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TEXAS DEPARTMENT OF TRANSPORTATION
COMMISSION MEETING

Rick Williamson Hearing Room
DeWitt Greer Building
125 East 11th Street
Austin, Texas

Thursday
May 29, 2014

COMMISSIONER MEMBERS:

- Ted Houghton, Jr., Chairman
- Jeff Moseley
- Jeff Austin, III
- Fred Underwood

STAFF:

- Lt. General Joe Weber, Executive Director
- Jeff Graham, General Counsel
- Robin Carter, Assistant Chief Clerk

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18
19
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21
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23
24
25

TABLE OF CONTENTS

Convene Meeting	Page 4
Safety Briefing	Page 4
Approval of Minutes	Page 13
Discussion Items:	Page 14
2015-2019 Strategic Plan - Jerry Haddican	Page 14
Fiscal Year 2016-2017 Legislative Appropriations Request - Brian Ragland	Page 19
South Texas Natives Program - Dennis Markwardt	Page 30
Aviation - Dave Fulton	Page 54
Public Transportation - 5(a) - (h) - Eric Gleason	Page 64
Promulgation of Administrative Rules	
6(a)(1) Presented by Ann Culver	Page 80
6(b)(1) Presented by Ken Stewart	Page 91
6(b)(2) & (3) Presented by John Campbell	Page 97
Office of Compliance, Ethics, and Investigations Presented by Benny Ybarra	Page 104
Policies for Financial Reports and Internal Control; Code of Ethics - Brian Ragland	Page 105
Toll Roads - Ed Pensock	Page 106
Comprehensive Development Agreements - Ed Pensock	Page 107
Traffic Operations - Carol Rawson	Page 120
Toll Equity - Ben Asher	Page 139
State Infrastructure Bank - Ben Asher	Page 140
Toll Rates for DFW Connector - Doug Woodall	Page 141

1	Professional Services Contracts - Lauren Garduno	Page 142
2	Unified Transportation Program - Mark Williams	Page 144
3	Contracts - Darren Hazlett	Page 152
4	Eminent Domain Proceedings - John Campbell	Page 160
5	Routine Minute Orders	Page 161
6	Executive Session	Page 162
7	Open Comment Period & Adjournment	Page 161
8	Adjourn	Page 163

9
10
11
12
13
14
15
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P R O C E E D I N G S

MR. HOUGHTON: Good morning. It is 9:01 a.m. and I call to order the May 29th, 2014 meeting of the Texas Transportation Commission in Austin, Texas. Note for the public record that public notice of this meeting containing all items on the agenda was filed with the Secretary of State at 4:46 p.m. on May 21st, 2014.

And as customary, would you place your communication devices in the off or silent mode. And if you wish to address us today on an agenda item it's the yellow card, and at the end of the session it's a blue card on anything you would want to talk about, according to my General Counsel.

Now I'll turn over to General Weber for our safety briefing.

MR. WEBER: Thank you, Chair. I'd like to ask our Field Safety Specialist, Sidney Malloy, to come forward and provide a quick safety briefing. Sidney?

MR. MALLOY: Good morning, Commissioners. Good morning, Executive Director General Weber and to Deputy Executive Director, Mr. John Barton, good morning to each and every one of you. In the event -- I just wanted to say also, thank you for your support -- continued support for Safety Mission Zero. It does save lives. So thank you for that support as well.

1 In the event of an emergency -- a medical emergency, we
2 do have a first aid kit directly behind the security, and an
3 AED right across from the security office. When calling
4 911, the address here at this location is 125 East 11th
5 Street. In the event of a fire or even a bomb threat, we
6 will evacuate this building in a safe, calm, manner. We do
7 have evacuations to my right and also to my left as well.

8 The meeting area or the assembly area is across the
9 street on the capitol grounds. In the event of a -- weather
10 emergencies we will shelter in place -- generally we will
11 shelter in place in the stairwell or in an area of the
12 facility. Thank you and have a great day.

13 MR. HOUGHTON: Thank you, Sidney. Perry, thanks
14 for the -- all right, we will begin with our customary
15 welcome by the Commissioners. Commissioner Vandergriff is
16 excused today. He has got a momentous occasion occurring in
17 his family this week. His son's wedding will be in the Fort
18 Worth region. We congratulate he and his family. You're up
19 Commissioner Moseley. Welcome.

20 MR. MOSELEY: Thank you, Chairman, Members. Good
21 morning all. I wanted to begin today by thanking my
22 colleague, fellow Commissioner Underwood and his lovely
23 bride for their hospitality at last month's commission
24 meeting in Lubbock. We really enjoyed being in that region
25 of the state getting a better understanding of how TxDOT is

1 performing various mobility tasks. But it was especially
2 good to be a friend of Fred in Lubbock, Texas, and he gave
3 us a very warm greeting. And so thank you, Fred, for your
4 hospitality and for making us feel so very welcome.

5 MR. UNDERWOOD: I'll pass that on to my bride.

6 MR. MOSELEY: Thank you. As Chairman -- speaking
7 of traveling commission meetings, we are excited next month
8 to have everybody join us in the Houston region. This
9 morning each of you have a brochure in your chair, and its
10 actually got a map of where we'll be meeting on our
11 workshop, which is June 25th. We'll be in Kemah on the
12 boardwalk, and I'm pleased that we'll have a work session
13 that really moves towards the Sunset Commission's
14 recommendation that TxDot be a full transportation
15 department, and be a chance for us to have a workshop
16 related to how we can work more closely with the port's
17 community. And I'm pleased, Chairman, to provide an
18 overview to you and the members of the commission at that
19 time.

20 We'll also hear, of course, from our local
21 transportation partners while in the Houston region. And
22 then the following day, on June 26th, Thursday. We'll be at
23 the Port of Houston, Bayport Cruise Terminal, for our
24 regular called commission meeting. And that map -- the map
25 here gives an idea of the proximity of Kemah to the Port of

1 Houston. So we look forward to hosting you next month in
2 Houston. Thank you, Chairman.

3 MR. AUSTIN: Good morning, everyone. Commissioner
4 Moseley, first congratulations on your award yesterday, and
5 it was in Houston, the H.E.A.R.T. Institute, and a wonderful
6 award. So congratulations to you. So I did some
7 reconnaissance this last weekend down in the Houston area.
8 I was looking at the trout. Inspecting the size of the
9 trout in the bay, and I promise you they're still there.
10 Welcome everybody. I know I echo the sentiments from being
11 up in Commissioner's Underwood last month up in Lubbock,
12 wonderful. And I think we did our rain dance and you all
13 got so much rain. So congratulations, I know we needed it
14 state wide.

15 I look through the audience and I see several
16 visitors here that haven't been here in awhile or are new.
17 I have one, is back in awhile, I see Scott Haywood. And I
18 want to say Scott, what you're doing, I hear the results of
19 your efforts around the state really working to help educate
20 folks about the proposition that's coming up. And I want to
21 say thank you for your work because that -- again, that's
22 only 20 percent of the need, but it is going to be important
23 and I hope you all get educated as we look at the
24 proposition coming up in November.

25 Tio Kleberg's here. I know we're going to talk to

1 you all about your research in a little while, but thank you
2 for coming up to the commission meeting. And what you all
3 do with research and -- for wildlife, seed, everything, I
4 appreciate, and it's an honor to have you up here. So thank
5 you very much.

6 Last -- earlier this month I had the opportunity
7 to attend the opening of the 290 Manor Expressway here in
8 Austin. I know I take that every time I come in and wow,
9 what a nice facility that is. Deputy Secretary Victor
10 Mendez was down, and we're seeing a lot more of him in Texas
11 which is a good thing to share what's happening with our
12 multi-modal aspects from rail to the ports. And it's very
13 important with the bill that they have -- the
14 administration's put out and also that's being floated
15 through with the reauthorization of Highway Trust Fund.

16 We have a lot going on, but I want to say thank
17 you to our federal and state teams as we look at legislative
18 session, at hearings, but also the WRDA bill that's in
19 conference is really good for Texas ports. Commissioner
20 Moseley with all your efforts, thank you. It's going to be
21 really good as we look at exporting of L&G and the
22 Intercoastal Waterway.

23 With that we have a good meeting coming up that I
24 want to pass on, Commissioner Underwood.

25 MR. UNDERWOOD: Thank you. And I appreciate the

1 comments. I will share them with my bride. And when I say
2 bride, we're married 44 years, so don't get too nervous. I
3 -- I'm -- I really enjoy my bride. She's a very sweet lady.
4 In fact, somebody asked me last week, 44 years is a long
5 time. I told them, no, really it feels like 20 or 30
6 minutes, under water.

7 But on a serious note, I want to remind everybody,
8 no texting and driving, no impaired driving, please. We
9 would like our ribbons -- we would like to go one day
10 without a fatality on our highways. So please, don't text,
11 don't drive and be impaired driving. Do you mind if I share
12 something you were sharing with me?

13 You know, Commissioner Austin, he'll occasionally
14 have a glass of wine, but he told me that if he has two
15 glasses of wine, he is not going to drive. He will lock his
16 car up. He will walk to the nearest pizza parlor and order
17 a pizza be delivered to his house and ride with the guy to
18 his house. And I was proud of him. And that's very
19 inventive and I appreciate that. But --

20 MR. AUSTIN: Thank you, Commissioner. I don't
21 know what to say.

22 MR. UNDERWOOD: But I also see a very good friend
23 of mine, all the way back from college days, and Tio
24 Kleberg. And I really appreciate you being here, sir. It
25 means a lot to us, and your program, I think, is very

1 important, what you're doing. And I hope you don't mind,
2 I'll share something you shared with me when we were in
3 college together.

4 He looked at me one time and he said -- and this
5 is some sage advice I've never forgotten. He told me, he
6 said, you know, (indiscernible), I want you to aim high, at
7 least that way you won't shoot your foot off. And I've
8 never forgotten that one. Chair, also -- I need to turn to
9 the Chair. You remember that -- I shared with you that old
10 saying about, if at first you don't succeed, you should not
11 try skydiving, remember that?

12 MR. HOUGHTON: Yes.

13 MR. UNDERWOOD: There's another part to that I
14 forgot to tell you. You do not need a parachute if you
15 skydive. You only need a parachute if you want to skydive
16 twice. So just going to make sure you understand that part.
17 And I want to leave everybody with this one thought.
18 Whether you realize this or not, the latest survey shows
19 that three out of four people in this earth make up 75
20 percent of the population. So, thank you.

21 MR. HOUGHTON: And just think folks, you didn't
22 have to pay for all of that. I don't know what to say. See
23 what happens when you're last. You just see what happens.
24 I want to thank everyone for being here. We have a good
25 agenda. Some neat topics. But first I've got a few things

1 I need to talk about.

2 Commissioner Austin eluded to the award that
3 Commissioner Moseley -- was bestowed on him yesterday in
4 Houston by the North Houston Association, and it's called
5 the H.E.A.R.T Award. And the H.E.A.R.T. Award is an acronym
6 for Housing Entrepreneurship and Readiness Training. And
7 behind me you'll see the honorees, and the guy on the right
8 hand side with a big smile on his face.

9 They chose to honor Commissioner Moseley and his
10 wife Jackie for their commitment to changing lives and in
11 changing hearts through their service. Now, Commissioner
12 Moseley was recognized for his commitment and his effort to
13 raise awareness and increase support for important
14 missioning, a charge undertaken by the H.E.A.R.T. program.
15 Moseley -- Commissioner Moseley was accredited with taking a
16 personal interest in helping H.E.A.R.T. to raise
17 consciousness about the work they are doing to promote
18 structured independence for persons living with
19 developmental disabilities.

20 Additionally, Jackie Moseley, along with her
21 daughter Jenny, was recognized for being a true foot soldier
22 and being hands on, having served as volunteers working
23 alongside the H.E.A.R.T. trainees. We want to congratulate
24 Commissioner Moseley for the award and Jackie, and we --
25 congratulations to you for that award. That, I think, is

1 outstanding, what you do in your community.

2 The other thing I want to do is recognize one of
3 our employees. Trent Thomas, come on up here just for a
4 second. Surprise, surprise. Come on up Trent. Trent --
5 come on, right here, right there. I -- we forget in our
6 fast paced lives in this Department of Transportation and in
7 our -- and we all have other jobs outside transportation,
8 but Trent came over to us a little over two years ago --

9 MR. THOMAS: Yes, sir.

10 MR. HOUGHTON: -- from the legislature. And Trent
11 did yeoman's work in the last legislative session getting
12 ready for the next legislative session. But in the interim
13 what we've had is some people that have decided to retire or
14 seek other opportunities, and Trent has not only taken on
15 his current job on state legislative affairs, but now he's
16 handling the federal legislative affairs.

17 And his wing man who was handling the senate,
18 Jerry Haddican, has now abandoned him to do other things for
19 the department on the second floor, and Trent has picked up
20 everything piled on his desk. So he's got, what is it, 181
21 legislators calling you when they need something, and how
22 many members of the Texas Delegation to the United States
23 House of Representatives and the Senate. So Trent has
24 pulled that duty and continues to do that.

25 And I wanted to recognize you because it's so very

1 important what you're doing because of what's going on in
2 Washington D.C. with reauthorization being talked about and
3 bills being filed, the WRDA bill getting passed out, and now
4 the hearings have started across the street in preparation
5 for the -- next year's legislative session. Trent, I want
6 to thank you personally for what you're doing. Thank you so
7 very much.

8 MR. THOMAS: Thank you. Well, I certainly
9 couldn't have don't it without the support of all the fed
10 staff and SLA staff. They've just been unbelievable through
11 this time and this change. And so they've been a great
12 support. So I give a lot of accolades to their support
13 they've given to me.

14 MR. HOUGHTON: Trent, thank you very much.

15 MR. THOMAS: Thank you.

16 MR. HOUGHTON: Thank you. All right. Our first
17 order of business, gentlemen, is to approve the Minutes of
18 the April 4th and the Special Meeting on April 23rd, the
19 workshop, and the April 24th regular meeting of the Texas
20 Transportation Commission.

21 UNIDENTIFIED VOICE: So moved.

22 UNIDENTIFIED VOICE: Second.

23 MR. HOUGHTON: All in favor?

24 (Chorus of ayes.)

25 MR. HOUGHTON: And with that I'll turn the balance

1 of the agenda over to General Weber. General?

2 MR. WEBER: Thank you, Chairman. At this time I'd
3 like to move on with our discussion items. And the first
4 Item 3(a) update and discussion regarding our draft 2015 -
5 2019 TxDOT Strategic Plan. And special advisor and
6 assistant, Jerry Haddican, will present. Jerry? Thanks.

7 MR. HADDICAN: Thank you. For the record, my name
8 is Jerry Haddican, Special Advisor to General Joe Weber. I
9 want to talk about where we are in terms of the Strategic
10 Plan and the process that we have in place. But before I do
11 that I want to thank Tanya Norman, who's in the office --
12 who's in the -- who's in this room with us, and who is in
13 the State Legislative Affairs office and has been doing the
14 work to bring this to this point, and will also be working
15 on it as we bring it before you next -- when the Commission
16 is in Houston.

17 So just briefly, we've -- I'll just run through
18 this real quickly. The background for the Strategic Plan,
19 the process, TxDOT's strategic direction, TxDOT's
20 priorities, and then other parts of the Strategic Plan.
21 TxDOT is legislatively required, as part of the LAR process,
22 to develop a five year plan. This plan is an update to the
23 plan that was developed two years ago. So what you'll see
24 before you is very similar.

25 The plan outlines the goals and objectives of the

1 agency and its top priorities. It also forms the basis of
2 our budgetary request. And this is where we are today.
3 This is where we're reviewing it with you all. We'll be
4 taking feedback for the next couple of weeks. We've gotten
5 some good feedback yesterday. And we'll be incorporating
6 that and presenting it to you, as I said, in Houston.

7 Here's our mission statement, our philosophy and
8 our goals. In submitting this internally we got some
9 feedback under Tx -- Connect Texas Communities, and the
10 phrase was -- their suggested phrase for your consideration
11 was added by improving freight movement. Here is -- here
12 are our priorities with some examples. You'll notice that
13 the second two do not have examples, so we're working on
14 filling those in. If you all have suggestions on these,
15 please, let us know.

16 And also if you'll notice under the third
17 category, acts as a resource for transportation funding, the
18 suggestion was made to include CDAs in that category. So
19 we're going to be working on language either in the examples
20 or in the left side to include CDAs. And the thought was
21 that that is a form of funding for major projects, strategic
22 projects throughout the state, so why not talk about it more
23 holistically.

24 Here are some of the other parts of the Strategic
25 Plan. We'll be including the new org chart that came out on

1 Friday. We also will be tying, you know, for -- performance
2 measures are part of this plan. And then also we have a
3 workforce plan that will be complete by the time we resubmit
4 it to you all. We also have a customer service survey that
5 the Texas lative -- Legislative Council put together, and
6 we'll be submitting that to you.

7 And then we also have a TxTag survey that will be
8 before you before the plan is finalized. So here are our
9 next steps. Collecting feedback from you all, incorporating
10 into the final draft, and then we have a submission deadline
11 of July 7th for it to be submitted to the Governor's office
12 and Legislative Budget Board, and then we'll post it on the
13 web site. At this time if you all have any questions.

14 MR. AUSTIN: Jerry, I've got a couple. I know we
15 had a discussion yesterday, and I think for the sake of my
16 fellow Commissioners I want to share some of the comments or
17 questions. As we look at this, one that I know we have --
18 it's a five year plan that we update every two years. And
19 as we're updating this, I'd asked Jerry a couple of
20 questions. One, have we declared victory or what are our
21 results based on the last update.

22 I think because before we finalize, maybe at our
23 next meeting, is to come back and really take a look at the
24 historical -- some of this will be included in the
25 appendices, but as we look at these main goals back on page

1 5, how will we -- and there's not an answer yet on each one
2 of these, how will we measure these? How will we measure to
3 determine our success or lack thereof? I think that's going
4 to be important as we communicate across the street.

5 MR. HADDICAN: So I think if you look at the
6 goals, then depending on the category, whether it's a safe
7 system, congestion, or connecting communities, or best in
8 class, depending on the goal we have more metrics or
9 different measures, maybe is a better way to put it, for
10 each of those goals. So taking safety for example. We've
11 got some data, in fact, that was just presented to senior
12 leadership in this room last month on the 21st or 22nd where
13 we talk about lost time, injuries.

14 Our goal there is not to ever declare victory
15 because we always feel like we can improve with our Mission
16 Zero program, but we have some graphs and data that suggest
17 that the trends are positive. We want to build on that and
18 we can share that with you. On other areas, you know, if
19 you -- maybe perhaps if you look at the Connect Texas
20 Communities, some of that is involved with the UTP, and
21 we've been working on a process for -- not me, but the
22 planners, specifically Mark Williams has been working on a
23 process to make the UTP more transparent and to prioritize
24 projects that are major projects.

25 So I think depending on the category -- and

1 probably the most broad category is best in class state
2 agency, so we're always challenge each other, maybe in ways
3 that we weren't performing or working before to be more
4 effective, and so new ideas are emerging there, and that in
5 my opinion doesn't lend itself as much to performance
6 measures, but it's important to have those in that category.

7 MR. AUSTIN: The only other two comments I would
8 make. One is we look at this as let's don't forget multi-
9 modal solutions. I think Commissioner Moseley mentioned
10 that as one of the aspects when we go down to Houston.
11 We're going to look at some of the multi modes because --
12 whether it's aviation, ports, rail, transit, is that we are
13 moving people.

14 And as we look at -- it's -- the thing -- some of
15 the things that we do are not just all GDP related, but it's
16 also retention, and it's also movement. I call it the
17 Friday night football. Passengers are -- whether it's
18 vacation, travel --

19 MR. HADDICAN: Quality of life.

20 MR. AUSTIN: -- going from -- I asked the Chair, I
21 said, if we were to look at our vision every -- you know,
22 what is it we really do? He goes, we move people from point
23 A to point B. And that's right. You know, we do -- we are
24 responsible for that. But thank you for your -- there's a
25 lot of good work in here, and with some of the things that

1 we have done is to come back and let's revisit those one, to
2 share what we have done in the spirit of transparency
3 because there are a lot of great things that your team and
4 our staff is doing to make things move -- go forward and be
5 better stewards.

6 MR. HADDICAN: We'll put that together and get
7 back with you all on those milestones.

8 MR. AUSTIN: Thank you.

9 MR. WEBER: Any other comments?

10 MR. MOSELEY: Chairman, just to say how much I
11 appreciate the draft document, and I especially appreciate
12 some language about economic development. We've had some
13 questions about how this agency can be a full partner in
14 growing the tax base of the state. And it amplifies
15 Commissioner Austin's point that as we look at the full
16 transportation capabilities of the state, how can we
17 strategically invest in that mobility system to grow the tax
18 base. So thank you for that discussion in the plan.

19 MR. HADDICAN: Thank you.

20 MR. HOUGHTON: Thank you, Jerry.

21 MR. WEBER: Thanks Jerry. Next up is Item 3
22 bravo, an update and discussion regarding the development of
23 TxDOT's Fiscal Year 2016 - 2017 Legislative Appropriations
24 Request. Director of Finance, Brian Ragland will present.
25 Brian? Thanks.

1 MR. RAGLAND: Thank you, General Weber. Good
2 morning. For the record I'm Brian Ragland, Director of the
3 Finance Division. This item continues the discussion on the
4 preparation of the 2016 - 2017 Legislative Appropriations
5 Request, better know as the LAR. As a reminder, the LAR is
6 due to the LBB and Governor's office in late August, and
7 there's a statutory requirement that we bring to you a draft
8 of that about a month ahead of that deadline.

9 I've got a brief deck of slides today to lead the
10 discussion, but happy to get your input on any other areas
11 you think of -- are of importance along the lines of
12 preparing the LAR. There is no action required on this item
13 today. So the first slide talks to our baseline request.
14 And what that is, is it's basically the part of the LAR
15 where you slot in what you need to operate using your
16 current situation as a baseline.

17 And so starting with the State Highway Fund, we
18 forecast what we think is going to be available in the State
19 Highway Fund. We make an assumption that other --
20 appropriations to other agencies currently receiving funds
21 from the State Highway Fund will remain flat, and then we
22 take the difference and align it into our strategies at
23 TxDot.

24 The second bullet here speaks to general revenue.
25 We have to make sure that we have general revenue available

1 to support the service requirements on the Proposition 12
2 Bond Program. And then the third bullet here is a Small
3 Rail Safety Program where we have to include a -- an amount
4 for receipts of those fees to support that program.

5 What is not listed here is a debt service
6 appropriation needed for Texas Mobility Funds Bond Program,
7 as well as appropriations needed to -- from the various bond
8 proceeds accounts to continue to pay off projects that are
9 slotted against those particular programs. So the next
10 slide speaks to exceptional requests, which are those items
11 that come on top of the baseline request, your wish list, if
12 you will.

13 It's important to know that these ideas are
14 mutually exclusively. And what I mean by that is if one of
15 the lists were to be approved, then it would effect either
16 the need for or the amount that may be included in one of
17 the others. And I'll explain that a little more later. The
18 first item which reads, all remaining State Highway Fund
19 dollars appropriated elsewhere, comes from some recent
20 stories that the State Highway Fund should solely fund
21 transportation.

22 And so what we will do there is create an
23 exceptional item that pulls back the amounts that are
24 appropriated to other agencies for their operations from the
25 State Highway Fund. The exception to that will be the

1 amounts that are appropriated to the comptrollers office and
2 to the Employees Retirement System which directly support
3 benefits of TxDOT employees.

4 The second bullet here, Unfunded Mobility and
5 Preservation Projects. That's the 5 billion dollar need --
6 annual need. And so we intend to have an exceptional item
7 that details out that full need to the legislature. And
8 when I -- earlier when I said mutually exclusive, if this
9 one was to be approved, then obviously some of the others
10 would be taken care of within that 5 billion.

11 The third is Safety Maintenance Energy. Chairman
12 Houghton, approximately one billion to be asked for for that
13 need. The fourth item is the Truck Discount Program which
14 we discussed a couple of months ago here. That's an
15 approximate 20 million dollar request, likely from general
16 revenue to re-implement, I guess, the discount program for
17 trucks over on State Highway 130.

18 The fifth item -- the fifth bullet is similar to
19 that. It's a Veteran Discount Program, much smaller, about
20 a -- I think it's about a million two where we would ask for
21 a subsidy to cover the cost of that -- of providing those
22 discounts. And then the last one is related to the
23 proposition on the November ballot.

24 We will need to create an exceptional item that
25 asks for those funds in the out years. As you know when the

1 bill was passed, the estimate at that time was around 875
2 million, I believe. The current estimate is, from what
3 we've heard, is about 1.4 billion. So we will make some
4 sort of assumptions as to what that calculation will result
5 in in those out years, '16 and '17.

6 This next slide speaks to riders. Riders are
7 essentially additional direction that are contained beneath
8 the dollar figures in the Appropriations Bill. The first
9 one as an amendment to our current Capital Budget Rider. We
10 would like to be able to make a business decision on leasing
11 versus buying, what have you. Currently we have to ask
12 permission in order to lease equipment, so we would like to
13 have some flexibility there.

14 The second bullet speaks to transfer authority.
15 We would like some additional flexibility in -- with our
16 inside the box strategies as we refer to. Those are our
17 large project development strategies. We'd like to have
18 some flexibility to be able to make some good business
19 decisions when the need arises.

20 And then the third item would be a new rider. And
21 that would be drafted to give us the ability to utilize
22 funds result -- resulting from the sale of real property.
23 Currently, again, we have to -- any time we sell real
24 property we have to go and ask for permission to utilize
25 those funds. Otherwise they sit in Fund 6 as unappropriated

1 dollars.

2 And then the final slides speaks to FTEs or full
3 time equivalence. Our current allocation for the agency is
4 12,087 FTEs. It's my understanding that a recommendation
5 will be coming to the Commission from the administration to
6 suggest what that number should be in the subsequent
7 biennium. And that's all I have to say.

8 MR. HOUGHTON: Questions?

9 MR. MOSELEY: Thank you for this update, Brian,
10 and it's good to know that we've got until August 28th to
11 open the dialogue. One area that I'm interested to learn
12 more about, it's on the president's desk, the WRDA bill. So
13 it looks like we'll have some good news related to our ports
14 enhancements. But one question is, you know, how would that
15 impact our LAR if those monies are going to be coming to the
16 state to work with local entities? Perhaps that's another
17 opportunity to address at our LAR process.

18 MR. RAGLAND: It definitely is, depending on the
19 timing of the --

20 MR. MOSELEY: Okay.

21 MR. RAGLAND: -- execution of that Act --

22 MR. MOSELEY: Right.

23 MR. RAGLAND: -- would dictate how it got
24 reflected in the LAR. But yes, we'll keep a close eye on
25 those.

1 MR. AUSTIN: So like specifically the
2 Intercoastal.

3 MR. MOSELEY: Yes. Thank you. And so to that
4 point, the Intercoastal water -- Gulf Intercoastal Waterway
5 is one of those maritime highways, and there's a specific
6 project, I think, we're looking at bringing forward that
7 potentially could be an exceptional item. And it's not --
8 it may or may not be related to WRDA, but it's just an
9 opportunity for us to enhance mobility in and out of our
10 ports, so.

11 MR. RAGLAND: Yeah. I have to admit I don't know
12 that much about it, but we do have some flexibility when
13 additional funds -- when additional federal funds come
14 forth. We may have the ability to have those sort of
15 automatically appropriated versus -- depending on the
16 timing. If it's during the current biennium, we would --
17 you know, obviously it's not going to be part of the LAR.
18 It would be something we have to address with the
19 legislature real time, in effect, so.

20 MR. MOSELEY: Thank you.

21 MR. AUSTIN: Brian, I've got a couple of
22 questions. Last month -- or two months ago I know we were
23 visiting with Rowan and just talking about some of the
24 property sales, property management. And I -- this kind of
25 goes to your point back here in the back, prevent -- trying

1 to come back and project what we're going to have so we can
2 ask for those funds. They -- I think that's a good plan and
3 hopefully we can generate some additional funds there by
4 selling excess property.

5 But as we begin looking at property management --
6 is John Campbell here? Where's John?

7 MR. RAGLAND: I think he's in the back row.

8 MR. AUSTIN: We had a discussion yesterday of --
9 there he comes. John, come on. I'm going to -- we had a
10 discussion yesterday in the audit committee meeting, and it
11 was a very positive but enlightening discussion as we talked
12 about records management. You know we have -- I think back
13 to what we've done in the banking industry. We needed big
14 buildings a long time ago to -- because we did proof items,
15 we stored stuff.

16 But now our industry, like so many others, you
17 know, medical, have gone through digitization and you've --
18 we have electronic files. One thing that came out yesterday
19 is that we don't really have a central repository that goes
20 into one, disaster recovery, document management. And I
21 asked John a question, one -- well, I'll ask you again. How
22 many locations do we have the right of way, specific from
23 you all's area, right of way storage and records
24 negotiation?

25 MR. CAMPBELL: Well, currently we have official

1 records being kept in both warehouse locations and in the
2 central office in the Right of Way Division. However, we've
3 also, because of recent consolidation of the program, we
4 potentially got record documents in as many as 27
5 distributed locations throughout Texas.

6 MR. AUSTIN: And a lot of those are original.
7 Some we have to do that are required because of retention
8 schedules. But the enlightening thing, I said, if we were
9 to digitize all of these records to create a central
10 repository where one office or administration could look at
11 these documents using the existing resources and people that
12 we have, about how long would that take?

13 MR. CAMPBELL: And my initial reaction, and it's
14 still the same as it was yesterday, we've looked into this
15 issue. It causes us great -- great concern about the
16 security, the recovery of our records. And we looked at it.
17 It would be about 10 years with our current resources and
18 technology for us to just be able to digitize our existing
19 bank of records.

20 MR. AUSTIN: So I -- and I think back to our last
21 LAR. We had a couple of items in there to upgrade computer
22 systems, and a lot of that is ongoing, but it doesn't stop
23 there. And where I'm leading, you know, kind of going to
24 Brian, is I'd like for you to work with John and consider
25 what it might take if we needed an additional rider to

1 really let's go for it and use -- give them the tools to
2 digitize, one for back-up data, but also that'll have an
3 impact in the years down the road for space constraints.

4 We may not need some of these warehouses. We may
5 be able to consolidate to do some things state wide for long
6 term savings. But I think it would be worthwhile to take a
7 look at -- give him those tools to do it sooner versus
8 later. And It's not going to happen over night. It'll
9 probably be a multi year project.

10 MR. RAGLAND: Yeah. And what you're describing in
11 LAR lingo would actually be a capital budget item.

12 MR. CAMPBELL: Capital budget item.

13 MR. RAGLAND: So we would work with the Right of
14 Way Division as well as the IT Division to develop the
15 dollars that would be needed in these two years to get
16 started on the development of the --

17 MR. AUSTIN: Okay. Well, thank you, John. I told
18 you I would ask that.

19 MR. CAMPBELL: I apologize. I failed to recognize
20 myself as John Campbell, Director of Right of Way Division,
21 for the record.

22 MR. AUSTIN: The last thing I want to --
23 Commissioner Moseley did kind of mention this a little bit,
24 but you've been a great advocate of continuing to be able to
25 use funds for economic development purpose when we haven't

1 -- where we attract businesses to the state, whether they
2 need a turn lane or something else, to where we have some
3 flexibility, as we do now, but to be able to continue that
4 to attract businesses or retain businesses as they come into
5 the state. Thank you.

6 MR. HOUGHTON: Any other questions of Brian?
7 Brian, thanks.

8 MR. UNDERWOOD: One quick one, Brian. I want to
9 make sure I understood this. The Rainy Day Fund projections
10 are 1.4 billion per year or --

11 MR. RAGLAND: Yes.

12 MR. UNDERWOOD: Okay. Thank you.

13 MR. RAGLAND: That's the projection --

14 MR. UNDERWOOD: At this point.

15 MR. RAGLAND: That's the project -- I shouldn't
16 say per year. That's the projection for the initial deposit
17 --

18 MR. UNDERWOOD: Thank you.

19 MR. RAGLAND: -- to the State Highway Fund --

20 MR. UNDERWOOD: Right.

21 MR. RAGLAND: -- in the first year.

22 MR. UNDERWOOD: Right. Thank you.

23 MR. HOUGHTON: Any other questions? And we move
24 on.

25 MR. WEBER: Okay.

1 MR. RAGLAND: Thank you.

2 MR. WEBER: Next Item is 3(c), the overview of
3 TxDot supported research at Texas A&M University Kingsville
4 related to the South Texas Natives Program. Director of the
5 Maintenance Field Support Section, Dennis Markwardt, will
6 present. Dennis, thank you for being here.

7 MR. MARKWARDT: Good morning. I'm Dennis
8 Markwardt with the Maintenance Division. And when you said
9 about the agenda, we are going to shift gears a lot compared
10 to what you all are normally use to. This is a research
11 project that we came up with in the year 2001, the project
12 started. And it really was to find, collect and introduce
13 native grasses into the seed industry that will establish,
14 germinate and establish and provide sustainable right of way
15 for TxDOT.

16 TxDOT has always had problems on their seeding
17 issues because we have to buy what's in the seed industry.
18 And so was if you're restricted in what you're buying in the
19 seed industry, that was usually run by CRP in forest
20 producing things. And it's really difficult for us to
21 establish grass on a lot of these things.

22 So this initiative is really going to help TxDOT
23 with their Clean Water Act, because we are required by the
24 Clean Water Act to establish a 70 percent perennial
25 vegetative cover on every -- any construction job. And we

1 have a difficult time on -- with the normal commercial
2 market on these seeds establishing. This project is aimed
3 to get us different seeds that we can go out there and plant
4 this stuff and get a quick establishment, so we can get that
5 70 percent perennial vegetative cover quickly.

6 And it also helps us with planting exotic grasses.
7 We -- at one time TxDOT planted majority of exotic grasses.
8 Why? Because at least they grew. I mean it's -- we took
9 heat all the time for planting these exotic grasses. Boy,
10 they're ugly or they're going to go over in my pasture, it's
11 going to provide terrible things. But from our standpoint
12 what option did we have? We had to provide for -- to get
13 that cover out there to get in compliance with the Clean
14 Water Act.

15 So there was always problems with exotics but they
16 did save us a lot. So we can't talk too bad about them
17 because it did help us too. And then another thing that
18 will -- with getting these natives established will help us
19 on mowing costs. A lot of these exotic grasses that are
20 occurring, especially south Texas, we got Guinea grass, we
21 got Buffelgrass. They get very tall. They provide safety
22 issues for us. Then we have to get out there and mow them
23 out.

24 Well if we can get our native grasses established,
25 that mowing doesn't have to be there. They don't get as

1 tall and cause these problems. And especially another thing
2 about going with this project is difficulty of re-vegetating
3 during a drought. Some of the grasses that we've been --
4 that's been introduced into the seed industry from this
5 project, you know, they'll germinate with a hundred degree
6 soil temperate. You start going, man, that's hot. As long
7 as we get water on there, they'll germinate.

8 Some of the things that we've seen. We've done
9 the seeding and not got less than six inches of rainfall
10 that year and established a solid cover of grass with these
11 plants. Now, from a highway right of way standpoint that is
12 fantastic if it takes that little bit of water for us to
13 establish grass.

14 And our west Texas guys are really going to be
15 excited about it the more we use it. And of course if we
16 can establish these -- if we can establish our right of ways
17 quicker and better, we're going to have less weed problems.
18 Less weed problems means we don't have to put the
19 maintenance input into those projects after construction is
20 done. Because in a lot of cases when construction is done,
21 maintenance has to move in there, clean up all the weeds,
22 spray it, mow it, doing all these extra inputs.

23 If we can get a good establishment of grasses, we
24 don't have to do those inputs. And of course it does help
25 our wildflower industry. And if anybody doesn't think we

1 don't have a big thing on wildflowers, just go out any
2 weekend this spring. There's about 40 cars on every good
3 patch of wildflowers. It does bring a lot of money and it's
4 a lot of interest.

5 And a lot of times when we use these exotic
6 grasses we would not have any wildflowers whatsoever in
7 those areas. So it was a plus for us also getting to these
8 native grasses. Now of course problems with the exotic
9 grasses, such as the Buffelgrass, and they got Guinea grass,
10 and some of these, the general public perception on those a
11 lot of times are not good because they don't want exotic
12 things out there.

13 I don't know how many times you hear people say,
14 well, is it native? Is it native? How come you all aren't
15 using native? You know, the adjacent land owners that are
16 managing for their wildlife really does not like us going
17 out there and planting these exotic grasses that can take
18 over their fields because they need that biodiversity in
19 their native grasslands to grow that wildlife.

20 And then we go out there and plant some exotics
21 and it takes off in their field. It's not very good public
22 perception. And of course like I said, the next bullet
23 there to potentially express -- or spread from right of way,
24 that is true. We see that a lot, or we come in there, the
25 grass start -- or exotic grass starts spreading, we get out

1 there and shred it, it just spreads it on to the neighbor's
2 pasture.

3 In some cases they're happy with us, and in some
4 cases they're not. But a lot -- in most cases they don't
5 want those exotic grasses on their ranches. Now,
6 legislative concerns, we do have legislative concerns every
7 year. I believe we'll have some more this coming year about
8 TxDOT only using native vegetation. And this project has
9 helped us tremendously to save off some of those legislative
10 issues, so.

11 The south Texas project started in 2001 and went
12 to 2012. The -- at that time we only covered the south
13 Texas region, 33 counties, on the south Texas part. We --
14 the project resulted in 18 new native seed varieties that
15 were released to the seed industry. And of course these
16 were adapted seeds made commercially available for use by
17 TxDOT, and also this project has given us a lot of new
18 seeding methods to give us better results when we seed.

19 In 2010 from the results of this project releasing
20 those seeds to the seed industry, we changed our seeding
21 specifications for the four Corpus districts. We took out
22 any exotic grasses and we're using the grasses from this
23 project. And it is commercially grown and commercially
24 available for all the public.

25 Now, in 2014 we just finished working the spec re-

1 write. The seeding specifications now just from this -- due
2 to this project has changed for 15 of the 25 districts out
3 there from the grasses that were developed out of this
4 project. Of course the project contributors, Texas A&M
5 Kingsville is the lead on this project.

6 Caesar (ph) Kleberg, Wildlife Research Institute.
7 We also have Dean Rasmussen with us and Forrest Vick --
8 Forrest Smith -- sorry Forrest, with the -- he's the project
9 director of the project. He's -- they're both out of
10 Kingsville. We have Sul Ross University with us, Tarleton
11 State with us, Texas A&M Research in Stephenville, USDA and
12 the NRCS in Knoxville, and the plant material center of
13 Knoxville and Kingsville.

14 The thing is it is a big project, and you see what
15 we've done. We've gone from just south Texas, we've gone
16 all the way out to west Texas, central Texas, up into high
17 -- the low plains. We haven't gotten to the high plains
18 yet, but it's going to cover all of central Texas. And the
19 results from this first project that we've started in 2001
20 to '12, only concerning with the south Texas region was so
21 successful we moved that project out and it's covering all
22 of central and west Texas.

23 And it is going to work out very well. It's --
24 there is so much interest in it because the seed developed
25 by this research project are also used by other people, not

1 just TxDOT. And that was one of the main things that you
2 had to do. TxDOT does not drive the seed industry. All
3 right. I -- I've had a lot of people tell me when you write
4 the seed specs in, let's just put this in there and the seed
5 growers will grow it.

6 TxDOT doesn't grow that -- buy that much seed as
7 compared to the rest of the state. And so we had to have
8 buy-in from the private land owners. You know extensive use
9 from the Eagle Ford Shale Oil Field Reclamation. All of
10 those pipelines, all of those roads that they're building
11 are all getting -- are using these grasses. And these
12 ranchers down south really want these native grasses on
13 their right -- on their property. Not the exotic.

14 So it's getting to be a win win for everybody. In
15 2013 seed for 50,000 acres of planting was available
16 commercially as a result of this project. And so it really
17 has significantly improved Texas seed markets. Okay. Of
18 course TxDOT is a major supporter on this project, but there
19 are other supporters that give into the south Texas
20 initiative, private ranchers, landowners. The oil and gas
21 industry is deeply involved with it because it -- it's a
22 great impact for them.

23 I mean you think about from their standpoint,
24 they're going to have to re-vegetate all those things. They
25 want something that will grow quick and keep the ranchers

1 happy. Conservation organizations, we've gotten all kinds
2 of calls from border patrol, all kinds of USDA, all wanting
3 seeding information on seeds from this project. Of course
4 it is important to the agencies excellent response of
5 legislative inquiries and proposals from environmental
6 groups.

7 This topic is increasingly important to the
8 general public and to legislature. And I will say I get
9 calls every year from all kinds of agencies wanting us to
10 find more native grasses. And I think we could probably do
11 that with this project for about three-fourths or two-thirds
12 of this state. I don't know if we'll ever get that
13 accomplished in deep east Texas. Well, let's be honest,
14 Bermuda grass is kind in deep east Texas. All right.

15 But in central Texas, west Texas, north Texas and
16 south Texas, this project is providing great answers for us
17 in getting these things re-vegetated, especially during this
18 drought conditions as we've been experiencing. Of course is
19 positive impact that TxDOT goes well beyond the highway
20 right of ways. And it is amazing everywhere we go we will
21 get positive feedback on this project from everywhere we've
22 talked to. Everybody's interested in it.

23 Some of the emphasis that we're looking right now.
24 We're looking more west Texas seed sources. And we also
25 have a need in TxDOT for cool season native grasses. Right

1 now there's not a whole lot of cool season. If we got a
2 project finishes in November, we'll go out and plant oats or
3 wheat or something of that nature just to hold the soil
4 together, but we really would rather have something --
5 native cool mixes that would work and we won't have to worry
6 about things as much as the deer all coming on there and
7 tearing it all up, and having a lot of deer collisions, and
8 things of that nature.

9 And then all that input we have in the spring of
10 turning all that wheat back over and replanting. We're also
11 looking at some early successional grasses and -- for
12 central Texas. And all that early successional means is,
13 when you tear up a piece a soil, what's the first grass that
14 shows up. Usually it's nothing that's great, but it's great
15 from our standpoint because it'll establish and keep the
16 erosion down.

17 And we would like to see some of those type of
18 grasses in that industry so we can get quick germination,
19 quick establishment, and quick control out there. And we're
20 really looking for common species that can handle south
21 Texas, central Texas, and west Texas. And that way a
22 commercial grower and we can use it all over. And we have
23 some of that already in here.

24 These are some of the releases from that project.
25 This is the USDA NRCS's write-ups on these plants. And you

1 can see here, this is a South Texas Germplasm Sideoats
2 Grama. Now, this is -- as you can see it's a production
3 field. That's the state grass of Texas, but if you went in
4 south Texas and planted a commercial grass that you can go
5 out of say, Bamert seed, and you can go buy some from
6 Vaughan's and plant it in south Texas, number one you won't
7 have as good a germination. And then the plants that do
8 come up, they won't be there long term. They die out.

9 Whereas the stuff that we're collecting in south
10 Texas and growing it out, we plant it, it comes up, and it's
11 there for good. And that's what I mean, that we're going to
12 have a sustainable right of way. Yes, sir?

13 UNIDENTIFIED VOICE: Who owns the product?

14 MR. MARKWARDT: We don't own the product. No.

15 UNIDENTIFIED VOICE: It says AgriLife Research.

16 Who owns --

17 MR. MARKWARDT: They're just putting that
18 information out for the seed growers.

19 UNIDENTIFIED VOICE: Okay.

20 MR. MARKWARDT: So.

21 UNIDENTIFIED VOICE: Is there any different --
22 rephrase. Who owns the patent to this?

23 MR. MARKWARDT: The patent? Introduce yourself.

24 MR. RASMUSSEN: My name's Alan Rasmussen. I'm the
25 Dean in the Dick and Mary Lewis Kleberg College of

1 Agricultural and Natural Resources and Human Sciences at A&M
2 Kingsville. The seed is actually patented. It's
3 intellectual property in that there's a patent that goes on
4 that through the A&M system, and then we work with the
5 different commercial producers around the state to make sure
6 that that is available for everyone that's out there.

7 MR. HOUGHTON: Okay. Thanks.

8 MR. MARKWARDT: And here's some of the plants that
9 we're looking at for using out in west Texas. This is
10 purple threeawn.

11 MR. HOUGHTON: Where is this?

12 MR. MARKWARDT: Pardon?

13 MR. HOUGHTON: Where is that?

14 MR. MARKWARDT: This is at --

15 MR. HOUGHTON: Where is the location?

16 MR. MARKWARDT: Pardon me?

17 MR. HOUGHTON: Where's the location?

18 MR. MARKWARDT: This location's in Kingsville.

19 MR. HOUGHTON: Okay.

20 MR. MARKWARDT: Right here at the campus. We've
21 got several test areas. Here we're testing the purple
22 threeawn. And this plant here, it -- this is one of those
23 common plants that could range wide. It will grow in
24 central Texas, west Texas, south Texas. But there's never
25 been a good seed source for it. So they're trying to find a

1 way, number one, how to harvest it. How to collect the
2 seed. And once they figure that out, they'll let the seed
3 growers know and the seed growers can grow it.

4 This is one of the other species that can grow
5 basically south Texas, central Texas and west Texas that
6 came out of this project and has never been in the
7 commercial market. This is slender grama. One thing that's
8 great about this plant, it just germinates quickly. So you
9 get it out on the ground, get some water on it, it will
10 establish. And that's our number one goal in TxDOT is get
11 that stuff established as quick as we can. Get the erosion.
12 Get us out of there. Get that notice of termination as
13 quick as we can.

14 This is a native seeding on US 77 all from this
15 project, and you can see the height on the grasses out
16 there. From a mowing standpoint this is fantastic. You
17 know, from a public perception standpoint this is fantastic.
18 It gets tall. It doesn't get that tall. It's good and
19 green. And it provided great cover. That as a very tough
20 to establish soil. One thing about TxDOT soil, it's very
21 difficult to grow anything because everything is tore up.

22 On this one here it was -- we had some really bad
23 subsoil with high in sulfur. We had to bleach it out to get
24 something going, so. Did a good job. This is some of the
25 oil field. What they're using it is on their pipelines.

1 And it's all seeds from this project. Anybody got
2 questions?

3 MR. MOSELEY: I think the General has a question.

4 MR. WEBER: Just one question, Dennis. You had
5 one bullet in there that talked about weeds and the invasive
6 species. And I know -- I guess making sure we have the
7 horse before the cart, and I -- for example, this year,
8 there's a lot of this, what they call, bastard cabbage out
9 there that is really choking out blue bonnets and everything
10 else. So before all these initiatives get going, are we
11 resourced and putting the right amount of emphasis on
12 getting rid of some of this nasty stuff? Because before we
13 do, that -- this stuff won't take will it -- or I mean --
14 because it's --

15 MR. MARKWARDT: If we have a big stand of bastard
16 cabbage out there coming up, it's going to be hard to
17 establish anything. And that's the same way with sunflowers
18 and a lot of these things. And one of the things that we
19 try to teach a mender in a construction project, if you have
20 a lot of weeds coming up during that constructions projects,
21 get in there and mow them off and control those weeds so you
22 can get grasses established.

23 Now, the bastard cabbage that's growing
24 everywhere, you'll see that population go up and down, and
25 its been here ever since I've been working here. So it's

1 just some years it shows up -- and what it is is we've gone
2 through a long period of drought. We've lost a lot of
3 grass. And it comes up in all that bear soil. Anytime you
4 disturb the soil that bastard cabbage will come in there
5 from -- we've lost so much grass from the drought, we're
6 getting a lot more bastard cabbage.

7 MR. WEBER: Thanks.

8 MR. MARKWARDT: If we get the grass growing we're
9 good.

10 MR. HOUGHTON: Dennis, how are you funded? I saw
11 the different entities there, the oil industry, TxDot, how
12 are you funded? How is this program funded?

13 MR. MARKWARDT: It's funded through RTI as a
14 research project, and TxDOT contributes their part --

15 MR. HOUGHTON: How much do we contribute?

16 MR. MARKWARDT: We contribute down 500,000 a year.

17 MR. HOUGHTON: A year.

18 MR. MARKWARDT: We started off in 2001 at 100,000,
19 and then five years later we moved it up to 150,000, and now
20 we're at 500,000 because we're covering basically almost all
21 the state.

22 MR. HOUGHTON: And what is -- who are the other
23 contributors and how much?

24 MR. MARKWARDT: Oh, I don't -- I can get you their
25 numbers, I don't know their numbers off the top of my head.

1 That would be -- Mr. Forrest Smith would have those numbers.

2 MR. SMITH: I'm Forrest Smith. I'm the Director
3 of the South Texas Natives Program at Texas A&M Kingsville.
4 The overall initiative is funded about one-third by TxDOT,
5 two-thirds by essentially private contributions. We're
6 funded by a number of oil and gas companies on an annual
7 basis. Some of the bigger names you're familiar with, Exxon
8 Mobile, Shell. Private contributions through the institute
9 from private land owners and private foundations are a big
10 part of our --

11 MR. HOUGHTON: What's your total budget? What
12 would your budget be?

13 MR. SMITH: Today our budget's about a million
14 three for this year, so. So FY 2014 TxDot's a substantial
15 part of our operations.

16 MR. HOUGHTON: We're a big part of that 1.3.

17 MR. SMITH: There's no doubt, you know, at a state
18 level, no other entity has supported this program to the
19 degree TxDOT has and we're extremely thankful and fortunate
20 for that.

21 MR. HOUGHTON: Dennis, I've got one more question.

22

23 MR. MARKWARDT: Yeah?

24 MR. HOUGHTON: I know the other Commissioners have
25 a question. Define west Texas for me.

1 MR. MARKWARDT: You want my (*indiscernible -
2 9:58:48)? Anything west of Brownwood is west Texas, and it
3 goes all the way up to about Lubbock. That's my definition
4 of west Texas.

5 MR. HOUGHTON: I haven't seen any of those grasses
6 in El Paso, so I'm trying to figure.

7 MR. MARKWARDT: Some of those grasses will grow in
8 El Paso, and some of the grasses that we're looking at grow
9 in El Paso, because I was looking at a -- I was in Presidio
10 the other day and some of the grasses we're working on was
11 all over the right of way, so.

12 MR. HOUGHTON: I just wanted to -- I just wanted
13 your definition. I know other Commissioners have questions.
14 Jeff?

15 MR. MARKWARDT: Trans-Pecos is one thing, but
16 anything west of Brownwood's west Texas to me.

17 MR. AUSTIN: Dennis, thank you all -- first
18 thanking everybody for coming up here. I'm going to have a
19 couple of questions of Forrest, the Dean, Tio, but Dennis I
20 want to go back to the beginning. This idea was really
21 generated and started from the maintenance division I
22 believe in the -- was it the Corpus or Yoakum district?

23 MR. MARKWARDT: Well, it -- the original meeting
24 started with -- the very first meeting occurred in San
25 Antonio, and it -- and we had a lot of people with our -- in

1 our Corpus area, and we all discussed it and though it would
2 be a good project.

3 MR. AUSTIN: Reason where I'm going with this, you
4 know, you look at what we're -- to follow-up on the Chair's
5 question, what is the benefit to TxDOT? We see we're
6 spending money. What is the benefit? But you highlighted
7 this in one of your first slides. One, before we -- the
8 Clean Water Act. Before we turn a project over, call it
9 complete, we have to establish --

10 MR. MARKWARDT: 70 percent perennial cover.

11 MR. AUSTIN: Right. We have to have the grasses in
12 there growing. And you know, it's difficult. You know, as
13 you look at throwing on embankment or down in a ditch. I
14 believe, what is this, a six seed you throw back out? I had
15 the opportunity to come down and look at this at the
16 suggestion of Commissioner Underwood and really, really
17 learned a lot. Now, I'm not a farmer. I'm not going to
18 pretend to be, but I did learn a lot. And I was amazed as
19 you all started looking at the grasses that are out there,
20 how it can't -- can and will and already is saving in future
21 mowing costs.

22 You know the planning of it is one thing, the re-
23 vegetation of it and keeping it there year around is
24 another. But you got ongoing maintenance costs, which is
25 something we're working to try to reduce statewide and this

1 is a solution that's working. Some of the impacts that I
2 saw -- and I want to -- Forrest or Mr. Kleberg, come up --
3 talked a little bit, the commercial application as we look
4 at some of the properties, might want to explain or how you
5 -- the land owner has gone back out to some old oil pads,
6 you know, what would -- you think was caliche, we went out
7 into a field. He goes, you know what this is? I said,
8 well, I see a deer blind over there and I figured it was
9 just a cleared spot to hunt.

10 And the response was no, this was a drilling pad
11 with caliche. You dig down deep you can see it. But the
12 seed is coming through and surviving. Now, for as we saw
13 it, looking at uses for us for erosion and things like that,
14 we really appreciate some of the input that you all have.
15 Now, the General -- this is a question, I don't know if it's
16 for the Dean or Forrest, the General had to mention the blue
17 bonnets. I don't know, did -- is anybody accepting
18 responsibility for the maroon blue bonnets?

19 MR. MARKWARDT: I took the blame for it.

20 MR. AUSTIN: You don't have to answer that. But I
21 said, we talked about the research component, and there's a
22 lot of this. I know John Barton talks a lot about research
23 for asphalt and things like that. We have labs in each of
24 our districts. But this is extremely important of what our
25 team does in listening. Some of it we do ourselves. Some

1 of it we outsource and partner, that we're not all just
2 about roads, but the research is extremely important to look
3 at one, making our pavement last longer, the road beds,
4 mowing, reducing ongoing maintenance costs, and this is an
5 extremely important aspect of what we're doing.

6 MR. MARKWARDT: Yes.

7 MR. AUSTIN: Before we break. I just want to say
8 to Forrest or Dean or Tio, do you all have anything you want
9 to offer or share or talk about?

10 MR. RASMUSSEN: The only thing I wanted to add --
11 Alan Rasmussen. But -- is the appreciation of the
12 partnership we've had. Because when we look at the
13 partnership with a private industry and the private land
14 owners, particularly in south Texas, you know, it started
15 with the private land owners coming to us and then when we
16 started working with TxDOT -- if TxDOT wouldn't have
17 actually created and stepped forward to say, yeah, this is
18 something that's important, the private land owners are
19 contributing about two-thirds of this project for the
20 funding over the last almost 15 years now.

21 So that's been an extremely important one. But it
22 really wouldn't have gone forward without TxDOT also being
23 part of that partnership and saying, this was important.
24 And as he said earlier, the private industry, now they --
25 the seed growers weren't going to grow it unless they knew

1 they had a demand, and so that's actually created it. And
2 now that we've made that changeover, it's going to make a
3 big difference across the state. So thank you.

4 MR. UNDERWOOD: Yeah. Be sure and tell Dr. Fred
5 Bryant I said hello when you all go back if you would,
6 please.

7 MR. RASMUSSEN: (*Indiscernible 10:03:49) he said
8 that he went to school with you and he didn't want rumors
9 (*indiscernible - 10:03:57).

10 MR. UNDERWOOD: He did say that. He did say that.
11 But one quick one, Dennis. How much do you think it saves,
12 just a ballpark, can you -- about tying down these sides of
13 the roads?

14 MR. MARKWARDT: Well, it saves us tremendously,
15 especially -- I think right now our savings aren't going to
16 be recognized until about four or five years down the road,
17 and it's now because the seed industry has changed. Now
18 we've got 15 districts being able to utilize this program.
19 Our re-vegetation's going to be much better. We're going to
20 save so much more on -- just from an erosion control
21 standpoint, not have to do that input, and you know from a
22 -- even from a drought standpoint, we've been growing grass
23 in the drought before.

24 We haven't been growing anything and we've had the
25 guys going back, reseeding, reseeding, reseeding. This is

1 going to save us tremendously on those costs. Not to
2 mention all the erosion from replacing the earth and
3 everything else, replacing soil.

4 MR. UNDERWOOD: Right. Well, I'm excited --

5 MR. MARKWARDT: So our savings are going to be in
6 the future.

7 MR. UNDERWOOD: Right. Well, I'm excited for them
8 in west Texas because we've had four years of drought --

9 MR. MARKWARDT: Yes, sir.

10 MR. UNDERWOOD: -- and so -- and I appreciate --
11 and if I understand correctly too, you're going -- it's
12 going to take different varieties. That's why you -- they
13 need the funding, because you can't just use one particular
14 type of seed because it may be more effective in south Texas
15 than it would be in east Texas, than it would be in north
16 Texas or central Texas, or southwest Texas, then; is that
17 correct?

18 MR. MARKWARDT: And one of the -- yes, sir. And
19 one of the things that we've seen is even on our seeding
20 specs when we are using these, we're using a large mix of
21 native specifiers. And reason being is that right of way is
22 very --

23 MR. UNDERWOOD: Yes.

24 MR. MARKWARDT: -- variable. All -- and just on
25 that one right a way. Not saying it's west Texas, but next

1 to the shoulder, to the ditch, to the slope. And when you
2 use that variety, we're always going to get something to
3 establish that --

4 MR. UNDERWOOD: Exactly.

5 MR. MARKWARDT: -- because it's doing a good job.

6 MR. UNDERWOOD: I'm excited and I really
7 appreciate the work you do, and also the work that you all
8 do. Thank you. Because I think it's -- you're doing a
9 service for the citizens of Texas for what you all are
10 doing, and we appreciate it. Thank you.

11 MR. MARKWARDT: Thank you, sir.

12 MR. AUSTIN: Mr. Chair, I've got one more
13 question. I want -- Tio, I wanted to ask you one quick
14 question. While I was out there driving around I saw some
15 trucks go by, and you shared with me a best practice that
16 you all have, and I think there's a lot where we're learning
17 from private industry and research, there was a best
18 practice that they were employing out on the property in
19 working with the oil companies and maintaining the roads.

20 And I would just say, as you -- Tio, if you
21 wouldn't mind sharing a little bit about the -- some of your
22 best practice. Please, sir. I did ask him if I could ask
23 the question.

24 MR. KLEBERG: I am totally prepared. I'm Tio
25 Kleberg. And Jeff did ask a question and -- about how we

1 manage and monitor access. And our first goal is a safe
2 workplace, that's number one. We monitor the speed limits
3 on the roads with radar. We have employees that go out and
4 spot check if we have a problem. And if someone's picked up
5 they'll get a warning. Second time they're barred from the
6 ranch for life, no exceptions.

7 There's a card access. Every person that comes
8 on, every contractor that comes on King Ranch property has a
9 photo ID. It's got a numerical scan barcode on it. That's
10 assigned to that employee, that vehicle, and on that barcode
11 it has the weight of that vehicle, and that's important for
12 the road use. It's a drug free environment. We have a drug
13 dog that works for security, that goes to the locations and
14 does spot checks.

15 If someone's picked up, they're barred for life.
16 They will never come back. They will not come back with a
17 different contractor. Okay. The ID then identifies that
18 particular vehicle on where it is going to, location A to B.
19 So we identify them -- the road that is being used by that
20 particular vehicle. Prior to that contractor coming on, the
21 -- and knowing where they're going, that road is examined by
22 us and the contractor to see what kind of conditions it's
23 in.

24 At the conclusion of that project, be it a well
25 site, pipeline being installed, high line access, that

1 project is reevaluated by one of our individuals and someone
2 from that company that has come on and sought access. Each
3 quarter the roads that are being used, the repair costs --
4 we have hard surfaces roads, we have sand roads and we have
5 caliche roads. The estimate on how much it will cost to
6 repair that particular road is then estimated.

7 The repairs to the roads are made annually with a
8 shared cost. And that's what's important with that ID.
9 That -- they say, well, we didn't use that road. Well, I'm
10 sorry, your ID says yes, that Fred Underwood came in this
11 gate, he went to that location, and he was driving an 18
12 wheeler that weighed 55,000 pounds. It does more damage
13 than a pick-up. So your shared cost is 80 percent.

14 The cost to repair that road's a hundred thousand
15 dollars, you put in 80,000 into the kitty, the King Ranch
16 puts in 20, and those roads are repaired annually. But
17 that's how it's monitored.

18 MR. AUSTIN: And I want to say thank you because
19 my take away is -- learning -- and you all have been doing
20 this for years --

21 MR. KLEBERG: Yes, sir.

22 MR. AUSTIN: -- and my take away is learning from
23 private industry of how you're managing and looking at these
24 things up front and then retroactive. I think as we look at
25 things statewide with the use of our roads, not everything

1 that you said would work on our public roads, but there's
2 some good ideas that we can learn and take away from private
3 industry, and I appreciate -- I really appreciate you
4 sharing that with us and with the fellow Commissioners.

5 MR. KLEBERG: And I think the important thing
6 here, Jeff, is it's not just a vehicle, it's the weight of
7 the vehicle that does the damage. Okay.

8 MR. AUSTIN: Thank you, very much.

9 MR. HOUGHTON: Dennis, thank you. We move on.

10 MR. WEBER: Next is item 4, awarding federal and
11 state grant funding for airport improvement projects. This
12 item will be addressed by our Aviation Division Director,
13 Dave Fulton. Captain, thank you.

14 MR. FULTON: Thank you, General Weber, Chairman
15 Houghton, Commissioners. For the record, my name's Dave
16 Fulton, Director of TxDOT's Aviation Division. This minute
17 order contains a request for grant funding approval for 19
18 airport improvement projects. The total estimated cost of
19 all requests is shown in the Exhibit A is approximately 13.4
20 million dollars, approximately 6.9 million in federal funds,
21 5.1 million in state funds, and 1.4 million in local
22 funding.

23 A public hearing was held on April 17th of this
24 year. No comments were received. We would recommend
25 approval of this minute order.

1 MR. WEBER: Before we ask questions of Dave we
2 have a speaker, Mayor Richards.

3 MR. RICHARDS: Good morning, Mr. Chairman,
4 Commissioners, General. My name is Hal Richards. I'm Mayor
5 of the City of Terrell. Terrell is located on Interstate 20
6 about 30 miles east of Dallas. I'm here today -- I also
7 have with me our City Engineer, Steve Rogers, and I
8 appreciate the opportunity to speak with you this morning.

9 The Terrell airport is unique in its history.
10 Prior to our entry into World War II, the British were
11 taking -- the Royal Airforce was taking terrible beating and
12 lost a tremendous number of pilots. Winston Churchill and
13 Franklin Roosevelt cooked up this thing called the Lend
14 Lease Program. And part of the Lend Lease Program was to
15 create a private company to train British pilots. They
16 called it British Flying Training School.

17 The first British Flying Training School, the
18 first of seven, was founded in Terrell and an airport was
19 constructed at that site. We trained over 2000 RAF --
20 mostly RAF pilots in Terrell during the war, 20 of whom were
21 killed in training and are buried in our cemetery in a
22 little plot of British ground. We have the only -- there
23 were seven of those sites across the country -- seven of
24 those schools.

25 We have the only remaining vestige of that. The

1 only remaining history of that is in our museum, the British
2 Flying Training School museum, and we would invite you to
3 come and see it. It's a wonderful thing and it is an
4 incredible story. So thank you for letting me share that
5 with you. At the site of that airport today, we have in
6 excess of 15,000 jobs on the airport or you know, adjacent
7 to the airport.

8 They wouldn't be there were it not for the airport
9 facility. The Terrell airport creates enough revenue
10 through leases to businesses that it is self-sustaining, and
11 that in itself is a fairly unusual thing for a municipal
12 airport. The Dallas COG credits the City of Terrell. They
13 say that we have 11,000 jobs in Terrell. That's pretty
14 remarkable when you have a city of about 18,000.

15 We do not consider ourselves a suburb of Dallas,
16 our -- because we do have a -- we are an intact community.
17 We have employment, and we have everything that a person
18 needs to raise a family. And our goal -- our population
19 actually grows during the day, which is unusual. Our goal
20 is to remain an intact community and not become a suburb of
21 Dallas.

22 And the Terrell Municipal Airport is an important
23 part of that. The work that we've done with TxDOT aviation
24 has allowed us to expand and create a lot of access to new
25 industrial sites at our airport, and we're going to continue

1 to add jobs. And one of the benefits of that for TxDOT --
2 the ground aspect of TxDOT transportation is that we're
3 going to keep more commuters off of Bill Hale's Highway 80
4 going into Dallas. And I know everybody loves us for that.

5 Our goal is to continue this economic development
6 and the airport's -- is a vital link. We've done everything
7 we've done through partnerships. All of our success at the
8 airport has been done through partnerships with our
9 businesses, and with TxDOT aviation and our Terrell Economic
10 Development Corporation. The main reason I wanted to be
11 here this morning is to thank TxDOT aviation, and
12 particularly we want to thank Dave Fulton.

13 And his entire staff, they follow -- they have
14 created a culture that we share in our city, and that's a
15 culture of customer service. It's a culture of getting the
16 job done, finding creative ways to get things done, and we
17 couldn't have done the things that we've done without Dave
18 Fulton and without them having that great work ethic. And
19 we really appreciate that, and we appreciate that you guys
20 are smart enough to have him on board.

21 I'd like to wrap up my comments today with
22 something not directly related to airport, but related to
23 general aviation. I'm a private pilot. Commissioner Austin
24 said a while ago that the job at TxDot is to move people.
25 As a private pilot I make lots of short pleasure trips

1 mostly. And when I fly to New Braunfels or Hot Springs,
2 Arkansas or Brady Texas, one of the things that my
3 passengers always are surprised about if they're -- if
4 they've not flown in a general aviation environment like
5 that, everyone is always surprised that in those trips, most
6 of the time we won't even see another aircraft.

7 Our highways, obviously, are tremendously
8 congested. Our commercial airports and airspace are very
9 congested. The airspace in general aviation outside of
10 those commercial airports is not congested, and it's a great
11 resource, and I think that it's -- it -- there's a huge
12 opportunity with technology improving in aviation, there's a
13 tremendous opportunity. You guys continue supporting TxDOT
14 aviation, we can move a lot of people through the air, and I
15 think there's a great opportunity for the future there.
16 I'll be happy to answer any questions.

17 MR. HOUGHTON: Thank you, Mayor.

18 MR. RICHARDS: Thank you, gentlemen.

19 MR. UNDERWOOD: One quick thing, Mayor.

20 MR. RICHARDS: Yes?

21 MR. UNDERWOOD: I'll take you up on that offer to
22 see your museum. In return I'll offer you to come see our
23 museum in Lubbock, Texas. We have the glider museum. So we
24 could --

25 MR. RICHARDS: I know. Well, you do. I -- when

1 do you want to do that? You just let me know and I'll make
2 the arrangements.

3 MR. UNDERWOOD: I will contact you after this
4 meeting, sir.

5 MR. RICHARDS: All right. All right. That'll be
6 a great flying trip.

7 MR. UNDERWOOD: Thank you for taking time to be
8 here though. And thank you for your service to your
9 community.

10 MR. RICHARDS: Well, and thank you for TxDOT
11 aviation and Dave Fulton's people.

12 MR. UNDERWOOD: You bet. That -- I've got one
13 question for Dave. Dave, Castroville, are you -- can we
14 talk about that?

15 MR. FULTON: Certainly.

16 MR. UNDERWOOD: Would you explain a little bit.
17 Because that's a large item on our agenda, right, the 2.9
18 million.

19 MR. FULTON: Yes. We're going a runway extension
20 there. As many projects, this has been an effort that goes
21 back probably 15 or 20 years. We -- but we're finally at
22 the finish line.

23 MR. UNDERWOOD: Right.

24 MR. FULTON: Do you have any --

25 MR. UNDERWOOD: The value it's going to be to the

1 community is?

2 MR. UNDERWOOD: Well, the -- we don't have very
3 many general aviation airports for a city the size of San
4 Antonio, New Braunfels -- and Castroville's in an ideal
5 position as the main airport grows to allow a home base for
6 general aviation. And it's right now in a position, and
7 we're lengthening the runway to accommodate that.

8 MR. UNDERWOOD: Okay.

9 MR. FULTON: Could I also say I'm a little bit
10 embarrassed by the Mayor's comments. The people who really
11 deserve the credit are the people I work with. I just point
12 the way. It's amazing what people will do if you point the
13 way and get out of their way, and I try to do that. And I'm
14 blessed to work with some mighty fine people. So I will
15 pass on your mark -- remarks to our staff, Mayor. Thank
16 you, again.

17 MR. AUSTIN: Dave, I've got one quick -- as a
18 follow-up to Commissioner Underwood's. You know, we look at
19 these items right here and there's a multitude of projects
20 from, you know, engineering design, drainage to
21 construction, expansion. We have another item coming up in
22 a little while. We're going to talk about the UTP, future
23 road projects. What do you see in your pipeline of projects
24 from the various airports around the state -- the pipeline
25 as far as improvements, infrastructure, maintenance?

1 MR. FULTON: What we're seeing -- we spent the
2 last 20 -- I've been here 22 years this month, the last 20
3 or so years, and most of the focus was rebuilding a very
4 delapidated rural system. It took a lot of money and a long
5 time, and we've accomplished that. So we're seeing more of
6 our funding directed toward urban, very fast growing general
7 aviation airports. We're seeing like at Sugar Land,
8 McKinney, big companies moving their large jet aircraft to
9 those sites because they're more convenient to operate out
10 of, and there are all the utility and amenities that they
11 need.

12 So I guess -- I hope I'm answering your question.
13 We're in a transition. Now we have pretty much completed a
14 total rebuild of the rural airport system in Texas. And now
15 -- we're still putting a lot of money in the rural airports,
16 but it's mostly to maintain what we have, with their help,
17 constructed. And we're putting more of our resources into
18 the urban areas. Those airports can take all the money we
19 have they're growing so fast.

20 MR. AUSTIN: Right. And I hear some companies are
21 looking at these other airports, they need runway extensions
22 because there's a lack of adequate commercial carriers.

23 MR. FULTON: Well, you know, again, I think -- I
24 -- I've -- I'll admit and I mentioned this to General Weber,
25 I may have lost some objectivity over the last 39 years of

1 I've become very embedded in this general aviation business.
2 But I'm convinced that in the years to come, many of us,
3 including myself, won't be around, but it will be amazing
4 what business aviation -- and I don't mean just big jets,
5 small airplanes will do, and they are going to be vital to
6 the continuation of the small air -- small communities
7 statewide.

8 It'll be their life line for economic development.
9 We view ourselves as being an air transportation business in
10 the economic development business. Business aviation is
11 huge in Texas already, but I think it's going to be much
12 greater in the future. I hope I answered your question.

13 MR. AUSTIN: Yes. I think in a dovetail -- it's
14 similar what we've done at Dumas, wouldn't you agree?

15 MR. FULTON: It -- we did. We -- I guess for the
16 newer members, we were very fortunate -- and I'll make this
17 very brief, through a long dialogue and a relationship we
18 developed with Valero out of San Antonio, we learned that
19 they had a need to fly their -- from their home base -- and
20 they have the largest jets, Gulfstream 550s, on a regular
21 basis to Dumas. They have one of their refineries there and
22 the airport didn't accommodate it.

23 So without -- the bottom line is, we had a
24 dialogue with them and after a period of time, we encouraged
25 them to participate financially and they gave us a half

1 million dollars toward improving the airport. We'd like to
2 see more and more of that in the future. It says a lot of
3 good things. It says it really does make a difference when
4 that kind of money is provided for these airports.

5 MR. UNDERWOOD: What was so critical, for my
6 colleagues, what was so critical for Valero is that it was
7 taking them longer to drive, I think, from Amarillo to Dumas
8 than it took to fly from Houston to Amarillo.

9 MR. FULTON: Actually what happened, they had a
10 fire in their refinery one winter and several people were
11 killed. They were going up -- the CEO, Klesse, was going up
12 regularly. They would fly to Amarillo and get in a van and
13 drive. And he said, there's -- I saw an airport out here.
14 What's the deal?

15 MR. UNDERWOOD: Right.

16 MR. FULTON: And that's how all of this got
17 started.

18 MR. UNDERWOOD: And that -- they actually use that
19 airport actually when they're coming from over seas, you
20 know, will fly directly into Dumas. But the point is --
21 that's why I was asking you about the extending the runway.

22 MR. FULTON: Yeah.

23 MR. UNDERWOOD: You've got -- these runways have
24 to be long enough to accommodate --

25 MR. FULTON: Oh, yes.

1 MR. UNDERWOOD: -- the larger aircraft, which will
2 then help them attract businesses or keep the businesses
3 that they have.

4 MR. FULTON: And of course -- and Valero's the
5 largest independent refiner in the world, and they've got
6 refineries all over the world.

7 MR. UNDERWOOD: Right. Thank you, Dave.

8 MR. FULTON: Yes, sir.

9 MR. MOSELEY: Jerry, it's part of the multi-modal,
10 the Strategic Plan.

11 UNIDENTIFIED VOICE: Chairman, I'd like
12 (*indiscernible - 10:23:42).

13 MR. HOUGHTON: Gosh, I didn't have to say
14 anything. Go ahead. All in favor?

15 (Chorus of ayes.)

16 MR. HOUGHTON: Okay. Next item.

17 MR. WEBER: Okay. Moving on. Agenda Item 5 has
18 eight minute orders. Eric Gleason, director of our Public
19 Transportation Division will provide an overview of all
20 eight, followed by a brief description of each one.
21 Following Eric's comments, the Commission will take up each
22 minute order separately including any public comment
23 associated with specific minute orders. Eric, thank you.

24 MR. GLEASON: Good morning, General Weber, Mr.
25 Chair, members of the Commission. For the record my name is

1 Eric Gleason, TxDOT Director of Public Transportation.
2 Collectively these eight minute orders that you have in
3 front of you today award an approximate total of 60 million
4 dollars in federal and state public transportation grant
5 program funds, and approximately 6 million transportation
6 development credits or TDCs.

7 These awards span the full range of public
8 transportation grant programs administered by TxDOT and are
9 a combination of formula, allocations, competitive program
10 results and efforts by the department to assist agencies
11 achieve sustainable levels of service with transition or
12 bridge funding. Additionally, funds are awarded for
13 emergency relief services in an area of the state recently
14 impacted by wildflowers -- wild fires.

15 All tolled, transit agencies supported by these
16 programs reported over 34 million trips and almost 68
17 million revenue miles of service in fiscal year 2013. And
18 these totals represent a 4.7 percent and a 1.3 percent
19 increase respectively over reported 2012 results for these
20 same programs. Transportation development credits are
21 awarded throughout to support eligible capital project
22 investments including fleet, facilities, equipment and
23 preventative maintenance.

24 Use of TDCs as match for needed capital
25 investments allow local transit agencies the opportunity to

1 maximize their use of an equal amount of federal funding for
2 the same purpose. Over time this strategy has allowed
3 programs supported by the department to keep pace with
4 increases in federal transit funding under Safety
5 (*indiscernible - 10:25:54) and MAP-21, even while state
6 funding levels remain static.

7 I'll go through each of the agenda items now.
8 Agenda Item 5(a) awards approximately 11.5 million dollars
9 and 1.1 million TDCs for a variety of projects to the 14
10 agencies listed in Exhibit A. Each year the department
11 publishes a call for project proposals for competitively
12 allocated public transportation grant programs under its
13 administration. The call is published in advance of receipt
14 of federal apportionment so that funds can be awarded in an
15 expeditious manner once funding is available.

16 With just under 12 million dollars available, this
17 year's call for projects generated 60 project proposals
18 totaling 49 million dollars. Sources of funding included in
19 this minute order are FTA Section 5304, Statewide Planning,
20 FTA Section 5311, Rule Discretionary Funds as described in
21 the Texas Administrative Code, World Transportation
22 Assistance Program Funds and Inner City Bus Program Funding.

23 Agenda Item 5(b) awards approximately 10.8 million
24 dollars in FTA Section 5311 Formula Grants for Rural Areas
25 Program Funding to the 38 Texas World Transit districts

1 listed in Exhibit A, and up to just over 2 million in
2 transportation development credits for capital program
3 purposes associated with this award.

4 Texas Administrative Code requirements for
5 allocation of FTA Section 5311 funds include a proportional
6 share distribution among all rural transit district based on
7 previous fiscal year revenue mile totals. The total award
8 amount is calculated once recommended coordinated call
9 awards for FDA Section 5311 funding rule discretionary are
10 known. These funds may be used by individual world transit
11 districts for any eligible operating and capital program
12 expenses.

13 Agenda Item 5(c) awards approximately \$355,000 in
14 FTA Section 5311 program funding to world transit districts
15 negatively impacted by the results of the 2010 census. The
16 2010 census applied for the first time in fiscal year 2013
17 changed world transit district proportional shares of
18 population which in turn triggered changes and proportional
19 share based formula allocations.

20 In this case half of the world transit districts
21 in Texas, or 19, suffered a decrease in funding due to the
22 new census. This award offsets that decrease for each of
23 them as shown in Exhibit A. Agenda Item 5(d) awards just
24 under 7.3 million dollars in FTA Section 5310, Formula
25 Grants for the Enhanced Mobility of Seniors and Individuals

1 with Disabilities Program Funds as detailed in Exhibit A,
2 and just over 1.4 million in TDCs for capital program
3 purposes.

4 These formula program funds are intended to
5 augment existing transportation services for this target
6 population in urbanized areas under 200,000 and non urban
7 areas of the state. TxDOT uses a district based public
8 involvement and stakeholder group project evaluation process
9 through which projects are identified, evaluated and
10 recommended for funding.

11 Where necessary, we coordinate our efforts with
12 adjacent large urbanized areas such as the Dallas Fort Worth
13 area, to ensure a seamless system of services is provided.
14 Agenda Item 5(e) awards approximately 30 million dollars of
15 non-dedicated state highway funds to rural and urban transit
16 districts throughout Texas as shown in Exhibit A. These
17 funds may be used for both operating and capital program
18 purposes.

19 Funds are allocated by formula as specified in the
20 TAC. 65 percent of the funding is allocated to rural areas,
21 and 35 percent is allocated to urbanized areas. For rural
22 areas, the calculation includes a combination of population,
23 land area and performance. Urbanized area calculations
24 include a combination of population and performance.

25 Agenda Item 5(f) awards almost 1.3 million TDCs to

1 five agencies serving six areas of the state for a variety
2 of capital program investments including fleet, information
3 technology and facilities as described in Exhibit A. In
4 this instance TDCs are being used to match FDA program funds
5 that each of these agencies receives directly from FTA.

6 Item 5(g) awards \$150,000 of FTA Section 5310
7 program funds to assist in the transition of the Tarrant
8 County Rides Program from a pilot project funded by TxDOT to
9 a more sustainable platform through an ongoing partnership
10 between Tarrant County and the North Central Texas Council
11 of Governments. In August of 2012 the commission awarded
12 demonstration funds for a 12 month pilot program to MHMR of
13 Tarrant County.

14 The purpose of the pilot was to test the
15 efficiency and effectiveness of multiple Tarrant County
16 agencies coordinating their transportation needs, ultimately
17 buying down the cost of the trip and improving customer
18 experiences with a more specific tailoring of service
19 provider and customer needs. Tarrant County and NCTCOG have
20 reached agreement on an approach to sustain the program.

21 These funds will provide six months of additional
22 funding to allow for this transition to take place. And
23 finally, Agenda Item 5(h) awards \$15,000 to Panhandle
24 Community Services Rural Transit District for the provision
25 of emergency relief public transportation services to the

1 community of Fritch recently devastated by wildfires. The
2 funds will support a temporary service in the community
3 designed to address their basic mobility needs for those
4 residents who may have lost their regular form of
5 transportation in the fires.

6 While a relatively small amount of money, the
7 department is reacting swiftly to the situation to
8 supplement agency resources needed for this service. The
9 staff recommends your approval of all eight minute orders.
10 And that concludes my comments on Agenda Items 5(a) through
11 5(h), and I will be glad to answer any questions you may
12 have at this time. Thank you.

13 MR. HOUGHTON: We have three speakers, Eric. So
14 let me ask them to come forward. Jeff Heckler, Brazos
15 Transit. Welcome back, Jeff.

16
17 10:32:17

18 ***** LAC end *****

19

20

21

22 MR. HECKLER: Good morning. My name is Jeff
23 Heckler and I represent several rural and small urban
24 transit districts, including Brazos Transit that operates in
25 the Brazos Valley; Texoma Area Paratransit Services or TAPS,

1 that's based out of Sherman, Texas; Spartan Transit, out of
2 Levelland; and STAR Transit out of Kaufman County. Today,
3 I'm authorized to speak for the Association for Community
4 Transit or ACT, and I believe you have a letter from ACT
5 signed by John McBeth in your packet.

6 We would like to extend appreciation to the
7 Commission and the Department for it's on-going and
8 historical commitment to public transit in Texas. It's that
9 commitment that has made our rural and small urban transit
10 systems generally recognized as the best in the country.
11 Our systems are generally the envy of most states in the
12 country. We would like to especially thank Eric Gleason and
13 his crew for his exemplary stewardship in the public transit
14 industry and his staff. I mean he's a big reason why our
15 systems are so revered.

17 And two quick things I would like to bring up.
18 You know, it's that time of year again and we would
19 appreciate a modest rate increase as TxDOT goes through its
20 LAR process. It's been over ten years since our last
21 increase, and fuel and personnel costs have caught up with
22 us. If I can recall, I think the average cost of gas in
23 2002 was \$1.36, and as you probably can imagine, we do a lot
24 of driving.

1 So, secondly, our state funding comes from Fund 6,
2 nondedicated. There's a movement, as you know, to end
3 Fund 6 diversions. That debate is moving around a little
4 bit and -- but we would like to respectfully request that
5 the department continue its support. The public
6 transportation is an appropriate use for Fund 6.

7 Again, thank you so much for your support for
8 public transportation. It's noteworthy, your commitment,
9 and I appreciate it, and we all appreciate it, and I'll
10 entertain any questions.

11 MR. HOUGHTON: Jeff, I do have one.

12 MR. HECKLER: Sure.

13 MR. HOUGHTON: You said that -- have you heard
14 specifically that transit would be taken out of the Fund 6
15 allocation? I haven't heard that.

16 MR. HECKLER: No, and -- but there has been
17 discussion behind the scenes on whether it's an appropriate
18 use.

19 MR. HOUGHTON: I don't think that anybody up here
20 has said it's not an appropriate use.

21 MR. HECKLER: No, that's true.

22 MR. HOUGHTON: I can't help -- yeah.

23 MR. HECKLER: You're right. And Phil Wilson was
24 pretty adamant about it when he was here, so. I just want
25

1 to get that on the table before the legislative session
2 starts.

3 MR. HOUGHTON: Well, you lit it up. I mean you
4 put the bait in the water and I bit, so. Well, I think
5 those discussions can be had, but I personally think it's an
6 appropriate use. I think Jeff -- Commissioner Austin has
7 talked about multi-modal and this is one of those forms of
8 multi-modal.

9
10 MR. HECKLER: Yeah. It's interesting how these
11 small urban and rurals integrate with some of the larger
12 metros nowadays. And so we're taking a lot of trips off the
13 road, and the state coverage is phenomenal. I mean you --
14 with what the little money that we get, we cover almost the
15 entire state of Texas. And when you think about that,
16 that's a pretty prodigious accomplishment.

17 And I know you guys deal a lot in very large
18 numbers and it's a very small number that we're dealing
19 with. As we joke around the capitol, it's kind of like
20 budget dust, but with that budget dust we accomplish a great
21 deal and it's something that we should be proud of.

22 MR. HOUGHTON: I know you do. Very worthwhile.
23 Very critical. Thank you.

24 MR. HECKLER: Thank you for your time.
25

1 MR. HOUGHTON: Thanks, Jeff. Next speaker, Tom
2 Logan, Valley Metro.

3 MR. LOGAN: Good morning, Mr. Chairman,
4 Commissioners. Tom Logan, director for Valley Metro
5 Development Council, South Texas. I want to express my
6 gratitude for your support in awarding our request for
7 transportation development credits. Your award will enable
8 us to replace our aging fleet. We will be able to put 24
9 buses on our peak service on a daily basis in south Texas.
10 It would also show our customers that we care. We care to
11 provide a good service, reliable, efficient, and safe
12 service to them.
13

14 Furthermore, it will allow us to implement our
15 planned service expansion in south Texas. Once more, I want
16 to thank you for your on going support for public
17 transportation in the state of Texas. Thank you.

18 MR. HOUGHTON: Thank you. Thanks, Tom. Last but
19 not least, Scott Neeley, Texas Transit Association
20 President. Obviously, you're going to advocate against
21 this, right?

22 MR. NEELEY: Let's hope not. Good morning. For
23 the record, my name is Scott Neeley. My full-time job, I
24 serve as Chief Executive Officer of the Corpus Christi
25 Regional Transportation Authority, and the best place to

1 live in Texas, believe me. And then on a part-time basis, I
2 get to serve, and I'm honored to represent the Texas Transit
3 Association as their President.

4 And first and foremost, I want to thank all of the
5 Commissioners and the department for all of the support that
6 they have historically given to the transit systems here in
7 the state. And specifically, I wanted to speak to all of
8 the minute orders kind of as a bulk, in group, that we
9 really do appreciate the coordination and efforts that you
10 all go through to make our jobs possible in keeping people
11 on the path to mobility throughout our state.

13 I would also like to thank Eric and his group, his
14 staff, for being diligent in all of their efforts to make
15 sure that we take each one of these dollars and put them to
16 good use. And believe me, they are, throughout the state.
17 If you get a chance, go visit the rural, the smaller ones,
18 the metros and see what they're doing with those dollars and
19 how they are taking people off the road and making life a
20 little bit better for all of us.

21 But, again, just on behalf of the association and
22 the 70 members -- 70-plus members that we have and represent
23 throughout the state, we thank you for your support.

24 MR. HOUGHTON: Thank you. All right. I assume,
25 counselor, that we have to take these individually, correct?

1 (No audible answer.)

2 MR. HOUGHTON: Eric, thank you for a wonderful
3 job. Obviously, you've got great folks that think you do
4 magnificent work and we do, too.

5 MR. GLEASON: Appreciate that. Thank you.

6 MR. HOUGHTON: Thank you very much. Okay,
7 5(a) vote.

8 UNIDENTIFIED MALE SPEAKER: So moved, Chairman.

9 UNIDENTIFIED MALE SPEAKER: Second.

10 MR. HOUGHTON: All in favor?

11 (Chorus of ayes.)

12 MR. HOUGHTON: 5(b)?

13 UNIDENTIFIED MALE SPEAKER: So moved, Chairman.

14 UNIDENTIFIED MALE SPEAKER: Second.

15 MR. HOUGHTON: All in favor?

16 (Chorus of ayes.)

17 MR. HOUGHTON: 5(c)?

18 UNIDENTIFIED MALE SPEAKER: So moved, Chairman.

19 UNIDENTIFIED MALE SPEAKER: Second.

20 MR. HOUGHTON: All in favor?

21 (Chorus of ayes.)

22 MR. HOUGHTON: 5(d)?

23 MR. AUSTIN: I do have one question.

24 MR. HOUGHTON: 5(d) on what?

1 MR. AUSTIN: On 5(d). This is -- of course, I
2 know there's -- we're breaking out some funds going -- that
3 they normally would have flown through East Texas Council of
4 Governments, but now it's in Tyler, Smith County, they're
5 all being broken back out individually to provide taxi
6 service where transit didn't exist.

7 I'm just asking, is this a population issue
8 instead of going through the COG that because of the growth
9 in Smith County that it's --

10 MR. GLEASON: 5(c) does not address the Smith
11 County issues, specifically.

12 MR. HOUGHTON: 5(d).

13 MR. AUSTIN: 5(d).

14 MR. GLEASON: 5(d)?

15 MR. HOUGHTON: Yeah.

16 MR. GLEASON: Okay. 5(d) is the -- that is going
17 to be the 5310 Program award?

18 MR. HOUGHTON: Right. Right.

19 MR. GLEASON: The department administers funds for
20 the 5312 Program for urbanized areas under 200,000, and for
21 the non-urban areas of the state. And we get -- within that
22 responsibility we get a set of funds for the urban areas and
23 a set of funds for the rural areas, and we work together
24 with representatives from both areas to come up with a set
25

1 of projects that seamlessly, as best we can, address that
2 issue.

3 One of the issues that the Tyler area is facing
4 right now that these funds and other funds may represent a
5 potential to address is with the new census, the urbanized
6 area of boundary for Tyler has been extended beyond the City
7 of Tyler Transit System's service limits; this is the issue.

8 MR. HOUGHTON: Right. Okay.

9 MR. GLEASON: And so previously, that area was
10 served by the rural provider because it was part of the
11 rural area. It is now part of the urbanized area, and the
12 Tyler urbanized area receives funds, both through the 5310
13 Program and through our Formula Programs for service. That
14 is inclusive of that larger urban area.

15 So we have to -- we have to sit down and figure
16 out how to close that gap, and it's Tyler, it's Longview,
17 it's other growing urbanized areas of the state. Once every
18 ten years, the census adjusts the boundaries and everybody
19 has to scramble to, you know, make sure everyone's needs are
20 taken care of. So that's the situation that we have out
21 there.

22 MR. AUSTIN: Thank you for that explanation. I'll
23 move to improve.

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UNIDENTIFIED MALE SPEAKER: I'll second
Commissioner Austin's move to improve.

MR. HOUGHTON: On Item 5(d), all in favor?
(Chorus of ayes.)

MR. HOUGHTON: 5(e)?

UNIDENTIFIED MALE SPEAKER: So moved, Chairman.

UNIDENTIFIED MALE SPEAKER: Second.

MR. HOUGHTON: All in favor?
(Chorus of ayes.)

MR. HOUGHTON: 5(f)?

UNIDENTIFIED MALE SPEAKER: So moved, Chairman.

UNIDENTIFIED MALE SPEAKER: Second.

MR. HOUGHTON: All in favor?
(Chorus of ayes.)

MR. HOUGHTON: 5(g)?

UNIDENTIFIED MALE SPEAKER: So moved, Chairman.

UNIDENTIFIED MALE SPEAKER: Second.

MR. HOUGHTON: All in favor?
(Chorus of ayes.)

MR. HOUGHTON: And 5(h) -- 5(h)?

UNIDENTIFIED MALE SPEAKER: So moved, Chairman.

UNIDENTIFIED MALE SPEAKER: Second.

MR. HOUGHTON: All in favor?
(Chorus of ayes.)

1 MR. HOUGHTON: Way to go, Eric.

2 MR. GLEASON: Thank you.

3 MR. HOUGHTON: Unanimous.

4 MR. GLEASON: Keep smiling.

5 MR. HOUGHTON: Moving on, General.

6 MR. WEBER: Item 6(a)(1) is the final adoption of
7 amendments to Chapter 21. This item will be presented by
8 our Director of Right of Way, John Campbell. John?

9 MR. CAMPBELL: Good morning. For the record, my
10 name is John Campbell, Director of Right of Way Division.
11 I'd like to present for your consideration this morning,
12 Item 6(a)(1) which provides for the final adoption of
13 comprehensive amendments to Title 43 Texas Administrative
14 Code, Chapter 21, relating to the regulation of outdoor
15 advertising signs.

16 And more specifically, this -- these rules
17 proposed for final adoption are intended to implement
18 provisions of Senate Bill 162, passed during the 83rd
19 legislature -- pardon me, that relate to the occupational
20 license to ease the transition of military service members
21 associated with those occupational licenses.

22 The Commission, by minute order passed on January
23 the 30th, 2014, proposed these amendments. We conducted a
24 public hearing on February the 25th here at the Greer
25 Building. Comments -- public comments were received through

1 Monday, March the 17th. Numerous public comments were
2 received from several commentators from both industry and
3 other interest groups and have been addressed or
4 incorporated as described in the preamble to the -- to this
5 item for a proposed final adoption. Staff recommends your
6 approval of the minute order.

7 MR. HOUGHTON: We have a speaker. Board member,
8 Ann -- and I can't read -- Culver? Is that right? Culver,
9 Scenic Texas.

10 MS. CULVER: Yes. Hi. Good morning. Thank you
11 for having me. Ann Culver, I'm Executive Vice President and
12 Board member of Scenic Texas. We're a statewide 501(c)(3)
13 with a mission to preserve and enhance the scenic character
14 of Texas. I want to thank you for the opportunity to speak.
15 I want to thank Ron Johnson and John Campbell for the very
16 transparent process of commenting on the proposed rules
17 which Scenic Texas did participate in and sent written
18 comments.

19 Today we feel that we wanted to appear before you
20 in person to make one final comment on one aspect of one
21 subpart of one rule. As laid out before you today, there's
22 one Rule, Section 21.192(a), to which there has been an
23 addition. As stated in today's agenda, this group of
24 amendments are to make minor or non-substantive changes to
25 refine definitions or clarify application processes.

1 We think the one area that I just noted is a non-
2 substantive -- is a substantive change, not a minor change,
3 and our recommendation is this be moved and recommended --
4 and we recommend that it be looked at in a later group of
5 rule recommendations that are going to be or more
6 substantive nature according to the TxDOT process.

7 The issue is -- and this is -- typically TxDOT
8 only considers the relocation of TxDOT permitted billboards
9 when it's necessary to move them for highway construction
10 purposes. That's a necessary tool. That's smart business
11 for TxDOT to do this. This is allowing, under our reading,
12 for there to be an exceptional exception that if there is a
13 requirement, probably from the billboard -- from the
14 regulated industry, the billboard companies, to move a sign,
15 that that would go for any purpose other than for highway
16 construction.

17 That that would go to the Executive Director or
18 the Deputy Executive Director to make the decision to do
19 that on a case by case basis. We feel like that there's
20 nothing in the rule that specifies how that would be
21 analyzed or how that might be accomplished. We think that
22 that is probably not giving the Executive Director any go by
23 for how he would grant or deny such a change.

24 Why do we care? Because if billboards are
25 relocated to other areas, we believe because of a pending

1 Supreme Court case, the State against Clear Channel Outdoor
2 right now, where the industry is trying to establish that
3 condemnation costs for one billboard is multiple millions of
4 dollars. We think it is pertinent for the Commission to
5 consider that if you allow there to be more latitude, not
6 less, in moving billboards around in the future if the -- if
7 a highway needs to be moved, widened, if there needs to be a
8 new project and a billboard is in the way, right now the
9 Supreme Court's trying to figure out how much that's going
10 to cost the state tax payers.

11 And the industry wants it to be millions and
12 millions for one board. So we think there needs to be more
13 discretion, not less, less latitude, not more, and who and
14 when and how billboard relocations are allowed to happen.
15 Scenic Texas believes the current rule that allows them to
16 be considered only in the case of highway reconstruction is
17 appropriate, and we would strongly recommend that that be
18 maintained and not changed. Thank you for the opportunity.

19 MR. HOUGHTON: And now you're recommending what?

20 MS. CULVER: Keep it the way it is and not allow
21 more -- right now you can only move billboards if they are
22 in the way of a highway reconstruction project. This is
23 allowing them to be removed for, we can't tell, any other
24 exceptional reason. We can't tell what those reasons might
25 be. And that -- we don't think that that's very clear.

1 MR. UNDERWOOD: But I get the feeling you're
2 nervous about the fact that they are -- the Executive
3 Director would have that option? Isn't that correct?
4 That's what you're saying?

5 MR. HOUGHTON: Can we do anything?

6 MR. UNDERWOOD: Right.

7 MS. CULVER: Well, the way we read the rule, there
8 are no -- there is no direction. There are no guidelines.
9 There is no -- there is nothing, so. He has -- according to
10 the way we read rules, the General has no fallback or
11 standards to reject or comply with a request. We don't see
12 that right now the way the proposal is written.

13 MR. HOUGHTON: Okay. John, come on up.

14 MR. CAMPBELL: Okay.

15 MR. HOUGHTON: John. So if there's five
16 billboards out there. It has nothing to do with
17 construction, and they're all compliant, does the Executive
18 Director have the latitude to do things that would at
19 anytime at his discretion saying, I don't like those five
20 billboards. That's an -- I mean -- I know an abstract, but.

21 MR. CAMPBELL: And of course the devil's in the
22 details of the particular circumstance, but our
23 interpretation -- our intentions with this particular area
24 of the rule was within the normal processes and purposes of
25 highways. That we wanted to have that flexibility within

1 the existing framework of the underlying statutory authority
2 to be able to consider some exceptional circumstances.

3 The scenario that was the intent of this
4 particular change in the rule is when we confront, for
5 instance, a location that might have an all out prohibition
6 on outdoor advertising, and our project is now impacting a
7 sign that's in place. This would give the Executive
8 Director, and no lower than the Deputy Executive Director
9 within the department, the authority to consider some
10 exceptional circumstances that might justify a relocation of
11 a sign that otherwise would not be eligible.

12 MR. HOUGHTON: And the reasoning behind this,
13 John, is I understand there is a back log of these kinds of
14 things. Is this to expedite a process?

15 MR. CAMPBELL: Absolutely. To expedite process
16 and for us to have some documented framework of authority to
17 do so.

18 MR. HOUGHTON: Okay.

19 MR. AUSTIN: And John, when you say relocation,
20 relocation by how far? I mean in general.

21 MR. CAMPBELL: Those would be -- right now the
22 rules provide for, I think, a five miles limitation within
23 the vicinity of the existing sign that are eligible
24 locations for that relocation. So some of those concerns
25 would also be addressed from this type of clarification or

1 this type of flexibility for the Executive Director.

2 MR. HOUGHTON: John, explain the current process.

3 MR. CAMPBELL: The current process is that when an
4 outdoor advertising sign is impacted by a transportation
5 project, we look at it from the perspective of compensating
6 that relocation through our, I believe, relocation
7 assistance benefits. That signs, considered personal
8 property, can be eligible for.

9 If the sign is real property owned by the
10 operator, then we confront the circumstances in eminent
11 domain towards the end of valuing what the appropriate
12 compensation for that sign would be. We without other
13 evidence presented by the regulated industry, we assume
14 outdoor advertising signs to be personal property and then
15 compensated for the relocation accordingly.

16 When we run into a situation that blurs that arena
17 of, is this impact a real property impact, or is it a
18 personal property impact, is when there's no legitimate
19 authority for us to relocate that sign because we're inside
20 the jurisdiction -- local jurisdiction that might have a
21 prohibition on its signs. So that's how the process goes
22 now.

23 And what we're confronted with in that
24 circumstance is that we cannot relocate the sign that's so
25 impacted by our construction. And so then we're really at

1 the liberty of the decisions made in courts regarding the
2 compensation that's necessary for the sign.

3 MR. HOUGHTON: So this gives you an additional
4 tool to remedy some of the issues regarding highway
5 construction or moving signs?

6 MR. CAMPBELL: Absolutely.

7 MR. HOUGHTON: Okay.

8 MR. AUSTIN: So in relocation, you're not actually
9 authorizing new signs to go up, you're taking one
10 potentially, allowing it to be replaced along the current --
11 the existing roadway?

12 MR. CAMPBELL: That's correct. We --

13 MR. AUSTIN: It's not within another jurisdiction
14 with prohibitions?

15 MR. CAMPBELL: That's correct. The current rule
16 as proposed is limited only to a legally erected sign that
17 is in place.

18 MR. AUSTIN: Legally. Okay.

19 MR. CAMPBELL: Yes.

20 MR. AUSTIN: And permitted.

21 MR. HOUGHTON: Ann, you wanted to say something?

22 MS. CULVER: Well, I -- just wanted one
23 clarification. So the -- if the -- if you're -- if the sign
24 in question is within a jurisdiction that prohibits new
25 signs, that's the rub, right? That's why you're describing?

1 This provides more latitude to move a sign within a
2 jurisdiction that prohibits new billboards?

3 MR. CAMPBELL: Well, that's one scenario that this
4 does provide --

5 MS. CULVER: This is so --

6 MR. CAMPBELL: -- additional flexibility.

7 MS. CULVER: So that -- in Houston, for instance,
8 that is the scenario, and on a case by case basis in
9 Houston, city council allows it. So this is in
10 jurisdictions where the local jurisdictional authority is
11 not cooperating?

12 MR. CAMPBELL: May be very cooperative --

13 MS. CULVER: Or may not?

14 MR. CAMPBELL: -- however they may have a local
15 ordinance that local politics put high priority in about the
16 prohibition of that (*indiscernible - 10:53:50).

17 MS. CULVER: So this, conceivably, would allow
18 state -- the state to trump the local authority in possible
19 select scenarios --

20 MR. CAMPBELL: It would not --

21 MS. CULVER: -- but are not -- will not
22 (*indiscernible - 10:54:03).

23 MR. CAMPBELL: I would be clear that it would not
24 be trumping local authority in that this ability would not
25 be to say, city of XYZ, you don't -- you have a prohibition

1 and this now forces you to accommodate something that you
2 want. This would give the Executive Director the
3 flexibility of going beyond the criteria for relocation now
4 so that you could have a compatible --

5 MS. CULVER: Thank you (*indiscernible - 10:54:27)
6 their clarification. Thank you for that.

7 MR. HOUGHTON: Ann, you still sticking by your
8 guns?

9 MS. CULVER: We think that this is -- we
10 appreciate the opportunity to comment and think this should
11 have -- could have been more clear for the purposes of our
12 organization reading it, but thank you very much for the
13 clarification and the opportunity to comment.

14 MR. HOUGHTON: Is it clearer now?

15 MS. CULVER: It's clearer to me verbally. And
16 upon adoption I'm assuming there will be back up language
17 that will make that --

18 MR. HOUGHTON: But we're going to -- there's a
19 second --

20 MS. CULVER: -- clear in writing.

21 MR. HOUGHTON: There's a second bite at this
22 apple, I understand. Is that an accurate statement, John?
23 Are we going to revisit the bill?

24 MR. CAMPBELL: That's the -- the rules coming up
25 for proposed adoption do not address this area of the rules.

1 MS. CULVER: No. This is a --

2 MR. HOUGHTON: Okay. All right. This is a one
3 shot at this.

4 MR. CAMPBELL: Correct.

5 MR. HOUGHTON: But I sensed it's a little --
6 you're a little clearer and comfortable with it?

7 MS. CULVER: I am more clear in a conversation up
8 here, yes. And I appreciate that opportunity. I think that
9 what Mr. Campbell delineated could have been more clear
10 here. That's the only thing. That's why -- might -- I just
11 would -- I just think that the local jurisdictions and the
12 rules can be interpreted in many different ways if it's not
13 extremely tight (*indiscernible - 10:55:43). And that's why
14 -- that is why we're here. But this was much more clear.

15 MR. HOUGHTON: Okay.

16 MS. CULVER: What was verbally stated is much more
17 clear than what we read here.

18 MR. HOUGHTON: Great. Great. Thank you, Ann.
19 Thank you.

20 MS. CULVER: Okay. I appreciate the opportunity.
21 And before I step away, I want to say that Scenic Texas
22 thinks the Native Seeds Project is fantastic and we
23 appreciate you all very much. Thank you.

24 MR. HOUGHTON: Great. Glad to hear that
25 endorsement. Any other questions of John? Is there a

1 motion?

2 UNIDENTIFIED VOICE: So moved.

3 UNIDENTIFIED VOICE: Second.

4 MR. HOUGHTON: All in favor?

5 (Chorus of ayes.)

6 MR. HOUGHTON: You're in the billboard business
7 now, General.

8 MR. WEBER: Don't start that. Don't start that.

9 UNIDENTIFIED VOICE: Billboards and blue bonnets.

10 MR. HOUGHTON: Yeah.

11 MR. WEBER: Oh, gosh. Item --

12 MR. HOUGHTON: Well they're maroon bonnets, not
13 blue bonnet, maroon bonnets. They're --

14 MR. WEBER: Item 6(b)(1) is the proposed adoption
15 of amendments to Chapter 15. This item will be presented by
16 our Interim Director of Contract Services, Ken Stewart.
17 Ken? Thanks.

18 MR. STEWART: Morning, Chairman Houghton,
19 Commissioners, General Weber.

20 MR. UNDERWOOD: Is this the first time for you?

21 MR. STEWART: Yes, sir.

22 MR. UNDERWOOD: Congratulations. Welcome.

23 MR. STEWART: Thank you. We come with a minute
24 order for initial adoption of some proposed rules for 15.52
25 addressing federal, state and local participation. There

1 are two elements that I would highlight for you all's
2 consideration; one involving funding, the other involving
3 local government's performing work under these projects.
4 Under funding, currently our rules provide the starting
5 point for our arrangements with the local governments is
6 that the local government will be responsible for a
7 percentage of the total project cost plus any cost over
8 runs.

9 At the same time if there's a cost under run, they
10 would eligible for that money as well. We do have currently
11 a provision that allows for a fixed price agreement. Upon
12 approval by the Executive Director, we can enter into an
13 agreement with the local government where we specify the
14 dollar amount that the local government will be required to
15 pay.

16 The proposed revisions switched that. Where the
17 standard agreement would be fixed price, but we could still
18 go back to the other arrangement with the Executive
19 Director's approval. The other item regarding local
20 governments not putting money in but putting in effort
21 addresses a couple of items. One, existing rules prohibit
22 local governments from doing any work on our freeway main
23 lanes.

24 The revision allows them to do it only with the
25 Executive Director's approval. The other item would be on

1 other work that the department would approve the local
2 government's to do. We have enumerated factors that we were
3 in the past told to consider. Now we're being asked that
4 that language be changed to evaluate and give a bit more
5 teeth (*indiscernible - 10:58:41) for our colleagues in
6 evaluating and determining the capability or suitability of
7 local government operations to do certain elements of work.
8 Thank you for your consideration. Staff recommends initial
9 adoption. And I'd be pleased to answer any questions.

10 MR. HOUGHTON: Any questions of Kenneth?

11 MR. AUSTIN: Yeah. I'd like to -- General
12 Commissioner Underwide -- Underwood and I heard this
13 yesterday in the audit committee --

14 MR. STEWART: Uh-huh.

15 MR. AUSTIN: -- and I know as we were looking at
16 -- is Brian Ragland in here?

17 MR. HOUGHTON: What are you doing talking about
18 this kind of stuff in audit. I -- is this an audit item?

19 MR. AUSTIN: Let me tell you, you would -- Mr.
20 Chairman, you'd be proud of our team working with finance --

21 MR. HOUGHTON: You're taking over.

22 MR. AUSTIN: -- and going through -- of doing a
23 lot of things and looking at ways to come back and make this
24 better. But I want to ask Brian --

25 MR. HOUGHTON: The audit committee, huh?

1 MR. AUSTIN: -- a question. Yes.

2 MR. HOUGHTON: A true banker.

3 MR. AUSTIN: This item will actually -- by fixing
4 this, the way we're doing right now, will bring some
5 stability back to budgeting in these advanced funding
6 agreements, back to the municipalities. I know of one
7 particular county judge that keeps coming back, well, if
8 you'd just tell me what I owe instead of keep coming back
9 plus, plus, plus, and what that does, that creates
10 receivables on our books.

11 So if I understand this right, we'll be able to go
12 to the -- when we're doing our advanced planning and the
13 forecasting of what the construction cost is going to be,
14 they will be able to plan systematically for a fixed amount?

15 MR. STEWART: Correct.

16 MR. AUSTIN: If there's an additional amount, and
17 I'm just going to use an example, say a project is 10
18 million dollars, right of way cost, their 10 percent is 1
19 million dollars, but it comes back at a million two, that
20 \$200,000 gap will be absorbed by TxDOT?

21 MR. STEWART: That is correct.

22 MR. AUSTIN: And what -- and under today's
23 scenario, that \$200,000 would be a receivable that we would
24 have that would be outstanding -- we have some outstanding
25 right now for quite a while, some for years.

1 MR. STEWART: Right. You're right. Under the
2 current rules we would get their initial deposit, but as
3 they over ran -- run occurred at the end of the project, we
4 would request that they pay the additional amount.

5 MR. AUSTIN: So what's this --

6 MR. UNDERWOOD: Which puts our district engineer
7 in the position of being a collection agent, which is not
8 what we want.

9 MR. STEWART: Correct.

10 MR. AUSTIN: And it puts the communities in a bind
11 because they're looking at their yearly budget and they're
12 thinking it's going to cost \$10, and all of a sudden there's
13 an over run of whatever, and all of a sudden they owe \$11
14 instead of 10. And so this is a much better for them, and
15 we're just going to have to be better stewards and make sure
16 that we don't have any over runs where we have to cover it.

17 MR. STEWART: Right. So the --

18 MR. AUSTIN: But there will be -- you know, there
19 are some savings as well to off set those without getting
20 into the weeds on some of those. There are.

21 MR. STEWART: Yeah.

22 MR. AUSTIN: So -- but the real benefit of this --
23 yeah, we're moving forward. We're cleaning this up. But
24 the real benefit is going to be to the communities, the
25 municipalities, and everybody to be able to plan better and

1 have a fixed price of participation. And that puts the
2 pressure back on our guys of doing estimations to have a
3 better picture of it going forward. If I understand that?

4 MR. STEWART: And per the conversation yesterday
5 -- and again, I'm not involved with these negotiations or
6 these agreements, but there could be enhanced interest in
7 locals participating in projects.

8 MR. AUSTIN: I just want to say one last -- thank
9 you all for addressing this. This is going to be, I think,
10 a great benefit to the communities. But again, you know,
11 Mr. Chairman, your comment with audit, I appreciate our team
12 of identifying these things, of coming of up with solutions
13 being proactive to benefit the communities and the
14 department. And these are little things that go unnoticed.
15 Benny, thank you to your team and working with finance well.

16 MR. MOSELEY: So Commissioner Austin, is the next
17 step like bankers do is hire Guido with the -- go bust some
18 kneecaps or what?

19 MR. AUSTIN: I can't answer that.

20 MR. MOSELEY: You can't answer that.

21 MR. HOUGHTON: The next step is for me to second
22 Commissioner Austin's (*indiscernible - 11:02:44).

23 MR. AUSTIN: Yeah. I will make that motion. Yes.

24 MR. HOUGHTON: Motion and it's second. Is it all
25 in favor?

1 (Chorus of ayes.)

2 MR. HOUGHTON: Thank you. Thanks Kenneth.

3 MR. STEWART: Thank you, sir.

4 MR. HOUGHTON: It was a lot fun, wasn't it?

5 MR. STEWART: Yes, sir.

6 MR. HOUGHTON: Yeah.

7 MR. WEBER: Item 6(b)(2) is the proposed adoption
8 of amendments to Chapter 21. This item will be presented by
9 Director of Right of Way, John Campbell. Welcome back,
10 John.

11 MR. CAMPBELL: Good morning, again. For the
12 record, my name is John Campbell, Director of the Right of
13 Way Division. I'd like to present for your consideration,
14 Item 6(b)(2), which provides for the proposed adoption of
15 amendments to Title 43 Texas Administrative Code, Chapter
16 21. I'll mention the specific sections, 21.146 regarding
17 exempt signs, 21.187 regarding spacing of signs, 21.189
18 regarding sign height restrictions, and 21.405 regarding
19 exemptions.

20 More specifically these amendments and the
21 additions to the existing rules add a new exemption
22 category, change the height limitations that are imposed by
23 state regulation, and the method of measuring that height.
24 They formalize certain aspects of the current department's
25 spacing policies and where applicable the rules regarding

1 rural roads have been modified to maintain consistency with
2 the rules regarding the primary and interstate system.

3 Two of the proposed changes are substantive. A
4 new exemption for non-commercial on premise signs of less
5 than 96 square feet has been added under Section 21.146(a),
6 and also a sign height restriction change from 42 1/2 feet,
7 which is the current state limitation, to a proposed 65 foot
8 height.

9 MR. HOUGHTON: Where's that coming from, 42 to 65?

10 MR. CAMPBELL: The numbers themselves or the
11 interest in addressing it? Where the number 42 1/2 comes
12 from?

13 MR. HOUGHTON: No. It's going to 65.

14 MR. CAMPBELL: Going to 65, what we've looked at
15 is industry. We've looked at what other states are doing.
16 Another point that's interesting to make is that the federal
17 regulations do not -- are silent on height and do not impose
18 any height restrictions. So height restrictions are imposed
19 by the state independently of the federal regulation. Ours
20 in Texas, we're one of 11 states that impose a height
21 restriction of the 46 states that regulate (*indiscernible -
22 11:05: 08) --

23 MR. HOUGHTON: So we just decided that 65 -- this
24 -- did this come internally or externally?

25 MR. CAMPBELL: We'd received a lot of external

1 interest in the notion of why 42 1/2, and wouldn't something
2 that's more consistent with practice and the industry
3 requirements be applicable. And so we --

4 MR. HOUGHTON: But there was some scientific study
5 that's -- with respect to viewing speed limit signs and
6 everything else that drove that up to 65 (*indiscernible -
7 11:05:34).

8 MR. CAMPBELL: That is correct.

9 MR. HOUGHTON: Yeah.

10 MR. CAMPBELL: The industry -- independent
11 association that represents the industry has completed just
12 that kind of research to identify the optimum height at
13 various speeds. So at lower speeds, of course, the lower
14 height is acceptable. At higher speeds, in order to give a
15 further distance of viewability of the sign, a higher sign
16 is indicated.

17 The range of indicated values of overall height
18 ran from 50 to 75, and so 65 reflects the highest height
19 restriction that other states that do this apply throughout
20 the country.

21 MR. HOUGHTON: At what speed is 65 optimum?

22 MR. CAMPBELL: That's in around the 70 mile an
23 hour range, 70, 75 mile an hour.

24 MR. HOUGHTON: I think some parts of the state
25 were up to 85?

1 MR. CAMPBELL: That's correct.

2 MR. HOUGHTON: What, are we going to 100 feet or
3 what?

4 MR. CAMPBELL: Just read faster is what we'll have
5 to do.

6 MR. HOUGHTON: Is that right? Read faster, huh?

7 MR. AUSTIN: John, there is no minimum. But -- so
8 this would apply to monument signs as well?

9 MR. CAMPBELL: I --

10 MR. AUSTIN: There's no minimum? There's just a
11 maximum, right?

12 MR. CAMPBELL: Correct.

13 MR. AUSTIN: Okay.

14 MR. CAMPBELL: Correct.

15 MR. AUSTIN: Can you give me an example of how
16 this is going to impact?

17 MR. CAMPBELL: Immediate impacts would be
18 resolution on a number of cases that are pending regarding
19 regulatory actions based upon height. So there would be an
20 immediate impact in clarifying the state's position there.

21 MR. HOUGHTON: So we have a position, right? Our
22 position is 42 feet?

23 MR. CAMPBELL: Yeah. Our existing standard is 42
24 1/2 feet maximum height.

25 MR. HOUGHTON: Okay. And the industry is asking

1 us to go to 65?

2 MR. CAMPBELL: Industry asked us to consider
3 raising that height limitation.

4 MR. HOUGHTON: Okay. So this will be proposed
5 rules. And how long do they sit out?

6 MR. CAMPBELL: These rules are proposed. We'll
7 have a public hearing that's scheduled for June the 24th.
8 And our public comments will be accepted through July the
9 14th of 2014.

10 MR. HOUGHTON: Come back to the Commission when?

11 MR. CAMPBELL: We would anticipate that it could
12 be as early as the July. We're targeting August.

13 MR. AUSTIN: So anything that's pending and in a
14 back log -- you said we have a lot of requests or cases,
15 things will just kind of stand still until we have a chance
16 to review all the comments (*indiscernible - 11:07:48).

17 MR. CAMPBELL: Well, we've been moving through our
18 back log cases. It's just that this is a very prevalent
19 area that creates a lot of the controversial enforcement
20 action.

21 MR. HOUGHTON: I -- what I'm getting, I think what
22 the Commissioner's getting at though, John, is that will we
23 put things in neutral at this point and time --

24 MR. CAMPBELL: Right.

25 MR. HOUGHTON: -- until this is passed instead of

1 keeping prosecuting or correcting or requiring. What's
2 going to be the position?

3 MR. CAMPBELL: We can certainly do that if that's
4 the will of the Commission.

5 MR. AUSTIN: I would prefer --

6 MR. HOUGHTON: That what -- prefer what?

7 MR. AUSTIN: I say with the cases that are maybe
8 -- back log and we're -- you know --

9 MR. HOUGHTON: Well, you're assuming that the
10 Commissions going to pass this.

11 MR. AUSTIN: Well, until we take --

12 MR. HOUGHTON: Action.

13 MR. AUSTIN: Until we take action. When -- to
14 hear the comments. I think we just stand still on them for
15 a little while.

16 MR. HOUGHTON: I wouldn't stand still.
17 Personally, I would not. I wouldn't recommend that. I
18 think you enforce the law by rules that are on the books.
19 Personally, I think you have to enforce the current rules on
20 the books. That's what rules are --

21 MR. AUSTIN: I do agree with that.

22 MR. HOUGHTON: That's what rules are for.

23 MR. CAMPBELL: So my understanding would be that
24 in the interim period between proposing and any action to
25 final adopt, that we would consider -- we would continue to

1 enforce the rules (*indiscernible - 11:09:00).

2 MR. HOUGHTON: You enforce the current rules we
3 have on the books.

4 MR. CAMPBELL: Thank you for that clarification,
5 Chairman.

6 MR. HOUGHTON: Yeah.

7 MR. CAMPBELL: Staff recommends your approval of
8 the minute order.

9 MR. HOUGHTON: Is there a motion? No motion?

10 UNIDENTIFIED VOICE: So moved.

11 UNIDENTIFIED VOICE: I'll second.

12 MR. HOUGHTON: All in favor?

13 (Chorus of ayes.)

14 MR. HOUGHTON: Thank you, John.

15 MR. CAMPBELL: Thank you.

16 MR. HOUGHTON: John, I didn't know you were a
17 comedian either. I didn't know it. And (*indiscernible -
18 11:09:24) had a sense of humor.

19 MR. WEBER: Item 6(b)(3) is the proposed adoption
20 of amendments to Chapter 25. This item will be presented by
21 our Director of Traffic Operations, Carol Rawson. Thanks,
22 Carol.

23 MS. RAWSON: Good morning, Commissioners, General.
24 Good morning. I'm Carol Rawson, TxDot's Traffic Operations
25 Division Director. The minute order before you proposes

1 preliminary adoption of an amendment to our existing rules
2 revising the 2011 version of the Texas Manual on Uniform
3 Traffic Control Devices by reference.

4 Texas law requires the department to adopt a
5 traffic control device manual. Federal law and regulation
6 requires that our manual be in substantial conformance with
7 the federal version. The proposed revision to the Texas
8 manual will eliminate some definitions from managed lanes
9 not currently being used by the FHWA, correct some figures
10 in tables as a result of this change, adopt clearer sign
11 text messages for bridge icing conditions, eliminate
12 symmetry signing as this is not an accepted national signing
13 practice, and to correct non-substantive typographical
14 errors. Staff recommends approval of this minute order.

15 MR. HOUGHTON: (*indiscernible - 11:10:39)

16 UNIDENTIFIED VOICE: Second.

17 MR. HOUGHTON: All in favor?

18 (Chorus of ayes.)

19 MR. WEBER: Item 7 will be presented by Benny
20 Ybarra, our Chief Compliance and Audit Officer. He'll make
21 the monthly report on the department's Compliance and Ethics
22 Report. Thanks Benny.

23 MR. YBARRA: Thank you. Good morning. The
24 purpose of this report is to provide a summary of
25 information related to allegations and investigation for the

1 month of April, 2014, in accordance with Transportation Code
2 201.452 and 201.454.

3 In April 26 allegations were received, 34 were
4 closed, 7 of these were substantiated. No further action is
5 recommended.

6 MR. HOUGHTON: Thanks Benny.

7 MR. YBARRA: Yep.

8 MR. WEBER: Item 8 concerning incorporating the
9 spirit of Sarbanes-Oxley into key financial reports and
10 internal controls will be presented by our Director of
11 Finance, Brian Ragland. Brian.

12 MR. RAGLAND: Thank you. For the record, again,
13 my name's Brian Ragland, Director of the Finance Division.
14 This proposed minute order would supersede and existing
15 minute order relating to the spirit of Sarbanes-Oxley or SOX
16 for short. That minute order was adopted in 2009 by the
17 Commission. Since then the program has matured, lessons
18 have been learned. So this new minute order will strengthen
19 your intent and provide clarity on roles and
20 responsibilities.

21 The bottom line here is we think it provides a
22 higher level of assurance, accountability, and reliability
23 of our financial reports at a lower cost. The update on the
24 program was provided to the audit subcommittee at their
25 March 26th meeting and they approved the revisions and

1 clarifications contained here. And so I'm happy to discuss
2 any specifics of the minute order or answer any questions.
3 Otherwise staff recommends approval.

4 MR. HOUGHTON: Questions? Motion?

5 UNIDENTIFIED VOICE: So moved.

6 UNIDENTIFIED VOICE: Second.

7 MR. HOUGHTON: All in favor?

8 MR. RAGLAND: Thank you.

9 (Chorus of ayes.)

10 MR. HOUGHTON: Thanks Brian.

11 MR. WEBER: Next is Item 9, the designation of
12 State Highway 71 as a toll project on the state highway
13 system. This item will be presented by our Director of
14 Special Projects Division, Ed Pensock.

15 MR. PENSOCK: Good morning, Chairman,
16 Commissioners, General Weber. Again, Ed Pensock, Director
17 of Strategic Projects Division. Item 9 authorizes the
18 designation of State Highway 71 from Presidential Boulevard
19 to just east of State Highway 130 in Travis County as a toll
20 project.

21 The proposed project will include design and
22 construction of two new express toll lanes, one in each
23 direction, from Presidential Boulevard to east of State
24 Highway 130. The department received a finding of no
25 significant impact, environmental approval, from the Federal

1 Highway Administration on May 9th, 2014.

2 This project is being developed in partnership
3 with the Central Texas Regional Mobility Authority. We have
4 received four detailed proposals earlier in the month and we
5 anticipate presenting the project to the Commission next
6 month in June for conditional award. Staff is here to
7 answer any questions and recommends approval of this minute
8 order.

9 MR. HOUGHTON: Questions? Motion?

10 MR. AUSTIN: So moved.

11 MR. HOUGHTON: And there a second.

12 MR. MOSELEY: Second.

13 MR. HOUGHTON: All in favor?

14 (Chorus of ayes.)

15 MR. WEBER: Okay. Next is item 10(a), the
16 selection of the best value proposal -- no. Is that it?

17 MR. HOUGHTON: Yeah, you're good.

18 MR. WEBER: For State Highway 183 Managed Lanes
19 Project in Dallas and Tarrant Counties. This item will
20 again be presented by Director of Special Projects Division,
21 Ed Pensock. Go ahead.

22 MR. PENSOCK: Good morning, again. Ed Pensock,
23 Strategic Projects. Item 10(a) approves the selection
24 through the competitive procurement process of the best
25 value proposer for the State Highway 183 Managed Lane

1 Project. This project includes 27.8 miles of managed lanes
2 in Dallas and Tarrant County.

3 It is broken up into several components. It has a
4 minimum base scope of about 19.6 miles that is along the
5 State Highway 183, Loop 12, and SH 114 corridors in Dallas
6 and Tarrant Counties. It also includes up to four different
7 additional scope components and we'll talk more about those
8 in a few minutes. The project is funded with 850 million
9 dollars of available public funds, 600 million is pay -- to
10 be paid prior to substantial completion of the project
11 during regular construction draws, and 250 million will be
12 paid over five years after substantial completion of the
13 project.

14 The scope work also includes routine and life
15 cycle operations and maintenance or O&M for 25 years after
16 substantial completion of the project, and also includes
17 hand back requirements at the end of that period. Again,
18 the -- this -- these corridors are very strategic corridors
19 to the Dallas Fort Worth area. There are many
20 transportation needs within these corridors, and as such the
21 department has undertaken a competitive process to try to
22 solve as many of those transportation problems as possible.

23 In doing that we developed a minimum base scope
24 that I mentioned a few minutes ago, and four additional
25 scope components along the project. What you see up on the

1 screen right now is the minimum base scope which includes
2 reconstruction and rehabilitation of existing pavement along
3 those lines, and will include new construction or new
4 addition of two managed lanes, one managed lane in each
5 direction along those lines.

6 Again, the -- a big part of the minimum base scope
7 will be to rehab some existing pavement. Additional scope
8 component one from approximately Belt Line Boulevard to Loop
9 12 in Dallas County takes that minimum base scope and adds
10 upon that the reconstruction of some of the main lane
11 pavement. The original plan was to try to utilize some of
12 the existing pavement. We were looking to stretch the
13 dollars as far as we could and we weren't sure what we would
14 be able to do, so we included the reconstruction of the
15 westbound lanes as the minimum base scope, and intended to
16 use existing pavement on the eastbound lanes.

17 As an additional scope component, number one, it
18 includes the total reconstruction of those eastbound lanes.
19 Additional scope component two does the same thing from Loop
20 12 continuing further east to Interstate 35 E in Dallas.
21 Additional scope component three extends the one plus one
22 managed lane along the State Highway 114 corridor up to
23 State Highway 161.

24 Additional scope component four extends that one
25 plus one managed lane from State Highway 161 up to

1 International Parkway on the north side of the Dallas Fort
2 Worth Airport. Again, the objective of the department in
3 the procurement of this project was to try to maximize as
4 much infrastructure as we could with the available dollars.

5 The operations and maintenance component to this
6 project is very important. It includes the minimum base
7 scope, fence line to fence line complete maintenance,
8 routine maintenance, preventative maintenance, and capital
9 maintenance, and long term renewal. It includes a 25 year
10 obligation to provide those maintenance activities with
11 fixed prices. The prices that were submitted in the
12 proposal were submitted in 2014 dollars, and there are
13 automatic escalations to those prices by inflation.

14 The scope award for the maintenance includes
15 roadway operations of maintenance. It does not include toll
16 operations. Toll collection will not be part of this
17 contract on those managed lanes. It does include
18 preventative maintenance, and it does include capital
19 renewal maintenance long term with the hand back standards.

20 The department issued a request for qualifications
21 on February 20th, 2013. On August 22nd, 2013, the
22 department short listed four proposers. On November 7th,
23 2013, the department issued a final request for proposals.
24 On April 14th, 2014, we did receive three final detailed
25 proposals. And today we're recommending a conditional

1 award.

2 The three teams that did submit detailed proposals
3 in alphabetical order were the SA -- or I'm sorry, were the
4 Airport Expressway Partners, consisting of Floor
5 Enterprises, Balfour Beatty and the Lane Construction
6 Corporation. The SH183 Mobility Partners including Sentra
7 Infrastructures, and the SouthGate Mobility Partners
8 including Kiewit Development Company and Kiewit
9 Infrastructure South.

10 During the evaluation of the proposals a
11 preestablished rigorous procedure for looking at the
12 submitted information was undertaken that resulted in a best
13 value determination. That evaluation included separate pass
14 fail, technical, and price evaluations, sub-committees,
15 teams of department employees performed these evaluations
16 and they made a recommendation to an Evaluation, Selection
17 and Recommendation Committee.

18 That Evaluation, Selection, and Recommendation
19 Committee provided scoring recommendations to a project
20 steering committee, and that steering committee is now in
21 front of you today making the final recommendation to you.
22 Again, the procurement of this project was a little
23 different. We took it upon a tiered approach with the base
24 minimum scope and the added scope components. We evaluated
25 proposals only when they have the same scope.

1 So if developers submitted a bid for only the base
2 minimum scope, they would only be compared -- their scores
3 would only be compared to other teams that submitted
4 proposals for only the base minimum scope. Likewise, teams
5 that submitted proposals and prices for a base plus one, two
6 or three components, would only be evaluated with teams on
7 like components.

8 The detail evaluation was completed and the
9 results came back with SouthGate Mobility Partners
10 consisting of Kiewit Development and Kiewit Infrastructure
11 as the recommended best value proposer. Again, the Kiewit
12 team includes several other sub-consultants and sub-
13 partners, subcontractors, and they're listed on the board at
14 this time.

15 The scoring came down with the tier one proposal.
16 SouthGate Mobility Partners was the only submitter that
17 included the base (*indiscernible - 11:22:07) scope and
18 components one, two, three and four. So SouthGate Mobility
19 Partners proposed -- included in their proposal for under
20 850 million dollars to do all four added scope.

21 The remaining two proposers included the base
22 minimum scope plus components one and two only, going back
23 to the earlier slides describing those scopes. So the
24 recommendation is for SouthGate Mobility Partners. Again,
25 their point totals were only compared to teams with point

1 totals with similar scopes.

2 The SouthGate Mobility Partners proposal included
3 a base bid price of 847.6 million dollars. It included a
4 total 171.8 million dollars for 25 years of operations and
5 maintenance. And that 171.8 million dollars is in 2014
6 dollars that would be escalated to year of expenditure for
7 each year. The team proposed to complete the project in
8 1,260 days, approximately 3 1/2 years.

9 If given the approval by yourselves, the next
10 steps would be to negotiate final terms for the development
11 of the agreement. We're seeking final third party approvals
12 including Federal Highway Administration and Office of the
13 General Counsel and the Legislative Budget Board, execute
14 the contract for development and construction and
15 maintenance of the facility.

16 We would anticipate if -- with all those things
17 happening that in Notice to Proceed one could be expected in
18 fall of 2014, and construction could conceivably begin in
19 late 2014 or early 2015. As such, a substantial completion
20 of the project would be realized in 2018. A lot of people
21 went into the evaluation and development of this project.
22 Bill Hale and Brian Barth of the Dallas and Fort Worth
23 districts were the anchors of this.

24 This project has been under development for quite
25 some time. That and themselves, personally, and their

1 staffs provided tremendous support as did the Office of
2 General Counsel, as did Strategic Projects, as did other
3 divisions within TxDOT. And in addition, Ben Asher and the
4 Debt Management Office is in pursuit of a TIFIA loan at this
5 time that could support the project if approved. Staff is
6 here to answer any questions and recommends your approval of
7 this minute order.

8 MR. HOUGHTON: Before we do that, Interim City
9 Manager, Steve McCullough, Irving, Texas.

10 MR. MCCULLOUGH: Mr. Chairman and members of the
11 Commission and General Weber, welcome. My name is Steve
12 McCullough I have the privilege of serving as the Interim
13 City Manager of the city, but I was previously the City
14 Manager. Actually, I started working for the City of Irving
15 in 1975. I became manager in 1993. Soon after I assumed
16 that position, one of my assignments from the City Council
17 was to see if I couldn't get State Highway 183 rebuilt.

18 We've worked together with TxDOT as -- hopefully
19 as a partner for many, many years, and this day is a welcome
20 day for the City of Irving. So on behalf of the Mayor and
21 the City Council, all 220,000 citizens of the city and the
22 millions of drivers who come through Irving on these
23 roadways, because almost all of this project is within the
24 city limits of Irving, we thank you.

25 We thank TxDOT and I -- there's so many names up

1 there but I have to recognize Bill Hale. We've worked on
2 this a long time together. I try to keep it nice. But this
3 is a great day for us and I will -- also would like to thank
4 Linda Harper Brown who served on my City Council when she
5 first was elected. Didn't really -- had been on the school
6 board before, but was not familiar with transportation
7 issues. And I think 183 was -- became her project as well
8 and I want to recognize all of her efforts.

9 So thank you, gracias for working so hard on this.
10 And Jeff I'm missing Darlene's retirement party this
11 afternoon because it was important for me to be here today.
12 But I wanted to say thank you so much.

13 MR. WEBER: Thanks, Steve.

14 MR. MCCULLOUGH: Thank you.

15 MR. WEBER: Any questions of Ed? Ed, you're back
16 up. Any questions?

17 MR. PENSOCK: This is a heck of a project. Heck
18 of a deal. We've been working a long time on it. Great job
19 staff. Bill Hale, you can really do this job in 3 1/2
20 years, Bill? What's that? Okay.

21 UNIDENTIFIED VOICE: Or less.

22 MR. AUSTIN: Let me ask one question. Just going
23 back on the operation to maintenance hand back. Now -- will
24 you go back through that one more time?

25 MR. PENSOCK: Yes, sir.

1 MR. AUSTIN: 171 million --

2 MR. PENSOCK: The contract includes a design build
3 agreement and a comprehensive maintenance agreement, or a
4 COMA, if you will. And that maintenance agreement obligates
5 them for 25 years to provide fence to fence maintenance, all
6 items, routine maintenance, mowing, litter pick-up, crack
7 ceiling, pothole patching, you name it, on the minimum base
8 scope of the project on the -- primarily along the SH 183
9 corridor.

10 The price that they bid does include all those
11 items which is a very good thing. A lot of times when we
12 look at maintenance prices we won't include long term
13 renewal, you know, planned overlays in year 10 or year 20.
14 A planned major rehabilitation's necessary in the out years,
15 but the -- their prices do include those items. For every
16 new piece of pavement or new bridge that they build, they
17 have very strict requirements that at the end of their term
18 -- at the end of their maintenance term there has to be a
19 recommended or required amount of minimum residual life left
20 in those structures or in those facilities.

21 For every piece of pavement that they are -- that
22 they rehabilitate and maintain, upon ending of the
23 agreement, they have to be hand back in a certain condition.
24 They may not have residual life requirements attached to
25 them, but they have to meet certain conditions, bridge

1 inspection scores, pavement inspection scores, those types
2 of things.

3 So 25 years is a long time, \$171,002,014 is a lot
4 of money. To be honest with you, it's probably underneath
5 what we would spend typically to maintain that project. It
6 comes out to about \$18,000 a lane mile for complete
7 maintenance for the -- in 2014 dollars. It's a good deal.
8 The department is getting an exceptionally good deal on this
9 project.

10 MR. AUSTIN: And the initial scope was 850 million
11 when we did the estimates when we went out for bidding?

12 MR. PENSOCK: Our estimates were slightly above
13 850 million.

14 MR. AUSTIN: So we're coming in better.

15 MR. HOUGHTON: Yeah. It's a heck of a deal. We
16 didn't think we could get this.

17 MR. PENSOCK: The reason we broke into the
18 components is because we didn't think we were going to be
19 able to get it, Chairman. You're exactly right.

20 MR. HOUGHTON: Right. This has been long and
21 coming.

22 MR. PENSOCK: And it's been long scrutinized, long
23 analyzed.

24 MR. HOUGHTON: Oh, big time.

25 MR. PENSOCK: And it wound up being a bit of a

1 complicated procurement because of the pieces that were
2 added on to it, the components that were added on to it.
3 But the uncertainty of not knowing what exactly we were
4 going to be able to do, we tried to set ourselves up to
5 again get the best bang for the buck. Get the most project
6 that we could for the dollars, and through the competitive
7 procurement process, through three very, very good teams.

8 SouthGate Mobility Partners and the Kiewit Team
9 certainly did a tremendous amount of homework on analyzing
10 this, coming up with ideas -- innovative ideas, alternative
11 technical concepts. A lot of good things can be said so far
12 to date. The other two teams did likewise, did
13 exceptionally good work and gave very competitive, very
14 aggressive proposals, and this is really a good day for the
15 department and a good day for north Texas.

16 MR. AUSTIN: I'd move approval for SouthGate
17 Mobility Partners.

18 UNIDENTIFIED VOICE: Second.

19 MR. HOUGHTON: All in favor?

20 (Chorus of ayes.)

21 MR. HOUGHTON: Congratulations, team.

22 MR. PENSOCK: Thank you.

23 MR. MOSELEY: Chairman, I would just say, this is
24 -- again, congratulations, Mr. McCullough, and to the City
25 of Irving, and for all your hard work. What a wonderful

1 corridor for the state, not only a connector, Dallas,
2 Irving, Fort Worth, but a connector with Love Field to
3 Dallas Fort Worth Airport. So this is really a wonderful
4 corridor and thank you for your hard work on seeing it
5 through and my love to Darlene. She's my cousin, Chairman.
6 Just wanted to --

7 MR. HOUGHTON: It's a good think you said that.

8 MR. MOSELEY: Yeah, a good thing I --

9 UNIDENTIFIED VOICE: Glad you put that on the
10 record.

11 MR. WEBER: Okay. Continuing we have item 10(b),
12 the approval of a Comprehensive Development Agreement for
13 Loop 375 Border Highway, the West Extension Project. This
14 item will be presented by Director of Special Products [sic]
15 Division, Ed Pensock again. Ed.

16 MR. PENSOCK: Again, Ed Pensock, thank you. Item
17 10(b) approves the Comprehensive Development Agreement and
18 associated Comprehensive Maintenance Agreement in its
19 substantially final form for the Loop 375 Border Highway
20 West Extension Project. On April 24th, 2014, last month, by
21 minute order 113911, the Commission approved the
22 determination that the proposal submitted by the Abrams
23 Kiewit Joint Venture provides the apparent best value for
24 the department and authorized the department and the
25 Director to commence and complete negotiations for the final

1 agreements.

2 This item does further authorize the Executive
3 Director to enter into that agreement. The department has
4 finalized and -- all negotiations and submitted the
5 necessary notifications and reports to the Legislative
6 Budget Board. With the Legislative Budget Board's approval,
7 the department plans to execute the CDA by mid-August of
8 2014. Staff is here to answer any questions and recommends
9 your approval of this minute order.

10 MR. HOUGHTON: Is there a motion?

11 MR. AUSTIN: So moved.

12 MR. HOUGHTON: All in favor?

13 (Chorus of ayes.)

14 MR. HOUGHTON: Yes. Commissioner Moseley's
15 recusing himself from that vote as noted for the record.
16 Okay. Onward.

17 MR. PENSOCK: Thank you.

18 MR. WEBER: Next is Item 11, the 2015 Highway
19 Safety Plan. This item will be presented by Traffic
20 Operations Division Director, Carol Rawson. Welcome back
21 Carol.

22 MR. RAWSON: Thank you. If I could get the
23 presentation up? There we go. Once again, for the record,
24 I'm Carol Rawson, TxDOT's Traffic Operations Division. I
25 always like this time of year because I get to come and talk

1 to you about one of our great programs, which is our Highway
2 Safety Program.

3 The minute order before you seeks approval of the
4 2015 Highway Safety Plan which is designed to reduce the
5 number and the severity of traffic crashes, injuries and
6 fatalities through education, training and enforcement
7 efforts. We all know here at TxDOT that safety is our most
8 important job that we do, and the program that's within this
9 Highway Safety Plan is going to help us to actually
10 implement that safely -- safety goal.

11 The funding for the Highway Safety Plan actually
12 comes from our MAP-21, which was -- became effective in July
13 2012, and these funds are actually administered through the
14 National Highway Traffic Safety Administration, and
15 specifically the Highway Safety Program is designed to
16 reduce traffic and crashes and deaths and injuries in
17 property damage.

18 The Highway Safety Plan before you is in
19 compliance with all the requirements that is put forth in
20 MAP-21. When we started and tried to figure out where we're
21 going to start with the Highway Safety Plan, our Highway
22 Safety Plan is driven by data, and it's driven by our crash
23 data that's out there. And as you can see, our 2013 numbers
24 just came in, and our 2013 shows that we had 3,377
25 fatalities on Texas roadways in 2013. This is a 1 percent

1 decrease along with it.

2 We did have a slight increase in our vehicle miles
3 traveled, about a 1.1 percent more people are driving on our
4 roads. We all know that a thousand new Texans come into our
5 state every year. And something to note is that 55 percent
6 of these fatalities are in rural Texas along with it. And
7 that helps us to focus and helps us -- when we look at this
8 data helps us to break down where we go from here.

9 Like I said, what we do is in November of last
10 year -- in November of 2013, we issued an RFP. And the RFP
11 is projects and looking for things that would have to drive
12 towards this data. So I'm going to break it down and show
13 you some of the areas that we're going to focus. We
14 certainly still have an alcohol problem within our state.
15 We had 1,192 alcohol related fatalities in Texas in 2013.

16 It was a slight decrease. It was a 1 percent
17 decrease. But we as Texas still ranks in the top 10 states
18 nationally. We're number four. And This is for the fifth
19 consecutive year we're considered a high alcohol related
20 fatality state. The state's that are above us, number one
21 is Montana, number two, South Carolina, and number three's
22 North Dakota, which is kind of unusual, you're thinking
23 rural states.

24 But number 24 is Florida, if you'd like a
25 representation from us about the same size. And California

1 is number 46. So we have a long way to go when it comes to
2 alcohol. The alcohol related fatalities attributed 35
3 percent of our overall fatalities as a state. So you can
4 see, this is an area of concern. It certainly is an area
5 where a lot of the money within the HSP will actually be
6 focused.

7 Some of the projects that actually came in that are
8 something to take note of would be, we're working very
9 closely with DPS. DPS is our enforcement leg. We are
10 working on upgrading their blood alcohol testing equipment,
11 have last year and have done it again this year. With all
12 of the mandatory blood draws that are happening state wide,
13 when they do a mandatory blood draw, the blood draw goes to
14 the DPS lab. And the DPS lab is the responsible party for
15 actually testing the bug -- blood alcohol content.

16 We are actually funding portions of that because
17 the DPS lab is in a back log. So it's hard to prosecute and
18 hard to move forward with these if we don't get that portion
19 of it. So a large sum of money is going to go to DPS on
20 that. Another interesting piece that people may not know is
21 we work quite a lot with the Texas District and County
22 Attorneys Association.

23 Because not only do you have to find the actual
24 drink on the road, you have to prosecute them. And it's a
25 difficult process for our prosecutors to be able to do that.

1 We have a grant that will be doing that. We also have to
2 work with the judges because actually ruling -- and from
3 that Administrative Law Judge's standpoint, we're working with
4 that portion of it to help us with those pieces of it too.

5 And still we're continuing with the no refusals.
6 We're seeing quite a lot of success with that. We have
7 grants that will actually be with Barrow, Collin, Galveston,
8 Harris, Montgomery and Tarrant Counties this coming year.
9 So definitely a focus within our HSP on alcohol related.
10 Motorcycle fatalities. It wasn't a good year for our
11 motorcyclists out there, 495 fatalities. This was a 5
12 percent increase.

13 Motorcycle fatalities is almost 15 percent of our
14 overall fatalities. However they only represent 2 percent
15 of our over vehicle mix. We're number two in the nation for
16 motorcycle fatalities, only behind California. So we
17 definitely have a motorcycle problem. I want to make note
18 that of the ones that were killed, 57 percent of them did
19 not have their helmets on. 40 percent of them had alcohol
20 involved. So we're driving a motorcycle, we don't have a
21 helmet on, and we're also drinking along with it.

22 Another interesting component of it is, of those,
23 46 percent of the motorcycle drivers that were in those
24 fatal crashes didn't have a motorcycle license. They didn't
25 have a Class M license. So that means they didn't go

1 through any type of training. So we can definitely see a
2 lot of opportunities to work on this.

3 We're certainly going to do this. Continue with
4 our motorcycle safety coalition. Our Share the Road, which
5 was just in last month's, you know, Look Twice for
6 Motorcycles, is -- we're going to continue along with that.
7 Working again with DPS, because DPS actually provides the
8 training. They train over 42,000 motorcyclists a year along
9 with it. And we're also working on a new program that's
10 going to help for voluntary gear usage. That would be the
11 helmets, actually using the gear, they can be seen on the
12 road along with it. So motorcycle fatalities are certainly
13 going to be addressed within this year's HSP.

14 Second -- or the third piece is pedestrian bicycle
15 fatalities. We did see an increase in our pedestrian
16 fatalities. It was a 1 percent increase up to 487. Our
17 bicycle fatalities did go down, which is a good thing. We
18 went down from 56 to 48. That was a 14 percent decrease,
19 which is a good -- we're making good headway along with
20 that.

21 A lot of projects that are underway to help to
22 address this. We're looking at the pedestrians because we
23 are like a high risk state from the standpoint of our
24 pedestrians. We know -- you would think that the majority
25 of our pedestrian fatalities would be on city streets, but

1 they're actually on US and State Highways. Kind of an
2 interesting piece. That people are crossing the highway,
3 maybe not where they're suppose to be crossing along with
4 it.

5 25 percent of the fatalities for our pedestrians
6 had a blood alcohol content along with it. So all of these
7 things help us to break down. Certainly working with the
8 Texas Bicycle Coalition have two different projects working
9 with college age (*indiscernible - 11:41:49). Also working
10 with our law enforcement to actually enforce the bicycle
11 laws better.

12 Not only from a standpoint of the cars being with
13 that -- safe. You know, we have a safe passing ordinance
14 that's new to our state in many of the areas helping to
15 enforce that piece of it. But also working with the
16 bicyclists that maybe not are observing the laws the way
17 that they should be doing it along with it too. So we did
18 do that.

19 So -- and definitely working with a group called
20 Please Be Kind To Cyclists. I know that you all might be
21 familiar with that group. And definitely one of those that
22 we're looking to focus on that piece of it.

23 Unrestrained motorists -- unrestrained fatalities.
24 We did have a decrease. This is good. This means that
25 people are wearing their seat belts. 980 down to 944, that

1 was a 3.7 percent decrease. It's still 46 percent of our
2 fatalities were unrestrained, meaning, they didn't have a
3 seatbelt on, and that's the simplest piece of what anybody
4 can do and the one thing that we can all do to be safe out
5 there.

6 We know that we saw a decrease in the unrestrained
7 fatalities for two -- toward -- two door passenger cars and
8 SUVs. That means they're buckling up in the SUVs, that's
9 great. But we had an 8.2 percent increase in pick-up
10 trucks. Pick-up trucks are a problem still. Just can't get
11 the guys in the pick-up trucks and the big trucks to go
12 ahead and put their seat belts on.

13 But certainly something that we need to focus on
14 because if we could just get 944 people to buckle up, that
15 would be great. It would help us a lot with that. Along
16 with that I know we all know month of May and then
17 concluding in this week is Click It or Ticket. We see that
18 our seat belt usage is at 90.3 percent. This is the eighth
19 year that we've been 90 percent or greater. We are
20 considered a high use state, which is great.

21 Just since Click It or Ticket came into effect in
22 2001, we've saved -- we estimated that we've saved 3,962
23 fewer people died in traffic fatalities. There was 66,823
24 fewer serious injuries and 15 million dollars worth of
25 savings. That's all good stuff. Click It or Ticket is

1 certainly something that all of us should be working for and
2 certainly included in our Highway Safety Plan.

3 Something I wanted to bring to you all's attention
4 for our car seats. All of us whether we have grand
5 children, children, or just friends that have children, we
6 never want to see a child die within a traffic crash. Last
7 year in 2013, 23 children died because they were
8 unrestrained in the car. With this, now that we have our
9 Traffic Safety Specialist in every single district, every
10 single one of our Traffic Safety Specialists within TxDOT
11 are trained technicians that know how to look at a car seat
12 to ensure -- the majority of a car seats put in and they're
13 not even put in correctly.

14 And if they don't have a car seat, we actually
15 have car seats available in our district office for people
16 that have a low enough income that need help along with it.
17 Not only of our Traffic Safety Specialists, our District
18 Engineers have offered up their employees to also become
19 certified technicians. And it's just one of those pieces
20 that we're trying to protect our most precious cargo, which
21 is our children. And that is certainly included in the
22 Highway Safety Plan along with it.

23 Distracted driving. I guess Commissioner
24 Underwood, he was beating my drum along with it. And
25 certainly a problem that we all know that's happening out

1 there. 459 people were killed last year due to distracted
2 driving. 800 -- or 18,000 -- over 18,000 were seriously
3 injured, and there was 94 -- almost 95,000 crashes that were
4 attributed to distracted driving.

5 We know this is a problem. We know that. And we
6 know that TTI has been helping us to do a lot of research
7 because this is an unusual nut to crack to go along with it.
8 We know that 47 percent of Texas drivers admit that they
9 use a cell phone when they're driving. That's people that
10 know that. And of that 47 percent, 85 percent know that
11 they shouldn't be doing it. That's one of those we know
12 that we shouldn't do it but we do it anyway.

13 And it's one of those that we're going to have to
14 work very hard to get to that. At any time of the day or
15 night 1 in 10 people are on this -- on their cell phones in
16 some form or fashion. It came out of the results. I think
17 it's a lot more than 1 in 10. I mean if you're driving down
18 the highway -- I know whenever I drive down the highway I
19 use to count how many people were actually on their phone.
20 Now I don't count how many are on their phone, I count how
21 many are not.

22 Distracted driving, the TxDOT crash is certainly
23 going to be something. Something to think about too is June
24 17th of this year, just coming up here in a couple of weeks,
25 we're having a Distracted Driving Summit. It's going to be

1 working on business owners or companies, talking about their
2 distracted driving policies.

3 We know that Coca-Cola, here just within the last
4 year had a 21 million dollar law suit that came against them
5 because one of their drivers was talking with a hands free
6 device while driving their company vehicle and had a crash
7 and actually killed somebody and that was the actual
8 settlement that came out of that. So there's a lot of
9 things moving on that. It's a whole format at CODA (ph)
10 that we're going to be talking about, certainly focusing on
11 distracted driving within highway safety.

12 Law enforcement. We talk three Es. Engineering,
13 we're doing what we can. We're building the roads,
14 engineering the best roads that there are on the -- in the
15 country. Education, that's all of our public information
16 that I've been talking about. And enforcement is certainly
17 an important piece. That's the stick that sometimes it
18 takes for us to get there.

19 A very large portion of our funding within our
20 Highway Safety Planning goes to high -- to our law
21 enforcement officers, not only DPS, but our local PDs and
22 Sheriffs around the state. Looking at speeding, looking at
23 intersection type of violations, certainly working while --
24 driving while intoxicated, seat belt violations, child
25 safety seat violations. And this year we're actually adding

1 distracted driving.

2 In those areas that have city ordinances where
3 they have no texting type of rules within that, it will
4 actually give the officers the overtime ability to enforce
5 those particular ordinances. Just as a note, last year on
6 our -- within our STEP program, our law enforcement issued
7 almost 52,000 safety belt violations state wide.

8 We also issued almost 277,000 speeding tickets. A
9 lot of people. A lot of things happening within our state.
10 The driving while intoxicated was 8,000 -- over 8,000
11 arrests that were made. So definitely this portion of our
12 program is doing its best to make our roads safer out there.

13 A piece of -- that we've been talking about. All
14 of us know energy section is becoming -- and certainly with
15 the oil in the shale areas throughout our state. I was just
16 going to show you the data that's out there. I wanted to go
17 back to '11 because I think the boom started to happen late
18 '11, and then into '12. And you can definitely see Barnett
19 Shell is cooking back up again. Eagle Ford, we made some
20 gains in that area, Permian Basin we know from 319 going up
21 to the number of fatalities, you can see that we certainly -
22 -- this is a concern.

23 Within our Highway Safety Plan we will continue
24 the overall public education campaign with the Be Safe Drive
25 Smart, trying to get people just to do what they need to do

1 and do their part as trying to make the roads as safe as we
2 can in these areas, so -- is a part of that piece.

3 So overall from a funding standpoint we have 51
4 million. There's a match component that has to come along
5 with this with that. We have 51 million of that. Our
6 federal funding is 49.9 million. State match is 8.5
7 million. And for an overall of 109.4 million, with 331
8 traffic safety projects throughout the state. I think it's
9 going to be a good plan. We're ready to implement it and do
10 our part, increasing safety out there. Staff does recommend
11 approval of moving forward.

12 MR. AUSTIN: I've got a couple of questions. As
13 we get -- you know, it's sad that we're measuring this by
14 fatalities.

15 MS. RAWSON: Correct.

16 MR. AUSTIN: And in a couple of these instances
17 you said where we lead or we're ranked really high, and I'm
18 assuming that's on an absolute number by state?

19 MS. RAWSON: Yes.

20 MR. AUSTIN: Okay.

21 MS. RAWSON: Now, some of them like the -- say for
22 instance -- I'm sorry, sir --

23 MR. AUSTIN: Oh, no. (*indiscernible - 11:50:17)

24 MS. RAWSON: -- the alcohol is based on a rate.

25 MR. AUSTIN: Yeah, a baseline. (*indiscernible -

1 11:50:20).

2 MS. RAWSON: it's a number, and then it actually
3 takes into our VMT. Because a rate is an easier way to
4 normalize that between what would be South Dakota and what
5 would be Texas, so some of them are.

6 MR. AUSTIN: Vehicle miles traveled, something
7 like that?

8 MS. RAWSON: Yes, sir. That's exactly correct.

9 MR. AUSTIN: Well, and with the vehicles mile
10 traveled, I'd also like to compare that based on -- and not
11 today, but I think it'd be good to at it based on
12 population.

13 MS. RAWSON: Yes, sir.

14 MR. AUSTIN: So while we have substantial
15 population growth, you know, a thousand people coming in a
16 day, you know, are these numbers going down? We ultimately
17 would like to see them zero --

18 MS. RAWSON: Absolutely.

19 MR. AUSTIN: -- and I hope that can happen.

20 MS. RAWSON: Sure.

21 MR. AUSTIN: In breaking down -- on the bicycle --
22 I think I was visiting somebody from the Bicycle Advisory
23 Committee. They said we ranked pretty high in accidents.
24 And I know we look at fatalities, and you know, so accidents
25 are hard to measure unless they're reported by --

1 MS. RAWSON: Exactly.

2 MR. AUSTIN: -- the DPS or whatever. But as we
3 look at each of these, is there any way to measure the
4 number of accidents --

5 MS. RAWSON: Sure.

6 MR. AUSTIN: -- or do we have some of that data?

7 MS. RAWSON: If it was reported, meaning that it
8 --

9 MR. AUSTIN: Reported. Right.

10 MS. RAWSON: -- the bicycles is a problem because
11 sometimes it's a bicycle, bicycle. At that point an officer
12 doesn't create a crash report. A crash report is between a
13 motor vehicle and a bicyclist. I can certainly -- on any of
14 those I can tell you exact -- the exact numbers of how many
15 crashes have been reported within Texas, and I can get you
16 that information.

17 MR. AUSTIN: I'm just like -- because I think it
18 would be good as we look at this on an annual basis --

19 MS. RAWSON: Sure.

20 MR. AUSTIN: -- to compare population of
21 accidents. As we look at some of the funds that are going
22 to -- I want to ask you about the bicycle. Are these going
23 to the local communities, or are these going to advocacy
24 groups and are those funds being distributed equally
25 statewide or state campaigns, or how does that work --

1 MS. RAWSON: It's a little bit of all --

2 MR. AUSTIN: -- and for pedestrian.

3 MS. RAWSON: It's actually a little bit of all of
4 it.

5 MR. AUSTIN: Okay.

6 MS. RAWSON: Some of them are non-profits, like
7 you know, the Texas Bicycle Coalition, the Please Be Kind to
8 Cyclists are non-profits. There are some actual grants that
9 are going to go to the Barrow County is one of them, as an
10 example, Bicycle Safety Outreach in the San Antonio area.
11 The city of Austin has a grant which is a public works, and
12 it distributes the bike lights. Those lights that you see
13 that are so critical for a car to be able to see it, even in
14 daylight, along with it.

15 The Dallas Fort Worth area has Elbows Racing
16 Bicycle Safety Program, which is going to the Dallas Fort
17 Worth area along with it. So we have a sprinkling of
18 projects that are coming in from all sides of this. Because
19 I think it's really -- it's going to take everything to work
20 on these particular efforts.

21 MR. AUSTIN: And I would just encourage -- make
22 sure that they go statewide and include the more rural areas
23 outside the big three or four or five cities --

24 MS. RAWSON: Absolutely.

25 MR. AUSTIN: -- because there are a lot of

1 fatalities --

2 MS. RAWSON: In rural Texas. Exactly.

3 MR. AUSTIN: -- in other places or accidents as
4 well.

5 MS. RAWSON: Absolutely.

6 MR. AUSTIN: The last thing I want to mention as
7 you look at -- I see law enforcement or other factors, was
8 it -- Carol, I think, last year you said we put up 3,000
9 signs that said slower traffic, stay on the right hand -- on
10 the right hand side. It improved mobility --

11 MS. RAWSON: With the 75s.

12 MR. AUSTIN: -- and (*indiscernible - 11:53:12).

13 MS. RAWSON: Yes, sir.

14 MR. AUSTIN: I still -- that's one of the
15 complaints that I hear. Hey, what is TxDOT going to do?
16 But really, that's a DPS enforcement issue in that.

17 MS. RAWSON: Correct.

18 MR. AUSTIN: Have you all been able to gauge?
19 Have those signs had any impact or have you had any
20 discussions with DPS, or what can we do as a public
21 awareness to encourage people?

22 MS. RAWSON: Enforcements always the best way to
23 do it. And we know that within our step grants -- within
24 our step grants they can issue tickets for a lot of
25 different things. The way that they've actually broken it

1 down, I have this other category. They're telling me seat
2 belts, they're telling me speeding, they're telling --
3 sometimes you get speeding but you were also in the left
4 hand lane along with it.

5 This year what I'm trying to do -- and I know this
6 is more -- a little bit more work for our partners in law
7 enforcement, is to try to tell me what the other are. And
8 I'd like to see that they are enforcing those particular
9 signs that are out there. They actually coordinated with
10 our 75 -- anywhere where we saw 75, we put the no -- you
11 know, no -- left lane for passing only, is what it was. And
12 that is part of the law that they can enforce.

13 MR. AUSTIN: That's not just for 75 miles an hour?

14 MS. RAWSON: No, sir. It isn't. It's just the
15 signs were placed with that.

16 MR. AUSTIN: So for education statewide, that
17 might be something -- and I know they have, with all due
18 respect to DPS and law enforcement, they have other greater
19 priorities.

20 MS. RAWSON: Sure.

21 MR. AUSTIN: But safety and mobility is still a
22 priority. It's non-negotiable.

23 MS. RAWSON: Absolutely.

24 MR. AUSTIN: Thank you.

25 MR. WEBER: I just applaud your working with DPS.

1 I think it's a symbiotic relationship. It's got to be. And
2 I will tell you, I think signs and slogans and all those
3 things are great, but they don't have the effect that we
4 really want. But speeding is pretty bad. I mean I think
5 inattentiveness and all that causes collisions, but speed,
6 speed kills. That's what kills after you have the wreck.

7 And in working with DPS I think -- closely on our
8 safety plan and in other areas, because having a black and
9 white out there on the road is what get people's attention,
10 not -- and Director McGraw will tell you, they're a thousand
11 troopers short and he's going to be working hard to resolve
12 that problem. But anything we can do from the safety and
13 other things, working with DPS to where we help each other
14 is great and I applaud you for working with them.

15 MS. RAWSON: They're great partners.

16 MR. HOUGHTON: Once again, Carol, thank you for
17 your efforts in this report. There's needs to be a motion
18 too.

19 UNIDENTIFIED VOICE: So moved.

20 UNIDENTIFIED VOICE: Second.

21 MR. HOUGHTON: All in favor?

22 (Chorus of ayes.)

23 MR. HOUGHTON: Thank you, Carol.

24 MR. MOSELEY: And Chairman, under discussion, I
25 want to say thanks also for this report. And I know that

1 safety is really an underpinning of our agency, that it's a
2 core value and I'd be pleased to be a part of a discussion
3 on -- from a Commission level, if there to be value in it,
4 and an Advisory Committee related to safety. So I'll just
5 leave it open for a future discussion. But --

6 MR. HOUGHTON: It's a great idea. Onward.

7 MR. WEBER: Item 12, a request from net RMA for
8 financial assistance for toll 49, will be presented by
9 Innovative Finance and Debt Management officer, our own Ben
10 Asher. Ben. Thank you.

11 MR. ASHER: Good morning, still, General,
12 Chairman, Commissioners. For the record, I'm Ben Asher, the
13 Innovative Finance and Debt Management officer here at
14 TxDOT. This item is to consider preliminary approval of a
15 request from the net RMA for financial assistance in the
16 amount of 3.545 million dollars for the cost of acquiring
17 and the construction of toll equipment. Staff recommends
18 approval and I'd be happy to answer any questions you have.

19 MR. HOUGHTON: Any questions? Motion?

20 UNIDENTIFIED VOICE: Where's Smith County,
21 Chairman?

22 MR. HOUGHTON: I thought it was in Arkansas. I
23 really did. Any --

24 UNIDENTIFIED VOICE: So moved.

25 MR. HOUGHTON: Is there a second?

1 UNIDENTIFIED VOICE: Second.

2 MR. HOUGHTON: All in favor?

3 (Chorus of ayes.)

4 MR. HOUGHTON: Thank you, Ben.

5 MR. WEBER: Next is Item 13, and that's an
6 application from the City of Kaufman to borrow from the
7 strait -- State Infrastructure Bank. Ben, continue.

8 MR. ASHER: Thank you, General. This item is to
9 consider final approval of an application submitted by the
10 City of Kaufman to borrow up to 5 million dollars from the
11 State Infrastructure Bank, and it's to pay for two four lane
12 bypasses around the city from near FM 1388 to State Highway
13 243. The staff recommends approval and again, I'd be happy
14 to answer any questions you have.

15 MR. HOUGHTON: When -- we have a speaker. Someone
16 would like to address the Commission, Scott Young, City of
17 Kaufman. Hi Scott.

18 MR. YOUNG: Good morning. Commissioners, General,
19 I'm Scott Young with Raba Kistner. I'm here to represent
20 the City of Kaufman. We want to thank you very much for
21 this opportunity on the SIB Loan Program. As Mr. Asher
22 pointed out, this is for two needed projects. It's the
23 leverage on the SIB loan with other financing for State
24 Highway 34, almost 15 million dollar in road programs. And
25 with that, also I'm here to answer any questions. So, thank

1 you.

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

3 UNIDENTIFIED VOICE: So moved.

4 UNIDENTIFIED VOICE: Second.

5 MR. HOUGHTON: All in favor?

6 (Chorus of ayes.)

7 MR. HOUGHTON: There you go, Scott.

8 MR. WEBER: Next is Item 14, a pilot program to
9 establish the video rate for the DFW Connector Project. It
10 will be presented by our Toll Operations Division Director,
11 Doug Woodall.

12 MR. WOODALL: Thank you, sir. Good morning,
13 still. For the record, Doug Woodall, Director of Toll
14 Operations.

15 MR. HOUGHTON: Better hurry.

16 MR. WOODALL: Item 14 would provide for
17 implementation of a pilot program to establish scheduled
18 video surcharge increases during the first six months of
19 operations for the DFW Connector Project. The surcharge
20 increase over the ATC rate would be 75 percent 90 days after
21 toll commencement, and 90 percent 180 days after toll
22 commencement, in order to cover the added risk of video
23 collection for this managed lane project. I'd be glad to
24 answer any questions you may have. Staff recommends
25 approval.

1 MR. HOUGHTON: Anybody been out to the connector
2 since it's been completed?

3 UNIDENTIFIED VOICE: (*indiscernible - 11:59:20).

4 MR. HOUGHTON: Fabulous. I was there last
5 weekend.

6 MR. WOODALL: Yes, it is.

7 MR. HOUGHTON: Wonderful job to all involved.
8 Motion?

9 UNIDENTIFIED VOICE: So moved.

10 MR. HOUGHTON: Second?

11 UNIDENTIFIED VOICE: Second.

12 MR. HOUGHTON: All in favor?

13 (Chorus of ayes.)

14 MR. HOUGHTON: All right.

15 MR. WOODALL: Thank you.

16 MR. WEBER: Next is Item 15 concerning procurement
17 under indefinite deliverable contracts. This item will be
18 presented by Chief Administrative and Deputy Administrative
19 Officer, Lauren Garduno. Lauren. Thank you.

20 MR. GARDUNO: Thank you General, Chairman,
21 Commissioners. For the record, my name is Lauren Garduno,
22 Chief Procurement and Deputy Administrative Officer. This
23 minute order in front of you today -- currently the Texas
24 Administrative Code provides that for indefinite deliverable
25 engineering or land serving services contracts, the contract

1 period in which the initial work authorizations may be
2 issued may not be longer than two years after the date of
3 contract execution, unless approved by the Commission prior
4 to the solicitation posting date.

5 This minute order authorizes the department to
6 exceed the contract term restrictions for the procurement of
7 engineering and land serving survey and services under the
8 indefinite deliverable contracts. In particular, there will
9 be three that will be requested by our Strategic Projects
10 Division. One of them is a general engineering consultant
11 services contract. The other one is an indefinite
12 deliverable for statewide procurement engineering consultant
13 services.

14 And the third one is an indefinite deliverable
15 contract for the provision of program management consultant
16 services. The term extension they're requesting is for six
17 years on these three indefinite deliverable contracts. And
18 staff recommends approval of this minute order. Open to any
19 questions.

20 MR. HOUGHTON: Any questions of Lauren?

21 UNIDENTIFIED VOICE: So moved.

22 UNIDENTIFIED VOICE: Second.

23 MR. HOUGHTON: All in favor?

24 (Chorus of ayes.)

25 MR. WEBER: Item 16, updates to our 2014 UTP, and

1 will be presented by our Director of Planning, Mark
2 Williams.

3 MR. WILLIAMS: Good afternoon. For the record,
4 Mark Williams, Director of Planning. Item 16 improves
5 updates to the Unified -- 2014 Unified Transportation
6 Program. The UTP, as you know, is a 10 year statewide
7 program that guides the development and authorizes
8 construction of transportation projects.

9 The Commission approved the 2014 UTP in August of
10 2013, and subsequent revisions to the document in December
11 of 2013, and in March of this year. The current revisions
12 -- the following amendments are being considered as part of
13 the May 2014 UTP update; funding level adjustments, priority
14 project authorizations, project specific program list
15 updates, transportation development credit balances, and
16 technical revisions and corrections.

17 Funding level adjustments include changes to the
18 statewide funding levels based on a revised financial
19 forecast. That revised forecast is reflected in the current
20 version of the UTP. We've been working with our forecasting
21 group and have moved some funds that were previously
22 identified in the out year of the UTP, up into fiscal years
23 2013 -- or 2014 and 2015, about 400 million dollars that we
24 can make available -- or working to make available for
25 additional project authorizations.

1 There is a couple of key project authorizations
2 that we did provide in the current UTP. First of all,
3 vehicle registration fee matches for strategic partnerships
4 with regional (*indiscernible - 12:02:39) authorities in the
5 state, leveraging additional vehicle registration fees
6 allowed by the Texas State Legislature within our RMAs.
7 We're setting aside funds as a matching opportunity to work
8 with regional mobility authorities on strategic projects.

9 The allocations are based on current estimates of
10 additional vehicle registration fee matches. The
11 Commission, as you know, previously approved allocations and
12 funding agreements for RMAs in San Antonio and El Paso under
13 this same concept. And the following allocations are
14 proposed, subject to an equal amount of matching dollars
15 being provided by the regional mobility authorities and
16 project agreements to be drafted with TxDOT.

17 The Webb County and Laredo district would receive
18 about 8.9 million dollars. (*indiscernible - 12:03:28)
19 county in the far district, 26.5 million dollars. Cameron
20 County in the far district, 14.1 million dollars. All these
21 funds remain under the authority of the commission for
22 approval and future projects, and we are working with the
23 regional mobility authorities and the districts in these
24 areas to identify opportunities to use these projects in
25 this or next fiscal year.

1 An additional key project authorization is the
2 extension of the Marsha Sharp Freeway in Lubbock. This, as
3 you know, has been a significant priority and project of the
4 local TxDOT district and the community in Lubbock. The UTP
5 for this month allocates a 36 million dollars to upgrade the
6 final non-freeway segment from south of 82nd Street to
7 Milwaukee Avenue. Noted that this is a top district and NPO
8 priority, the project would -- could be scheduled for an
9 August laying of this year, and so it's an opportunity to
10 accelerate this project.

11 The piece that is in question is shown in blue on
12 Highway 62 southwest of Lubbock. As you all know, this is a
13 growing area of the City of Lubbock. Shown in yellow is the
14 piece that is currently under construction. The Commission
15 funded that project about a year or a year and a half ago.
16 The green portion is the portion of the Marsha Sharp Freeway
17 that has been completed. And to date I believe that the
18 commission working with the local MPO and the City of
19 Lubbock and Texas Tech University have allocated over 300
20 million dollars to complete this cross town project.

21 Reflected in the UTP, as I mentioned, are
22 additional project specific updates. Most of these reflect
23 adjustments to funding that was already previously approved
24 through the UTP. We're reflecting some changes that went
25 along with mobility programs in San Antonio, El Paso and

1 Dallas, and project provisions to adjust costs for cost
2 increases on projects as well as administrative approvals
3 for categories 5, 7 and 9. And these are posted and
4 available on line.

5 I mentioned updates to the transportation
6 development credits. The department and our partners,
7 CAMPO, HTAC and NCTCOG currently have about 2 billion
8 dollars worth of transportation and development credits.
9 And one of the things that we will be bringing to you all,
10 probably with one of the next updates to the UTP, is an
11 opportunity to work in partnership with CAMPO, HGAC, and
12 NCTCOG to leverage some of their transportation development
13 credits that can be used statewide.

14 And one of the things that we're working on with
15 the 2015 update of the UTP is some programatic applications
16 of transportation development credits so we can bring down
17 that balance. As you all know, the transportation
18 development credits allow us to offset some of the federal
19 matching requirements. And so while they don't count as
20 actual dollars, they do allow us to free up funds that would
21 have to go toward federal match and use those -- keep those
22 state funds separate from federal program requirements. And
23 so it is a very useful tool.

24 In conclusion, the May revisions to the UTP went
25 through as they always do. An extensive public outreach and

1 communication effort. We held a public meeting on April
2 15th, and a Texas Register posting on April 18th, public
3 hearing on the 8th, deadlines to receive comments was on May
4 19th. There were no formal comments that were submitted.
5 And today we are submitting the UTP for Commission action.
6 Staff recommends approval of this minute order. And I'm
7 happy to answer any questions that the Commission may have?

8 MR. HOUGHTON: Any questions?

9 MR. AUSTIN: I just have one comment. I know
10 Marc, I know you do a lot of work with the I-69 Loop --

11 MR. WILLIAMS: Yes, sir.

12 MR. AUSTIN: -- and I believe we had a
13 recommendation from an advisory committee to begin looking
14 at some different sections for consideration down the road,
15 whether it fits into UTP or some exceptions to upgrading 69.
16 Would you --

17 MR. WILLIAMS: Yes, sir.

18 MR. AUSTIN: -- mind sharing that with the rest of
19 the Commission and (*indiscernible - 12:08:01).

20 MR. WILLIAMS: Yes, sir. And I believe we did
21 share the letter with some members of the Commission that
22 came in a couple of weeks ago from the Alliance to I-69. As
23 you know, the -- that has been a priority of the Commission
24 and the UTP has been funding on I-69. The -- as part of
25 MAP-21 reauthorization, the Alliance for I-69 and TxDOT and

1 others have been looking at the possibility of two areas.

2 One is some flexibility on some of the design
3 requirements that are needed to meet Interstate standards,
4 particularly in some of our rural areas, going through some
5 of the ranch areas, where we -- we're really looking at
6 needs to provide some interim measures, to address issues
7 like ranch gates, without having to go in and provide
8 interchanges or frontage roads, allow for some exceptions
9 and exemptions of the Interstate requirements for ranch
10 gates in rural areas.

11 Some of these exist on existing Interstates
12 throughout the United States, but the Alliance and TxDOT
13 have identified that as a potential opportunity to extend I-
14 69 designation and maybe reduce the total program costs to
15 maybe allow those ranch gates to exist for a period of time.

16 Second area involves oversize, overweight
17 vehicles. One issue that has come up is a lot of times
18 where US-59, US-77, 281, exists today, and they haven't been
19 designated as Interstate 69, we do have the ability to
20 permit oversize, overweight vehicles, to operate on those
21 sections of roads. That includes logging trucks, ready mix
22 concrete trucks. When we put the I-69 sign on those roads,
23 instantaneously we can no longer issue exemptions for over
24 size and over weight vehicles.

25 And some of the things that we've heard from the

1 industry is they would really like to at least have an
2 opportunity to work with us to kind of phase in their fleet
3 over that time -- you know, over a period of time. And so
4 with Commission's direction, we will submit a letter to our
5 I-69 legislative delegation as well as the Department of
6 Transportation to endorse that requirement and ask that
7 congress consider opportunities for exemption as part of
8 reauthorization of MAP-21.

9 MR. AUSTIN: And Marc, I appreciate you bringing
10 that up. I know we had a discussion with the Forestry
11 Association. And when we think over sized, over weight, in
12 the most part the lot -- what focus -- a lot of the
13 conversation is focused on the energy sector.

14 MR. WILLIAMS: Yes, sir.

15 MR. AUSTIN: But there are a lot of trees, you
16 know, Fred, those tall things we have in east Texas.

17 MR. UNDERWOOD: I've read about them.

18 MR. AUSTIN: But I do appreciate that. And I --
19 if I understood you right, I think of one conversation that
20 there are some other states that will grant some -- that
21 have gone through this as well. Have granted some
22 exemptions?

23 MR. WILLIAMS: Yes, sir. And for Commissioner
24 Underwood's interest, there are issues as well with cotton
25 modules with the over sized, over weight vehicle permitting.

1 MR. UNDERWOOD: Right. With cotton module trucks.
2 MR. AUSTIN: Well, thank you.
3 MR. WILLIAMS: Yes, sir.
4 MR. UNDERWOOD: Because they're over weight --
5 MR. WILLIAMS: Yes, sir.
6 MR. UNDERWOOD: (*indiscernible - 12:11:03).
7 MR. MOSELEY: Marc, I think I found it in here,
8 but I just want to confirm. On Page 11 I think you did put
9 the line item in for the discussion we've had about some
10 dedicated bus lanes and transit project in Houston.
11 MR. WILLIAMS: No. Next month.
12 MR. MOSELEY: Okay. Pardon me. All right.
13 MR. WILLIAMS: We'll continue.
14 MR. HOUGHTON: Any other questions? Motion?
15 UNIDENTIFIED VOICE: So moved.
16 UNIDENTIFIED VOICE: Second.
17 MR. HOUGHTON: All in favor?
18 (Chorus of ayes.)
19 MR. WILLIAMS: Thank you.
20 UNIDENTIFIED VOICE: Thank you, Marc.
21 MR. WEBER: Item 17 consists of the awarding of
22 contracts for maintenance and department building
23 construction, and the highway construction contracts.
24 Deputy Director of Construction, Darren Hazlett, will
25 present these minute orders. Darren, begin with 17 alpha.

1 MR. HAZLETT: 17(a). For the record, I'm Darren
2 Hazlett, Deputy Director of the Construction Division. And
3 I'll have to go off script and say good afternoon. Item
4 17(a) is for the consideration of the award or rejection of
5 highway maintenance and department building construction
6 contracts led on May 6th and 7th of 2014.

7 We present 33 projects today. The average number
8 of bids per project was 3.42. The low bid value was
9 \$20,823,270.68. We had an overall under run of 8.28
10 percent. Staff recommends award of all the maintenance
11 projects with the exception of the following three projects;
12 Hemphill County Project RMC626959001. We received one bid
13 for this project which came in at 27.46 percent, or \$124,268
14 over the engineer's estimate.

15 This project is for right of way mowing. There
16 were several other projects for this type of work that were
17 let this month that came in considerably lower. The
18 district believes that better pricing and increased
19 competition can be acquired if the project is re-let. We
20 concur and therefore recommend the project be rejected and
21 re-let at a latter date.

22 Houston County Project BMP625530001. We received
23 one bid for this project that came in at 60.72 percent, or
24 \$247,360 -- excuse me, yeah, at \$360.27 over the engineers
25 estimate. This project is for riprap replacement, slope

1 damage repair, and metal beam guard fence upgrades. The
2 district recommends the bid be rejected due to lack of
3 competition. Therefore we recommend the project be rejected
4 and re-let at a latter date.

5 Webb County Project, RMZ626816001. We also
6 received only one bid for this project which came in at
7 17.92 percent, or \$77,301.80 over the engineer's estimate.
8 This project is for a metal beam guard fence repair. The
9 district recommends that the bid be rejected due to lack of
10 competition. We concur, and therefore recommend the project
11 be rejected and re-let at a later date.

12 This month we received a claim for an alleged bid
13 error for Harris County Project CBC470401327. We received
14 three bids for this project. The low bid came in at 2.72
15 percent, or \$37,800 below the engineer's estimate. This
16 project is for constructing an addition to the Houston
17 District Headquarters Urban Annex Light Vehicle Shop.

18 Within the time allotted in the Texas
19 Administrative Code, TAC Title 43, Part 1, Chapter 9,
20 subchapter (b), Rule 19.16, the contractor, Construction
21 Limited, notified the department of an alleged bid error in
22 their bid. In the preparation of their bid Construction
23 Limited failed to include the electrical in their bid price.
24 Construction Limited alleged -- alleges that the error
25 occurred while entering data into their spreadsheet.

1 Our analysis of the bid in question reveals that
2 the bid does not appear to meet the criteria of a bid error
3 as outlined in Rule 9.16 of the TAC. Further, our analysis
4 reveal that in the preparation of their bid, Construction
5 Limited failed to exercise ordinary care by failing to
6 ensure that all items of work had been included in their
7 bid. This is similar to a bid error alleged in -- by
8 another company in August of 2012, where they alleged part
9 of their bid was left out of their Excel spreadsheet.

10 That bid error was rejected by the Commission and
11 the project was awarded. Therefore we are recommending
12 award of this contract to the apparent low bidder. And
13 that's the end of the maintenance contracts.

14 MR. HOUGHTON: So we have some people that would
15 like to address the Commission on Item 17(a). Ron Weiser,
16 Construction Limited, who is the President.

17 MR. WEISER: Good afternoon, Commissioners. I'm
18 Ron Weiser. I'm here to represent Construction LTD and add
19 a little more information to what you just got concerning
20 our bid. I don't know how many of you have prepared bids
21 for projects, of buildings and things, but a good part of
22 our project in preparation consists of putting together
23 proposals from many subcontractors to put together a whole
24 package.

25 During our preparation for this bid -- and we

1 worked many hours on this bid, we really wanted this job.
2 We went after it hard. Unfortunately, minutes before the
3 bid was due, my power supply on my computer crashed and my
4 computer went down. I went to another computer -- and I was
5 actually preparing the bid. Called it up on the other
6 computer, but you've always heard, save often, save often.
7 Well, I hadn't saved as often as I wish I had.

8 I had to go back and put in a bunch of new
9 numbers. In putting in all the numbers, we did put in a
10 number for the electrical. But somehow a letter got stuck
11 into the number. And so my computer on my Excel spreadsheet
12 didn't recognize it as a number. So even though it looked
13 like a number when you looked through it real quickly, in
14 the total addition it left it out. It was \$146,000 on this
15 project.

16 We were \$200,000 low on this project, which is a
17 substantial sum of money for a 1.3 million dollar project.
18 To give you an example, we had \$60,000 for profit and
19 overhead. So if we're forced to do this project, leaving
20 out 146,000 plus all the mark up, as you can see, we're
21 already starting this project in a hole, a big hole.

22 Now, we did take the first few days to see if we
23 could figure out, can we still do this job. And we came to
24 the conclusion within the time limits specified that it just
25 would not be a good project for us. It wouldn't be

1 something we'd want to step into, you know, and I don't see
2 why the state would want us -- or the Texas Department of
3 Public Safety would want a contractor starting a project,
4 knowing that they're already going to lose money. That's
5 not saying we wouldn't try to do a good job, but we're
6 already going to be struggling to begin with. And we would
7 just ask your reconsideration of our proposal to be
8 withdrawn from this project.

9 MR. HOUGHTON: Okay. Ron, the next speaker's Tim.
10 I guess you're a partner or an owner?

11 MR. WEISER: Actually Tim is the owner of
12 Construction LTD.

13 MR. HOUGHTON: The owner? Yeah, Tim.

14 MR. DIXON: Yes.

15 MR. HOUGHTON: Excuse me, owner.

16 MR. DIXON: Thank you, gentlemen. I just want to
17 reinforce what Ron has said. We've actually prepared
18 probably a billion dollars worth of public bids. Performed
19 probably 500 million worth in the last 33 years we've been a
20 company. And this is a very rare thing. This is a brand
21 new Dell computer that's six months old that the power
22 supply went down on.

23 And Ron, just minutes before the bid, I'm up here
24 turning it in in Austin. So I don't know what's going on.
25 And you know, I just know it's kind of frantic there in the

1 office. And he told me later, if this were a 10 million
2 dollar bid, you wouldn't be looking at us right now. It
3 would be easy to absorb. This is a large mistake for this
4 small project, and we just prayerfully ask you to reconsider
5 this position.

6 We did send in the paperwork that showed --
7 highlighted the line item. There was a number in
8 electrical. It just -- because there was an I in there it
9 didn't pick up the number. And in the minutes we had before
10 the bid, Ron couldn't discern that. So that's all I really
11 have to say. Thank you very much.

12 MR. HOUGHTON: Counselor, can you approach? Yeah,
13 bring your wing man. Do we require a bid bond?

14 UNIDENTIFIED VOICE: Sir?

15 MR. HOUGHTON: Do we require a bid bond?

16 UNIDENTIFIED VOICE: Yes. It was \$28,000.

17 MR. HOUGHTON: If they cannot perform then we cash
18 that bond?

19 UNIDENTIFIED VOICE: Right.

20 MR. HOUGHTON: And what's the amount of the bid
21 bond?

22 UNIDENTIFIED VOICE: \$28,000.

23 MR. HOUGHTON: \$28,000. Okay. So that -- have we
24 been through this before? Have we seen, you know, people
25 with circumstances, not a computer crashing, omitted, those

1 types of things?

2 UNIDENTIFIED VOICE: We have had similar. I
3 recounted about a year and a half. It was in August of
4 2012, we had a similar Excel spreadsheet mishap with a
5 contractor where they had a mistake in their total -- their
6 summation total where they left out a sale, and that had a
7 portion of their bid price in it. This could be said to be
8 similar in the company's --

9 MR. HOUGHTON: What did we do on that -- in that
10 case?

11 UNIDENTIFIED VOICE: We did not say that it was a
12 bid error, and we awarded the contract.

13 MR. HOUGHTON: And they -- and then what was the
14 end result?

15 UNIDENTIFIED VOICE: They -- we cashed in their
16 bond. They did not pursue it.

17 MR. HOUGHTON: Okay. So we have enough precedent
18 that has been set in the past as to our --

19 UNIDENTIFIED VOICE: That's true.

20 MR. HOUGHTON: -- process and procedures.

21 UNIDENTIFIED VOICE: Yes.

22 MR. HOUGHTON: Correct? Okay. Thank you. Any
23 questions?

24 UNIDENTIFIED VOICE: No, sir.

25 MR. HOUGHTON: Okay. Is there a motion? Yes?

1 MR. HAZLETT: Staff recommendation is to award all
2 except the three maintenance contracts that will be --

3 MR. HOUGHTON: Correct. Staff recommendation.
4 Okay. Is there a second?

5 UNIDENTIFIED VOICE: Second.

6 MR. HOUGHTON: All in favor?

7 (Chorus of ayes.)

8 MR. HAZLETT: Next, Item 3(b) is for the
9 consideration of the award or rejection of highway and
10 transportation enhancement building construction contracts
11 let on May 6th and 7th of 2014. We present 55 projects
12 today. The average number of bids per project was 4.35.
13 The low bid value was \$298,875,125.49. We had an overall
14 under run of 0.66 percent. And staff recommends award of
15 all the -- these projects.

16 MR. HOUGHTON: Questions? Motion?

17 UNIDENTIFIED VOICE: So moved.

18 UNIDENTIFIED VOICE: Second.

19 MR. HOUGHTON: All in favor?

20 (Chorus of ayes.)

21 MR. HAZLETT: I would like to comment the current
22 highway construction index value is -- for -- the 12 month
23 moving average for this month is 221.25. And it has been
24 horpassing (ph) for the last year between 216 and 224.

25 MR. HOUGHTON: Interesting. Okay.

1 MR. HAZLETT: Thank you.

2 MR. HOUGHTON: Oh, our favorite. Where's -- where
3 is John Campbell, again.

4 MR. WEBER: Item 18. The eminent domain
5 proceedings, Director of Right of Way, John Campbell.

6 MR. HOUGHTON: Mr. Billboards.

7 MR. CAMPBELL: Good afternoon. Once again, I'm
8 John Campbell, Director of the Right of Way Division. I'd
9 like to present for your consideration, Item 18, which
10 authorizes the filing of condemnation proceedings necessary
11 to progress the acquisition of 71 right of way parcels by
12 exercise of department authority to condemn for highway
13 purpose. The staff recommends your approval of the minute
14 order.

15 MR. HOUGHTON: We're missing somebody.

16 MR. MOSELEY: Chairman, on behalf of Commissioner
17 Vandergiff, I move the Texas Transportation Commission to
18 authorize the Texas Department of Transportation to use the
19 power of eminent domain to acquire the properties described
20 in the minute order set forth in the agenda for the current
21 month for construction, reconstruction, maintenance,
22 widening, straightening or extending the highway facilities
23 listed in the minute order as a part of the State Highway
24 System and that the first record vote applies to all units
25 or property to be condemned.

1 MR. HOUGHTON: Is there a second?

2 MR. AUSTIN: I will second is eloquently read
3 motion.

4 MR. HOUGHTON: All in favor?

5 (Chorus of ayes.)

6 MR. HOUGHTON: Okay.

7 MR. CAMPBELL: Thank you.

8 MR. WEBER: Item 19 contains the routine minute
9 orders including donations to the department, right of way
10 dispositions and donations, environmental restrictive
11 covenant, transportation planning, highway designations,
12 reports and speed zones.

13 MR. HOUGHTON: Is there a second? A motion --
14 motion.

15 UNIDENTIFIED VOICE: I move to approve it.

16 MR. HOUGHTON: Is there a second?

17 UNIDENTIFIED VOICE: Second.

18 MR. HOUGHTON: All in favor?

19 (Chorus of ayes.)

20 MR. HOUGHTON: Russell, do you have -- you're
21 requesting Executive Session? You are. Okay. At this time
22 we will go into Executive Session in accordance with Section
23 551.071 and 551.072. And we'll go to my office. And it is
24 -- do I need to say the time? 12:25. We are in Executive
25 Session, soon.

1 (Commission recessed to Executive Session; Commission
2 meeting reconvened at 12:55 p.m.)

3 MR. HOUGHTON: -- Commission is reconvened and the
4 time is 12:55. There -- this completes all items on the
5 agenda. Anyone sign up in open? None? If there's no other
6 business before us, the most privileged motion.

7 UNIDENTIFIED VOICE: (*indiscernible - 12:56:01)

8 MR. HOUGHTON: Oh, yeah, I do. I can make my
9 comments. I have to wait for these guys. Counselor?

10 UNIDENTIFIED VOICE: Sir?

11 MR. HOUGHTON: I wanted to make sure that my
12 comment about the rule regarding billboards is attributable
13 only to the height of the signage. That we enforce the
14 height restrictions that are currently in place as rules.
15 So any current rules regarding any other aspect that's being
16 changed, no enforcement until the rules --

17 UNIDENTIFIED VOICE: Correct.

18 MR. HOUGHTON: Excellent.

19 MR. HOUGHTON: Just the height enforcement.

20 UNIDENTIFIED VOICE: Thank you, Chairman.

21 MR. HOUGHTON: And please note that the future
22 senator from Lubbock is not with us. He had to leave, so.
23 For the record. Yeah, left a little early. Senator
24 Underwood.

25 MR. AUSTIN: On behalf of the Senator I'll move

1 that we adjourn.

2 MR. HOUGHTON: On behalf of the Senator -- future
3 Senator? All in favor?

4 (Chorus of ayes.)

5 (Adjourned at 12:57 p.m.)

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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 163, constitute a full, true, and accurate transcript from electronic recording of the Texas Transportation Commission meeting held at 125 East 11th Street, Austin, Texas, on Thursday, May 29, 2014 at 9:00 a.m.

DATED this 27th day of June, 2014.



Kimberly C. McCright, CET