren't clear that they heard
16 that, so that might be a good thing to declare.

17 MR. WILSON: I think we took our charge from
18 the June commission meeting to have a conversation. We
19 sent a letter identifying the roads on system that we
20 ought to be talking about. It's difficult for all the
21 political guys in the room to admit they would like that
22 others decide to define the message for you, and we acted
23 in good faith with some groups that decided to define the
24 message for us as opposed to having a conversation like
25 we're having today.

1 And I appreciate the work that all of our
2 district engineers did and John has done across the state
3 the past few weeks of having the conversation. We bring
4 it to the commission today because you have the authority,
5 legally, on the municipality side to determine what's on
6 or off system. But we wanted to have a conversation about
7 how we advance this in such a way that the \$165 million
8 that's identified, I wouldn't call it a savings, I would
9 identify it as better deployment, perhaps, within cities
10 and communities and districts.

11 And so we look to the commission today to
12 direct us for next steps in a program that could go
13 forward so that we can look at those appropriate ways, to
14 Mr. Morrison's point, on what should or shouldn't be part
15 of TxDOT, what communities may want to step up and ask, as
16 counties or cities, to assume that, and to make sure that
17 connectivity works. So look forward to that,
18 Commissioner, as far as what our next steps may be over
19 the next few months.

20 MR. HOUGHTON: Any other thoughts from the
21 commission?

22 MR. MOSELEY: Chairman, I think it's been
23 expressed already, but again, a big thank you to everyone
24 who signed up to bring us on both of these agenda items
25 their feedback, and as Phil stated, it's an ongoing

1 dialogue. This is a very important part of the process,
2 and I know I'm better for having sat through today's
3 session to listen and hear the various perspectives on
4 this policy discussion that Michael described. So thank
5 you, each and every one, and a special thank you to those
6 that are serving in elected office. It's very wonderful
7 that you're willing to step up and serve in that capacity
8 and then to take the time and come here and have this
9 dialogue.

10 We do have a lot of work to do. It was
11 wonderful the legislature gave us an option to go forward
12 and consider a year from November a ballot initiative, but
13 I would also agree that there are some challenges with
14 raising the awareness of our communities about the value
15 of that initiative. And so thank you for this dialogue.
16 Thank you, Chairman.

17 MR. VANDERGRIFF: From my perspective, I want
18 to be clear. The discussion that was had, or the
19 presentation -- really is a better way to describe it --
20 at the June meeting, I'm not clear in my mind we directed
21 the department to go out and issue letters, have
22 discussion, have negotiations, do one-off. I'm not really
23 sure that happened, I'm not sure that was our discussion.

24 So I want to be clear, from at least this one
25 commissioner's perspective, I am absolutely, as I said in

1 the beginning, resolute, firmly committed because it works
2 to have bottom-up discussion first.

3 I appreciate the time that all of you have
4 spent here, but to some degree, it's a colossal waste of
5 time. I think if the department had gotten with a group
6 of not only the associations but the mayors and counties
7 involved and worked this from a bubble-up perspective, I
8 think we could have accomplished a lot more, faster,
9 better than we're going to otherwise do. So I want to be
10 sure that that's clear direction, at least from this one
11 commissioner's perspective.

12 But otherwise, I certainly appreciate the
13 dilemma the department is underneath and the desire to
14 maximize and extend the use of the dollars. Roads are
15 being destroyed, the money is not being raised from the
16 industry primarily destroying them in order to afford
17 that, we don't have the funding coming from the state in a
18 direct and real way yet in order to make sure we can build
19 the roads that we're being asked to build, so we have some
20 challenges.

21 I also encourage the department to take hold
22 and take heed of the fact that the legislature had given
23 us as a command through HB 6 to really be proactive in
24 explaining what we need, how we're going to use it, what
25 the processes are to accomplish those goals for

1 transportation funding and maintenance in the future. So
2 I'd please encourage us all to do that. So that's one
3 commissioner's perspective.

4 MR. HOUGHTON: Fred, anything?

5 MR. UNDERWOOD: No.

6 MR. HOUGHTON: Well, I will let you know that
7 this commissioner is crystal clear on what came out in
8 June, what the intent was. Unfortunately, we allowed
9 others to message it and take great liberties with our
10 message, and that was never the intent. And I think the
11 process worked, we have a lot of people in this room, and
12 we assembled a whole bunch of folks to talk about the
13 issues.

14 And as I mentioned to the urban counties
15 association yesterday, not one size fits all, and a good
16 example of our success, I think, we've had two counties in
17 here in the last 48 hours that have been thinking outside
18 the box on how this can be a benefit to them, we have
19 numerous letters that have been sent to us that they want
20 to participate. So I applaud the staff and I think we did
21 the right thing, for the hard work and everything that we
22 have done at this commission.

23 We move forward now, and Michael, you represent
24 the largest MPO, I believe -- am I correct? -- in the
25 State of Texas. I would hope that you would coalesce your

1 folks and speak maybe through you. And I would say Alan
2 and HCTRA, we've gotten a letter from Art Story at HCTRA
3 that agrees we should be doing this. So there's numerous
4 letters that have said we should be doing this, and HCTRA
5 is the largest toll road agency, I do believe, in the
6 state. Is that an accurate statement, Alan? Thank you.

7 So even my mayor and my city manager in El Paso
8 want to have a discussion, they see the value. We have
9 created a discussion, and I do not believe this was a
10 colossal waste of time, it's something that we needed to
11 do.

12 Now, with that said, we will take a ten-minute
13 break to allow us to visit and do what we have to do, and
14 then we'll come back and finish the balance of the agenda.

15 Thanks.

16 (Whereupon, a brief recess was taken.)

17 MR. HOUGHTON: We will reconvene our
18 Transportation Commission meeting.

19 Mr. Wilson, where are we? Where did we leave
20 off here?

21 MR. WILSON: Item 5c provides a presentation on
22 the activities the Texas Technology Task Force. This item
23 will be presented by Shannon Crum, director of the
24 Research and Technology Implementation Office. Shannon.

25 MR. HOUGHTON: Dr. Crum.

1 MS. CRUM: Good afternoon. For the record, my
2 name is Shannon Crum. I'm the director of TxDOT's
3 Research and Technology Implementation Office.

4 About six months ago, a number of thought
5 leaders from industry and the public sector were invited
6 to come to Austin and participate in the Texas Technology
7 Task Force. As you know, the population and economy of
8 Texas continue to grow, placing ever-increasing demands on
9 the transportation system, and we expect those to continue
10 to grow. And I actually cut three paragraphs out because,
11 as you've heard all morning, it's in an environment of
12 constrained resources.

13 So when the task force convened, I asked them
14 to do three things, and the first was to identify the
15 emerging technologies that have a high potential to
16 transform the way we do transportation, that would improve
17 the efficiency of existing infrastructure, and that would
18 reduce congestion and provide for better safety. The
19 second thing was to consider the existing policy, economic
20 and institutional barriers to technology implementation by
21 TxDOT and in Texas. And the third was to outline a path
22 for Texas to follow so that we as a state are positioned
23 to identify, implement, finance and leverage emerging
24 transportation-related technologies in the mid-term and
25 near-term, and so that we as an agency are prepared to

1 take advantage of them to better accomplish our mission.

2 All three of these small questions that I asked
3 them to consider carried the caveat that it all had to be
4 done without any capital investment by TxDOT.

5 Professor Michael Walton, from the University
6 of Texas at Austin, was asked to serve as a facilitator
7 for the task force. Dr. Walton is the Ernest H. Cockrell
8 Centennial Chair in Engineering at UT and is an
9 internationally recognized visionary in the area of
10 intelligent transportation systems. He's going to provide
11 a brief presentation on the activities and the initial
12 recommendations of the task force, and then several of the
13 task force members have signed up to make brief comments
14 after the presentation.

15 DR. WALTON: Thank you, Shannon.

16 Good afternoon, Chairman, members of the
17 commission, Director Wilson. It's a pleasure to be here
18 to talk to you about, I think, one of the more interesting
19 projects that I've had the pleasure to participate in in
20 some time. As Shannon indicated, we were specifically
21 charged with examining and evaluating innovative
22 technological advances that would have an increased impact
23 on economic productivity and activity. And the timing for
24 this initiative is absolutely critical.

25 There were three tasks that Shannon alluded to

1 that we were charged with, and in fact, the charge comes
2 from a legislative initiative as well. One, to assemble
3 subject matter experts -- which was a terrific experience,
4 by the way, and I'll share some of the insights of those
5 individuals and you'll have a chance to meet some later,
6 and I will introduce the ones that are here -- so subject
7 matter experts was number one, bring people in, and quite
8 frankly, at their own expense, and participate in the
9 development of a vision and a program about intelligent
10 transportation systems, or the next wave of technology.

11 Convene the task force, which Shannon indicated
12 that was done. We had three meetings here in Austin,
13 three full-day meetings. In addition, we brought in other
14 subject matter experts to augment the group as well. And
15 then come up with a set of recommendations that we think
16 are useful in directing where we might go next.

17 This slide indicates the subject matter experts
18 that we brought together. You can see we have
19 representatives from a wide array of industry, private
20 sector initiatives, as well as public sector initiatives.

21 So quite frankly, we had people who technology and
22 innovation is their business. We had other individuals
23 who are taking that technology and innovation into the
24 marketplace. That was important. We had communication
25 experts, and we had a variety of others with expertise

1 about the economic effects of that. So here you can see
2 there was this external group, not just from Texas but
3 from around the country.

4 Another individual I should mention is Shelley
5 Row, who just recently, within the past year, stepped down
6 as the person who was running the U.S. DOT intelligent
7 transportation program in Washington. So she was part of
8 our team and a resource that was extremely valuable to us.

9 So this gives you an idea of the types of
10 individuals that gave of their time freely to come in and
11 participate with us.

12 And then we recognized that there were other
13 areas that we needed to backfill, so consequently, we
14 brought in experts from energy research labs, the National
15 Renewable Energy Lab, we brought in the director of global
16 active safety for GM. His special focus was on autonomous
17 vehicle research in the automotive industry, so globally
18 he brought us very good vision in the staff's report of
19 what was occurring around the globe with autonomous
20 vehicles, so beyond, of course, what we've had the
21 opportunity to do here in Austin, the Google Car.

22 And then the next big emphasis was let's talk
23 about data, big data, large data management systems,
24 communication. So we had the chief technology officer
25 from Nokia, whose expertise is mobility and sensing big

1 data, to come in and participate with us. Not only did
2 they participate with us, but they continued to review
3 some of the materials that we were developing along the
4 way, and I'll come back to that in a moment.

5 Part of the effort, then, was to take the
6 various technologies and package them in some way that
7 allows us to look at an assessment of those. What should
8 Texas be looking at, and relative to what some of the
9 others around the globe are doing as well.

10 So we captured it in four basic packaged
11 activities. Connected vehicles is one. The connected
12 vehicles means that the vehicle, of course, is wrapped
13 with wireless communication and other technologies, but
14 there's more than just the wireless technologies. So that
15 would be one package, one system, looking at how it
16 interacts with global and local networks.

17 Now, I will mention at this point that the
18 federal government has some efforts underway in a
19 competitive process in Ann Arbor, Michigan -- and you
20 would expect that Michigan would be involved with the
21 automobile industry there -- but they're focusing on some
22 aspects of that and there are limited activities in other
23 parts of the U.S., but not many, just a handful, two or
24 three. I'll come back to what we feel.

25 We also looked at electric systems, not only

1 electric vehicles but what about providing the power to
2 the infrastructure for fast-charging stations along
3 highways or wireless electricity transfer of powering up
4 technologies while they're using it. So there's a group
5 of technologies that embrace what we call electric
6 systems.

7 Autonomous vehicles, as you would expect, there
8 are four degrees of autonomy in the vehicle that have been
9 defined by NHTSA, the National Highway Traffic Safety
10 Administration of U.S. DOT. We followed those guidelines,
11 and in fact, to develop a package that includes autonomous
12 systems, not just limited to certain aspects of driving
13 and navigation, but parking and so forth.

14 And then we looked at the big data management
15 systems, what's emerging in the field of capturing
16 information and data and how that can be used to enrich
17 the mobility system. We call that cloud computing and
18 crowd sourcing.

19 So in essence, we packaged these four systems,
20 we tried to get an assessment of a path forward, and I
21 show you this, it's in your handout and material, but this
22 can be conveyed either as a spider network or snowflakes,
23 but the point is that they're five axes here. So you can
24 take, in this case, rating of technology maturity from
25 TxDOT's perspective, you can plot those out along various

1 axes, which includes benefit-cost, deployment, public
2 readiness, TxDOT readiness, and so forth, and then see how
3 these four or five systems balance out against that.

4 You'll notice that I've added one more system
5 in here. We broke up connected vehicles into two
6 categories: use of cellular phones with a connected
7 vehicle, and the other was DSRC, which is dedicated short-
8 range communication, which is like toll tags and so forth.

9 So in essence, we can map these out and then
10 that gives us an idea of where the opportunities are for
11 Texas to think about building a strategic plan and tactics
12 on moving forward. And then we did the same thing looking
13 at maturity ratings from the context of the customer and
14 the driver. Again, the important part here is to see
15 where the technology might be from relative critical
16 aspects of the program and what we then have to go to
17 bring the maturity into greater fruition. So that
18 opportunity served us, I think, very well.

19 So we've done all of this. We have three white
20 papers on the various technologies, we have additional
21 papers that are coming out, or reports, and we're going to
22 speak to a couple of those in just a moment from others
23 who are here, and we have an overall report.

24 So our recommendation to you, after this
25 fascinating few months, very few months of investigating

1 technologies, is that Texas is in a unique position.
2 There's no other state -- in fact, there's no country
3 that's in a position to be the front runner, the leader.
4 We think there's an opportunity for Texas to take the
5 initiative, create an environment here, an entrepreneurial
6 environment where technology in the transportation arena
7 can grow and expand and flourish.

8 So we want to formalize in the next step the
9 economic case for investment in emerging technologies that
10 are likely to impact transportation -- we have a pretty
11 good idea of what those are. The next is to complete the
12 strategic and business plan or at least initiating it to
13 the point that we know the next step, what's the path
14 forward, what's the roadmap, what do we have to do that
15 fosters technology development and adoption in Texas. And
16 then thirdly, to continue to look for opportunities for
17 outside support and funding.

18 So we're talking about a public-private
19 partnership, probably to the extent greater than what we
20 have had in the past in the transportation arena. We have
21 all the opportunities that the state has in terms of its
22 economic base, its population growth, our thrust on safety
23 and productivity, and basically, we have the Texas pride,
24 it's a can-do spirit. So we think that with everything
25 else that's going on, the opportunity is now to strike for

1 the advanced technology.

2 At this stage that's a quick and dirty overview
3 and I certainly will be able to address any questions, but
4 I'd like to introduce some of the speakers that are here.

5 David Ferdman, I'll let David tell you a little bit about
6 his background, but he's a venture capitalist in the
7 Houston area, has had a lot of initiatives, particularly
8 like the F1 that we have here. But David, do you want to
9 come up?

10 MR. FERDMAN: Thank you, Michael, and thank you
11 for giving me some time. My name is David Ferdman and I
12 am from the private sector. My background is I'm
13 entrepreneurial operator of telecom and data center
14 companies. I am now both an investor and an advisor to
15 several companies in the telecommunications and data
16 center environments all over the world. One of the
17 businesses I've been involved with is COTA here, Circuit
18 of the Americas, so my background in being an entrepreneur
19 and operator and being involved in transportation to a
20 certain extent.

21 I've been excited to participate on the
22 committee. It's a very diverse and incredibly talented
23 group of people, and I think we have an incredible
24 opportunity in Texas to create significant
25 differentiation. Right now there is a race going on.

1 Every day you read about another company who is announcing
2 some type of automated technology in transportation. And
3 that race is real, but it's decentralized, there's no one
4 place that people think about innovation in technology
5 transportation, and I think we have that opportunity to
6 create a public-private partnership that would really be
7 able to attract private enterprise to come to Texas and
8 collaborate in a very effective way to accelerate the
9 advancement of these technologies.

10 And so my role on the committee has been trying
11 to help determine how we might attract the private sector,
12 and I believe we have a structure that could be very
13 exciting and have a huge long-term economic benefit to the
14 state.

15 DR. WALTON: Thank you, David.

16 I'd like to ask Michael Morris to come forward.

17 MR. HOUGHTON: Okay. Come on, Michael. I was
18 going to get your other task force. Michael is on
19 everything today.

20 MR. MORRIS: Michael Morris, for the record,
21 director of Transportation at the North Central Texas
22 Council of Governments.

23 Let me first make the observation that if you
24 do not have a tie on when you come into this building, it
25 must be somehow correlated with your degree of wealth or

1 entrepreneurial spirit or companies which you've created.

2 Those of us in the public sector wear a tie when we come
3 into this particular building.

4 In the next three minutes of my comments, if I
5 could just have your attention, I think with all the
6 service on this commission -- and we've done innovative
7 partnerships and a whole bunch of stuff -- the next three
8 minutes has the biggest impact on the future of Texas than
9 anything else I've stood before you to talk about.

10 The three points I want to make is, first, why
11 Texas, what's the Texas market. Texas has a huge
12 technology foundation, Texas has a pro private sector
13 relationship, Texas is large enough, it can create the
14 market forces in this industry with regard to the
15 implementation, similar to how California has created
16 market forces with regard to the importance of air quality
17 elements on vehicles, it has the weather, and it has this
18 huge history of public-private partnerships that I think
19 can occur. So there is not a lot of competition at this
20 particular point. I think Texas really has an opportunity
21 to move forward but must do so in a timely fashion.

22 Second, Commissioner Underwood, you have said
23 again today, you said in June: I would like to see the
24 day again in Texas where we do not have a fatality on our
25 roadway system. I have never seen an initiative like

1 advancing technology where you can move ahead on safety,
2 reliability of the transportation system, mobility and
3 economic development all in the same initiative. Moving
4 ahead with public-private partnerships creates economic
5 development, wealth, creates jobs within the country,
6 creates the foundation for the next vehicle where vehicles
7 talk to each other to minimize their ability to get into
8 an accident, accidents are reduced, the reliability of the
9 system is increased, the headway between vehicles is
10 shortened, the capacity of the roadway system is improved,
11 all in the same initiative.

12 Lastly, to give you some perspective, your
13 office and our office over the last 15 years in innovative
14 partnership items -- because we keep talking about this
15 grand Dallas-Fort Worth experiment -- has created \$15
16 billion worth of transportation projects. You always
17 teased Commissioner Meadows with regard to this. Some
18 have already been opened, some have yet to go to
19 construction, but the sum of those partnerships is \$15
20 billion. It has changed our freeway capacity by 20
21 percent; that \$15 billion is a 20 percent increase in
22 freeway capacity in the Dallas-Fort Worth region.

23 The technology initiative before us has the
24 potential impact of increasing the capacity of the freeway
25 system in Dallas-Fort Worth by more than 20 percent,

1 greater than all these individual projects we've done to
2 date, but to do it for cents on the dollar. Our degree of
3 involvement is matched by our ability to partner with the
4 private sector to bring these tools forward and it doesn't
5 always have to on the back of the public sector to do it.

6 It's through these entrepreneurial relationships with
7 people who don't have to wear ties to create the value-
8 added that we're talking about today.

9 Lastly, the managed lanes in Dallas-Fort Worth
10 and the future for the next generation behind us may not
11 be a function of how many people in the car, it may be a
12 function of such items as what type of technology do they
13 have in the vehicle. So there's lots of opportunities for
14 public debate. TxDOT has to have a seat at the table as
15 part of that particular process.

16 Thanks for hearing our report today.

17 DR. WALTON: Mr. Chairman, the last member of
18 the task force is John Hokenyos, and John would like to
19 make a few comments.

20 MR. HOKENYOS: For the record, John Hokenyos.
21 I'm an economist here in town, own a consulting firm.
22 Very, very pleased, obviously, to be part of this task
23 force. It is always a challenge to follow Michael Morris
24 because he is both articulate, concise and well informed,
25 and I will strive to be some version of all three of those

1 things.

2 When economists talk about development,
3 particularly development in this space, I don't have to
4 tell the folks here at the Department of Transportation in
5 a lot of cases that we're talking about the development of
6 networks, talking about over time through history the
7 development of energy networks, talking about
8 communication networks, talking about transportation
9 networks.

10 What you're now seeing that is creating this
11 race, that David talked about and Michael alluded to, is
12 the beginning of the convergence of some of these networks
13 and it's manifesting itself in this new technology.
14 You're beginning to integrate new energy systems, advanced
15 communications, transportation vehicles together to create
16 new processes and new products that are going to
17 revolutionize the way our society functions.

18 It's fantastic. It's a moment in time where
19 the private sector right now is ahead of the public
20 sector. The private sector is creating vehicles, we're
21 hearing promises from different OEMs saying: We'll have
22 something ready by 2018, we'll have something ready by
23 2020, we have the technology do certain things now, we
24 can't bring it to market yet because the market is not
25 ready to accept in terms of the regulatory structure and

1 the policy environment, but it's coming.

2 As a result, we are facing a moment here in
3 Texas where all the assets that you've heard alluded to
4 today can be brought together and we can seize the
5 opportunity to become the leaders in this convergence of
6 networks. Now, that opportunity isn't going to last
7 forever. Other people are looking at this but they
8 haven't quite got the asset package that we've got. They
9 haven't got the things Michael talked about: the weather,
10 the size of the indigenous market here, the pro-business
11 environment, and frankly, the capacity of the public
12 sector and the private sector to come together in a way to
13 create a package that is attractive for companies,
14 investors, researchers, all kinds of folks to come
15 together and build this cluster here in Texas.

16 To give you a thumbnail sense of what that
17 might look like -- and nobody really knows -- but I just
18 pulled some data, for a market area that has a population
19 roughly equivalent to Texas is the upper Midwest where the
20 auto industry is currently concentrated, talking about
21 Michigan, Illinois, Ohio, Indiana, same size population.
22 In terms of jobs related to automotive technology right
23 now, all in, all implications, everything together, ten to
24 one for that area of the upper Midwest versus the State of
25 Texas. If you're talking about the sort of core original

1 equipment manufacturers, it's more than twenty to one.

2 Are we going to take all that from the upper
3 Midwest? Probably not. Can we get a substantial chunk of
4 it and in the process create an enormous sustainable
5 volume of economic development for the State of Texas, if
6 we do it right, we can. And so I'm excited to be part of
7 this process today and I'm really excited to be part of it
8 going forward, and I think as Michael said, this may be
9 one of the most very important things we do as a state in
10 terms of a variety of factors, not the least of which is
11 economic development.

12 Thank you.

13 DR. WALTON: Mr. Chairman, there are two other
14 members of the task force here, and I'll just introduce
15 them. Mike Krusee participated with us. Shannon was an
16 active participant, she did a terrific job. We very much
17 appreciate the support that she was able to give us. I
18 should introduce Dan Fagan who is a doctoral candidate at
19 UT. His topic and subject is on autonomous vehicles.

20 So that's our report to you. We'd be delighted
21 to address any questions you might have now or later. But
22 let me do say very quickly that we had an effort now over
23 about six months where we've built an understanding of the
24 various technologies. The committee, I think, all have a
25 level playing field, and that takes a while to bring

1 people who are not in this particular business up to that
2 level of understanding, and I hope that you see fit to
3 continue that activity and keep it going.

4 That concludes my talk.

5 MR. HOUGHTON: Fred.

6 MR. UNDERWOOD: Yes, sir. I'm excited about
7 what you're talking about. I think it's great, and I
8 agree with you, it's a great opportunity for Texas.

9 John, you're an economist. Is that correct,
10 sir?

11 MR. HOKENYOS: Yes, sir.

12 MR. UNDERWOOD: That reminds me of what
13 President Truman said one time. He said he wished he had
14 a one-armed economist because they're always saying on one
15 hand we have this, and on the other hand this is going to
16 happen.

17 MR. HOKENYOS: I'll come back next time with
18 one arm tucked behind my back, I promise.

19 (General laughter.)

20 MR. UNDERWOOD: I want to thank everyone on the
21 committee for all the hard work that you do. It's
22 critical, and I want to challenge my fellow commissioners
23 that this is an important issue that we really need to
24 look into and see what we can do to help. So thank you.

25 MR. HOUGHTON: Jeff.

1 MR. MOSELEY: Chairman, I appreciate so much
2 this report from Dr. Walton and Michael and the team.
3 This is very welcome news that this task force is going to
4 step forward to help us pull resources together.

5 And I would just ask rhetorically, and I'm not
6 seeking an answer today, but I think as you're
7 deliberating, it seems like there could be some very
8 significant opportunities to embed solar technology into
9 our roadways. You're already talking about that. Good.

10 The variable speed limits that we talked about
11 earlier today, it just seems like that would be a logical
12 opportunity for our entire road system, depending on
13 weather conditions. And to me, the most exciting part of
14 the discussion is clearly the safety aspect, but really
15 managing capacity. The only value a roadway has is its
16 capacity, and we have technology now to enhance and
17 squeeze more capacity out of those roadways, so I'm real
18 excited to see your future recommendations.

19 And we do have quiet discussions about what
20 does a LEED certified highway look like, and I would be
21 interested to hear how technology can contribute to that
22 definition of a Green highway. I'm sure you can bring
23 forward some very thoughtful ideas on that.

24 And lastly, we do have some communities that
25 are concerned about certain corridors being less secure,

1 they seem to be perhaps corridors for some not good
2 behaviors and activities, transporting illegal drugs and
3 things of that nature, and I'm sure your committee can
4 bring us some ideas on how to make our highways more
5 secure. Using some of the video imaging technology, we
6 can keep an eye and see logarithms of the kinds of traffic
7 that are moving up and down our corridors.

8 Thank you, Dr. Walton.

9 DR. WALTON: Thank you.

10 MR. HOUGHTON: Doctor, thank you very much, and
11 thanks to the members of the task force.

12 MR. WILSON: Item 5d, Mr. Chairman, I recommend
13 that we pass on that until the next commission meeting.

14 MR. HOUGHTON: That will be fine. Let's move
15 on to 6.

16 MR. WILSON: Item 6a is the approval of the
17 Aviation Capital Improvement Program. This item will be
18 presented by Aviation Division Director Dave Fulton.

19 MR. FULTON: Thank you, Phil.

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

22 This item is a minute order for request for
23 approval of the Aviation Capital Improvement Plan for 2014
24 through 2016. TxDOT is required by Section 21.109 of the
25 Transportation Code to prepare and update annually a

1 multi-year aviation facilities capital improvement
2 program, a plan for general aviation airports development
3 in Texas.

4 This plan includes approximately \$207 million
5 of general aviation airport improvement projects over the
6 three-year period, representing approximately \$147 million
7 federal, \$33 million state, \$27 million local
8 contribution. I would like to point out approval of the
9 CIP does not commit any funding as all projects
10 recommended for grants must be presented individually to
11 the commission for approval at the appropriate time.

12 A copy of the draft CIP was posted on TxDOT's
13 website for review and comment. No substantive comments
14 were received. The Texas Aviation Advisory Committee
15 approve the plan during their meeting on August 5. We
16 recommend approval of the FY 2014-2016 Aviation Capital
17 Improvement Plan.

18 MR. MOSELEY: Chairman, I'll second
19 Commissioner Underwood's motion.

20 MR. UNDERWOOD: So moved.

21 MR. HOUGHTON: All in favor?

22 (A chorus of ayes.)

23 MR. HOUGHTON: Thank you, Dave.

24 MR. FULTON: Continue with 6b?

25 MR. WILSON: 6b, please.

1 MR. HOUGHTON: You're on a roll.

2 MR. FULTON: This minute order contains a
3 request for grant funding approval for eleven airport
4 improvement projects. Total estimated cost, as shown in
5 Exhibit A, is approximately \$7.2 million: approximately
6 \$5.7 million federal, \$600,000 state, \$900 million local.

7 Public hearings were held on July 18 and 29.
8 No comments were received. We would recommend approval of
9 this minute order.

10 MR. HOUGHTON: Motion?

11 MR. UNDERWOOD: So moved.

12 MR. VANDERGRIFF: Second.

13 MR. HOUGHTON: All in favor?

14 (A chorus of ayes.)

15 MR. HOUGHTON: Thank you.

16 MR. FULTON: Thank you. And finally 6c, this
17 minute order is for the purpose of continuation of the
18 Routine Airport Maintenance Program for fiscal year 2014.

19 This program allows the department to match local funds
20 for airport maintenance and small capital improvement work
21 items on a 50-50 basis up to an approved amount in state
22 funds. No changes in the program are recommended for the
23 coming year.

24 A public hearing was held July 18. No comments
25 were received. We would recommend approval of this minute

1 order.

2 MR. MOSELEY: Second Mr. Underwood's motion to
3 approve.

4 MR. UNDERWOOD: So moved.

5 MR. HOUGHTON: All in favor?

6 (A chorus of ayes.)

7 MR. FULTON: Thank you, sir.

8 MR. HOUGHTON: Thank you. Hey, Dave, wait a
9 minute real quick. I have a couple of friends in El Paso
10 that have private planes there in the club with
11 Commissioner Underwood that travel the State of Texas and
12 use our aviation facilities, and most recently just wanted
13 to compliment the agency on these general aviation
14 facilities and airports and the kind of job that you all
15 do, and I just wanted to pass it on publicly.

16 MR. FULTON: Thank you very much, Chairman. We
17 appreciate that, and we appreciate the support of the
18 commission.

19 MR. HOUGHTON: Thank you, sir.

20 Moving on.

21 MR. WILSON: Moving on item 7a, the award of
22 federal and state funds for public transportation planning
23 projects. This item will be presented by Public
24 Transportation Division Director Eric Gleason. Eric.

25 MR. GLEASON: Good afternoon. For the record,

1 I'm Eric Gleason, TxDOT's director of Public
2 Transportation.

3 Agenda item 7a awards approximately \$107,000 of
4 Federal Transit Administration Rural Transportation
5 Assistance Program funds to three agencies for planning
6 and technical assistance projects. El Paso County will
7 create a plan with established priorities for services to
8 seniors and individuals with disabilities. Funds will
9 also be used to increase schedule efficiency by studying
10 ways to reduce wait time associated with return trips.
11 The South Plains Association of Governments will create an
12 emergency transportation plan for seniors and individuals
13 with disabilities, and Jim Wells County will be able to
14 complete some transit travel training already begun in the
15 Coastal Bend Region.

16 No local match is required for these funds, and
17 staff recommends your approval of this minute order.

18 MR. HOUGHTON: Motion?

19 MR. UNDERWOOD: So moved.

20 MR. MOSELEY: Second.

21 MR. HOUGHTON: All in favor?

22 (A chorus of ayes.)

23 MR. WILSON: 7b, Eric, please.

24 MR. GLEASON: Agenda item 7b awards just over
25 \$71,000 in FTA Section 5310 funds, the Enhanced Mobility

1 for Seniors and Individuals with Disabilities Program.
2 Two agencies are recommended to receive funds, Public
3 Transit Services just outside of Fort Worth and the City
4 of Del Rio. Both agencies are struggling to address
5 unexpected budget shortfalls this year. Public Transit
6 Services has experienced an increase in demand, and the
7 City of Del Rio has run into some unexpected vehicle
8 maintenance expenses.

9 Unexpended funds are available from projects in
10 prior years to support these requests. Staff recommends
11 your approval of this minute order.

12 MR. HOUGHTON: Motion?

13 MR. UNDERWOOD: So moved.

14 MR. MOSELEY: Second.

15 MR. HOUGHTON: All in favor?

16 (A chorus of ayes.)

17 MR. WILSON: 7c, please.

18 MR. GLEASON: Agenda item 7c awards
19 approximately 3.8 million transportation development
20 credits to match various federal awards for capital and
21 operating public transportation projects. Agencies
22 scheduled to receive TDCs are listed in Exhibit A. Five
23 agencies with the Houston-Galveston Area Council area are
24 recommended for award of TDCs by the commission at the
25 request of HGAC, including: the American Red Cross, Fort

1 Bend County, Gulf Coast Center, Harris County, and the
2 Montgomery County Committee on Aging.

3 These projects are time-sensitive and important
4 to sustain existing services, and the region does not yet
5 have in place a process by which to award development
6 credits. Approximately 3.2 million of the overall award
7 of 3.8 million are needed for these projects. As provided
8 for in the Texas Administrative Code HGAC has transferred
9 3.2 million TDCs from their regional account to the
10 state's account.

11 Two other agencies listed in Exhibit A, the
12 City of Odessa and the Golden Crescent Regional Planning
13 Commission, are recommended for award of TDCs for facility
14 and fleet procurement purposes, respectively.

15 Staff recommends your approval of this minute
16 order.

17 MR. MOSELEY: Move approval, Chairman.

18 MR. UNDERWOOD: Second.

19 MR. HOUGHTON: All in favor?

20 (A chorus of ayes.)

21 MR. HOUGHTON: Thank you.

22 MR. WILSON: Next is item 8, the approval of
23 the updates to the 2014 Unified Transportation Program.
24 This item will be presented by Director of Planning Marc
25 Williams.

1 MR. WILLIAMS: Good afternoon again, Chairman,
2 commission members, Mr. Wilson. For the record, my name
3 is Marc Williams. I serve as the director of Planning for
4 TxDOT.

5 I think we had a presentation on this. I don't
6 know if they're going to be able to pull it up or not. If
7 they do, we will move through it very quickly.

8 This minute order approves the 2014 Unified
9 Transportation Program. It represents TxDOT's ten-year
10 plan to guide transportation development in the State of
11 Texas, it is required by Texas's Administrative Code, and
12 it's approved each year by the Texas Transportation
13 Commission in August. It includes projects involving
14 highways, aviation, public transportation, state and
15 coastal waterways. Also, throughout the year the
16 commission goes through and approves revisions for the
17 document. The document is part of our overall,
18 comprehensive transportation planning process, and this
19 year we include a number of new features. A number of
20 them were mandated by our Sunset legislation a few years
21 ago. I'll step through these one by one.

22 First of all, though, as you all know, the UTP
23 connects a number of different funding programs that the
24 department maintains with a variety of categories that
25 address our transportation projects and program priorities

1 in the state.

2 To give you a little bit of an overview of the
3 amount of funding that goes into each of these categories,
4 it's represented on this chart and I'll show you a pie
5 chart on the next slide, but a few things that I did want
6 to point out in this particular slide. First and
7 foremost, the order of magnitude, the size of the UTP has
8 decreased by about \$3 billion. Most of that came from a
9 reduction in the amount of funds that are in Category 3.
10 Those are traditionally our bond program funds. There was
11 also some discussion earlier about our preventive
12 maintenance and rehabilitation program. That's
13 represented in Category 1. That represents about a \$12
14 billion program over the ten-year period of the UTP.

15 A different way to look at it is represented in
16 this pie chart, and the main thing that I wanted you all
17 to focus on is the right-hand side of that pie chart. We
18 had previously discussed with the commission as we look at
19 the amount of construction and the type of construction
20 that we do, about two-thirds of what we construct can be
21 attributed to rehabilitation/maintenance/preservation
22 activities. Part of that is due to the fact that we
23 really start off with a baseline of almost 50 percent of
24 our funding, about 48 percent that's dedicated to
25 preservation, safety-related activities, and the balance

1 of the remainder of that typically gets split between
2 preservation and maintenance and mobility activities.

3 One of the new elements of the UTP is how it's
4 organized. We've changed the organization of the UTP so
5 that it's easier to find projects. Projects are listed by
6 district and then by county, and it gives the public an
7 opportunity to see the total amount of funding programmed
8 in the UTP by category. Previously, you had to look up
9 projects within individual categories.

10 Also, it's shown on this for informational
11 purposes at this time, but an area that we're continuing
12 to work on is showing total project cost information:
13 engineering, right of way, utilities. A lot of these are
14 elements and activities that we invest in out of other
15 fund sources that aren't traditionally shown in the UTP,
16 but as an effort to make the document more understandable
17 and more transparent, we're now beginning to illustrate
18 that information as well.

19 One of the areas that was identified in our
20 Sunset legislation and that we have begun to implement is
21 that we needed to rank every project that is listed in the
22 UTP, and so one of the approaches to doing this was to
23 engage the Texas Transportation Institute to work
24 alongside our Transportation Planning and Programming
25 Division to develop a ranking process.

1 We've coordinated this with our districts and
2 through our public involvement effort to go through and
3 provide a way to assess a relative ranking, a tiering, if
4 you will, of projects based upon need, funding
5 availability and project readiness. We really see this as
6 an area that we're going to continue to evolve as we go
7 through with future updates to the UTP document.

8 Another new requirement is that we begin to
9 identify major transportation projects. The 2014 UTP
10 really identifies the template for which we're going to go
11 through and begin to identify those major transportation
12 projects and bring those to the commission for
13 recommendation, but there's a pretty comprehensive process
14 that we have to go through as we work on benchmarking and
15 presenting information for projects once they are
16 identified as a major transportation project and begin to
17 schedule and present information on those.

18 As I mentioned before, the UTP is a document
19 that is a constantly evolving document. We have changed
20 it significantly from the 2013 version with some of the
21 new aspects that we've highlighted, but we see further
22 evolution ahead with the UTP. One of the areas that we're
23 working on is in the area of strategic program authority.

24 That's where we look at what projects the department is
25 developing that are currently outside of the UTP.

1 The UTP gets program authority for projects
2 that are already set up for construction, but the
3 department works on a number of projects that are outside
4 the UTP, and so we're working with our districts to
5 identify those projects and understand where they are in
6 the project development process and how to make good
7 decisions about how to advance those in a strategic
8 manner.

9 At this time the department would recommend
10 approval for the 2014 UTP. I did also want to highlight
11 that this updated version of the document includes some
12 additional funding commitments for projects that the
13 commission has previously discussed. We're finalizing
14 some of the financial plan for the Border Highway West and
15 State Highway 249, as well as for the Grand Parkway.

16 I'll be happy to answer any questions at this
17 point in time.

18 MR. HOUGHTON: Questions?

19 MR. VANDERGRIFF: Just an observation for me.
20 I want to commend the work that Marc and his staff are
21 doing, I really am impressed with it. We've had a chance
22 to spend a few hours over the last couple of months just
23 talking in general about the UTP and the direction he's
24 going, so all that is terrific.

25 I will say from a personal perspective, and the

1 reason I'm saying this is that I'm going to have to
2 abstain from a vote for me personally because this is the
3 most important document we have and we're getting it two
4 days before the end of a month. And I appreciate all the
5 work going into it going into the next fiscal year, I know
6 it's 1,200 pages in its entirety, but I really have to
7 read it and understand it, at least in the overall complex
8 of it, before I can be comfortable with it because we're
9 making statements about how projects are selected, and the
10 like, and I think it's just important to do that.

11 And I would encourage the executive director in
12 the future to try to -- I realize this is a tremendous
13 revision -- to try to bring this a little bit earlier in
14 the summer so that we have a chance, and perhaps even
15 encourage the chairman to schedule a workshop on this so
16 that we can have some public discussion where we can all
17 participate.

18 But that's no reflection on the work you've
19 done or that your people are doing. I think it's
20 terrific.

21 MR. HOUGHTON: Any other questions or comments?

22 MR. MOSELEY: Chairman, I move approval.

23 MR. UNDERWOOD: Second.

24 MR. HOUGHTON: All in favor?

25 (A chorus of ayes.)

1 MR. VANDERGRIFF: Please note my abstention.

2 MR. HOUGHTON: And I note the abstention.

3 Wait a minute. Do we have somebody to talk?

4 I'm sorry, Commissioner Doyle. Come on up. Do you want
5 us to go backwards and rescind?

6 (General laughter.)

7 MR. DOYLE: No. We're perfectly good right
8 there. My comments today will be brief, I assure you.

9 Mr. Chairman, thank you, and commissioners,
10 thank you for the opportunity to be here.

11 Just to go back in the agenda a little bit, I
12 want to applaud you for taking the time to listen to all
13 the comments from the citizens and the elected officials
14 from across the state. There was some concerns, I know
15 that you've got some tough questions, but I feel confident
16 that this commission will certainly navigate those waters
17 to a good solution. So thank you for that.

18 I want to thank you specifically for the 249
19 project. We've been here to talk about that before. It is
20 one that is really, really going to be beneficial
21 regionally to Harris County, Montgomery County, Grimes
22 County and up into Brazos County.

23 I really want to take some time to thank Marc
24 Williams and Russell Zapalac and so many of the TxDOT
25 staff for working this through the working groups as we

1 kind of put that project together. Multiple counties were
2 involved and they did a great job in leading that group,
3 and I want to thank them for that effort.

4 There are some folks here from Magnolia that
5 came today to support that project. If we could recognize
6 them, if you don't mind, real quick if they could stand
7 up. They've hung in for a long time.

8 MR. HOUGHTON: Thank you for your patience.
9 Thanks for coming and your patience.

10 MR. DOYLE: Residents from Magnolia, developers
11 along the corridor that have donated some right of way
12 along the corridor. I want to thank them for being here
13 today too.

14 MR. HOUGHTON: That's music to Commissioner
15 Moseley's ears when they say donation.

16 MR. DOYLE: Again let me say they donated some
17 right of way.

18 And we really do appreciate your efforts in
19 this project that will certainly improve mobility, it will
20 improve safety, and it will be a tremendous benefit to the
21 entire region. So just today wanted to say thank you very
22 much for that.

23 MR. HOUGHTON: Commissioner, thank you, and for
24 your contribution on point. As I tell people around the
25 state, any project has got to have a champion, and you and

1 a couple of others, and especially Judge Shiflett in
2 Grimes County, are champions for this project, and that's
3 why it's happening.

4 MR. DOYLE: Well, thank you, Mr. Chairman.
5 It's been a pleasure to be involved with it, and thank you
6 for all your efforts.

7 MR. MOSELEY: I just wanted to add on to
8 Chairman Houghton's comments, Commissioner Doyle. Thank
9 you for your leadership for the regional approach. These
10 corridors are strategic to the entire state's economy, and
11 they don't just happen, as we know, and so thank you for
12 pulling together with Harris and Grimes and the other
13 leadership. And the private sector being a vital part of
14 that, that's been so wonderful. So thank you to everyone
15 that was here today and appreciate your leadership on
16 this.

17 MR. DOYLE: It's been a pleasure and a
18 privilege, and thank you very much.

19 MR. HOUGHTON: Thank you very much. We've
20 taken the vote. Okay, onward.

21 MR. WILSON: Next is item 9a(1), the final
22 adoption of amendments to Chapter 4. This item will be
23 presented by Chief Procurement and Deputy Administrative
24 Officer Lauren Garduno.

25 MR. GARDUNO: Good afternoon, Chairman and

1 commissioners.

2 The minute order in front of you on this is the
3 repeal of Sections 4.6 to 4.63 of the Employee Training
4 Education Program, it's our Tuition Assistance Program and
5 replacing it with Section 4.61. The existing Tuition
6 Assistance Program rules contain some unnecessary detailed
7 internal procedures that kind of do not afford us the
8 opportunity to efficiently manage this program, and so
9 with this proposed adoption of this minute order, this
10 will make the changes to the rules and it will be replaced
11 with a rule that generally authorizes us to set employee
12 education policies according to state law.

13 Staff recommends you approve this minute order.

14 MR. HOUGHTON: Any questions?

15 MR. UNDERWOOD: Quick question, Lauren.

16 Basically, we've changed this up to where we're requiring
17 the individuals to have specific degrees, not just go out
18 and get a degree in basket weaving.

19 MR. GARDUNO: That is correct. And actually
20 we're pulling that out of the rules and we're managing
21 that by our policy internal to the policies of the
22 department.

23 MR. UNDERWOOD: But they're only allowed to get
24 one degree. Is that correct?

25 MR. GARDUNO: That is actually not defined in

1 these rules here, Commissioner, it's basically going to be
2 defined by our policies.

3 MR. HOUGHTON: By the policies.

4 MR. GARDUNO: Yes, sir.

5 MR. HOUGHTON: Okay. Any other questions of
6 Lauren? Is there a motion?

7 MR. UNDERWOOD: So moved.

8 MR. MOSELEY: Second.

9 MR. HOUGHTON: All in favor?

10 (A chorus of ayes.)

11 MR. WILSON: Next is item 9a(2), final adoption
12 of amendments to Chapter 28. This item will be presented
13 by Maintenance Division Director Howard Holland. Howard.

14 MR. HOLLAND: For the record, I'm Howard
15 Holland, director of the Maintenance Division.

16 We're proposing final adoption of the new
17 sections to Chapter 28. These sections give authority to
18 Port Freeport Navigation District to issue permits for
19 operation of oversize and overweight vehicles on specific
20 roads within Brazoria County. It also establishes the
21 guidelines for the agreement between the navigation
22 district and the department and the requirements for the
23 issuance of permits.

24 This was proposed before the commission in May
25 and published for comment. No comments were received.

1 Staff recommends your final adoption.

2 MR. MOSELEY: So moved, Chairman.

3 MR. UNDERWOOD: Second.

4 MR. HOUGHTON: All in favor?

5 (A chorus of ayes.)

6 MR. HOUGHTON: Thank you.

7 MR. HOLLAND: Thank you.

8 MR. WILSON: The proposed rules were taken up
9 earlier, and now we move on to item 10. Suzanne Latimer,
10 director of the Office of Compliance and Ethics, will make
11 her monthly report of the department's compliance and
12 ethics report. Suzanne.

13 MS. LATIMER: For the record, I'm Suzanne
14 Latimer, director of the Office of Compliance and Ethics
15 for TxDOT. The purpose of this report is to provide you a
16 summary of information related to complaints and
17 investigations for the month of July 2013, in accordance
18 with Transportation Code 201.452 and 201.454.

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

1 There were 21 complaints received during the
2 month of July, 42 were closed during July, and allegations
3 were substantiated in one of the investigations. No
4 action is needed by the commission. Thank you.

5 MR. HOUGHTON: Just a report. Thank you.

6 MR. WILSON: Item 11 approves the audit plan
7 for the fiscal year 2014. This item will be presented by
8 Chief Audit Executive Benito Ybarra. Benny.

9 MR. YBARRA: Benny Ybarra, chief audit
10 executive. Thank you.

11 During yesterday's meeting of the Audit
12 Subcommittee we reviewed the proposed audit plan for
13 fiscal year 2014 and confirmed that the Audit Office has
14 sufficient resources to carry out the plan. With that, in
15 collaboration with the Audit Subcommittee, I recommend
16 approval of this minute order.

17 MR. HOUGHTON: Any questions, Fred, or a
18 motion?

19 MR. VANDERGRIFF: So moved.

20 MR. UNDERWOOD: Second.

21 MR. HOUGHTON: All in favor?

22 (A chorus of ayes.)

23 MR. HOUGHTON: Thanks, Benny.

24 MR. WILSON: Next up is item 12 which approves
25 the selection of the proposer who submitted the best value

1 proposal to design and construct the Loop 1604 project.
2 This item will be presented by Strategic Projects Division
3 Director Ed Pensock. Ed.

4 MR. UNDERWOOD: One quick thing. It went so
5 fast. Benny, be sure to pass on to everybody how much we
6 appreciate the work and everything else to your staff.

7 MR. PENSOCK: Good afternoon, Chairman,
8 commissioners, Director Wilson. For the record, my name
9 is Ed Pensock. I'm the director of the Strategic Projects
10 Division of TxDOT.

11 MR. HOUGHTON: Did you want to delay this item
12 too?

13 MR. PENSOCK: This is an important project,
14 sir. I'll throw that up to Phil, but I would not
15 recommend delaying it.

16 MR. HOUGHTON: You don't.

17 MR. PENSOCK: No, sir. This is an important
18 project for South and Central Texas and particularly the
19 San Antonio region. It's the Loop 1604 western extension
20 project, and specifically, it is a phased project with 4.6
21 miles of base scope of improving Loop 1604, converting a
22 four-lane section, two lanes in each direction, into as
23 much as a ten-lane section, three frontage roads and two
24 mainlanes in each direction, with new grade separations.

25 The base scope of the project is shown up on

1 the screen on the top in the purplish color and extends
2 from State Highway 16 to FM 471, Culebra Road. There is
3 an option bid on the project also that's shown in the
4 green portion at the bottom of the map, and that is to
5 reconstruct the State Highway 151 and Loop 1604
6 intersection, and that is a total of about 3.3 miles of
7 option extension, and I'll explain that a little bit in a
8 second.

9 Again, what's out there today is for the most
10 part two lanes in each direction that are not controlled
11 access, and this will convert that to a controlled access
12 facility. In some areas there are frontage roads and
13 we're building mainlanes in between those frontage roads.

14 Some areas we're basically reconstructing most of the
15 area. We are making use of a lot of existing pavement out
16 there to try to make the project as cost-effective and as
17 efficient as possible.

18 A little bit of history. On January 18 of this
19 year, you authorized us to issue a request for
20 qualifications, and we did so. On March 22 we short-
21 listed four of the thirteen proposers that submitted
22 qualifications for the project. On April 26 we issued a
23 request for proposals. On July 30 we did receive three
24 proposals from the four short-listed teams, and here today
25 we intend to make a recommendation for an award to you.

1 The people that submitted proposals to us were,
2 in alphabetical order: J.D. Abrams as an equity owner of
3 the team, their complete team is shown down below;
4 Williams Brothers Construction as an equity owner, with
5 their complete team shown down below; and Zachry
6 Construction Corporation as the equity owner with their
7 complete team shown down below.

8 The evaluation of proposals is a rigorous and
9 pre-established process that is intended to maintain an
10 extremely level playing field. We go through separate
11 pass/fail technical and price evaluations. Evaluation
12 subcommittees do very detailed analysis of each proposal,
13 and they make a recommendation to an evaluation, selection
14 and recommendation committee that also does detailed
15 analysis of each proposal. That ESRC, if you will, for
16 the acronym, evaluation, selection and recommendation
17 committee, then makes a scoring recommendation to a
18 project steering committee, and that project steering
19 committee I represent today, making the final
20 recommendation to you.

21 The evaluation of these proposals were based on
22 basically 80 percent based on price and 20 percent based
23 on technical merits of the proposal. The technical merits
24 included technical solutions to the problem, the project
25 management plan, the quality management plan, and the

1 safety and health plan that each developer intends to use
2 in building this project.

3 The price score which is the lion's share of
4 the points, 80 percent, is based on the base price of the
5 project with the option price included. The base price is
6 60 percent of the project and the option price is 20
7 percent of the project value, and the lowest priced
8 submitter gets all 60 percent or 20 percent of those
9 points and subsequent bidders get a prorated portion of
10 those points. That's a standard process that we follow.

11 We did do an extremely detailed evaluation and
12 our recommendation is in front of you, and at this time we
13 would like to recommend you award this project to Williams
14 Brothers Construction Company joint venture team, with
15 Parsons Brinckerhoff, Raba Kistner, CMS Engineering, SEA
16 Structural Engineering Associates, IDC, GUNDA,
17 KGBTexas.communications, and Alliance Geotechnical.

18 All three teams did extremely well in their
19 submittals, they were three very strong proposals, and the
20 outcome of that evaluation is in front of you, with
21 Williams Brothers scoring the highest.

22 For that matter, Williams Brothers did also
23 have the lowest price, they were the low bid and the best
24 value proposer. The base scope of their project is
25 \$82.157 million, the option price is for \$44.03 million,

1 with a total contract with options of up to \$126.188
2 million. We are asking you for your approval to award the
3 contract up to \$126.188 million.

4 That option that I talked about earlier is the
5 reconstruction of the State Highway 151-Loop 1604
6 interchange, and we don't have that environmentally
7 cleared yet. That's the project, if you remember, several
8 months ago ran into some environmental issues and a
9 contractor issue, the contractor that actually had to
10 default. And we've retaken that design and are in the
11 process of re-clearing the environmental process of it and
12 it will require some redesign to try to minimize any
13 impacts to the environment. So we have a schedule to
14 complete that environmental process and plan to include it
15 in this contract.

16 MR. MOSELEY: Chairman, I move approval.

17 MR. HOUGHTON: He's not finished. Next steps.

18 MR. MOSELEY: Next steps. Pardon me.

19 MR. PENSOCK: If you so choose to approve this
20 minute order, we will take that approval and work with
21 Phil and Russell Zapalac and negotiate the final terms of
22 the design-build agreement. That will, for the most part,
23 be taking alternative technical concepts that we received
24 from other bidders and negotiating with Williams Brothers
25 to see if they provide any value to their design, to their

1 project management plan.

2 The base scope has a construction duration of
3 approximately 2-1/2 years, the option scope of work has a
4 construction duration of less than two years. Those two
5 periods are concurrent, though, they're not sequential,
6 they would be going simultaneously or have a tremendous
7 amount of overlap.

8 With that, commissioners, staff recommends and
9 requests commission approval of this minute order.

10 MR. HOUGHTON: Now.

11 MR. MOSELEY: Chairman, I move approval of
12 staff recommendation to allow them to negotiate the
13 design-build with Williams Brothers.

14 MR. VANDERGRIFF: I second that.

15 MR. HOUGHTON: All in favor?

16 (A chorus of ayes.)

17 MR. HOUGHTON: Passes. Congratulations to San
18 Antonio and to Williams Brothers.

19 MR. PENSOCK: Thank you.

20 MR. WILSON: Now item 13a authorizes the
21 department to issue a request for proposals for the State
22 Highway 183 Managed Lanes Project in Dallas and Tarrant
23 counties. This item will also be presented by Strategic
24 Projects Division Director Ed Pensock.

25 MR. PENSOCK: Good afternoon. Again for the

1 record, Ed Pensock, Strategic Projects.

2 Item 13a authorizes the issuance of a request
3 for proposals to develop the SH 183 Managed Lanes Project
4 in Dallas and Tarrant counties. The project is comprised
5 of improvements to State Highway 183 from State Highway
6 121 in eastern Tarrant County to Interstate 35E in western
7 Dallas County. It also includes segments of Loop 12 from
8 State Highway 138 north to I-35E, and also potentially
9 includes segments of State Highway 114 from International
10 Parkway down to Loop 12.

11 This minute order also authorizes the
12 department to pay each proposer who submits a responsive
13 but unsuccessful proposal an amount based on the value of
14 the work product provided in the proposal up to a maximum
15 amount of \$1 million. We're proposing a stipend amount of
16 \$1 million and that's very appropriate for this size
17 project and past actions by this commission.

18 MR. HOUGHTON: Ed, going back to the last one,
19 what stipend did we pay on that one?

20 MR. PENSOCK: On the 1604 project?

21 MR. HOUGHTON: 1604.

22 MR. PENSOCK: That's a little different. We
23 procured that project through our design-build statutes,
24 this project is being procured through our CDA statutes.

25 MR. HOUGHTON: Oh, we're doing the CDA

1 statutes.

2 MR. PENSOCK: The 183 is a CDA, and that's no
3 set stipend amount. But to answer your question, the US
4 77 project is defined by statute of having a 0.25 percent
5 of the awarded value of the contract, so the stipend
6 amount to the two other unsuccessful proposers will be
7 0.25 percent of the \$126 million, or roughly \$300,000.

8 MR. HOUGHTON: For their product.

9 MR. PENSOCK: For their product, yes, if their
10 product is deemed to carry that value. And that's
11 actually one of our next steps is go through each of the
12 proposals and assess the value of each of the proposals.

13 MR. HOUGHTON: See the impact if there's value
14 to that product. Right?

15 MR. PENSOCK: Yes, sir.

16 MR. HOUGHTON: Sorry.

17 MR. PENSOCK: No, no problem. I was going to
18 do it all in one breath but you made me take one.

19 January 13, 2013, in Minute Order 113427, you
20 authorized the department to issue the request for
21 qualifications for this project and the department did so.

22 The department issued that RFQ on February 20, 2013. The
23 four teams that were qualified to be on the short list of
24 teams were requested to submit detailed proposals. All
25 four of those teams are summarized in Attachment A to your

1 minute order.

2 With approval of this minute order, the next
3 step will be to publish that request for proposals which
4 is anticipated to be released pretty quickly. If you
5 approve it, we're ready to go within the next couple of
6 days, and we hope and anticipate to award that contract in
7 2014.

8 MR. HOUGHTON: Questions?

9 MR. VANDERGRIFF: Move for approval.

10 MR. HOUGHTON: Second?

11 MR. UNDERWOOD: Second.

12 MR. HOUGHTON: All in favor?

13 (A chorus of ayes.)

14 MR. HOUGHTON: Way to go.

15 MR. PENSOCK: Thank you.

16 MR. WILSON: Item 13b considers the approval of
17 a tolling services agreement with the North Texas Tollway
18 Authority for the North Tarrant Expressway Segments 3A and
19 3B project. This item will be presented by Strategic
20 Projects Division Deputy Director Katie Nees. Katie.

21 MS. NEES: Thank you.

22 Good afternoon, Chairman, commissioners and
23 Director Wilson. My name is Katie Nees and I serve as the
24 deputy director of the Strategic Projects Division.

25 Item 13b approves the negotiated toll services

1 agreement, commonly called a TSA, between the department
2 and the North Texas Tollway Authority. The minute order
3 before you further authorizes the executive director of
4 the department to execute the tolling services agreement.

5 NTE Segments 3A and 3B is approximately ten
6 miles in length and is a managed lane toll project in
7 Tarrant County on I-35W from just north of I-30 to US
8 81/287 interchange. On March 1, 2013, the department
9 executed the NTE 3A-3B concession agreement. This project
10 is under construction.

11 By Resolution No. 13-56, adopted April 17,
12 2013, the NTTA board of directors approved the original
13 term sheet and authorized the executive director of NTTA
14 to execute the contract documents and take further actions
15 necessary.

16 On April 25, 2013, the commission approved the
17 term sheet that served as the basis for the tolling
18 services agreement before you.

19 Last week, by Resolution No. 13-108, adopted
20 August 21, 2013, the NTTA board of directors approved the
21 tolling services agreement and authorized the executive
22 director of NTTA to execute the contract documents.

23 The TSA is similar to the TSA between the
24 department and NTTA and the developer for the NTE Segments
25 1 and 2W, and will have a term of ten years with five year

1 renewals, unless terminated earlier. The exception to
2 this is that NTTA will not bear the collection risks and
3 we are working with the MPO on helping us with that
4 particular issue.

5 NTTA will provide tolling services consisting
6 of back office processing, account management,
7 collections, marketing for the NTE 3A and 3B similar to
8 those that are a contracted toll service vendor. NTTA
9 will provide these services. In addition, the TSA with
10 NTTA is similar from a risk perspective to the toll
11 services agreement on State Highway 130 with Cintra in
12 which the vendor is providing the back office and
13 collection services.

14 To continue the collaborative effort, NTTA and
15 the department will establish an implementation team that
16 will meet quarterly to discuss and resolve any outstanding
17 issues.

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

20 MR. HOUGHTON: Questions?

21 MR. VANDERGRIFF: Chairman, I just need to note
22 for the record that I need to abstain from this vote.
23 This has been going on so long that I was on the NTTA team
24 when this started, so I need to abstain.

25 MR. HOUGHTON: Noted.

1 MR. MOSELEY: I'll move, Chairman, approval.

2 MR. UNDERWOOD: Second.

3 MR. HOUGHTON: Before we vote, I want to thank
4 you very much, Katie. As described by Commissioner
5 Vandergriff, this thing has been going on so long and we
6 got it to a conclusion and we can now move on to more
7 productive things. But thank you for your hard work and
8 your team.

9 MS. NEES: Thank you, Chairman.

10 MR. VANDERGRIFF: And even though I can't vote
11 on it, I want to echo the patience and perseverance that
12 you've maintained in this.

13 MS. NEES: Thank you, Commissioner.

14 MR. HOUGHTON: All in favor?

15 (A chorus of ayes.)

16 MR. HOUGHTON: Thank you. Noted that we have
17 an abstention by Commissioner Vandergriff.

18 MR. WILSON: Now item 13c amends the policy
19 concerning free passage on toll projects to address recent
20 legislative changes. This item will be presented by Toll
21 Operation Division Director Doug Woodall. Doug.

22 MR. WOODALL: For the record, Doug Woodall,
23 Toll Operations Division.

24 This minute order would clarify the definition
25 of emergency vehicles on department-operated toll roads

1 per amendments to Transportation Code 541.201. It has
2 been determined that this update will enhance overall
3 safety to the traveling public. Further, specific to the
4 CTTS, it's been determined that the amount of additional
5 emergency traffic would be de minimis and that providing
6 free passage would have no material effect on CTTS
7 revenue.

8 This minute order further amends the free
9 passage policy for vehicles registered under
10 Transportation Code 504.315(f) which are recipients of the
11 Air Force Cross, Navy Cross, Distinguished Service Cross
12 and Medal of Honor, collectively referred to as the Legion
13 of Valor. The department will pay from the appropriate
14 indenture account from lawfully available funds the cost
15 of tolls not paid by persons operating vehicles under this
16 policy.

17 If approved, this free passage will begin on
18 September 1, 2013. Staff recommends approval.

19 MR. HOUGHTON: Questions? Motion?

20 MR. UNDERWOOD: So moved.

21 MR. HOUGHTON: Is there a second?

22 MR. VANDERGRIFF: Second.

23 MR. HOUGHTON: All in favor?

24 (A chorus of ayes.)

25 MR. HOUGHTON: Thank you.

1 MR. WILSON: Next is item 14 which authorizes
2 the department to enter into an amendment to the original
3 pass-through agreement with Brazoria County. This item
4 will be presented by Innovative Financing and Debt
5 Management Officer Ben Asher. Ben.

6 MR. ASHER: Thanks, Phil. Good afternoon, all.
7 I am, again, Ben Asher, the Innovative Finance and Debt
8 Management officer for TxDOT.

9 This item is to consider an amendment to a 2010
10 pass-through agreement with Brazoria County for
11 construction of improvements to SH 36. The amendment
12 modifies and reduces the total pass-through reimbursement
13 payments by the department as the result of removal of one
14 of the three segments, FM 1495 Port of Freeport entrance,
15 from the project.

16 Staff recommends approval, and I'd be happy to
17 answer questions.

18 MR. MOSELEY: So moved, Chairman.

19 MR. UNDERWOOD: Second.

20 MR. HOUGHTON: All in favor?

21 (A chorus of ayes.)

22 MR. WILSON: The next item is the award of
23 contracts for maintenance and department building
24 construction and highway construction contracts. John
25 Obr, Construction Division director, will present these

1 minute orders. John, item 15a, please.

2 MR. OBR: Good afternoon. For the record, I'm
3 John Obr, director of the Construction Division.

4 Item 15a(1) is for consideration of the award
5 or rejection of Highway Maintenance and Department
6 Building Construction contracts let on August 6 and 7 of
7 2013. We present 18 projects today. The average number
8 of bids per project was 3.83; the low bid value was
9 \$13,040,677.81; and we had an overall underrun of 7.61
10 percent.

11 Staff recommends award of all maintenance
12 projects.

13 MR. HOUGHTON: Any questions? Is there a
14 motion?

15 MR. MOSELEY: I move approval, Chairman.

16 MR. HOUGHTON: Is there a second?

17 MR. UNDERWOOD: Second.

18 MR. HOUGHTON: All in favor?

19 (A chorus of ayes.)

20 MR. HOUGHTON: Great. Thanks, John, on that
21 one.

22 MR. WILSON: John, please proceed with item
23 15a(2), construction contracts, please.

24 MR. OBR: Item 15a(2) is for consideration of
25 the award or rejection of Highway and Transportation

1 Enhancement Building Construction contracts let on August
2 6 and 7, 2013. We present 99 projects today. The average
3 number of bids per project was 4.01; the low bid value was
4 \$412,792,034.61; the awards are split as 15 projects in
5 Mobility totaling \$177,744,752.22, and 84 projects in
6 Preservation totaling \$235,047,282.39; we had an overall
7 overrun of 2.33 percent.

8 Staff recommends award of all construction
9 projects with the exception of the following three
10 projects:

11 Dallas County project C 1047-3-63. The project
12 received four bids. The low bidder came in at 32.44
13 percent, or \$728,639.38 under the engineer's estimate.
14 This project is for intersection improvements. The
15 district discovered there was a significant error on one
16 item and they would like the opportunity to correct the
17 error. We concur with this plan of action, and therefore,
18 recommend that the project be rejected and re-let at a
19 later date.

20 The second project being Harris County project
21 CM 1102560. The project received one bid which was 32.75
22 percent, or \$737,327.44 over the engineer's estimate.
23 This project is for pedestrian and traffic signal
24 improvements in the Airline Improvement District. Upon
25 reviewing the single bid received, the district felt

1 compelled to perform some research to try to narrow down
2 the reason for the lack of bidder interest for this
3 project. They found that although the interest to bid was
4 there, the other contractors who had requested proposals
5 already had committed to plenty of other projects.

6 As a result of these findings, the Airline
7 Improvement District, who is responsible for funding the
8 entire overrun, has requested we reject and reschedule the
9 project due to lack of competition. They feel that
10 increased competition will result in lower bids.
11 Therefore, we recommend that the project be rejected and
12 re-let at a later date.

13 The third project being Travis County project C
14 3136-1-172. The project received three bids. The low
15 bidder came in at 41 percent, or \$2,284,992.73 over the
16 engineer's estimate. The project is set up with Prop 12
17 funds and is for the addition of a bicycle lane. The City
18 of Austin is responsible for overruns and change orders.
19 After discussion with the City of Austin, the district
20 found that the method in which to set beams for the
21 structure was unclear. They would like the opportunity to
22 clarify the plans and re-let the project at a later date.

23 We concur with this plan of action, and therefore, we
24 recommend that the project be rejected and re-let at a
25 later date.

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

3 MR. UNDERWOOD: So moved.

4 MR. VANDERGRIFF: Second.

5 MR. HOUGHTON: All in favor?

6 (A chorus of ayes.)

7 MR. WILSON: That brings us to item 16, eminent
8 domain proceedings. Right of Way Division Director John
9 Campbell will present. John.

10 MR. CAMPBELL: Good afternoon. John Campbell,
11 director of the Right of Way Division.

12 Item 16 authorizes filing of condemnation
13 procedures necessary to progress the acquisition of 32
14 parcels by exercise of the power of eminent domain. Staff
15 recommends your approval of the minute order.

16 MR. VANDERGRIFF: I move that the Texas
17 Transportation Commission authorize the Texas Department
18 of Transportation to use the power of eminent domain to
19 acquire the properties, described in the minute order set
20 forth in the agenda for the current month, for
21 construction, reconstruction, maintenance, widening,
22 straightening or extending the highway facilities listed
23 in the minute order as part of the state highway system,
24 and that the first record vote applies to all units of
25 property to be condemned.

1 MR. HOUGHTON: Is there a second?

2 MR. MOSELEY: Yes, Chairman.

3 MR. HOUGHTON: John, did you get that cell
4 tower fixed in El Paso?

5 MR. CAMPBELL: Working on it.

6 MR. HOUGHTON: Thank you.

7 We have a motion and a second. All in favor?

8 (A chorus of ayes.)

9 MR. HOUGHTON: Thank you.

10 MR. WILSON: Item 17 contains the routine
11 minute orders, including donations to the department,
12 right of way dispositions and donations, easement
13 acquisition, highway redesignation, release of access,
14 finance, and speed zones.

15 MR. HOUGHTON: Is there a motion on the routine
16 minute orders?

17 MR. MOSELEY: So moved, Chairman.

18 MR. UNDERWOOD: Second.

19 MR. HOUGHTON: All in favor?

20 (A chorus of ayes.)

21 MR. HOUGHTON: Thank you.

22 All right. Is there any other business?

23 MR. MOSELEY: Chairman, earlier today Mr.
24 Pickett rhetorically asked about our marital status, and
25 I'd like the record to show that I'm pleased to have my

1 roommate, my best friend, my bride, Jackie D. Moseley,
2 here today for the benediction. So glad to have my wife
3 here.

4 MR. HOUGHTON: So in other words, this is proof
5 positive.

6 MR. MOSELEY: It is proof, yes, sir.

7 MR. HOUGHTON: Jackie, welcome.

8 This has been a long day. If there is no other
9 business, then I will entertain the most privileged
10 motion.

11 MR. MOSELEY: Move to adjourn, Chairman.

12 MR. UNDERWOOD: Second.

13 MR. HOUGHTON: All in favor?

14 (A chorus of ayes.)

15 MR. HOUGHTON: At 2:38 Central Daylight Time.

16 (Whereupon, at 2:38 p.m., the meeting was
17 concluded.)

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C E R T I F I C A T E

MEETING OF: Texas Transportation Commission

LOCATION: Austin, Texas

DATE: August 29, 2013

I do hereby certify that the foregoing pages, numbers 1 through 260, 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) 09/06/2013
(Date)

On the Record Reporting
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