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TEXAS DEPARTMENT OF TRANSPORTATION  
COMMISSION MEETING

Ric Williamson Hearing Room  
DeWitt C. Greer Building  
125 East 11th Street  
Austin, Texas

Thursday  
December 19, 2013

COMMISSIONER MEMBERS:

- Ted Houghton, Chair
- Jeff Austin, III
- Jeff Moseley
- Victor Vandergriff

STAFF:

- Phil Wilson, Executive Director
- John Barton, Deputy Executive Director
- Jeff Graham, General Counsel
- Rose Walker, Chief Clerk
- Robin Carter, Assistant Chief Clerk

TRANSCRIPT PREPARED BY:

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P R O C E E D I N G S

MR. HOUGHTON: It is 9:00 a.m. and I call to order the regular December 19th, 2013 meeting of the Texas Transportation Commission. Note for the record that public notice of this meeting, containing all items on the agenda were filed with the Secretary of State at 4:24 p.m. on December 11th, 2013.

I ask that before we begin today that you place all cell devices and communication devices in the silent or off mode. And if you wish to address the commission today, and you want to speak on an item, you will have to sign yellow card. If you want to talk to us in open session, at the end of today's meeting, it will be a blue card. And would you please keep your comments to at least no more than three minutes, and those from the members of the legislature, they can speak ad nauseam.

So, before I turn the mic -- now I turn the mic over to Executive Director Phil Wilson who will talk about our safety briefing.

MR. WILSON: Good morning, Mr. Chairman, Commissioners. I'd like to have Occupational Safety Division Director Jerral Wyer to come forward and provide a quick safety briefing. Jerral?

MR. WYER: Good morning. Phil, thank you, and the commission, for your continued leadership and support of

1 our safety program, much appreciated. As a reminder to  
2 everyone this morning, if there's a fire alarm, please make  
3 your way to the nearest exit and also we will continue and  
4 march toward the capitol grounds and gather at that point.  
5 We're not expecting any bad weather today, in fact we're  
6 expecting 70 degree temperature in Austin, Texas. But if  
7 there's a tornado alert, our gathering point will be in the  
8 basement. So, if you'll make your way to the staircase and  
9 down into the basement area.

10 If there's a medical need or emergency, we have a  
11 first aid station by the guard station out front. TxDOT  
12 employees will be available to assist you.

13 I hope everyone has a great day. And on the way  
14 home please drive safely and defensively. Thank you so  
15 much.

16 MR. WILSON: With the safety briefing completed,  
17 Mr. Chairman, I will hand the microphone back to you for  
18 your opening remarks.

19 MR. HOUGHTON: Before we start the opening  
20 remarks, Phil has a special presentation that he would like  
21 to make at this time, if the Commissioners will indulge me.  
22 Phil?

23 MR. WILSON: Thank you, Mr. Chairman. Without  
24 the support and hard work of community leaders across the  
25 state, it would be impossible to accomplish all that we do

1 as we continue to build the finest transportation system  
2 possible for Texas. Today we want to recognize someone who  
3 understands the tremendous importance transportation has for  
4 economic development in Texas and for our quality of life.

5           Former State Highway Engineer Luther DeBerry  
6 envisioned the Roadhand Award back in 1973. It is our  
7 agency's highest tribute to the citizens who spend countless  
8 hours supporting our efforts to make transportation in Texas  
9 the best in the nation.

10           It is my pleasure today to introduce you our  
11 newest Texas Roadhand. Thanks to the commitment of persons  
12 like the individual we are honoring today, we're achieving  
13 great things for Texas. This person has championed some  
14 projects and programs, such as the expansion and  
15 reconstruction of more than 70 miles of I-35 through Central  
16 Texas, the Grand Parkway in Houston, U.S. 281, Loop 1604  
17 Interchange at San Antonio, the Harbor Bridge Project, the  
18 Chisholm Trail Parkway at Highway 121 Project and the  
19 development of U.S. 77 and U.S. 281, as I-69 in the Valley,  
20 to name only a few.

21           As a former member of the Texas Transportation  
22 Commission, from 2008 to 2011, they led with decisiveness  
23 and integrity, playing a pivotal role in the advancement of  
24 numerous important transportation projects.

25           Before, during and following their tenure on the

1 commission, they've been a tireless advocate for improving  
2 Texas transportation system and all it represents to the  
3 vitality of our state.

4           A Texas Roadhand in the truest sense, I would  
5 like to introduce Deirdre Delisi. On behalf of the Texas  
6 Transportation Commission, the Texas Department of  
7 Transportation and the citizens, thank you, our Texas  
8 Roadhand, our newest recipient, for your tireless support of  
9 our department and the transportation system. Deirdre?

10 (Applause)

11           (Pause for award.)

12           MR. HOUGHTON: It's my understanding, Deirdre,  
13 former chairman, Delisi, and Coby, that she will be making  
14 her remarks at the Roadhand Award. Is that true? All  
15 right, so hold those remarks, would you, until January?

16           MS. DELISI: I have a whole speech prepared.

17           MR. HOUGHTON: Do you? I kind of thought you  
18 would. Yeah.

19           All right, now we'll begin with comments from our  
20 commissioners. And we'll hear from our first commissioner,  
21 Victor Vandergriff. Commissioner Vandergriff, it's all  
22 yours.

23           MR. VANDERGRIFF: All right. Thank you. A  
24 couple of, I think comments from me, at least from my  
25 personal perspective are appropriate. One, I know we just

1 finished giving the Roadhand Award to former Chairman  
2 Delisi. I have a unique perspective on that, and I really  
3 appreciate her leadership. I spent six years, nearly that,  
4 at the North Texas Tollway Authority, and spent several  
5 years as a revolutionary as we've talked about, helping to  
6 create the Department of Motor Vehicles.

7           In both instances, we forged great partnerships  
8 with the Transportation Commission and with TxDOT in some  
9 very challenging road projects and the birth of the  
10 Department of Motor Vehicles. And really there was no finer  
11 leader to work with on that, she got the business  
12 opportunities that presented itself. She got the  
13 opportunity to do the public good and really was most  
14 supportive and most instructive and very, very insightful,  
15 and frankly, a key reason for both the creation of that  
16 agency and the reason that NTTA and TxDOT were able to forge  
17 partnerships on previous road projects.

18           And so I want to personally salute her leadership  
19 and her efforts that she made, over the years, from not only  
20 this perspective, but from those perspective of positions  
21 past, for me. So, thank you very much. A well deserved  
22 honor.

23           The second, as I mentioned NTTA, I was traded in  
24 the season, as I've said sometimes, from, I guess the Boston  
25 Red Sox to the New York Yankees. Depending on how you look

1 at it, maybe you want to reverse that order of the teams.  
2 And in that process of finishing my service with NTTA and  
3 having the pleasure and the privilege of being a part of  
4 this Commission, I was also in the betwixt and between on  
5 State Highway 360.

6           Because of the role there I won't be  
7 participating in that discussion or vote, but I do want to  
8 note, I think it's important, that the tremendous work that  
9 many members of this staff have done to make that project go  
10 forward. And this may be my only opportunity to say  
11 anything, so I'm really congratulating the executive  
12 director and his staff, certainly led by Katie Nees and  
13 Russell Zapalac, to get that done and then untold amount of  
14 lawyers under Jeff Graham. So, thank you for those  
15 efforts. Your professionalism and skill really manifest  
16 itself in that process.

17           And the third thing I'd like to talk about out of  
18 four, just briefly, is that I was, I guess, probably the  
19 closest to the epicenter of the ice storm, if you will, over  
20 the last four or five -- I guess two weeks ago. And it took  
21 about four or five days. The department, I know, had a lot  
22 of questions, it always will, about its performance, but I  
23 think that the department did a terrific job. And I also  
24 understand that we can always look back at whether we had  
25 more resources or better timing, and I'm confident the

1 department will always examine of how we can do better.

2 But this literally kind of like the 30 or 50 year  
3 flood, it was the 30 or 50 year storm. And I have had  
4 scores of people stop and write and call me to tell me how  
5 appreciative they were of the department's performance.

6 From my time in the car business, I'm used to  
7 customers coming up and telling me the negatives, but very  
8 rarely coming up and telling me the positives. But in this  
9 particular case, I kid you not, that happened time and time  
10 again. So, I want to salute them for their effort and not  
11 only the Metroplex, but also all across North Texas, as they  
12 worked hard to clean that ice off. And so thank you for  
13 that.

14 And last, but not least, a few days ago, maybe a  
15 week ago, the executive director was asking me how I was  
16 feeling and I told him that I am feeling better than I have  
17 at any point in time of having served on the commission.  
18 For those of you who don't know, I had a little short time  
19 out, as they took care of some things for me, medically.  
20 But I told him that I was back at it, I was ready to rumble  
21 and just really get rolling.

22 And then of course he decides to go to move to  
23 another agency. So, I want to calm that down and say that I  
24 guess I'm responsible for that, and I apologize for that.  
25 No, in all seriousness, I -- this was the first time in my

1 professional career or in public service where I came to a  
2 business or a public agency where the first order of  
3 business was not to find who was going to run the business  
4 or the agency. And I've said this publicly and I want to  
5 make sure I say it here again, in front of all of you, that  
6 he is a tremendous leader, a visionary that has taken this  
7 department to the next level. Every person that he has  
8 brought in, that I have had the privilege of working with,  
9 is extraordinary in their talent, in their intellect, in  
10 their drive.

11 My hat's off, certainly to Chairman Houghton and  
12 Chairman Delisi, when they selected him, along with the rest  
13 of the commission at that time. Mr. Underwood was also part  
14 of that. But I -- so they had the wisdom and foresight  
15 there, but he had the drive and ability to make this agency  
16 and take it to the next level.

17 Looking forward to see where we go in the next  
18 few years. Sad to lose you. The Lower Colorado River  
19 Authority is getting the very best and so I wish you  
20 personally nothing but success in the future. And I am  
21 sorry I didn't get a chance to work with you more, but the  
22 time that I did here, and before, nothing but kudos. So,  
23 thank you very much.

24 MR. MOSELEY: Chairman, members, I wanted to  
25 congratulate Chairwoman Delisi on this recognition, as

1 Commissioner Vandergriff has stated, having gone through a  
2 back to back sunset, I think it was very critical that the  
3 right person be there to guide this agency and Chair Deirdre  
4 Delisi was there to lay a tremendous framework for how this  
5 agency would respond to the demands of the legislature on  
6 moving forward. And Chair Houghton, thank you for  
7 continuing in that spirit of taking this agency forward. I  
8 really appreciate so much, though, what Deirdre was able to  
9 do, as chair, to really kind of embrace a new vision for  
10 TxDOT.

11                   And as Commissioner Vandergriff stated, part of  
12 that also was bringing on talent and I salute our team here.  
13 We have highly dedicated professionals that have been  
14 attracted to this agency under the leadership that is of  
15 course represented by Phil Wilson, Executive Director, and  
16 by Chair Houghton, and by this commission.

17                   And so, I say thanks to the professionals that  
18 were very much involved in moving this agency forward to  
19 really the new vision that the legislature has for this  
20 agency to serve all forms of mobility, and kind of moving us  
21 beyond being only a highway commission, but being a  
22 transportation department.

23                   And I really am excited today to be a part of a  
24 commission to salute Chair Delisi, as one of those  
25 important players in taking this agency to new standards.

1 Chairman, I also wanted to echo what Commissioner  
2 Vandergriff said about this agency. I heard so many  
3 wonderful things in the agency's ability to respond to the  
4 challenges of the ice storm that hit North Central Texas and  
5 West Texas. Commissioner Underwood wanted me to just  
6 reflect, as well, his appreciation for how our agency served  
7 in West Texas. Huge demands placed on the agency, above and  
8 beyond the call, but a very important role that we played  
9 assisting motorists and the traveling public through that  
10 very difficult time.

11 As it relates to some exciting announcements in  
12 our Houston area, we were so pleased to dedicate, a few days  
13 ago, Segment E of the Grand Parkway. Phil mentioned Chair  
14 Delisi's role in that and I know Chairman Houghton you've  
15 had a big role in that, but it was exciting to be a part,  
16 with Commissioner Austin, in this celebration, this ribbon  
17 ceremony that will lay the opening for Grand Parkway Segment  
18 E. It actually opens December 21, just in time for holiday  
19 travel and so the motoring public is very enthusiastic and  
20 what a beautiful stretch of roadway this is.

21 I understand, Chairman, that Houston area  
22 motorists can test drive this new stretch of roadway for  
23 free, through January 31, so there's going to be a  
24 tremendous amount of enthusiasm about opening this 15 mile  
25 toll lane and it's going to allow for that region of our

1 city to have even more mobility and enhanced quality of  
2 place, quality of life.

3           Judge Ed Emmett likes to remind me that while we  
4 are so proud of Houston being the fourth largest city in  
5 America, that the unincorporated population of Harris County  
6 equals the fifth largest city in America. And Grand Parkway  
7 is a strategic corridor serving this heavily populated  
8 region of the Houston area, as well as the \$400 billion  
9 economy of the 10 county region.

10           So, we're really pleased that Segment E, in  
11 remarkably about a 24 month period of time, is on time, it's  
12 -- very pleased with this -- with the timing of this  
13 opening. So, thank you again, Chair Houghton and  
14 commission, for helping get this project to this point.

15           MR. AUSTIN: Well good morning, everyone. And  
16 happy to be back here in Austin. I want to say, first,  
17 thank you to many of you and our staff and everybody that  
18 came to Tyler last month. I know some of us -- some had to  
19 leave earlier because of weather. I know it was pretty  
20 drastic in -- up in North Texas where Commissioner Underwood  
21 went.

22           And let me start by saying Madam Chair, thank you  
23 for everything you've done, and congratulations on your  
24 award. I know I had a chance to visit -- Commissioner  
25 Underwood is not here today, but he wanted me to express his

1 congratulations to you and say thank you on his behalf and  
2 all of ours. But I do want to read something from  
3 Commissioner Underwood.

4 "You know, Christmas time is a time for enjoying  
5 the holidays and being with your family. With that in mind,  
6 I want to extend my wish to the extended TxDOT family, a  
7 happy and safe holiday. To the men and women of TxDOT,  
8 thank you for all the work you've done to keep fellow Texans  
9 safe as they have traveled the roads of our great state in  
10 this past year. You're all in our prayers each night. May  
11 God bless each and every one of you, Fred Underwood." And  
12 to stay safe.

13 And he also said -- you know, he was at home  
14 enjoying some good home cooking, so. But I know he sends  
15 congratulations. And what the Madam Chair will not say is  
16 that what she has done publicly, but many of us, as already  
17 been said, can watch and see the results of her quiet,  
18 solemn, firm leadership to get a lot of things done. And we  
19 will continue to say thank you.

20 And, you know, by receiving this Roadhand Award,  
21 that means you'll have to double down and keep pushing our  
22 efforts through. So, thank you for all your leadership,  
23 again.

24 I also had the opportunity this week to present -  
25 - to participate in another Roadhand Award, Steve Presley in

1 Palestine. Is Lawrence here? I don't see Lawrence.  
2 Lawrence Olsen was there as well. And Steve has done a lot  
3 of work with the Texas State Railroad, you'll hear more  
4 about this later, but is almost an exception, a road and  
5 rail hand. So we will say, really thank you to Steve  
6 Presley, congratulations to him as well.

7           Being in Houston with Commissioner Moseley was  
8 incredible. We also had to participate in the recognition  
9 of Senator Lindsay and with Ned Holmes, for their  
10 contributions and the vision for the Grand Parkway and what  
11 a great time. And yes, the chairman was out looking with  
12 some of our technology to make sure that all the gantries  
13 were working properly. And we're happy to say that they do.  
14 And I can't believe, Commissioner Moseley, you want to set  
15 the speed limit there at 55 miles an hour.

16           MR. MOSELEY: You better tell everybody you're  
17 joking.

18           MR. AUSTIN: I am joking. I am joking, just for  
19 the record.

20           You know, a couple things. You know, as we go  
21 through -- one, I'm happy to be here. I was going to say  
22 something to Jerral, I've been on the 17th floor of the Omni  
23 looking down, waving this morning, for about ten minutes, it  
24 was not a fun sight. So, I am really happy to be here.  
25 They shut down everything.

1           The ice storm, yeah, there were a lot of people  
2 that were moving around and sharing equipment and I think  
3 this is a real attest to the flexibility and empowerment of  
4 our districts to make decisions on the fly, to be able to do  
5 things to keep Texas moving. And I echo the comments of  
6 keeping everybody moving.

7           We have a -- the Forum is coming up here very  
8 shortly. And I believe as of this morning -- yesterday  
9 there were 50 spots left, this morning there were 25. And  
10 for those of you who have not registered yet, please raise  
11 your hand, we have a spot for you, but it is going quick.  
12 It's in San Antonio starting January 6th, we hope to see  
13 each and every one of you there.

14           But my last comments, I want to talk about Phil.  
15 Phil, we're excited and we appreciate what you have done for  
16 the agency. I know I came on, had the opportunity to come  
17 on right after your arrival. And some of the things that  
18 were put in place, you have come back in the right person at  
19 the right time in the right seat. And the legacy that you  
20 have put in place, in hiring the people, teaching, coaching,  
21 mentoring everybody, I think will be long lived.

22           And it's going to be up to us, each and every one  
23 of us, and those that are partners, and to all the staff, to  
24 pick up the ball and continue to run. We're on a journey,  
25 we are here temporarily on the commission, but the citizens

1 of the great state are going to rely on each and every one  
2 of us, but what Phil has done to put things in place, as we  
3 begin looking forward, we will not go backwards. And rest  
4 assured, and to each of the -- and I said this to some of  
5 our leadership team last night and to all the employees.

6 Phil, thank you for everything you've done. But  
7 it's time for everybody to step up and demonstrate what you  
8 can do, what you have done, so we can keep Texas moving in a  
9 multi-modal fashion.

10 And Phil, congratulations. And Mr. Chairman, I  
11 hope we do not -- we should not put on the agenda, next  
12 time, that we have to accept his resignation, right?

13 MR. HOUGHTON: That is correct.

14 MR. AUSTIN: That is correct?

15 MR. HOUGHTON: It's our discretion.

16 MR. AUSTIN: It's our discretion? With that, I  
17 pass. Thank you.

18 MR. HOUGHTON: Thank you. I could say -- just  
19 finish by saying I echo my fellow commissioners' remarks and  
20 I think they've touched all the bases.

21 But first, let me just a few points. Did you say  
22 quiet regarding -- describing our former chair? Quiet?

23 MR. AUSTIN: I did.

24 MR. HOUGHTON: Quiet. I don't think that quiet  
25 describes her, but we'll leave it at that.

1 Victor, I'm glad to have you back in the saddle  
2 again. Glad to have you here, up and running and soon to be  
3 at full speed. I saw him in his workout gear the other day  
4 at the Omni, and he was headed to the gym, so that's a good  
5 sign. And to Fred, we hope he gets back here real soon.

6 On the Grand Parkway, we had, I understand, a  
7 speed test out there. They're looking at the traffic speeds  
8 to see what they could run them at and I understand the bar  
9 has been set at 200 miles an hour, is the first speed test.  
10 So, we'll see where it goes from there.

11 But the folks in our -- in this agency are just  
12 truly remarkable. How -- and they (audio break) to an  
13 unprecedented ice storm, and Commissioner Vandergriff, I'm  
14 not sure of the magnitude, as far as this is the first time  
15 in 50 years, I heard lots of different descriptions of the  
16 magnitude of this ice storm. But we moved equipment and  
17 people from Houston, is my understanding, up to Dallas, Fort  
18 Worth, the Metroplex, from West Texas to help out and to try  
19 to alleve some of the pain of an ice storm.

20 My congratulations to our employees and to all  
21 the directors, staff directors for mobilizing and keeping  
22 people safe.

23 As far as the Forum, we're looking forward to it.  
24 We've got some interesting speakers. I hope we have another  
25 keynote soon to be announced, yet to be determined.

1           And what I want to end up with -- not end up  
2 with, but first of all, Phil, we congratulate you. It's  
3 been a pleasure working with you. We still have one more  
4 meeting with you and I think we'll adequately send -- you'll  
5 have a nice send off in that -- in the January meeting of  
6 2014.

7           Lastly, Merry Christmas and Happy New Year, Happy  
8 Holidays to you all. Drive safe, be safe and enjoy your  
9 families.

10           And with that, I'm going to turn the balance of  
11 the agenda. But the first thing I'm going to do is ask,  
12 under the agenda, that you approve the minutes for the last  
13 meeting.

14           MR. AUSTIN: So moved.

15           MR. MOSELEY: Second.

16           MR. HOUGHTON: All in favor?

17           (Chorus of ayes.)

18           MR. HOUGHTON: Phil?

19           MR. WILSON: Thank you, Mr. Chairman. Item 3 is  
20 a report from the Grand Parkway Association, at this time  
21 presented by Chief Planning Project Officer, Russell  
22 Zapalac. Russell?

23           MR. ZAPALAC: Thank you, Director Wilson. Good  
24 morning, Commissioners, Chairman. My name is Russell  
25 Zapalac, I'm TxDOT's Chief Planning and Projects Officer.

1           The Grand Parkway Association is a non-profit,  
2 state transportation corporation established by the  
3 commission in October of 1984. The focus of the association  
4 is to facilitate and efficiently deliver Houston's third  
5 outer parkway, better known to everybody here as the Grand  
6 Parkway.

7           The association is required, by administrative  
8 rule, to provide the commission a report on an annual basis.  
9 On behalf of the commission -- or I'm sorry, on behalf of  
10 the association, David Gornet, the association's executive  
11 director, is here to make that report this morning. David?

12           MR. GORNET: Good morning, Chair Houghton,  
13 members of the commission, Director Wilson. Thank you all  
14 for having us here today. I am David Gornet, Executive  
15 Director of the Grand Parkway Association. And I have with  
16 me today Mr. Chris Olavson, one of the board members you all  
17 have appointed for the association, here to help keep me in  
18 line.

19           And Merry Christmas to all of you all. And to  
20 all the excellent staff that I have the opportunity to work  
21 here in Austin and in the Houston region with.

22           Grand Parkway Association was incorporated in  
23 1984. This is our 29th report to the board. Next year will  
24 be our 30th, so it's been a while. We welcome the  
25 opportunity to continue to do this report. Grand Parkway

1 development continues, as we've heard from Commissioner  
2 Moseley, Segment E that is about to be opened on this  
3 Saturday.

4           It was strictly for testing purposes that we had  
5 vehicles exceeding the posted legal speed limit and we  
6 welcome all of my neighbors and that will be using that  
7 within a legal fashion.

8           Overall the Grand Parkway continues. We are 184  
9 miles around the metropolitan area. Segments, as you know,  
10 D is open, I-2 is open and E will be open this weekend.  
11 Coming up in 2014 we look for the continued development of  
12 Segment F-1, F-2 and G on the north and west side of town.  
13 We look for the opportunity to complete the final  
14 environmental impact statement for Segments H and I-1 and to  
15 get the record of decision approved for that, and then work  
16 with the staff here to identify ways to deliver that project  
17 so that we can enhance mobility on the north and east side  
18 of the metropolitan area.

19           On the south side, in 2013 Segment C was approved  
20 by Federal Highways. In that area, both Fort Bend and  
21 Brazoria County still maintain primacy, as partners with  
22 TxDOT to deliver mobility there. I've had conversations  
23 with both counties to discuss how they might be able to  
24 deliver portions and meet the requirements of primacy that  
25 they accepted.

1           And over on Segment B, in 2014, we expect to get  
2 the final environmental impact statement at least submitted,  
3 hopefully approved and a record of decision issued in 2015,  
4 which will allow advancement of that entire southern side,  
5 from 59 around to I-45 South.

6           What everyone is excited about, as I go forward  
7 making presentations, the construction of E, the ongoing  
8 construction of F-1, F-2 and G has brought a lot of  
9 interest. I'm getting calls weekly to come out and speak to  
10 organizations and what they see, what I'm showing folks is  
11 what happened down in Fort Bend County. In 1994 when the  
12 Grand Parkway opened in Fort Bend County, in that corridor  
13 within a couple miles either side, we had about \$600,000 in  
14 assessed value in that corridor. By 2011, you can see on  
15 the slide here, we have almost \$10 billion in assessed  
16 value.

17           The folks in West Harris County and North Harris  
18 County, Southern Montgomery County are anticipating that  
19 same type of explosive growth will follow the development of  
20 the Parkway in Segments E and then F-1, F-2 and G.

21           Speaking of F-1, F-2 and G, many of you were  
22 there this summer. We chose a particularly wonderful day,  
23 on July 23rd, to host the groundbreaking. It was only 100  
24 degrees outside, in the tent, but it went off without a  
25 hitch. We weren't rained on, so things could have been

1 worse. We had good activity there, and our friends, our  
2 partners with Zachry-Odebrecht Parkway Builders continue to  
3 advance that. They are building those 38 miles, they have a  
4 very aggressive schedule to continue on.

5           If you think in terms of what they're doing,  
6 they're building 120 bridges that represent 4.3 million  
7 square feet of bridge structure, or the equivalent of 90  
8 football fields of bridge decking. They're moving 10  
9 million cubic yards of dirt, or enough to fill 4,000  
10 Olympic-sized swimming pools. And in that we're going to  
11 incorporate about 110 million pounds of reinforcing steel,  
12 or enough to build 44,000 automobiles.

13           We have -- of interest is a number of donations  
14 that had been made by our civic-minded partners. Some of  
15 these, shown in red, are fairly certain. They've either  
16 been made or they're likely to be made. The orange colored  
17 ones are ones we're still working with, talking with  
18 individuals, trying to find a way that our partnership of  
19 delivering the road, they will go on and donate the right-  
20 of-way, since they're going to see significant benefits with  
21 the road being delivered there.

22           We've had some hundred and -- 160 acres from  
23 Bridgeland's donated. Springwoods Realty, which is in  
24 proximity to the new Exxon site on the north side of town,  
25 has signed off with their acreage, about 2.4 miles and a 122

1 miles. The Zachry Odebreck team continues to talk to that,  
2 I have opportunity to visit with certain land owners and  
3 encourage them to, you know, "Look at this, you're going to  
4 gain benefit from that. Let's make a donation, at least  
5 don't fight TxDOT, take the offers, let's move this project  
6 forward." Some of them have -- of course we don't want them  
7 to relinquish any rights they have to legal representation  
8 and all opportunities they have to use our court system, but  
9 this is a project that will benefit them and benefit the  
10 region.

11           Of other benefits to the area, it's -- you can  
12 think of, and this is for folks, let's look if I live in  
13 Kingwood and I'm trying to get to the new Exxon site,  
14 because currently I work downtown or I work in the  
15 Greenspoint area, if they were to drive 1960, they have to  
16 go about 18 miles and at a 40 mile an hour average speed,  
17 which you may not be able to make on 1960, it's going to  
18 take them 28 minutes.

19           When we deliver Segment G, they can go up 59 and  
20 around Segment G, get to that same intersection, then go a  
21 mile further. But because you can drive at highway speeds,  
22 they can do that in a mere 18 minutes, saving them 10  
23 minutes on their trip, each way, each day.

24           If those same folks, they need to go to College  
25 Station, to go to a football game, go visit their kids that

1 are attending school there, likewise, they can use the Grand  
2 Parkway, they can go down and use 1960, not a very efficient  
3 way, because of all the stoplights, or take the Beltway  
4 around the Grand Parkway, although it's longer than the 1960  
5 route, it's certainly the quickest route on getting around  
6 town.

7           And as we go further, if you're going from  
8 Kingwood and you're heading to San Antonio, going to go  
9 visit the Alamo, likewise, the Grand Parkway is a longer  
10 route, but other than the Beltway, it's going to be a very  
11 consistent route, provide them an even brief trip going  
12 around to the west side of town.

13           This is not reflective of other savings that one  
14 can have. If you're trying to bypass the Houston region,  
15 coming in on the west side, going out I-45, going out 59  
16 North, you'll have an even greater savings than even what is  
17 shown here. For instance, you go out 59 North, the Grand  
18 Parkway route would be five miles shorter, because I come in  
19 on I-10 and go out 59. I'm coming from Katy, going to Lake  
20 Livingston, versus adding the time, if I'm adding those five  
21 miles to the Beltway or the 59 trips.

22           MR. HOUGHTON: Let me stop you, David.

23           MR. GORNET: Yes, sir.

24           MR. HOUGHTON: Go back to your last slide where  
25 you're talking about going to College Station --

1 MR. GORNET: Yes, sir.

2 MR. HOUGHTON: Aren't we, Commissioner Moseley,  
3 developing 249 into a --

4 MR. MOSELEY: Yes, sir.

5 MR. HOUGHTON: -- co-facility all the way out to  
6 Highway 6?

7 MR. MOSELEY: Yes, sir.

8 MR. HOUGHTON: It's underway, correct?

9 MR. MOSELEY: Yes, sir.

10 MR. GORNET: That would be underway, up the 249.  
11 That would be an even shorter corridor then for folks going  
12 from Kingwood to get up there --

13 MR. HOUGHTON: Yeah. And --

14 MR. GORNET: -- as we deliver that project.

15 MR. HOUGHTON: -- down to the Medical Center and  
16 into the heart of Houston from Highway 6.

17 MR. GORNET: Yes.

18 MR. HOUGHTON: Great. Good. Thanks.

19 MR. GORNET: All this, lots of good news for the  
20 mobility of the Houston region, for those that live there  
21 and need to go to their jobs, on daily commutes as well as  
22 those that are traveling and trying to go through the  
23 Houston region. If you're coming in from I-10 or 59 and  
24 you're going north on 45 or 59, you can choose to bypass the  
25 Houston area, without going through the downtown core, and

1 have a safer, quicker trip through the area.

2           The next steps, what's going on with the Grand  
3 Parkway. We have continued development. We're down to H  
4 and I-1 being approved this year. We have Segment B then  
5 left on the books to be completed, and we anticipate that in  
6 Fiscal 2015. As Mr. Zapalac introduced the Grand Parkway  
7 Association, our charges to date by the commission have been  
8 to work with the department to accelerate and provide the  
9 efficient development of the project around town.

10           With the construction, the opening of E, the  
11 construction of F-1, F-2 and G, our efforts, we will need  
12 new directive from the commission. We will be achieving the  
13 role, the purposes that we have set as we look forward to  
14 working, and the Grand Parkway evolving, there's an  
15 opportunity for continue efforts on the south side in  
16 Segments C and B and maybe H and I-1. We currently have a  
17 vacancy on the board. The commission may consider wanting  
18 to appoint someone from one of those regions that will have  
19 -- that has long, deep ties in those areas, in Brazoria  
20 County, Liberty County, so that they could work to encourage  
21 right of way donations. They would have a trust of those  
22 local property owners.

23           We've had those appointments, when they were  
24 necessary, over on E and the F-1 and F2 areas. The original  
25 board with Judge Emmett, Mr. Misher (ph) and Mr. Adamson,

1 they knew all the property owners where Segment D was  
2 constructed, they had relationships, they were able to  
3 provide for that. So, we need to consider how the  
4 association and the mission of the association will evolve.

5           Are there ways we can do things more efficiently?  
6 Right now we have a staff of myself, my secretary, we have  
7 office and such, can we do things -- organize the  
8 association more efficiently to continue to provide service  
9 to the Houston region, to work with the TxDOT district and  
10 with the administration here?

11           With that, I ask for any comments and questions.

12           MR. MOSELEY: Chairman, I think it'd be good if  
13 David could go back to the slide that would show the  
14 Segments I and H. He had one slide there that -- yeah. He  
15 was demonstrating how much time could be saved with Grand  
16 Parkway and as Commissioner Vandergriff and I were kind of  
17 discussing, you know, to run an 18-wheeler, the old number  
18 back some time ago was about \$100 an hour, probably that's  
19 \$200 an hour. And looking at Grand Parkway as a corridor  
20 for moving goods to market, there's going to be a  
21 significant enhancement to shippers using this corridor.  
22 Just simply saving 20 minutes a day is significant when  
23 you're hauling large number of truck hauls along this  
24 corridor.

25           So, it's really amazing that half a century ago

1 leaders of the Houston region had the vision to begin  
2 putting lines on a piece of paper. And even though the  
3 vision went fallow and wasn't an active vision for so many  
4 years, that today because of really a dedication to this  
5 vision, the State's commitment that we're seeing this  
6 Parkway come into a reality.

7           So, again Chairman, about \$400 billion gross  
8 regional product out of the ten county area, in comparison,  
9 the State has about a \$1.2 trillion economy, this is a  
10 significant investment in the State's economy, just looking  
11 at allowing goods to get to market, and knowledge workers  
12 getting to their jobs, in addition to the quality of place.

13           But I wanted to say thank you to the Grand  
14 Parkway Association and the West Houston Association. They  
15 were the host for the Segment E celebration, and we  
16 appreciate so much, David, your leadership. Billy Burge,  
17 Roger Hord these two organizations, Chairman, really stepped  
18 up to help celebrate the opening of Segment E. Thank you.

19

20           MR. GORNET: Thank you, sir.

21           MR. HOUGHTON: When do we expect environmental  
22 approval on the east side project?

23           MR. GORNET: Segments H and I-1, we had a public  
24 hearing last night. The last step to make with regard to  
25 the Lake Houston State Park, or Lake Houston Wilderness

1 Park, now that is a City of Houston park, not state park,  
2 the final environmental impact statement has been written,  
3 we will incorporate the comments that are due by January  
4 6th, it will go back to Federal Highways. They've already  
5 reviewed it once, and we expect them to approve it in  
6 February time frame and issue a record of decision then in  
7 the Spring.

8 MR. HOUGHTON: Great. Any other questions?  
9 David, thank you very much for your service and your  
10 leadership.

11 MR. GORNET: Thank you, members of the  
12 commission.

13 MR. WILSON: Next is Item 4. We begin with a  
14 presentation regarding Supplemental Program Authority and  
15 updates to 2014 UTP. This item presented by Director of  
16 Planning, Marc Williams. Marc?

17 MR. WILLIAMS: Thank you, Phil. Good morning,  
18 Commissioners, Director Wilson. For the record, again, my  
19 name is Marc Williams, Director of Planning with TxDOT.

20 I have a presentation today, it's really a two-  
21 part presentation. It pertains to both Items 4-A and 4-B,  
22 we'll begin with the portion of the presentation associated  
23 with Item 4-A, which is a discussion item related to  
24 supplemental program authority. The back half of the  
25 presentation will be for 4-B, which will be an action item

1 associated with the December update to the Unified  
2 Transportation Program.

3 Supplemental program authority has been an item  
4 that we've introduced and began discussing, back in August  
5 of '13, of this year, when we introduced the new 2014  
6 version of the Unified Transportation Program. And at that  
7 time we outlined a plan progression and schedule for how  
8 we're going to continue to evolve the UTP. The UTP has  
9 historically been, you know, what's been referred to as a  
10 challenging document to follow and understand. It's over  
11 2,000 pages long, and it's meant to be a document that can  
12 help inform and guide the decision making by the department  
13 and in particular the commission.

14 And our challenge that has been laid out to us by  
15 the administration and the commission is to help improve  
16 that document. And that was also something that was  
17 referenced in the legislature itself during our sunset  
18 legislation in the past. And so we took some strides in  
19 that area with the 2014 update, but -- outline, but this is  
20 going to be a continued effort to progress the information  
21 that's part of the UTP.

22 And over the past three months we have been going  
23 through a program of working with our districts and others  
24 to develop what we are referring to as supplemental program  
25 authority. And this is a continued progression, and we'll

1 touch on that in the slides coming up, but it's still an  
2 ongoing process. We anticipate going forward with  
3 additional stakeholder and public involvement, as it relates  
4 to supplemental program authority, and also beginning to  
5 address the aspect of major transportation projects and  
6 identifying those in the UTP, with the goal of being --  
7 achieving an even more enhanced document going forward, as  
8 we unveil the 2015 version next year.

9           One of the things that we were able to, again,  
10 accomplish this year, we had it in place for previous  
11 versions of the UTP, recognizing it's a 2,000 page document,  
12 we needed to get the electronic version of that document  
13 posted and online, and I know that was something that we  
14 were asked to get done, once again from the 2014 UTP, and we  
15 were able to get that accomplished here this month. And so  
16 we now have an electronic version that is sortable and  
17 better enables commission members, TxDOT, stakeholders and  
18 others to find information in the UTP.

19           Why we're going about supplemental program  
20 authority? I think it's best illustrated by this chart that  
21 you all have seen before. It outlines the current funding  
22 levels that are in the Unified Transportation Program today.  
23 And it kind of looks back historically. And as is shown,  
24 historic funding has been unpredictable. And as we look  
25 forward at those funds that are currently identified and

1 committed in the UTP, there's a significant drop off as we  
2 go into the future, based upon current MAP-21 funding levels  
3 and what the current forecast through our finance group is  
4 about Fund Six.

5           But we anticipate, and there's always the  
6 possibility that we would have additional funds coming in.  
7 And I think you all are aware of some of those opportunities  
8 that may come about, but right now we don't have a way to  
9 systematically and clearly account for and plan for what  
10 types of projects we want to have ready for consideration,  
11 in the event that future funding does come about.

12           So, to go about beginning this process, what we  
13 did is the 2014 UTP, shown at the bottom of this slide, on  
14 the left hand side in blue, is about a \$33.6 billion  
15 program. If we were to look at the possibility of Congress,  
16 at the end of the expiration of MAP-21, which is set to  
17 expire next year in September, if Congress was to extend  
18 current funding levels, and that's something that's subject  
19 to debate, but it's an assumption that Federal Highway  
20 Administration allows us to make for planning purpose, that  
21 would mean a potential addition of about \$5.7 billion over  
22 the nine years of the Unified Transportation Program.

23           It's very important to emphasize, is that's not a  
24 funding commitment, that's just a plan opportunity. And to  
25 begin this process what we did is we took that \$5.7 billion

1 allocation and we began working with our districts, with a  
2 50 percent distribution of that, going out under our  
3 Category 11 Formula, to the districts, to begin getting  
4 their ideas and getting them to identify what projects they  
5 currently had under development today, or did have  
6 potentially shelf-ready plans.

7           We also held back, understanding that there's a  
8 lot of important corridors in the state, strategic projects  
9 in the state. We also allocated about 50 percent of those -  
10 - that \$5.7 billion worth of funds that could be considered  
11 for addressing some of those larger strategic program needs,  
12 and worked with the districts to both not only identify  
13 those projects that could fall within that sub-allocated  
14 amount shown in the dark green, but also projects that they  
15 saw as important candidates for the statewide allocation.

16           Over the past three months we've been involved,  
17 working with the districts in, you know, what I would say  
18 was a very -- has been a very data-driven and intensive  
19 effort to understand and document and map the project  
20 information on candidate projects, understanding what the  
21 project status was, in terms of project readiness, the  
22 location of these projects, current cost estimates, working  
23 with the districts to ensure that those cost estimates are  
24 up to date, understanding and documenting funding  
25 availability.

1           Some of these projects already appear, in some  
2 form, in the Unified Transportation Program today, but  
3 they're not fully funded. And so identifying and  
4 understanding that funding gap and being able to  
5 systematically document that and make sure that the  
6 districts also understand that we need to know what that  
7 funding gap is, so we can begin the process of working with  
8 the commission to plan for that, has been a process that  
9 we've gone through, and a number of other issues that have  
10 been associated with this.

11           We have followed and begun the process of scoring  
12 and assessing those projects relative to three primary or  
13 strategic goals of the department, safety, congestion,  
14 connecting Texas communities, being the best in class state  
15 agency, and understanding district and local priorities and  
16 input, because we have to work together with others as we  
17 move these projects forward. Funding availability that  
18 exists today, both funds that are committed in the UTP or  
19 funds that may be brought about through local participation  
20 and support has also been identified. And then also  
21 recognizing and understanding the stage of project  
22 readiness, where those projects are in the project  
23 development process, how much it would take to get right of  
24 way acquired, or is right of way currently available for  
25 some of these projects.

1           So, all of this has been integrated into what I  
2 referred to previously as a pretty systematic and  
3 comprehensive program to begin to pull this information  
4 together and make sense of it. It's a very data-driven  
5 program. We've been using information such as our Crash  
6 Record Information System to map out accident rates on those  
7 projects, working with a lot of the data that TTI uses for  
8 the Top 100 Congestion in the State of Texas and pulling all  
9 that information together to help us evaluate and help the  
10 department make informed decisions about moving forward.

11           Where we're at today is we've compiled a list of  
12 projects that are currently under development or have been  
13 identified by the districts. We've worked with the  
14 districts to try and fit the projects that are associated  
15 with the dark green, the district sub-allocated portion,  
16 within the budgets that were assigned to the districts. And  
17 we've got about \$2.7 billion assigned in that area, about  
18 \$2.86 billion was available, so there's still a little bit  
19 of capacity in that area.

20           But the projects that could not fit within the  
21 district sub-allocation are candidate projects or projects  
22 that we've looked at as potential strategic public/private  
23 partnership opportunities.

24           What's shown on the map there is with the \$2.86  
25 billion that's available on the statewide side, there's

1 about \$30 billion worth of project needs that are under  
2 development in the state. And combined we basically have  
3 about \$33 billion worth of unfunded projects that have been  
4 currently identified through this effort, and just by order  
5 of magnitude, you can refer back to the previous slide that  
6 I referenced, the size of the UTP is about \$33 billion. So  
7 we have essentially another UTP that's out there in some  
8 level of development, some level of expectation, with  
9 resources being considered for that -- for many of those  
10 programs. And again, trying to use this process to help us  
11 make informed decisions about which of the projects really  
12 represent strategic priorities for the department.

13           Moving forward, we are in the process of  
14 assessing our initial results of this effort. We really see  
15 this as being an iterative process where we go through and  
16 continue our analysis and review, work with our stakeholders  
17 to get their input at the local level, based upon that and  
18 continue the process of updating this program to ensure that  
19 we can provide recommendations and results and information  
20 to the commission, as you all have to make decisions to  
21 guide the future direction of projects with the department.

22           So, that's an update on the supplemental program  
23 authority activities that are ongoing right now with TxDOT.  
24 And I'd like to just kind of pause with this item and open  
25 it up for any questions that you all may have.

1 MR. HOUGHTON: Questions from the commission?

2 MR. AUSTIN: Yeah, Marc, I want to go back to the  
3 -- let's see which slide that is, status of the -- no, let  
4 me back up. The strategic goals, where you're talking about  
5 the input, you know where you're scoring things. What's not  
6 in here, but I feel, and I want you to confirm this or not,  
7 that it may be in there indirectly, when we start looking at  
8 hurricane evaluation routes, international border crossings,  
9 and that doesn't just mean Louisiana, but also military  
10 installations, things like that of importance, are those  
11 factors that are added into this, to the scoring? Or is  
12 that going to be more the subjective --

13 MR. WILLIAMS: That has been some of the  
14 subjective parts of that. But one of the things that we  
15 did, and you'll note at the bottom left hand side, district  
16 priority and input, all of these projects quite honestly are  
17 not apples and apples and apples. They're bananas and  
18 peaches and cherries and different elements. And there's  
19 not always a perfect way to have a single scoring process  
20 that works for every project.

21 MR. MOSELEY: Right.

22 MR. WILLIAMS: And we realized that the districts  
23 in particular have unique and on the ground understanding of  
24 a lot of those issues. And we've allowed them, through this  
25 process, to in fact kind of guide us on factors that may not

1 be initially scored out, you know, based upon the data  
2 analysis and review.

3           So, projects that represent critical safety  
4 issues that well, maybe perhaps the accident rates on those  
5 right now aren't reflecting some of the concerns, but the  
6 district is informing us, "Hey, this is a route that is  
7 getting increased truck traffic due to energy sector  
8 activity." That's one of the things that we want to  
9 identify. Freight connectivity, is another area where we  
10 could work with the districts to kind of override some of  
11 the initial scoring and other factors such as connection to  
12 our military ports and other, you know, really locally  
13 unique issues. We've built in some flexibility through this  
14 initial process to allow us to account for those things.

15           MR. AUSTIN: Well, I think this is good as we --  
16 you know, you all continue to make improvements to the  
17 scoring, ranking, transparency and how we're coming up with  
18 this. And just to say, this does not impact anything the  
19 MPOs are doing, but I know we'll need their inputs, you  
20 know, where applicable.

21           But as I looked at some of the scores, really  
22 going through studying this, it's easy to see, because of  
23 population and traffic, the major metropolitan areas, by  
24 default, are probably going to score higher. But I just --  
25 what I like about looking at this plan, even though it is by

1 district, we need to be careful that we don't skew it too  
2 much --

3 MR. WILLIAMS: Yes, sir.

4 MR. AUSTIN: -- towards just the major  
5 metropolitan areas, because a lot of these rural routes,  
6 whether it's on the truck system, ports to plains, these are  
7 relief, true relief routes that trucks, passengers,  
8 everybody else take to bypass the major metropolitan areas  
9 and sometimes maybe we can pick up an approved safety and  
10 move traffic by enhancing some of these other corridors.

11 So, you've listened to me say that quite a bit,  
12 but I appreciate you doing that.

13 MR. VANDERGRIFF: I admittedly am a geek for this  
14 kind of thing. I told this to Marc earlier that a couple of  
15 weeks ago when I got a draft of this and had a privilege to  
16 working through with this on him, I was like a kid -- an  
17 early Christmas present for me to see this. I'm a real  
18 process guy and I've long asked for how do we evaluate  
19 projects. And I really see this effort. I understand and  
20 appreciate the concern between comparison to different areas  
21 of the state, whether they're metro areas or rural areas or  
22 hub town areas, whatever.

23 But, I think this holds so much promise for the  
24 department. And Marc and his staff, I just think they've  
25 done an outstanding job of putting something together that

1 we can sink our teeth into and when we're looking at where  
2 these projects should stand, as we're being asked to  
3 evaluate them. Because I'm going to probably get the number  
4 wrong, but I think there's something like -- not even  
5 including maintenance, there's something like 6,000/8,000  
6 projects out there that -- I mean, without a tool like this  
7 it's a very difficult, challenging to understand where they  
8 rank, in opportunities.

9           Nothing against the MPOs, taken away, or from  
10 strategic priorities or commission discretion, but this is a  
11 great, great start. And this is the first time also in my  
12 life that I've ever looked at a document and said it got  
13 simpler, easier to read and better by going from 500 or 700  
14 pages to 2,000 pages. So, thank you.

15           MR. WILLIAMS: Thank you, Commissioner.

16           MR. AUSTIN: I had one more -- Marc, one more  
17 question.

18           MR. WILLIAMS: Yes, sir.

19           MR. AUSTIN: As we look at this -- you know,  
20 there's going to be a lot of people looking at it and asking  
21 the question, "Okay, now what does this mean to me and my  
22 area, regardless of where I am, and there's a gap in  
23 funding?" And I think one thing that's important, as we  
24 look at the constitutional amendment coming up or  
25 reauthorization, this is helping us plan for if the money

1 comes in, that we have a strategic place to say we have a  
2 list to where we can -- where we need to spend it.

3 MR. WILLIAMS: Yes, sir.

4 MR. AUSTIN: Now, but looking at the gap, what  
5 are things communities can do or regions to come up and fill  
6 that gap to help advance a project?

7 MR. WILLIAMS: Well, you know, one of the things  
8 that we, and you know, included in the scoring matrix is  
9 availability of funding. And you know, in two particular  
10 areas, local committed funding is part of the scoring that  
11 factors into that, as well as the phase of project  
12 development.

13 And so if the local communities can work with us  
14 to help identify local sources of funding, or as the Grand  
15 Parkway Association pointed out, efforts to help us obtain  
16 right of way and insure that that project can be ready to  
17 implement and move forward efficiently, those are two very  
18 important areas that help drive some of the ultimate scoring  
19 and the factors that help support what may be viewed as  
20 priorities within this list.

21 MR. AUSTIN: Thank you. I just think that's  
22 going to be important to continue to work, especially  
23 through our district engineers, as we're dealing with local  
24 stakeholders, to talk about those options.

25 And, you know, a good example, I just want to

1 share Corsicana, they had a problem and there was some  
2 landowners that stepped up to help donate land to improve a  
3 very congested situation. And --

4 MR. WILLIAMS: Sure.

5 MR. AUSTIN: -- there's going to be other  
6 examples like that around the state.

7 MR. WILLIAMS: Yes, sir.

8 MR. AUSTIN: Thank you.

9 MR. HOUGHTON: Any other comments? Marc, great  
10 job. We've come, as they say, "A long way, baby." And I  
11 echo Commissioner Vandergriff's remarks, this has made the  
12 process a lot easier. I mean, it was amazing, the old  
13 process is going into a dark room and trying to --  
14 blindfolded and then find your way out of it. But it's a  
15 great process. And thank you for your work on this.

16 MR. WILLIAMS: Well, I want to certainly  
17 acknowledge the work of a lot of staff members within TP&P,  
18 Finance Division, Environmental Affairs and in particular  
19 the districts. I mean, this has been an all hands on decks  
20 effort to get us to this point. And you know, we would not  
21 be here at this stage if it weren't for the collective  
22 efforts of a lot of folks that have been part of this.

23 MR. HOUGHTON: And an additional comment. When I  
24 look at local committed funding, I think in the next, you  
25 know, 60 to 90 -- 30, 60, 90 days we'll see a couple of

1 major projects, if not for local funding, would have not  
2 gotten across the goal line, willing to tax themselves,  
3 whether to TRZ or Motor Vehicle or registration increase,  
4 those sorts of things. What we used ten years ago to look  
5 at these projects, is nothing what we're doing today, as to  
6 evaluating these types of projects. Tolling, obviously  
7 that's local committed funding, willing to toll yourself and  
8 toll your citizens. So, again, good process.

9 MR. WILLIAMS: Thank you.

10 MR. HOUGHTON: Next?

11 MR. MOSELEY: No, I would just add, too, that in  
12 this very remarkable times that our state finds itself in,  
13 due to population explosion, due to fracking, due to new  
14 shipping lane in Panama, due to the economy in Mexico, this  
15 is a wonderful document that helps us get a sense of how to  
16 prioritize what precious and few resources we have and as  
17 Chairman's saying, to leverage those. And I would  
18 wholeheartedly agree with Commissioner Austin and  
19 Commissioner Vandergriff's points that congestion, while  
20 it's important for us to invest in relieving congestion, it  
21 shouldn't be the only criteria. There are other important  
22 criteria, so thank you, Marc, for the hard work.

23 MR. WILLIAMS: Sure.

24 MR. WILSON: Marc, I'll just say thank you.

25 Great job by you and the team. This was an extraordinarily

1 complicated, hard learning process to get to. I think to  
2 commissioner Vandergriff's point, something like 2,000  
3 pages, but it's a much easier, understandable way. And this  
4 is very complicated, you all have done a great job. So,  
5 thank you for everything you've done.

6 MR. HOUGHTON: Now we're not going to live  
7 something we're living today that you have to read the 2,000  
8 page document to know what we've passed. Remember those  
9 remarks --

10 MR. WILSON: No.

11 MR. HOUGHTON: -- regarding the Affordable Care  
12 Act?

13 MR. WILSON: No.

14 MR. HOUGHTON: No?

15 MR. WILSON: You can search this and find stuff.  
16 You can see it. Right?

17 MR. WILLIAMS: We've got it back online  
18 electronically.

19 MR. WILSON: Exactly. You can --

20 MR. WILLIAMS: So, that was --

21 MR. WILSON: -- you can create the doc.

22 MR. WILLIAMS: -- the goal.

23 MR. HOUGHTON: There you go.

24 MR. WILSON: Which shows you district by district  
25 and project by project and where it ranks. It's a really

1 well done program.

2           Marc, I need you to continue with 4-B, please.

3           MR. WILLIAMS: Yes, sir. Item 4-B is the minute  
4 order that approves the updates to the 2014 UTP. The UTP is  
5 a -- I'm going to keep the presentation on, the UTP is a ten  
6 year statewide program that guides the development and  
7 authorizes construction of transportation projects involving  
8 aviation, public transportation and the state's waterways  
9 and coastal waters.

10           The UTP contains all the department's funding  
11 categories which enhance the transportation system. The  
12 program, as it's referred to, includes funding level  
13 adjustments, end of year carryovers and a reconciliation of  
14 Category 5 and 7 funding levels and a carryover or fund  
15 transferred of some of the funds that were originally  
16 programmed in FY '13 that were not reflected in the FY '14  
17 update of the UTP, because some of those projects were still  
18 ongoing. But those projects that were not obligated and  
19 undertaken in the FY '13 time frame were carried forward  
20 into FY '14. And so the -- this December edition of the  
21 UTP, the updated UTP reflects some of those adjustments.  
22 And I'll touch on the reconciliation item a little bit later  
23 on in the presentation here.

24           There were some project specific program updates.  
25 There was funding assistance to address some increased costs

1 associated with two projects that are scheduled for letting  
2 in the next couple of months. I-35 bridge replacement at  
3 Bud Stockton Loop in the Austin District, that's up in  
4 Williamson County. And a large program to reconstruct a  
5 portion of I-10 in Beaumont. And both of those areas there  
6 was an additional level of funding needed, \$3 million for  
7 Bud Stockton Loop and about \$6.75 million for I-10 in  
8 Beaumont.

9           And I will say that in each of those cases the  
10 districts have been working through value engineering  
11 exercises to reduce the scope and the cost of those projects  
12 and have also drawn on other local sources of funds to help  
13 bridge that funding gap and this additional funding will  
14 allow those projects to proceed.

15           In addition, there were some adjustments to  
16 projects in Category 2 funding. That was a particular area  
17 where there were some funds carried over from FY '13 and  
18 those are local STP and M funds that are distributed by  
19 formula to the MPOs in the state. There were some additions  
20 to I-10 in El Paso, associated with some frontage road and  
21 operational improvements.

22           And then there was, in the Waco District, the MPO  
23 there recognizing that widening of I-35 in Waco is going to  
24 be a future undertaking, major significant undertaking of  
25 the department, have allocated some Category 2 funds on that

1 particular project to help kind of begin to build the case  
2 and support the future funding needs that will need to be  
3 added to I-35 to see that project fully implemented.

4           Lastly, I wanted to also point out that there  
5 were a couple of Category 3, new Category 3 local funding  
6 items that are reflected in the UTP. Now local funding, as  
7 to address the point that you made, Commissioner Austin, is  
8 really where either through a review of tolling  
9 opportunities or other types of private, outside of Fund 6  
10 resources or through a commitment from the locals, where the  
11 locals have stepped up and said, you know, "We're willing to  
12 help with some of the funding on this project," that we've  
13 got that information and documented that and we want to be  
14 able to reflect that in the UTP.

15           In the case of I-10 and the 610 Busway, local  
16 agencies in the Houston area have acknowledged their  
17 willingness to help support advancing that program along the  
18 610 west loop and have committed about \$20 million of  
19 potential local funding toward that project, if it can move  
20 forward.

21           Similarly, US-59 in El Campo, it's an example  
22 where the local community has come together and has passed a  
23 Transportation Reinvestment Zone, in hopes of being able to  
24 make upgrade improvements along the relief route there in El  
25 Campo, to help upgrade that to I-69. And that may be

1 another project that we may be coming to the commission with  
2 what could be the commission's potential contribution toward  
3 that project, to help that move forward later in the spring.

4           And then similarly, the department has, for some  
5 time, been working with Presidio County and the prospects of  
6 potentially transferring the Presidio International Bridge.  
7 And they recently completed a tolling feasibility study for  
8 what could be generated with Second International Bridge  
9 down there. Still a lot of work to do on that particular  
10 project, some environmental and presidential permit issues  
11 and I think the commission will be sharing much more with  
12 you all on that. But that was about \$23.6 million that  
13 could go to help support the Presidio International Bridge  
14 that we felt was appropriate to also reflect in the UTP, in  
15 these adjustments for December.

16           Lastly, one area that we've been working on or  
17 referred to previously has been with the prospects of using  
18 some of the tools provided -- flexibility provided to us  
19 under MAP-21, to help look at ways to ensure that we're  
20 continuing to meet and progress our obligation requirements  
21 under CMAQ and the Transportation Alternatives Program.

22           In the CMAQ program area we've historically  
23 continued to have a carryover of funds in the CMAQ program.  
24 Those were distributed by formula to our nonattainment MPOs.  
25 There was about \$50 million that was carried over and kind

1 of represented new funds, through a reconciliation process  
2 with our Finance Department, where we look at the level of  
3 funding that was realized throughout FY '13 to maintain  
4 proportional allocation of funds to CMAQ would produce about  
5 \$50 million. That could have been obligated in FY '13, it  
6 needs to be obligated in FY '14.

7           In order to make sure that we're able to do that,  
8 what we're doing is we're flexing that funding. It's still  
9 staying in Category 5, but it's going to remain \$50 million  
10 that could be available and might be available to be used on  
11 projects that have more flexibility for the department and  
12 for our MPOs. And we'll be working with the MPOs to help  
13 identify projects, along with our districts, that could be  
14 used with those funds.

15           Lastly, the Transportation Alternatives Program,  
16 that's a new program that's formerly the Transportation  
17 Enhancements Program. We had in the UTP about \$36.3 million  
18 that was set up under TAP funding. We're recommending that  
19 we flex that funding to STP, that could give us a little bit  
20 more flexibility to move forward with obligating those  
21 funds. We're still keeping them within the Transportation  
22 Alternatives Program category of the UTP and want to look at  
23 working with the commission on potentially identifying  
24 Transportation Alternative Program eligible projects to  
25 allow us to ensure that we're able to meet those obligation

1 requirements as well.

2           That concludes the presentation related to the  
3 UTP. I will also add that the department, on November 7th,  
4 conducted public meetings across the state, via web-x and  
5 public hearings and a public hearing was held on November  
6 26th of 2013 to receive comments and testimony related to  
7 the 2014 UTP.

8           And with that, I'd be happy to answer any  
9 questions and the staff would recommend approval of the 2014  
10 UTP as shown in Exhibit A that's attached to the minute  
11 order.

12           MR. HOUGHTON: Before we get into that we have a  
13 speaker, Gilbert Garcia, Chairman of Houston Metro.  
14 Gilbert?

15           MR. GARCIA: Chairman, thank you very much for  
16 having me here this morning. Again, my name is Gilbert  
17 Garcia and I'm chairman of the Metropolitan Transit  
18 Authority of Harris County, or Houston Metro.

19           And I couldn't help but to notice, as I was  
20 waiting this morning before the meeting, the slides, and it  
21 showed your mission statement. And it says "To work with  
22 others to provide safe and reliable transportation solutions  
23 for Texas." And I am proud to say we are an example in  
24 Houston of mission accomplished. And I just want to make  
25 sure that you know that.

1           You see, Houston is growing so rapidly and our  
2 transportation needs are so vast. And one of the areas that  
3 clearly could use some relief is that 610 West corridor,  
4 which among other things, of course, services our main  
5 shopping district, which is the Galleria area, as well as in  
6 and of itself, a major business center, which is the Uptown  
7 District.

8           And so I'm happy to report that we at Metro,  
9 together with your team, together with the Uptown District,  
10 of course John Breeding (ph) is here, have been working  
11 together as partners, to find a good, workable solution.  
12 And I thank you very much.

13           I wanted to also publicly thank and acknowledge  
14 Commissioner Moseley, because he has been really mentoring  
15 me through this process and I'm very grateful to him. And I  
16 think, Chairman, you should know about your staff, because  
17 they have been very accommodating and have worked very hard  
18 with us. Everyone from John Barton here in Austin, to Mike  
19 Alford and the whole team in Houston.

20           And so I'm really here to pay my respect to all  
21 of you and to say thank you very, very much. And yet again,  
22 we are another example of meeting the mission of TxDOT.

23           MR. HOUGHTON: Thanks, Gilbert.

24           MR. AUSTIN: One comment. Thank you for coming,  
25 but also Russ Frank does a great job working and reaching

1 out to us and I'll say thank you for allowing him to serve  
2 on our Bicycle Advisory Committee.

3 MR. GARCIA: Well, we appreciate -- Russ is a  
4 vital member of the Metro team, and thank you for that.

5 MR. MOSELEY: I wanted to also say thanks to  
6 Chairman Garcia and Uptown leadership, because they came to  
7 our agency, Chairman, brought forward a program that  
8 involved private sector involvement, which really helps a  
9 whole lot.

10 And I think, Chairman Garcia, the goal would be,  
11 if everything would fall into place, to have this new  
12 capacity in place on or before the Super Bowl. Is that  
13 correct?

14 MR. GARCIA: That is correct. We are working  
15 very hard, and we will get there.

16 MR. MOSELEY: So --

17 MR. HOUGHTON: When is the Super Bowl.

18 MR. GARCIA: 17.

19 MR. HOUGHTON: 17.

20 MR. GARCIA: Yes, sir.

21 MR. HOUGHTON: January -- no, February?

22 MR. GARCIA: February.

23 MR. HOUGHTON: February 17th?

24 MR. GARCIA: Yes, sir.

25 MR. MOSELEY: It's an indoor stadium, Chairman.

1 MR. HOUGHTON: I understand that.

2 MR. AUSTIN: The Cowboys have time.

3 MR. HOUGHTON: You think?

4 MR. GARCIA: And the Texans will have plenty of  
5 time, too. But, thank you, Commissioner.

6 Any other questions, Chairman?

7 MR. HOUGHTON: None. Thank you very much.

8 MR. GARCIA: Thank you very much for having me.

9 MR. HOUGHTON: Thank you. Any other questions,  
10 comments from the commission?

11 Comments with Marc? Marc, great job again, as  
12 usually. Is a second?

13 MR. AUSTIN: I'll second.

14 MR. HOUGHTON: All in favor.

15 (Chorus of ayes.)

16 MR. HOUGHTON: Thanks.

17 MR. WILSON: Now item 5, awarding federal and  
18 state grant funding for airport improvement projects, at  
19 this time presented by Aviation Division Director, Dave  
20 Fulton. Dave?

21 MR. FULTON: Thank you, Phil. Commissioners, for  
22 the record my name's Dave Fulton, Director of TxDOT  
23 Aviation. This minute order contains a request for grant  
24 funding approval for 12 airport improvement projects. The  
25 total estimated costs of all requests, as shown in Exhibit

1 A, is approximately \$18.5 million. Approximately \$12.9  
2 million in federal funding, \$3.7 million state funding and  
3 \$1.9 million in local funding.

4 A public hearing was held on November 14th, no  
5 comments were received. We would recommend approval of this  
6 minute order.

7 MR. HOUGHTON: Any questions of Dave? Motion?

8 MR. AUSTIN: So moved.

9 MR. MOSELEY: Second.

10 MR. HOUGHTON: All in favor?

11 (Chorus of ayes.)

12 MR. FULTON: Thank you.

13 MR. HOUGHTON: Thank you.

14 MR. WILSON: Next is Item 6-A, awarding state  
15 funds to public transportation providers. This item is  
16 presented by Public Transportation Division Director Eric  
17 Gleason. Eric?

18 MR. GLEASON: Good morning. For the record, my  
19 name is Eric Gleason, TxDOT's Director of Public  
20 Transportation.

21 Agenda Item 6-A awards approximately \$1.1 million  
22 in state funds to public transportation agencies listed in  
23 Exhibit A, to mitigate impacts of changes triggered by the  
24 2010 census.

25 Using additional funding appropriated by the

1 Texas Legislature, and in accordance with Section 31.11 of  
2 the Texas Administrative Code, the department awards funds,  
3 by formula and on a discretionary basis, to help public  
4 transportation agencies to adjust to changes in population  
5 and area designation, as a result of the 2010 census.

6           Formula awards are made each year in June in  
7 conjunction with the annual award of state public  
8 transportation grant funds. Today's minute order awards  
9 funds as a result of a competitive call for projects issued  
10 on August 29th, 2013.

11           In each case these funds will assist the agencies  
12 listed in Exhibit A transition to programs with a higher  
13 level of locally generated match resources, consistent with  
14 program funding levels and use requirements for their area  
15 designation.

16           The San Marcos area, served by CARTS, became a  
17 newly designated urbanized area. Killeen served by Hill  
18 Country Transit District, transitioned from a small urban to  
19 a large urban area. And Galveston, due to Hurricane Ike  
20 impacts on population, was re-designated from an urbanized  
21 area to a non-urbanized area by the 2010 census.

22           Award amounts are recommended for both Fiscal  
23 Year 2014 and Fiscal Year 2015. Fiscal Year 2015 amounts  
24 are less than those in 2014, anticipating and encouraging  
25 increases in replacement local match sources. Staff

1 recommends your approval of this minute order.

2 MR. HOUGHTON: We have a few people that would  
3 like to speak. The first is Carole Werlick, Hill County  
4 Transit District. Did I get that right, Caroel?

5 MS. WERLICK: Yes, sir, you did.

6 MR. HOUGHTON: Thank you.

7 MS. WERLICK: Good morning. Thank you, Mr.  
8 Chairman, Commissioners. My name -- excuse me, my name is  
9 Carole Werlick, I'm general manager of Hill Country Transit  
10 District. And just a few words about our system. We are a  
11 9,000 square mile system with our headquarters in San Saba,  
12 Texas. We are probably the only system in the State of  
13 Texas that has the honor of being both a rural transit  
14 district, a small urban transit district for the City of  
15 Temple, and now large urban transit district for Killeen.

16 When I began this job, in about 1985, we had 45  
17 vehicles and about 50 staff. And now we've grown to a very  
18 large system, providing a lot of transportation in one of  
19 the fastest growing areas of the state. And I say that  
20 because I'm very proud to be a part of the transit industry  
21 in Texas.

22 And my purpose this morning is just simply to  
23 thank you for your support for public transit, to thank you  
24 for the award of these funds for the Killeen area, which are  
25 going to be very important as we go forward and continue to

1 work with our local officials to gain additional financial  
2 support. So again, just thank you very much for your  
3 support.

4 MR. HOUGHTON: Thanks, Carole. The next is David  
5 March. David, you're general manager, but I don't -- is it  
6 CARTS?

7 MR. MARCH: Yes, sir. Hello, Mr. Chairman,  
8 Commissioners, Mr. Wilson. My name is David March, I'm the  
9 general manager of CARTS, the Capital Area Rural  
10 Transportation System in Austin, Texas. CARTS operates a  
11 nine county district that includes the counties of Bastrop,  
12 Blanco, Burnet, Caldwell, Fayette, Hays, Lee and Williamson  
13 Counties and the urbanized area of San Marcos.

14 I have a member of my board here that represents  
15 the CSM Markets that will make some remarks concerning the  
16 assistance -- how important this assistance you're offering  
17 us is to that area. But I'm going to give you a more  
18 general idea of the 2010 census and its effect and how small  
19 things that the commission and its executive staff and  
20 division staff do make such a big difference.

21 In our area, the City of Georgetown, the City of  
22 Kyle and the City of San Marcos all transitioned from being  
23 part of our rural system to being either part of the  
24 metropolitan area or the urban area. These bridge funds  
25 enabled us to, through the assistance of both the Public

1 Transportation Division, the District Office, who engaged  
2 TTI to assist us in the cities, to make a transition, over a  
3 period of time that allowed those that depend on us for  
4 service to never realize that there was a change coming  
5 about.

6           The partnership that occurred and the way it all  
7 worked together between the district, the division and your  
8 legislative staff and getting the funds obligated was just  
9 another example of how even though we are one of the  
10 smallest endeavors of you all's department, we are still  
11 something that makes a difference and you all's attention to  
12 it is something that we have to commend.

13           To Mr. Wilson, it's kind of a bittersweet moment,  
14 I didn't realize until this morning that you were moving on,  
15 but I want to thank you for your assistance with us and our  
16 Medicaid wars to put a rather ragged term on it. We called  
17 it a horse race. The horse race isn't very fair, but we're  
18 still in it, in the race.

19           And also to say that at LCRA, the LCRA radio  
20 communications and data network is the backbone of our  
21 service and without LCRA's data and digital communication  
22 our service would be a lot less efficient. So, we'll see  
23 more of you in the future.

24           Thank you very much for what you all do. And  
25 don't forget out there in rural Texas, there's still lots

1 going on that we will need your help with in the future.

2 Thank you very much.

3 MR. HOUGHTON: Thank you very much. The next is  
4 Kim Porterfield, City of San Marcos, CARTS. Welcome, Kim.

5 MS. PORTERFIELD: Thank you. Good morning. And  
6 for the record, my name is Kim Porterfield. Until about a  
7 month ago I was a two-term city council member for the City  
8 of San Marcos. I didn't run for re-election, but I do  
9 continue to serve as the city's representative to the CARTS  
10 Board.

11 And Mr. Chairman and commissioners and Mr.  
12 Wilson, I appreciate this opportunity to speak to you today,  
13 to thank you.

14 As you know, San Marcos is the home to the San  
15 Marcos River, the largest shopping -- outlet shopping center  
16 in the United States and Texas State University, which just  
17 set another record enrollment this fall with more than  
18 35,000 students.

19 We're located in the middle of the fast growing  
20 Austin/San Antonio Corridor and so you could imagine how  
21 important transportation is for our residents. And as Mr.  
22 March mentioned, the 2010 census changes gave us new insight  
23 into the importance of transit service in our community, but  
24 also to the significant role that TxDOT plays in the  
25 administration and support of small city and rural transit

1 in Texas.

2           Locally, our new transit district boundaries  
3 include three counties, two cities and more than 50,000  
4 residents. When we first became aware of the implications  
5 of being an urbanized area, our city hired a consultant who  
6 advised us that soon buses and bus stops would be falling  
7 from the sky from the federal government. Of course that  
8 did not happen and without TxDOT and CARTS, San Marcos would  
9 not be able to maintain transit services at the level our  
10 taxpayers expect.

11           You will recall that CARTS has formed an urban  
12 rural transit district, and together with the City of San  
13 Marcus we are now planning for our future transit needs,  
14 while maintaining and enhancing the services we currently  
15 provide. We're in the process of developing a five year  
16 strategic plan, designed to increase ridership, make routes  
17 and services more efficient and accessible and also to  
18 coordinate with Texas State University's transit system.

19           In San Marcos we are grateful for the positive  
20 relationship we have with the Texas Transportation  
21 Commission and TxDOT. Our citizens appreciate, and have  
22 also invested in the past two partnerships that have brought  
23 us our new Wonderworld Drive Extension and now new safety  
24 improvements to Hunter Road.

25           San Marcos citizens and our visitors will also

1 soon benefit from the public safety improvements that are  
2 resulting from the Loop 82 Overpass project that is  
3 currently underway.

4           Today we are here to thank the department for its  
5 foresight in anticipating and planning for these very real  
6 effects locally, from the census changes and for including  
7 CARTS in its local government partners in the census impact  
8 funding recommendations for award.

9           I want you to know that in San Marcos we are  
10 building roads, but we recognize that a multimodal approach  
11 is best fitted for our community.

12           I also serve as the council's representative on  
13 the Lone Star Rail Board and we appreciate the support we  
14 receive from the TxDOT Rail Division. The working  
15 relationship among CARTS, the City of San Marcos, TxDOT,  
16 particularly Phil Wilson as well as Mr. Gleason of the  
17 Public Transportation Division, its Rail Division and  
18 federal authorities is an outstanding example of regional  
19 collaboration.

20           All of these partnerships have had a very  
21 positive impact on our economic development efforts,  
22 congestion relief, public safety and quality of life for our  
23 citizens and our visitors.

24           Finally, just let me be clear, this anticipation  
25 of the effect of the census and providing a solution to

1 counter the problems that have resulted from this change is  
2 simply good government and we sincerely thank you.

3 MR. HOUGHTON: Thank you, Kim.

4 MS. PORTERFIELD: Thank you.

5 MR. HOUGHTON: Thanks for coming. Eric, any  
6 other questions of Eric?

7 Is there a motion?

8 MR. AUSTIN: So moved.

9 MR. HOUGHTON: Or do you have --

10 MR. MOSELEY: I was just going to say on behalf  
11 of Commissioner Underwood, I'll second the motion.

12 MR. HOUGHTON: All right. So be it. Motion and  
13 there's a second. All in favor?

14 (Chorus of ayes.)

15 MR. WILSON: Item 6-B awards federal program  
16 funds to Texoma Area Paratransit System. Eric Gleason will  
17 continue to present. Eric?

18 MR. GLEASON: Thank you. Agenda Item 6-B awards  
19 \$40,000 of federal Rural Transportation Assistant Program,  
20 otherwise known as RTAP, funds to the Texoma Area  
21 Paratransit System.

22 These funds will be used to research, capture and  
23 produce a video series that documents the positive  
24 socioeconomic impact that public transit provides to a given  
25 region and community. TAPS will partner with two other

1 public transportation agencies, the Golden Crescent Regional  
2 Planning Commission in South Texas, and South Plains  
3 Community Action Association in West Texas, to produce the  
4 video using examples from each area to develop information  
5 for the video.

6 We recommend your approval of this minute order.

7 MR. HOUGHTON: Any questions of Eric on this  
8 agenda item? If not, motion?

9 MR. AUSTIN: So moved.

10 MR. HOUGHTON: Is there a second?

11 MR. VANDERGRIFF: Second.

12 MR. HOUGHTON: All in favor?

13 (Chorus of ayes.)

14 MR. GLEASON: Thank you.

15 MR. HOUGHTON: Thanks, Eric.

16 MR. WILSON: Next up is Promulgation of  
17 Administrative Rules, Item 7-A(1) is the final adoption of  
18 amendments to Chapter 28 - Maintenance. This item presented  
19 by the Maintenance Division Director, Howard Holland.  
20 Howard?

21 MR. HOLLAND: Good morning. For the record, I'm  
22 Howard Holland, Director of the Maintenance Division for  
23 TxDOT. We are proposing final adoption of the new sections  
24 to Chapter 28. These sections give authority to the Hidalgo  
25 County Regional Mobility Authority to issue permits for

1 operation of oversize and overweight vehicles on specific  
2 roads within Hidalgo County. It also establishes the  
3 guidelines for the agreement between the Mobility Authority  
4 and the department and the requirements for the issuance of  
5 permits.

6 This was adopted by the commission in September,  
7 published for comment, no comments were received. Staff  
8 recommends your final adoption.

9 MR. HOUGHTON: Comments? Question -- motion?

10 MR. MOSELEY: So moved.

11 MR. AUSTIN: Second.

12 MR. HOUGHTON: All in favor?

13 (Chorus of ayes.)

14 MR. HOUGHTON: Thanks, Howard.

15 MR. WILSON: Next, 7-B(1) is the proposed  
16 adoption of amendments to Chapter 5. This item presented by  
17 Finance Division Director Brian Ragland. Brian?

18 MR. RAGLAND: Thank you. Good morning. For the  
19 record, I'm Brian Ragland, Director of the Finance Division.  
20 Before you are proposed amendments to rules related to  
21 collection of debts and payments for goods and services.  
22 These changes would provide greater flexibility to allow us  
23 to make better business decisions related to collecting  
24 payments and remove stipulations that may discourage  
25 customers.

1           So, I'll briefly list the proposed changes and  
2 try to answer any questions you might have. First of all,  
3 there's currently a \$25 cap on what we can charge for bad  
4 checks. Statute allows us to charge \$30. We would like to  
5 remove the limitation completely and just defer to statute.

6           Next, language is added to disallow a certain  
7 payment type, if it makes good business sense to do so.

8           Next, the current cap of \$2,000 is removed for a  
9 credit card transaction. Again, if it makes good business  
10 sense, we should be able to take a credit card.

11           Next, we're asking to remove the \$1 fee per  
12 transaction for credit cards and instead leave it to agency  
13 discretion.

14           And then finally, we're suggesting repeal of a  
15 section that accepted certain things, because of the  
16 restrictions that we're asking to be removed.

17           And that's it in a nutshell. Again, I'm happy to  
18 answer any questions.

19           MR. AUSTIN: I do have one question. This is the  
20 banker in me. You have dishonored checks, but is this all  
21 inclusive of electronic items? Because if somebody sends  
22 that, it can -- electronic item can come back dishonored as  
23 well.

24           MR. RAGLAND: Yes, I believe the --

25           MR. AUSTIN: Okay.

1 MR. RAGLAND: -- language encompasses that.

2 MR. AUSTIN: Thank you.

3 MR. HOUGHTON: Any other questions? Brian?

4 Motion?

5 MR. MOSELEY: So moved.

6 MR. AUSTIN: Second.

7 MR. HOUGHTON: All in favor?

8 MR. RAGLAND: Thank you.

9 MR. HOUGHTON: Thanks, Brian.

10 MR. WILSON: Now on to item 7-B(2) proposed  
11 amendments to Chapter 12. This item presented by Design  
12 Division Director Mark Marek. Mark?

13 MR. MAREK: Good morning. For the record, my  
14 name is Mark Marek, I'm the director of TxDOT's Design  
15 Division. The minute order before you relates to proposed  
16 department rules concerning landscape activities. House  
17 Bill 3422, enacted during the most recent regular session of  
18 the Texas Legislature requires the department to establish a  
19 program under which the department may accept donations of  
20 landscape materials for state highways from any source.

21 The department currently has two programs, the  
22 Landscape Cost Sharing Program and the Landscape Partnership  
23 Program that allow landscape donations from local  
24 governments and civic organizations. To implement House  
25 Bill 3422 the department is amending the existing landscape

1 program rules to allow individuals and organizations to  
2 participate in both programs.

3           The department is also updating its rules  
4 regarding signs that may be erected at a landscape project  
5 site and traffic safety plans provided during installation  
6 and work on the project.

7           Allan Meeseey and the Office of General Counsel  
8 did the heavy lifting on converting this legislation to  
9 these rules and staff recommends approval of this minute  
10 order.

11           MR. HOUGHTON: Questions of Mark? Is there a  
12 motion?

13           MR. MOSELEY: I'll second.

14           MR. AUSTIN: I move.

15           MR. HOUGHTON: All in favor?

16           (Chorus of ayes.)

17           MR. WILSON: Next up is Item 7-B(3) proposed  
18 amendments to Chapter 21 at this time presented by Right of  
19 Way Division Director John Campbell. John?

20           MR. CAMPBELL: Good morning. For the record, my  
21 name is John Campbell, Right of Way Division Director. I'd  
22 like to present, for your consideration today, Item 7-B(3)  
23 which provides for the adoption of amendments to 43-TAC  
24 Section 21.23. These concern state participation in the  
25 costs of relocating utilities required to accommodate toll

1 projects. What this does is that the 83rd Legislature  
2 eliminated the previous deadline for this 50/50 cost share  
3 that was established as September 1st of 2013 and then  
4 continues that 50/50 percent cost share in perpetuity.

5 Staff recommends your approval.

6 MR. AUSTIN: So moved.

7 MR. MOSELEY: Second.

8 MR. HOUGHTON: All in favor?

9 (Chorus of ayes.)

10 MR. WILSON: And now 7-B(4) proposed amendment to  
11 Chapter 28. This item will be presented by Maintenance  
12 Division Director Howard Holland. Howard?

13 MR. HOLLAND: For the record, I'm Howard Holland,  
14 Director of the Maintenance Division. This minute order  
15 proposes changes to the rules that give authority for the  
16 Port of Brownsville to issue permits for operation of  
17 oversize and overweight vehicles on roadways within Cameron  
18 County.

19 These amendments alter the oversize and  
20 overweight corridor route used by the Navigation District as  
21 authorized by House Bill 3125 of the 83rd Legislative  
22 Session. This change will allow the Port of Brownsville to  
23 accommodate the permitting needs of additional businesses  
24 that are located in the port area. We recommend approval of  
25 this minute order.

1 MR. AUSTIN: I just have one comment. This is --  
2 I think we had the opportunity to tour this district when we  
3 were meeting down there and I'll say this was innovative to  
4 the area and really like what they're doing to help  
5 themselves in this corridor. I think there's a lot of  
6 industry, they're going to come across the border using  
7 this, to capture that they're going to make improvements.  
8 And extremely innovative, I will move approval.

9 MR. HOUGHTON: Is there a second?

10 MR. AUSTIN: Second.

11 MR. HOUGHTON: Is there a second?

12 MR. VANDERGRIFF: Second.

13 MR. HOUGHTON: All in favor.

14 (Chorus of ayes.)

15 MR. HOLLAND: Thank you.

16 MR. WILSON: Moving on to Item -- sorry, Item 8  
17 will be presented by Suzanne Latimer, Director of the Office  
18 of Compliance and Ethics. She'll make her monthly report of  
19 the department's Compliance and Ethics Report. Suzanne?

20 MS. LATIMER: Hi. Good morning. For the record  
21 I am Suzanne Latimer, Director of the Office of Compliance,  
22 Ethics and Investigations for TxDOT.

23 The purpose of this report is to provide a  
24 summary of information related to allegations and  
25 investigations for the month of November, 2013, in

1 accordance with Transportation Code 201.452 and 201.454.

2           Twenty-five allegations were received during the  
3 month of November. Nineteen allegations were closed during  
4 November. And five allegations were substantiated. No  
5 action by the commission is needed. Thank you.

6           MR. HOUGHTON: You didn't wait around for any  
7 questions. You just walked off?

8           MS. LATIMER: Any questions?

9           MR. HOUGHTON: Thank you very much. Merry  
10 Christmas.

11           MS. LATIMER: Merry Christmas to you,  
12 Commissioner.

13           MR. WILSON: Moving on to Item 9-A, the selection  
14 of the best value proposal for the Energy Sector Roadway  
15 Repair Project, at this time presented by Strategic Project  
16 Division Director Ed Pensock. Ed?

17           MR. PENSOCK: Good morning, Chairman,  
18 Commissioners, Director Wilson. Ed Pensock, Strategic  
19 Projects Division of TxDOT.

20           We're here this morning to seek your approval of  
21 award of a minute order to award the contract to do repair  
22 of heavily damaged roadways in the Energy Sector region of  
23 the Eagle Ford Shale. We'll also talk a little bit about  
24 some of the other energy sector repairs that we have going  
25 on at the end.

1           The contract that we're looking to award this  
2 morning has a base scope of reconstruction and  
3 rehabilitation and restoration and resurfacing of roadways  
4 and bridges in the Eagle Ford Shale area which is shown on  
5 the map, in the shaded green area.

6           These projects are -- fall within the boundaries  
7 of four TxDOT districts, the Corpus Christi, Laredo, San  
8 Antonio and Yoakum Districts. There were a total of 31  
9 roadway locations possible in the contract and we had capped  
10 the construction duration of the contract at 540 days or  
11 approximately 1 1/2 years.

12           The history of the procurement of this project  
13 came about very quickly. The money was authorized in the  
14 last legislative session and on August 2nd we issued a  
15 request for qualifications. TxDOT staff did a tremendous  
16 job, and very, very efficiently, very quickly working  
17 through a procurement, as shown up on the screen.

18           We did receive seven qualification statements.  
19 We did short list four of those seven as the best -- as the  
20 most qualified to continue. We did receive four technical  
21 and price proposals and we're here this morning to talk  
22 about conditional award.

23           The four teams that did submit technical and  
24 price proposals, in alphabetical order, were a group led by  
25 Austin Bridge and Road and Angel Brothers Enterprises with

1 their team members up on the screen. A second group led by  
2 Hunter Industries and Anderson Columbia, with their team up  
3 on the board. A third team, led by Keiwit Infrastructure  
4 and their team members. And the fourth group led by Zachry  
5 Construction Corporation and Parsons Transportation Group,  
6 with their team members.

7           Through the evaluation of this design-build  
8 contract we go through a very rigorous and pre-established  
9 process and it includes separate pass/fail evaluations,  
10 separate evaluations of technical proposals and separate  
11 evaluations of price proposals. Valuation subcommittees do  
12 a very methodical job of reviewing the information placed  
13 before them, they score and make recommendations to an  
14 evaluation selection and recommendation committee.

15           This committee above them reviews their work and  
16 verifies that their work was accurate and complete and  
17 thorough. That committee then makes a recommendation to a  
18 project steering committee that reviews that. And then that  
19 project steering committee has come up with a recommendation  
20 that's in front of you now.

21           The scoring on these proposals was 90 percent  
22 price, 10 percent technical. And I'll go into that here.  
23 The price component or 90 points out of a 100, 70 of those  
24 points were based on the number of roadway locations they  
25 would include in their base bid. We said earlier that there

1 were 31 possible locations, our engineer's estimate for  
2 doing all 31 was over the \$150 million that we had  
3 authorized for this contract, so we really made the  
4 competition centered around the number of locations that  
5 each team would submit in their base price, under \$150  
6 million.

7           Fifteen percent of the points was based on that  
8 price, if it was \$150 million or below. And then 15 percent  
9 was based on the total price that they submitted for all 31  
10 projects. The reason we did that is to leave the department  
11 open and have some flexibility that if other funds are  
12 identified, other than the House Bill 1025 funds, that we  
13 would have the discretion of being able to include some of  
14 those other projects.

15           The technical score of ten points was based on 40  
16 percent on schedule valuation and 60 percent on project  
17 development plan and safety.

18           We may retire the drum roll after this one.

19           MR. HOUGHTON: Who says engineers just don't have  
20 any creativity, huh?

21           MR. PENSOCK: I'm not sure it was an engineer  
22 that came up with the drum roll originally, but the ESRC  
23 approved it.

24           We did do a very methodical evaluation and I'm  
25 here this morning to recommend the proposal submitted by

1 Austin Bridge and Road and Angel Brothers, Limited, as the  
2 best value proposal. Again, they had scored the highest  
3 through our evaluation process, a total of 88.98 points.  
4 The second highest evaluated team was the Hunter Anderson  
5 joint venture with 85.07 points. All four proposals were  
6 very good proposals, all four proposals would have been very  
7 successful in completing the task that we wanted to do.

8           Angel Brothers -- Austin Angel Brothers proposal  
9 did include 27 of the 31 locations in their base bid. Their  
10 base bid was \$149.995 million for those 27 locations. That  
11 was the most locations of any of the four bids that we  
12 received. Their price for the remaining four locations was  
13 an additional \$32.875 million. So, the total possible  
14 contract that could come out of this is \$182.87 million.

15           What we are here this morning --

16           MR. HOUGHTON: That's depending upon additional  
17 funds, right?

18           MR. PENSOCK: That's completely dependent on the  
19 department finding \$32.875 additional funds. And where  
20 we'll look is four districts maintenance budgets,  
21 maintenance budgets, other maintenance -- statewide  
22 maintenance budgets, various sundry locations we can for  
23 those additional funds.

24           MR. HOUGHTON: To fill out the entire price of  
25 the contract?

1 MR. PENSOCK: Yes, sir.

2 MR. HOUGHTON: Okay.

3 MR. PENSOCK: We're going to ask for award of  
4 \$149.995 million contract with the possibility of going to  
5 \$182.3 million contract, if those funds are available. We  
6 know for a fact the \$149.995 funds are available.

7 Austin Bridge Angel Brothers schedule was 540  
8 days for both the 27 projects and for the 31 locations. The  
9 reason for that is that they had built the most time into  
10 one of the projects on Interstate 35 frontage road, that has  
11 a railroad agreement that needs to be completed and executed  
12 with the railroad company, and that railroad agreement is  
13 just in the early stages now, it hasn't been completed. So,  
14 the year and a half that Austin Bridge Angel bid into their  
15 proposal is really predicated on completion of that railroad  
16 agreement and then the work on that single specific site.

17 Our next steps will be to negotiate the final  
18 terms of the design-build contract, including any possible  
19 alternative technical concepts from other teams, see if  
20 there's any value in those with our best value proposer.  
21 And execute a design-build contract, a commercial close and  
22 issue Notice to Proceed 1 for 27 locations or possibly 31  
23 locations.

24 We do have 180 days, from the date that the price  
25 proposals were submitted, which I guess is to early June to

1 make that determination, if we have additional funds or not,  
2 so that's something -- one of the things we're doing next.  
3 The prices that they submitted will expire in early June,  
4 180 days after they submitted them.

5 I'm going to ask Mr. Howard Holland, of our  
6 Maintenance Division, to come up and talk a little bit more  
7 about some of the remaining work that's done and then we'll  
8 entertain any questions or any thoughts.

9 MR. HOLLAND: I'm Howard Holland, Director of the  
10 Maintenance Division. I want to close the loop on the  
11 remaining \$75 million of the \$225 million in House Bill  
12 1025.

13 The \$75 million was allocated to five districts  
14 to fund 11 other projects to be built in a traditional bid  
15 build process. And that is what the slide is showing there,  
16 is those projects and those districts.

17 These projects were let starting in September  
18 through this month was the last project that we received  
19 bids on. And with today's action they will all be awarded.

20 You can see the details of the districts and the  
21 dates the projects were let, but this does close the House  
22 Bill 1025, that all the funds will be allocated to projects  
23 and in fact many of these projects that were let in the  
24 traditional process have already begun.

25 Thank you for letting me be part of this process.

1 I've enjoyed it greatly.

2 MR.PENSOCK: Chairman, Commissioners, this was a  
3 new application of our Design-Build Program, we had never  
4 done a project quite like this with multiple locations.

5 MR. HOUGHTON: And you did it quickly.

6 MR. PENSOCK: It went very quickly.

7 MR. HOUGHTON: Very quick.

8 MR. PENSOCK: It went very smoothly. We're  
9 excited about the fact that so far it's been very  
10 successful. We're excited that we had the number of --  
11 amount of competition and the number of good teams that  
12 participated with us. We think there might be other  
13 applications of this model of design-build for the  
14 department on future delivery of different kinds of  
15 projects.

16 With that, we will entertain any questions and  
17 request your consideration and approval of the minute order  
18 authorizing the contract.

19 MR. AUSTIN: I have one question. You know,  
20 compared to our traditional method of letting this and going  
21 out versus design-build, if you could guesstimate, and I  
22 know it's not going to be exact, how much time and/or money  
23 do you think we saved in this process?

24 MR. PENSOCK: Traditionally the big time savings  
25 on design-build is being able to design it while you're

1 constructing it. This is a little bit different application  
2 of that. There's really not any significant time savings in  
3 the design and the construction. This application will  
4 really allow, through the design of maintenance and traffic  
5 plans and traffic control plans, a single contractor to look  
6 at 27 locations and really do a thorough logistical  
7 analysis.

8           It's hard to say. It's definitely many months  
9 that we're saving, we think, than having 27 different  
10 contractors set up on 27 different locations and  
11 implementing 27 different projects. Material storage,  
12 material allocation, material acquisition, resourcing,  
13 trucking, all those kinds of things are going to be under  
14 the control of a contractor that can really do a lot of good  
15 scheduling things to make things happen much faster.

16           MR. AUSTIN: Well, I do know if Commissioner  
17 Underwood was here he would proudly make this motion. So  
18 I'll do it on his behalf.

19           MR. MOSELEY: I'll second on that.

20           MR. HOUGHTON: All in favor?

21           (Chorus of ayes.)

22           MR. HOUGHTON: Way to go, Ed.

23           MR. PENSOCK: Thank you.

24           MR. WILSON: Now item 9b. will be approval to  
25 exceed contract term restrictions for indefinite deliverable

1 contracts. Chief Procurement and Deputy Administrative  
2 Officer Lauren Garduno will present. Lauren?

3 MR. GARDUNO: Thank you, Phil. Chairman,  
4 Commissioners, for the record my name is Lauren Garduno, I'm  
5 the Chief Procurement and Deputy Administrative Officer.

6 The minute order you have in front of you today  
7 is to authorize the department to exceed the contract term  
8 restrictions for the procurement of engineering and land  
9 surveying services under indefinite deliverable contracts,  
10 which includes the right-of-way, acquisition oversight and  
11 right-of-way lease procurement services.

12 The department is currently in various stages of  
13 planning, procurement and negotiation with respect to  
14 multiple projects that would be developed under  
15 public/private partnership agreements, including  
16 comprehensive development agreements and design-build  
17 agreements, competitive right-of-way leases and other  
18 innovative delivery methods.

19 In support with these efforts the department  
20 intends to enter into indefinite deliverable contracts for  
21 the service of roadway and other professional engineers,  
22 land surveyors and other professionals. More specifically,  
23 the department intends to enter into one indefinite  
24 deliverable contract for the provision of general  
25 engineering consultant services and one indefinite

1 deliverable contract for the provision of program management  
2 consultant services for statewide right-of-way acquisition  
3 oversight and right-of-way lease procurement services, that  
4 include roadway engineering and land surveying.

5           This minute order provides for the opportunity to  
6 extend the contract period from two years, under the TAP, to  
7 six years, to give us more flexibility in the management of  
8 these indefinite deliverable contracts. And so what we're  
9 asking for you today and putting forward with you today is  
10 authorizing the department to exceed the contract term  
11 restrictions for the procurement of engineering and land  
12 surveying services with these indefinite deliverable  
13 contracts so that we can have the flexibility for our  
14 Special Projects Division to manage those two indefinite  
15 deliverable contracts over that period of time.

16           So, we would be extending the period from two  
17 years to six years under this minute order. The staff  
18 recommends approval of the minute order.

19           MR. VANDERGRIFF: I have a question. You don't  
20 identify them on this list, and I'm not asking for that, but  
21 do you have in mind the number of projects out there, or is  
22 it definitive?

23           MR. GARDUNO: Yes, sir. I think the -- and I'll  
24 probably defer to SPD because they have their priorities,  
25 includes like the Harbor Bay Bridge project, some work in

1 the Houston area, some work -- there's a series of about  
2 four or five different projects that they've identified that  
3 they would like to use these two indefinite deliverables to  
4 manage those design-build contracts.

5 MR. HOUGHTON: Are they open-ended, from the  
6 standpoint of price?

7 MR. GARDUNO: Twenty-five million dollars.

8 MR. HOUGHTON: Twenty-five million?

9 MR. GARDUNO: Yes, sir, \$25 million for both of  
10 them.

11 MR. HOUGHTON: For both?

12 MR. GARDUNO: Yes, sir. For the GC --

13 MR. HOUGHTON: So, 50 million?

14 MR. GARDUNO: Total. Yes, sir.

15 MR. VANDERGRIFF: So, the answer is, they're not  
16 open-ended with respect to price, you've got a cap on that?

17 MR. GARDUNO: That is correct.

18 MR. VANDERGRIFF: Okay. And this is just right-  
19 of-way acquisition oversight and lease procurement process?

20 MR. GARDUNO: One of them is the general --

21 MR. VANDERGRIFF: I guess that's on the P&C side,  
22 I guess.

23 MR. GARDUNO: Yes, sir. One of them is the GEC  
24 and one of them is the P&C. Yes, sir.

25 MR. VANDERGRIFF: Okay. And the GEC would be

1 working with -- there'd be specific contractors on each  
2 individual project when they become a reality as a project?

3 MR. GARDUNO: Yes. Once the consultants are  
4 procured, then they would be on board to kind of assist our  
5 staff to help manage the 3 P's and the design-build  
6 contracts that we're working through.

7 MR. VANDERGRIFF: So, I mean, they're going to  
8 function as a true GEC and then the projects, as they come  
9 up, will go through the traditional bid process, perhaps  
10 design-build obviously, because that's what you're focused  
11 on here, but --

12 MR. GARDUNO: Yes, sir. Yes, sir. These are  
13 intended to be used, I think, to support the design-build --

14 MR. VANDERGRIFF: Okay.

15 MR. GARDUNO: -- and the 3 P development of these  
16 --

17 MR. VANDERGRIFF: So, like the item we just took  
18 up, that's one where we would have the GEC involved in that?

19 MR. GARDUNO: Available -- yes, sir, available to  
20 support it.

21 MR. VANDERGRIFF: Yeah. Okay.

22 MR. GARDUNO: Yes, sir.

23 MR. VANDERGRIFF: All right.

24 MR. GARDUNO: Staff recommends approval.

25 MR. HOUGHTON: Any questions?

1 MR. AUSTIN: So moved.

2 MR. VANDERGRIFF: Second.

3 MR. HOUGHTON: All in favor?

4 (Chorus of ayes.)

5 MR. GARDUNO: Thank you.

6 MR. WILSON: Item 9-C regarding the State Highway  
7 360 Project. This item presented by Strategic Projects  
8 Deputy Division Director Katie Nees. Katie?

9 MS. NEES: Thank you. Good morning, Chairman,  
10 Commissioners, Director Wilson. My name, for the record is  
11 Katie Nees, and I serve as the deputy director for the  
12 Strategic Projects Division.

13 Item 9-C on your agenda approves the department's  
14 determination to exercise its options to develop finance and  
15 construct one of State Highway 360 from just south of I-20  
16 to U.S. 287. It also authorizes the executive director of  
17 the department to negotiate a project agreement with the  
18 North Texas Tollway Authority, prescribing the terms and  
19 conditions in the delivery of the State Highway 360 Project,  
20 as well as authorizing the executive director to negotiate  
21 the terms and conditions of the financial backstop agreement  
22 with the North Texas Tollway Authority, as well as the North  
23 Central Texas Council of Governments.

24 As you recall, the State Highway 360 Project is a  
25 planned 15 mile toll project in Tarrant, Ellis and Johnson

1 Counties, just south of I-20 to 287. As you recall on  
2 February 28th, 2013, by minute order, the commission  
3 approved a term sheet for the project agreement between the  
4 department and the North Texas Tollway Authority to  
5 facilitate the project agreement.

6 This minute order before you revises that term  
7 sheet and negotiations between the North Texas Tollway  
8 Authority and the RTC, the Regional Transportation Group, to  
9 include the financial backstop for this particular project.

10 The revised term sheet recommends that the  
11 department would assume primacy for the development and  
12 financing and construction of State Highway 360, that NTTA  
13 would retain primacy for operations and maintenance upon  
14 completion of the project and the construction costs and  
15 other State Highway 360 project costs funded by the  
16 department, including certain right-of-way costs, utility  
17 costs, consultant costs would be reimbursed by the North  
18 Texas Tollway Authority from the project revenues.

19 It further allows that the project revenues, if  
20 they are insufficient for that purpose, that the department  
21 will be backstopped by the RTC through the Unified  
22 Transportation Program Allocations or other available  
23 revenue.

24 Yesterday, as many of you know, December 18th,  
25 2013, the North Texas Tollway Authority board of directors

1 waived NTTA's option to develop, finance and construct this  
2 project, approved the revised term sheet and authorized  
3 their executive director to finalize a project agreement and  
4 financial backstop agreement.

5           Although this item authorizes the executive  
6 director to negotiate a project agreement and a project  
7 financial backstop, both agreements will be presented to the  
8 commission for approval before final execution.

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

11           MR. AUSTIN: I've got a couple questions. I  
12 think you answered one, you know, before final approval --  
13 this is something that we discussed previously, when this is  
14 presented, is it's going to come back to us for final  
15 approval.

16           And looking at the revised term sheets, that  
17 backstop is a fixed amount? Our commitment is a fixed  
18 amount?

19           MS. NEES: Our commitment is up to \$300 million  
20 and it is capped at \$300 million.

21           MR. AUSTIN: And with the interest rate that is  
22 there, are there any -- the way I understand this and look  
23 at this, there are no bumps -- it's a fixed rate for the  
24 duration?

25           MS. NEES: It is a fixed rate for the -- well,

1 it's a fairly fixed rate for the duration. Yeah, it's a 35  
2 year -- it ranges from about \$15.1 million to \$22 - 25  
3 million of payment.

4 MR. HOUGHTON: Beginning?

5 MS. NEES: Per annual, per year.

6 MR. AUSTIN: So, they're -- we will have not  
7 received -- the interest will accrue for the first few  
8 years?

9 MS. NEES: It'll accrue for the first five years,  
10 the first payment is five years after the project is opened,  
11 so it allows NTTA to have that five year ramp up. But the  
12 interest rate will accrue.

13 MR. HOUGHTON: So, the next step is the  
14 negotiations with the NTTA?

15 MS. NEES: The next step is the negotiations.  
16 Yes, Chairman.

17 MR. HOUGHTON: And when do you anticipate  
18 bringing this back?

19 MS. NEES: NTTA --

20 MR. HOUGHTON: Anticipate.

21 MS. NEES: Anticipate. NTTA, in their  
22 resolutions, said that it's null and void if we do not have  
23 a project, a signed project agreement and backstop funding  
24 agreement by February 28th of 2014.

25 MR. HOUGHTON: What day is -- is that a

1 commission date?

2 MR. AUSTIN: I believe so.

3 MR. HOUGHTON: Okay.

4 MR. AUSTIN: 27th, 28th.

5 MS. NEES: So, efforts are well underway.

6 MR. HOUGHTON: Any other questions of Katie,  
7 before she goes off and negotiates? You going to be part of  
8 the negotiating team, Katie?

9 MS. NEES: I believe so, sir.

10 MR. HOUGHTON: Great. And I want to thank you  
11 for your work and congratulations. I understand you were a  
12 point on this, and thank you very much for the job well  
13 done.

14 MS. NEES: Thank you. It was really a group  
15 effort. I want to thank Commissioner Vandergriff for his --

16 MR. HOUGHTON: You can't thank him. He's --

17 MS. NEES: I can't?

18 MR. HOUGHTON: No. No. He's abstaining from  
19 this discussion, so --

20 MS. NEES: But also Bill Hale --

21 MR. HOUGHTON: Just kidding.

22 MS. NEES: -- Bill Hale did an excellent job, as  
23 well as Brian Barth (ph) and I'd like to thank Elizabeth  
24 Mall (ph) with NTTA, she was great during the negotiations.  
25 And Michael Morris (ph) was a big help and Ken Kilpatrick

1 (ph) with the RTC, they've been absolutely fabulous through  
2 all this.

3 MR. HOUGHTON: This goes back to, Marc, your UTP  
4 item and that center column that says "other sources of  
5 funding," how to get these things across the goal line.  
6 These are the things we have to do in today's environment to  
7 get the projects done, is other sources, outside  
8 contributions. And the RTC is stepping up to backstop the -  
9 - it's the O&M, isn't it? They're also backstopping the  
10 O&M?

11 MR. WILSON: Yeah, over the whole amount.

12 MR. HOUGHTON: The entire amount. So, that's a  
13 heavy commitment on their part. So, we have a great  
14 partnership.

15 MS. NEES: Absolutely. I think, Chairman, you  
16 said earlier, "We've come a long way, baby," that may apply  
17 to this one as well.

18 MR. HOUGHTON: Yeah. Well, hopefully in the  
19 years to come we'll see additional funding. But it's fun to  
20 see everybody putting their heads together on how we can get  
21 additional funds into these projects to get them across the  
22 goal line. And my congratulations to all the parties  
23 concerned in this effort.

24 Any other questions of -- we'll let you speak,  
25 Victor. You can speak now.

1 MR. VANDERGRIFF: Well, I --

2 MR. HOUGHTON: You can say congratulations or  
3 something like that.

4 MR. VANDERGRIFF: I certainly already talked to  
5 the staff about that, but I will note, and Katie mentioned  
6 this, the excellent mediation work that the RTC, Michael  
7 Morris from the staff perspective, Ken Kilpatrick did. And  
8 I did have the privilege of attending, didn't say a word,  
9 but just listened at the RTC meeting when they approved this  
10 backstop. And they truly are a mini United Nations in a  
11 meeting of 40 people coming together. So, the discussion  
12 was interesting to watch, but they came through.

13 MR. HOUGHTON: Again, my congratulations. Is  
14 there a motion?

15 MR. AUSTIN: I will so move.

16 MR. MOSELEY: Second, Chairman.

17 MR. HOUGHTON: All in favor?

18 (Chorus of ayes.)

19 MR. HOUGHTON: Thanks. We'll see you back here  
20 soon.

21 MS. NEES: Soon. Thank you.

22 MR. HOUGHTON: Yes.

23 MR. VANDERGRIFF: Make sure you would, but record  
24 my abstention.

25 MR. HOUGHTON: Noting. Noted. As noted.

1 MR. WILSON: Now Item 10, consideration of the  
2 authorization of a toll equity loan agreement for the Grand  
3 Parkway, at this time presented by Ben Asher. Ben?

4 MR. ASHER: Good morning. Chairman,  
5 Commissioners, Executive Director Wilson, for the record I'm  
6 Ben Asher, the Innovative Finance Debt Management Office for  
7 TxDOT.

8 Item 10 authorizes the executive director to  
9 enter into an amendment to the TELA for the Grand Parkway  
10 Toll Project between the department and the Grand Parkway  
11 Transportation Corporation, better known here as GPTC. The  
12 amendment is necessary because as we move forward into the  
13 next phase of the financing, with the issuance of GPTC  
14 revenue bonds, the maximum annual amount of the TELA needs  
15 to be adjusted. Importantly, the total aggregate amount  
16 remains unchanged.

17 Staff recommends approval, and I'd be happy to  
18 answer any questions you may have.

19 MR. AUSTIN: Ben, we had -- you and James have  
20 had an opportunity to discuss this. In different segments  
21 of the Grand Parkway, as we look at it right here, to get us  
22 to the point where we are right now, we've used different  
23 tools that will be reimbursed and paid back off with the  
24 issuance of these bonds.

25 MR. ASHER: Yes, sir. That's correct.

1 MR. AUSTIN: I think it'd be worth it if you  
2 wouldn't mind kind of walk through some of that, if you  
3 wouldn't mind.

4 MR. ASHER: Sure. The financing was done last  
5 summer, was for approximately \$2.9 billion in bonds. Some  
6 of that, as Commissioner Austin noted, was to reimburse  
7 localities and to reimburse funds previously spent by TxDOT.  
8 The remaining funds will be used for the construction of E,  
9 F and G. But that is correct, it was -- the sources of the  
10 funding of this bond deal is used in part to reimburse for  
11 previously expended funds by both TxDOT and HCTRA.

12 MR. AUSTIN: I just think it's worth noting --

13 MR. ASHER: Sure.

14 MR. AUSTIN: -- that because of the prior tools  
15 that we were given by the Legislature, or the creativity of  
16 working with our local partners, we're able to advance that  
17 project right now.

18 MR. ASHER: That's correct.

19 MR. AUSTIN: And that's --

20 MR. ASHER: So, it's a reimbursement. So, the  
21 project got started and these bonds are being partially used  
22 to reimburse. Thank you, sir.

23 MR. HOUGHTON: Any other questions?

24 MR. AUSTIN: I move approval.

25 MR. VANDERGRIFF: Second.

1 MR. HOUGHTON: Second? All in favor.

2 (Chorus of ayes.)

3 MR. HOUGHTON: Thanks, Ben.

4 MR. ASHER: Okay.

5 MR. WILSON: The next item is the award of  
6 contracts for maintenance and the department of building  
7 construction and highway construction contracts. John Obr,  
8 Construction Division Director will present these minute  
9 orders. Item 11-A.

10 MR. OBR: Merry Christmas. For the record, I am  
11 John Obr, Director of the Construction Division. Item 11-A  
12 is for consideration of the award or rejection of highway  
13 maintenance and department building construction contracts,  
14 let on December 3rd and 4th of 2013.

15 We present 41 projects today, the average number  
16 of bids per project was 4.0. The low bid value was  
17 \$53,627,687.54 and an overall under run of 9.72 percent.

18 Staff recommends award of all maintenance  
19 projects with the exception of the following project. Webb  
20 County Project RMC-6195-44-001. Project received three  
21 bids, low bid came in at 15.79 percent or \$330,552.49 over  
22 the engineer's estimate. Project is for roadway widening,  
23 blade level up and spot base repair. The district  
24 discovered there was a significant error on one item and  
25 would like the opportunity to correct the error. We concur

1 with this plan of action, therefore we recommend the project  
2 be rejected and re-let at a later date.

3           And for your information, I would like to point  
4 out that on Tuesday, December 3rd we received four bids for  
5 the first performance based total maintenance highway  
6 project, which will be for traditional, routine maintenance  
7 of main lanes and frontage roads and for snow and ice  
8 control. The project is Travis County RMC-6262-18-1. The  
9 low bidder was ISI Contracting, Inc., whose bid came in at  
10 19.31 percent or roughly \$2.7 million under the engineer's  
11 estimate.

12           The award and execution of this contract is  
13 anticipated to provide a 16 percent savings over traditional  
14 contract delivery methodologies, as projected from McKinsey  
15 and Company study. The performance based total maintenance  
16 projects will expand opportunities for the private sector to  
17 perform routine maintenance on Interstates 35 and 45,  
18 between Dallas and Houston and Dallas and San Antonio and on  
19 I-10 between San Antonio and Houston. This work would also  
20 include highways inside metropolitan areas in Dallas and  
21 Harris Counties.

22           Estimates show annual savings could result in  
23 more than \$96 million when fully implemented. And the award  
24 of this first project is included in this minute order. Any  
25 questions?

1 MR. HOUGHTON: Any questions?

2 MR. VANDERGRIFF: No questions. Move for  
3 approval.

4 MR. HOUGHTON: Second?

5 MR. AUSTIN: Second.

6 MR. HOUGHTON: All in favor?

7 (Chorus of ayes.)

8 MR. HOUGHTON: Onward.

9 MR. WILSON: John, would you please proceed with  
10 Item 11-B, construction contracts?

11 MR. OBR: Item 11-B is for consideration of the  
12 award or rejection of highway and transportation enhancement  
13 building construction contracts, let on December 3rd and 4th  
14 of 2013. We present 40 projects today, the average number  
15 of bids per project was 4.63. The low bid value was  
16 \$277,451,110.49. Projects are split as six projects in  
17 mobility, totaling a little over \$175 million and 34  
18 projects in preservation, totaling a little over \$102  
19 million. We had an overall under run of 8.08 percent.

20 Staff recommends award of all construction  
21 projects. Any questions?

22 MR. HOUGHTON: Thank you, John. Moved? Second?

23 MALE VOICE: Second.

24 MR. HOUGHTON: All in favor?

25 (Chorus of ayes.)

1 MR. HOUGHTON: Thanks, John.

2 MR. OBR: Thank you.

3 MR. WILSON: Now that brings us to Item 12,  
4 eminent domain proceedings, Right of Way Division Director  
5 John Campbell will present this minute order. John?

6 MR. CAMPBELL: Good morning. For the record, my  
7 name is John Campbell, Director of the Right of Way  
8 Division. I'd like to present, for your consideration  
9 today, Item 12, which authorizes the filing of condemnation  
10 procedures necessary to progress the acquisition of 54  
11 parcels by exercise of eminent domain. Twenty-six of these  
12 parcels are on non-controlled highway facilities, 28 are on  
13 controlled.

14 Staff recommends your approval.

15 MR. HOUGHTON: We're so glad to have you back,  
16 Commissioner Vandergriff.

17 MR. VANDERGRIFF: I was -- my mouth was open,  
18 ready to go before I got that thank you. Returning.  
19 Commissioner Moseley most particularly is happy. I move  
20 the Texas Department -- Texas Transportation Commission  
21 authorize the Texas Department of Transportation to use the  
22 power of eminent domain to acquire the properties described  
23 in the minute order, set forth in the agenda for the current  
24 month, for construction, reconstruction, maintenance,  
25 widening, straightening or extending the highway facilities

1 listed in the minute order as part of the state highway  
2 system. And that the first record vote applies to all units  
3 of the property to be condemned.

4 MR. MOSELEY: Second, Chairman.

5 MR. HOUGHTON: All in favor?

6 (Chorus of ayes.)

7 MR. HOUGHTON: Thank you, John.

8 MR. CAMPBELL: Thank you.

9 MR. WILSON: Item 13 contains routine minute  
10 orders including donations to the department, right-of-way  
11 dispositions and donations report, highway designations and  
12 speed zones.

13 MR. HOUGHTON: Is there a motion?

14 MR. AUSTIN: So moved.

15 MR. HOUGHTON: Second, please? Any second?

16 MR. VANDERGRIFF: Second.

17 MR. HOUGHTON: All in favor.

18 (Chorus of ayes.)

19 MR. HOUGHTON: Thank you.

20 MR. WILSON: This concludes the action items on  
21 today's agenda. So, Chairman, I will hand the meeting back  
22 to you.

23 MR. HOUGHTON: Any comments? Open. Anybody sign  
24 up wanting to talk to us? Hard to believe.

25 Thank you all very much. Again, a warm Christmas

1 greetings, Happy New Year. Drive safely over the holiday  
2 season and be sane, too.

3 And my congratulations for the year to our  
4 commission and to all of our employees and I thank you for  
5 your service.

6 This concludes all items on the agenda. And the  
7 most privileged motion will be entertained.

8 MR. AUSTIN: So moved.

9 MR. MOSELEY: Second, Chairman.

10 MR. HOUGHTON: All in favor?

11 (Chorus of ayes.)

12 MR. HOUGHTON: Thanks. We are adjourned at 11:03  
13 a.m.

14 (Whereupon, at 11:03 a.m. the meeting was adjourned)

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C E R T I F I C A T E

I, Kimberly C. McCright, CET, do hereby certify that the foregoing pages 1 through 98, constitute a full, true, and accurate transcript from electronic recording of the Texas Transportation Commission meeting held at 125 East 11<sup>th</sup> Street, Austin, Texas, on Thursday, December 19, 2013 at 9:00 a.m.

DATED this 30<sup>th</sup> day of December, 2013.



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Kimberly C. McCright, CET