



SH249 SYSTEM QUARTERLY CONSTRUCTION PROGRESS REPORT

March 1 thru May 31, 2019



Prepared by: Brown & Gay Engineers, Inc.



22 July 2019

Mr. Benjamin H. Asher
TxDOT Director, Project Finance, Debt and Strategic Contracts Division
125 East 11th Street
Austin, TX 78701

RE: SH 249 System
Quarterly Construction Progress Report for Fiscal Quarter Ended May 31, 2019

Dear Mr. Asher,

As the General Engineering Consultant to the SH 249 System and in accordance with Section 407 of the Master Trust Agreement dated February 1, 2019 between the Texas Transportation Commission and U.S. Bank National Association, as Trustee (the "Master Trust Agreement"); BGE, Inc. submits the Quarterly Construction Progress Report for the SH 249 System. This report covers quarterly construction progress from March 1st to May 31st, 2019.

As described in the requirements set forth in Section 407 of the Master Trust Agreement, the General Engineering Consultant shall prepare a progress report at least quarterly during the acquisition and construction of System Segments with Obligations, by the last day of the second month after each fiscal quarter, commencing with the first full fiscal quarter after delivery of the initial Obligations or Obligations financing such System Segment. The quarters used for reporting is based on the Department's fiscal year.

The Department adheres to the requirements outlined in the Master Trust Agreement which governs the acquisition or construction of such SH 249 System financed with Obligations. As specified in the Master Trust Agreement, this report includes current estimates of: (i) the date on which such System Segment will be opened for Traffic which is found in the Current Project Schedule section of the report (page 11), (ii) the Estimated Date of Completion and an estimated date of Substantial Completion of such System Segment, also discussed in the Current Project Schedule section (page 11), (iii) the cost of such System Segment, but excluding

any Obligation discount, and the interest during construction and for one year after completion of construction found in the Project Cost Status section of the report (page 25), (iv) the amount of funds required each six (6) months during the remaining estimated period of construction to meet the above described cost of such System Segment exclusive of funds provided for construction contingencies, and accompanied by a progress schedule for such construction, and further including, as to construction, comparisons between the actual times elapsed and the actual costs, and the original estimates of such times and costs found in the Project Cost Status section of the report (page 25), and (v) a general description of the construction progress and estimated completion date of Segment 2 found in Construction Status section (page 16).

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris Kuykendall".

Chris Kuykendall, P.E.

Vice President

BGE, Inc



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ACRONYMS AND ABBREVIATIONS

BGE	Brown & Gay Engineers, Inc.
CMA	Capital Maintenance Agreement
CO	Change Order (addition to scope)
CSBE	Concrete Stabilized Backfill Embankment
DB	Design-Build
DBA	Design-Build Agreement
DBE	Disadvantaged Business Enterprises
EJ	Engineering Judgement
FA	Final Acceptance
FHWA	Federal Highway Administration
FM	Farm to Market Road
FPAU	Financial Plan Annual Update
FY	Fiscal Year
GEC	General Engineering Consultant
HCTRA	Harris County Toll Road Authority
IQF	Independent Quality Firm (aka QA)
MCTRA	Montgomery Toll Road Authority
NCR	Non-Compliance Report
NTP	Notice to Proceed
OV	Owner's Verification Firm
PBS	Project Baseline Schedule
PAAA	Project Utility Adjustment Agreement
QA	Quality Assurance (aka IQF)
QC	Quality Control
ROW	Right-of-Way
SC	Substantial Completion (Open to Traffic)
SH	State Highway
T&R	Toll & Revenue
TOD	Toll Operations Division (of TxDOT)
TxDOT	Texas Department of Transportation
UAAA	Utility Adjustment Agreement Amendment
UPRR	Union Pacific Railroad
USACE	United States Corps of Engineers
US	United States Highway
WOTUS	Waters of the United States



EXECUTIVE SUMMARY

The SH 249 Project (the “Project”) is a proposed 25.5-mile new-location roadway in Montgomery and Grimes Counties, northwest of Houston, developed by the Texas Department of Transportation (“TxDOT”). The Project begins at the current terminus of State Highway (SH) 249 frontage roads at Farm to Market (FM) 1774 in Pinehurst, Texas (Montgomery County) and extends to SH 105 near Navasota, Texas (Grimes County). The Project consists of (i) 14.8 miles of four new toll lanes from FM 1774 in Pinehurst to FM 1774 in Todd Mission (“Segment 1” or the “System”) and (ii) an additional 10.7 miles of two non-tolled lanes from FM 1774 in Todd Mission to SH 105 near Navasota (“Segment 2”) which is not part of the System established pursuant to the Master Trust Agreement between the Texas Transportation Commission (the “Commission”) and U.S. Bank National Association, as Trustee (the “Master Trust Agreement”). The Project provides greater mobility for residents and travelers in northwest Houston to the portions of the Tomball Tollway being built by Montgomery County Toll Road Authority (MCTRA) and Harris County Toll Road Authority (HCTRA). When all portions of the freeway are connected, users will have improved access to other major freeways in northwest Houston including the Grand Parkway and the Sam Houston Tollway.

The Project is being designed and constructed utilizing a lump sum Design-Build Agreement (the “DBA”) executed on October 3, 2017 with the selected best value proposer, WBCCI, LLC (the “DB Contractor”), after a competitive selection process. The DB Contractor is responsible for the design, construction, and optional partial maintenance of the Project. The design-build delivery method is being implemented in accordance with TxDOT and Federal Highway Administration (FHWA) requirements and provides more cost and schedule certainty over traditional delivery projects. Segment 1 is anticipated to be open to traffic on March 15, 2021. Segment 2 is anticipated to be open to traffic in December 2022, pending the resolution of certain environmental issues as discussed herein (see “Current Project Schedule”).

The current estimated total cost to develop the Project is \$791.72M (Segment 1 - \$500.10M; Segment 2 - \$291.62M). This estimated cost includes the negotiated DBA price for design, construction, and all other services required to deliver the Project per the DBA; utility relocation; Right-of-Way (ROW) costs to acquire necessary property to design, construct, and maintain the



Project; tolling equipment and integration; environmental mitigation; TxDOT administration costs; and reasonable Project contingency. Funding for the Project is provided through a combination of Federal, State of Texas, and local government funds (Montgomery County) as well as proceeds of Obligations issued pursuant to the Master Trust Agreement for Segment 1 only (the tolled portion of the Project). Segments 1 (tolled) and 2 (non-tolled) are funded separately even though both segments are being constructed under the same DBA. Maintenance responsibilities will be shared between TxDOT and the DB Contractor pursuant to a Capital Maintenance Agreement (CMA) Notice to Proceed to the DB Contractor 180 days prior to the scheduled Substantial Completion. Costs for operations and maintenance of the Project, including roadway and toll collection system elements, are not included in the total Project development cost estimate.



PURPOSE OF THE REPORT

Per Section 407 of the Master Trust Agreement, the GEC shall prepare a progress report by the last day of the second month after each fiscal quarter during the acquisition and construction of any portion of a System Segment which is financed in whole or in part with Obligations, commencing with the first full fiscal quarter after the delivery of the initial Obligations or Obligations financing an additional System Segment as defined in the Master Trust Agreement.

As the GEC to TxDOT for the System, and in accordance with the requirements set forth in Section 407 of the Master Trust Agreement, Brown and Gay Engineers Inc. (“BGE”) has prepared this Quarterly Construction Progress Report that describes the Project, schedule, construction progress, and estimates of construction, operation and maintenance costs of the proposed System (Segment 1). This report presents BGE’s opinion on the reasonableness of the schedule and cost estimates for the Project (see “GEC Findings” herein.)

Figure 1: Project Location Map

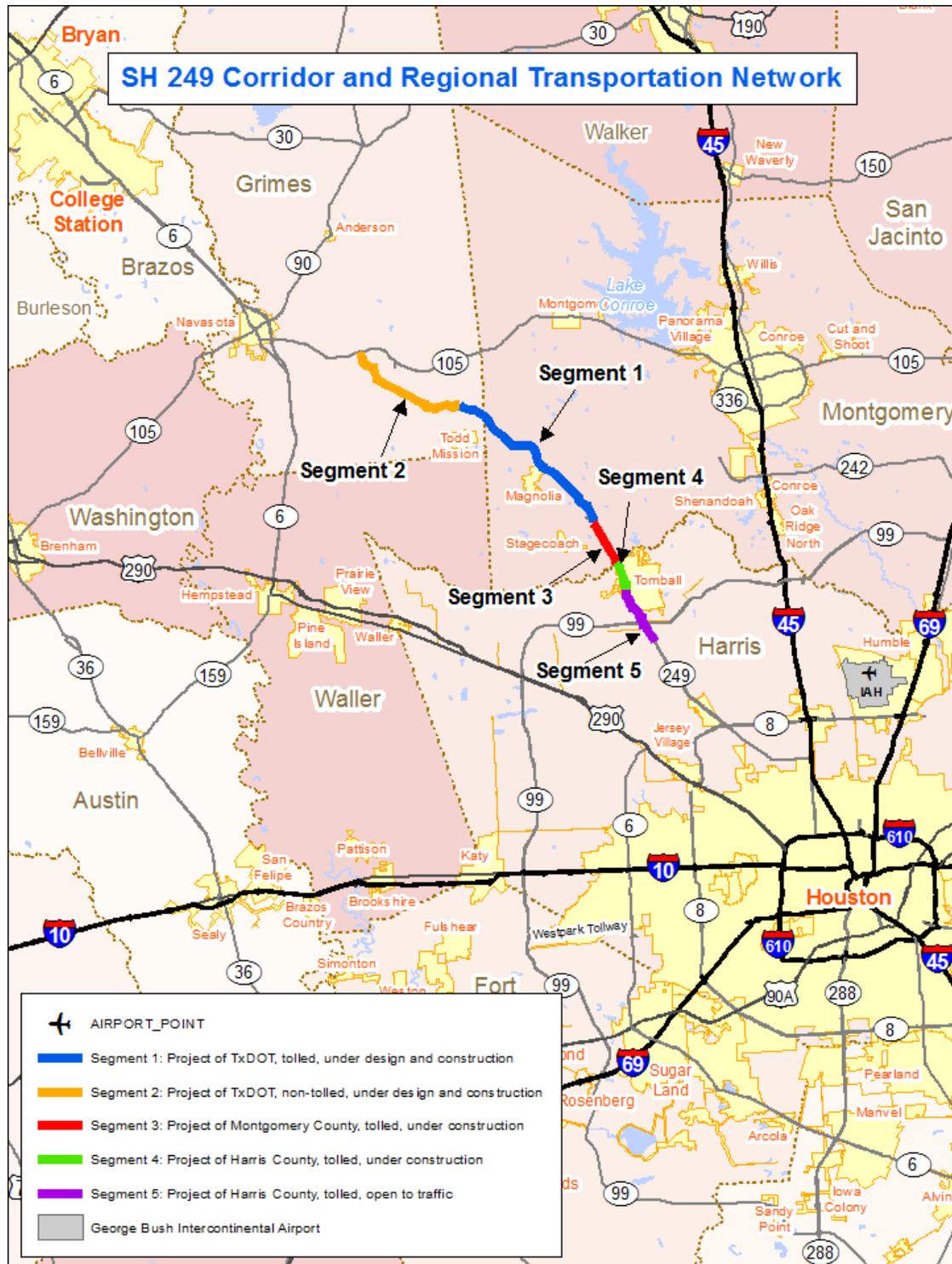
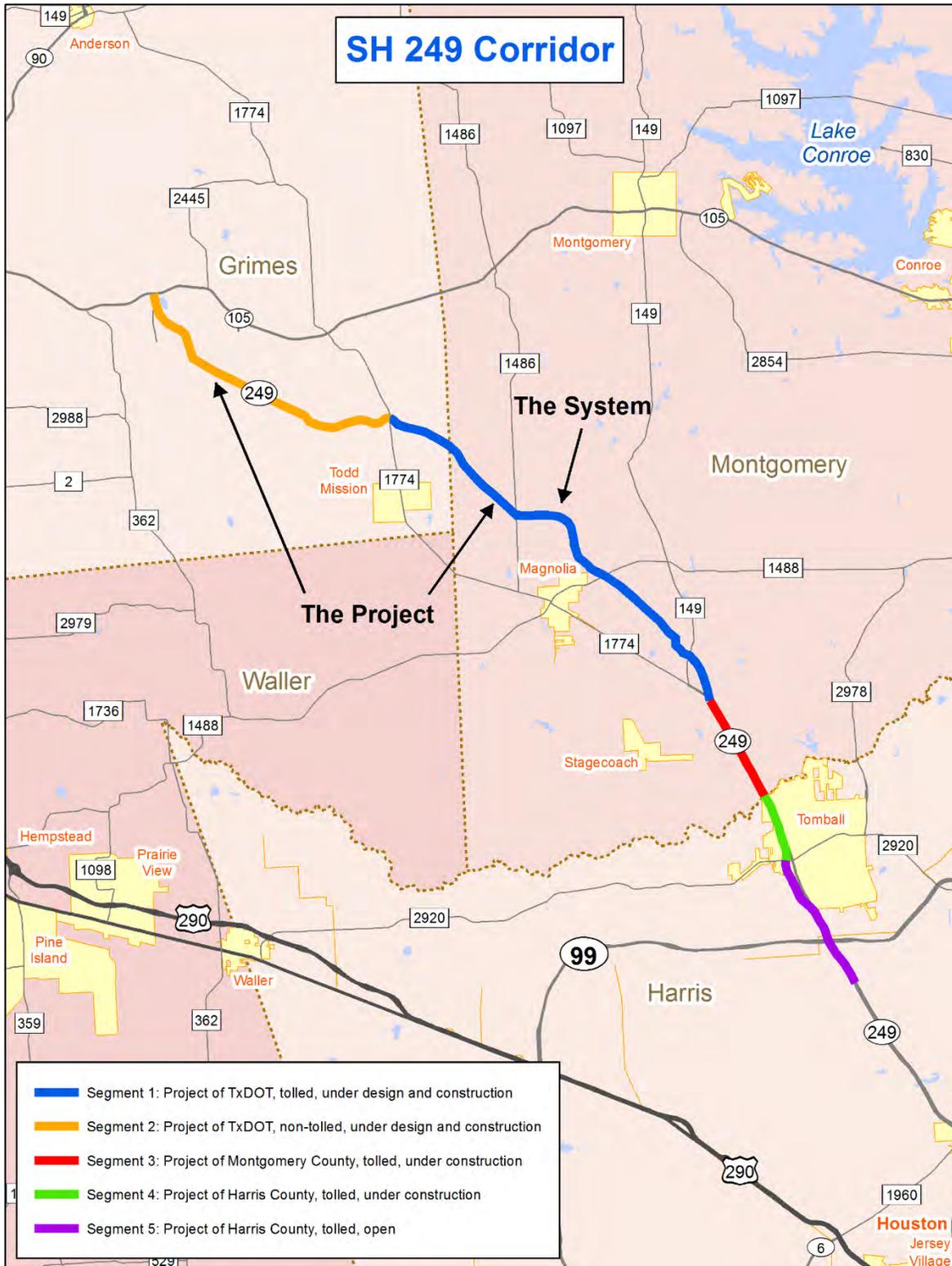


Figure 2: SH 249 Extension Segments 1 – 5



CURRENT PROJECT SCHEDULE

Segment 1 and Segment 2 of the Project are running on different design and construction schedules to allow Segment 1 to open to traffic sooner than Segment 2. Segment 1, which is the tolled segment of the Project is established as the initial System pursuant to the Master Trust Agreement.

While developing the T&R study, TxDOT's consultants accounted for the staggered opening dates. TxDOT is moving forward with two (2) separate opening dates for the different segments.

Table 1: Project Milestones

Project Milestone	Original Milestones	Q3, FY 2019 as of 5/31/19
Contract Execution	October 3, 2017	October 3, 2017
NTP1	October 4, 2017	October 4, 2017
Segment 1 Limited NTP2	October 25, 2017	October 25, 2017
Segment 1 NTP2	March 15, 2018	March 15, 2018
Segment 2 Limited Design NTP	June 7, 2018	June 7, 2018
Segment 2 Limited Construction NTP	October 15, 2018	October 15, 2018
Segment 2 NTP2	Spring 2019	Q1 FY 2020*
Segment 1 Substantial Completion (Open to Traffic)	March 15, 2021	March 15, 2021
Segment 1 Final Acceptance	July 2021	July 13, 2021
Segment 2 Substantial Completion (Open to Traffic)	September 2022	Q2 FY 2023*
Segment 2 Final Acceptance (Anticipated)	Q3 FY 2022	Q3 FY 2023*

*These dates are anticipated and based on the TxDOT Fiscal Year

BGE reviews the DB Contractor's construction Project Baseline Schedule (PBS) monthly to ensure that the schedule accurately reflects work completed during the previous pay period. During this review, BGE's staff compares the schedule to contractual requirements, prior months and other known factors such as weather. BGE then reviews the reported construction progress to field observations and inspection reports to verify that the progress reported by the DB Contractor is accurate.

Based on the PBS submitted June 6, 2019, the DB Contractor is on track to meet the Project Milestones shown above in Table 1.



TxDOT currently anticipates opening the System to traffic on March 15, 2021 which is the scheduled Substantial Completion (SC). When TxDOT opens the System, traffic can begin using the roadway immediately and TxDOT can begin collecting tolls. TxDOT determines that SC is met when the roadway is generally complete and safe for the public. The DB Contractor may finish minor cleanup/punch list work for items such as painting, landscaping or other aesthetic finishes.

Per the DBA, the DB Contractor is required to open the roadway to traffic by March 15, 2021. The DB Contractor is obligated to pay daily liquidated damages to TxDOT to cover any loss of revenue which TxDOT can then use to satisfy its obligations under the Master Trust Agreement if this date is missed, unless TxDOT adds to the current scope or in the event of a Force Majeure event as outlined in DBA Section 13.8.

Additionally, the Final Acceptance (FA) for the System is scheduled for July 13, 2021 and this represents the date that all construction and close-out activities must be finished.

The schedule for the construction of Segment 2 is linked to final approval of environmental permits from the United States Army Corps of Engineers (USACE). TxDOT anticipates receiving the 404 Permit from the USACE soon. The Permit was expected in April 2019 but was delayed when the USACE requested additional investigation of a potentially historic pond outside of the Project's ROW limits but on an effected parcel. Once the permit is granted, TxDOT will issue the final Notice to Proceed (NTP) 2 to the DB Contractor allowing all construction activities to begin.

As of May 31, 2019; the SC for Segment 2 was anticipated to occur on Q2 of FY 2023 and this is the same date that TxDOT plans to open Segment 2 to traffic. The DB Contractor is anticipated to achieve FA Q3 FY 2023.

Based on our review of the current PBS, BGE, Inc. believes that the DB Contractor and TxDOT can meet the milestones shown in Table 1 on page 11 of this Report.

Current Project Progress

For the Project, the design and construction activities are divided between Segment 1 (the System) and Segment 2. The Obligations were issued to finance the System; however, the opening of Segment 2 will impact the traffic volume on the System so this section covers the status of both Segments.

The progress of the Project is discussed in greater detail in the following “Status” sections.



Design Status

The design for Segment 1 began when TxDOT issued NTP1 on October 4, 2017. This allowed the DB Contractor to begin the design of all elements of Segment 1. As of May 31, 2019; the status of Segment 1 design is 99% complete. The remaining 1% is withheld for any revisions that are required based on unknown field conditions that will require design changes prior to TxDOT accepting the as-built plan set.

The design for Segment 2 began on June 7, 2018. As of May 31, 2019; the design for Segment 2 is roughly 26% complete and the design efforts are progressing as expected but are subject to the USACE 404 Permit.

Right-of-Way Status

As of May 31, 2019; all parcels required for Segment 1 have been obtained by TxDOT. For Segment 2, TxDOT is finalizing the purchase of the final two (2) parcels; however, TxDOT has obtained access to both parcels and has begun clearing work on the final parcels. Clearing is the removal of trees and brush that obstruct the design and construction of the roadway. The ROW process is nearly complete, and the final items involved are related to court hearings to decide the final payment required between TxDOT and the landowner of the final two (2) parcels. Because of this, the ROW is clear and does not appear to have any future impacts on the Project or the schedule.

UTILITY STATUS

The DB Contractor continues to work with the various utility owners in Segment 1 and Segment 2 of the Project; in addition to working with TxDOT to finalize the utility agreements so that utility owners can be reimbursed for the respective portions of their work. These agreements allow TxDOT to track the utilities in the ROW to avoid them during future operations.

As of May 31, 2019, the utility status for Segment 1 is shown in [Table 2](#):

[Table 2: Segment 1 Utility Status](#)

Segment 1 Utility Status			
	PUAA	UAAA	Total
Anticipated	20	3	23
Executed	17	3	20
% Executed	85%	100%	87%
Notes: There are 3 PUAAs remaining for Segment 1 anticipated to be completed during 2019			
There are 8 PUAAs anticipated in Segment 2; however, the USACE Permit is required before they start			



CONSTRUCTION STATUS

The DB Contractor began construction activities in Segment 1 on March 15, 2018 and has moved forward quickly over the past year. The DB Contractor started with the clearing of trees, grasses and underbrush. That was followed by rough grading work to create a stiff, dense general roadway profile made of dirt so that materials can move in the native area. Once the rough grade was established, heavy equipment was brought in to begin placing drainage pipe at small water crossings and to build the foundations for bridge structures. Currently, the DB Contractor is at 35% of all construction work activities for Segment 1. Moving forward, the DB Contractor will focus on the placement of bridge beams and deck along with concrete pavement.

The DB Contractor began construction activities in Segment 2 on October 15, 2018 on parcels that were owned by TxDOT and not impacted by the USACE 404 Permit. The construction activities include clearing, rough grading, utility relocation and some bridge work. TxDOT anticipates that the USACE will provide concurrence on the 404 Permit in Q1 FY 2020. Once TxDOT has the 404 Permit, the DB Contractor has full authority to move forward with all construction activities within Segment 2. Currently, the DB Contractor is at 12% complete on Segment 2 construction.



CONSTRUCTION OF THE TOLLING SYSTEM

TxDOT's Toll Operations Division (TOD) is working with TransCore, the statewide toll systems integrator, to finalize a System specific contract. Atkins, the engineering firm that designs TxDOT's tolling system, completed the design efforts for the tolling work of the System and that information was shared with the DB Contractor and TransCore. The DB Contractor is responsible for the earthwork and paving, while TransCore will construct and install the tolling infrastructure.

TxDOT held a tolling kick off meeting on April 30, 2019 to ensure that TxDOT, TransCore, Atkins and the DB Contractor all have the same understanding of timelines and turnover requirements. It was determined that follow up meetings would occur so that all parties can discuss the current status and begin scheduling TransCore construction activities.

As of the end of May 2019, it is anticipated that TransCore will begin construction on the tolling system work in Q4 of FY 2019 which is ahead of the previously anticipated work schedule.

CONSTRUCTION QUALITY STATUS

TxDOT and the DB Contractor work together on the Quality Control (QC)/Quality Assurance (IQF) and the Owner's Verification (OV). The DB Contractor is responsible for the QC inspections on all material placed within in the Project limits. Once the QC approves the material, the DB Contractor gives notice to the IQF firm that conducts official materials sampling and testing. The IQF firm is responsible for the official acceptance of materials. To ensure accurate reporting, TxDOT hires a separate firm, the OV testing firm, who conducts random inspections and testing of material and procedures on the part of TxDOT. The IQF firm for the DB Contractor is Raba Kistner who has significant work experience in Texas. The OV firm hired by TxDOT for the Project is SAM-Construction Services LLC. SAM-CS is also a Texas based firm with an experienced inspection and testing staff.

March 1 thru May 31 (Q3) of FY 2019, IQF conducted 6,952 inspections and the OV firm conducted 3,618 inspections. During this period, the IQF team took 2,561 material samples while OV firm made 606 material samples.

March 1 thru May 31 (Q3) of FY 2019 there were 76 Non-Conformance Reports (NCRs) for inspections or materials that did not pass all the standards. Of the 76 reports, the material was replaced or repaired in 46 cases. Of the remaining 30 NCRs, five (5) remain open to allow for enough time for the completion of final testing. The other 25 open NCRs are linked to a material referred to as Cement Stabilized Backfill Embankment (CSBE). The CSBE standard used in the Houston District are different than those written into the DBA. TxDOT is working with the DB Contractor to revise the DBA to reflect Houston District standards. Once the DBA is revised, the 25 open NCRs will close and TxDOT will receive a small reduction in Project price.

Finally, during March 1 thru May 31 (Q3) of FY 2019, the Project has seen 70 IQF Engineering Judgements (EJ). An EJ is a sample that has minor irregularities but does not fully fail material standards. All the Project EJs are related to sieve analysis for aggregate gradation. This is a common occurrence on all transportation projects and is simple to address and does not lead to impacts to the overall final quality.



PUBLIC INFORMATION STATUS

The DB Contractor is responsible for the daily public outreach for the Project. In this role, the DB Contractor hired a 3rd party PR firm with local ties to ensure that they are meeting with the key shareholders in a way that is best for the local stakeholders. The public information team conducts routine outreach for all lane closures, changes to existing intersecting roadway alignments and upon request from local organizations or governmental groups. During Q3 of FY 2019 the Public Information team held two (2) meetings to discuss the general construction progress. The first meeting was with the City of Magnolia staff and the 2nd meeting was with a group of Disadvantaged Business Enterprises (DBE) firms to discuss the Project status and opportunities for upcoming work.

EXECUTED CHANGE ORDERS

TxDOT has executed eight (8) Change Orders (CO) for additional work or time within the Project limits. TxDOT confirmed that none of these changes required additional ROW or went beyond the limits of the environmental approved permits. As such, all the additions are acceptable. Table 3 below shows the currently executed and pending change orders.

Change Order #7 was the only CO executed during Q3 of FY 2019. CO #7 added funding to Segment 2 portion of the Project for design revisions that were not previously anticipated. These changes were discovered when TxDOT gained access to ROW parcels in Segment 2 and determined that the impacts from the Waters of the United States (WOTUS) were more extensive than those determined during the procurement period.

CO#8 is for Parsons Engineering to design the ultimate scope of the SH105/SH249 intersection so that TxDOT can coordinate ROW purchase with the Union Pacific Railroad (UPRR) required for future widening of SH 105. CO#8 was executed on June 2nd.

Table 3: Executed and Pending Change Orders

Change Order No.	Project Segment	Description	Status	Date Executed	Time Impact (days)	Cost Impact (\$)
1	1	Audubon Driveways	Executed	Aug. 16, 2018	0	\$724,451.72
2	1	98 Day Extension	Executed	Aug. 16, 2018	98	\$0.00
3	1	Floodway Bridges	Executed	Nov. 16, 2018	150	\$12,772,814.77
4	1	CCTV Pole Spacing	Executed	Sept. 19, 2018	0	(\$146,415.00)
5	1	Terra Utility Sleeves	Executed	Dec. 24, 2018	0	\$633,898.09
6	1	Montgomery Co. Future Crossing	Executed	Jan. 30, 2019	0	\$182,962.50
7	2	WOTUS Design	Executed	Mar. 5, 2019	90	\$1,212,612.98
8	2	SH 105 ROW Designation	Executed	June 2, 2019	0	\$146,025.00
Subtotal for Executed Change Orders					338	\$15,526,350.06
9	2	Bridge Aesthetic Revisions	Pending	N/A	0	(\$33,409.00)
10	1	Additional Tolling Fiber	Pending	N/A	0	\$199,001.07
11	1	Traffic Signals @ FM 149 & FM 1486 (design only)	Pending	N/A	0	\$140,070.00
12	2	Segment 2 Scope Additions (design only)	Pending	N/A	0	(\$64,039.11)
Subtotal for Pending Change Orders					0	\$241,622.96
Total for Executed and Pending Change Orders					338	\$15,767,973.02



Pending Change Orders

The Project has various potential change orders for additional work for both Segment 1 and Segment 2. These change orders are of various nature and none of the proposed changes are fully executed, as a result this section limits discussion to the nature of potential changes and their impacts on when the Project segments will open to the public.

In Segment 1, there are two (2) changes being reviewed. CO#10 began with TxDOT TOD's request to increase the number of tolling fiber lines from 48 strands to 144 strands. The additional strands are not required to run the tolling equipment, but the additional strands provide future capacity to TOD for additional devices as they are deemed required. CO#11 adds traffic signals at FM 149 and FM 1486 instead of "stop" signs at the intersection. The addition of signals was not part of the initial scope of work but TxDOT determined that signals are required based on the projected traffic volume to improve operations and safety.

In Segment 2, there are two (2) pending changes being reviewed. CO#9 allows the DB Contractor to combine high vis and low vis aesthetic elements on specific bridges in Grimes County. As reference, a high vis bridge is used by the TxDOT Houston District at intersections where they intend to add creative/decorative aesthetic elements. While a low vis bridge is fully functional but lacks aesthetic elements. For the bridges included in this CO, at the actual intersection aesthetics will be used; however, because they are long structures, beyond the intersection the low vis standards will apply to design and construction. CO#12 will reduce the DB contract price in exchange for the TxDOT acceptance of non-conforming materials. TxDOT elected to allow the use of a small amount of embankment that did not meet all the performance requirements but was very close to meeting the requirements. TxDOT coordinated with several laboratories, engineering firms and the FHWA to ensure that the material, while not meeting the specific requirements, will perform as desired.

The current proposed changes are anticipated to have minimal impacts to the Project's total cost and Project milestones. TxDOT is working with the DB Contractor to ensure that no additional time is added to the Project.

PROJECT COST STATUS

Table 4 provides the most accurate information that is available currently for the Project. The table is divided into construction segment as well as a portion to reflect the financing costs for the period. As the table reflects, TxDOT has used funding for the DBA to cover all construction costs thru the end of May 2019. Soon, TxDOT will use the local funding to cover the scope additions that are being built currently. Additionally, TxDOT has avoided the use of the contingency funds. Starting in the fall of 2019, TxDOT will begin paying the toll integrator as they begin work on the Project.

Table 4: Segment 1 Actuals (\$ millions)

Element	Project Budget			Actuals			Forecast	Estimate at Completion (Actuals and Forecast) ³
	Original Budget	Adjustments	Adjusted Total	Spent thru Feb 2019	Spent this Quarter	Spent thru May 2019	Estimate to Complete	
Segment 1 (\$ millions)								
Design-Construction (DBA) ²	359.76	-	359.76	183.93	31.08	215.01	144.75	359.76
Locally funded CO	2.88	-	2.88	-	-	-	2.88	2.88
Contingency (DBA)	21.36	-	21.36	-	-	-	21.36	21.36
Toll Integrator	11.00	-	11.00	-	-	-	11.00	11.00
ROW	81.00	-	81.00	21.25	0.42	21.67	59.33	81.00
Environmental Mitigation	16.00	-	16.00	-	-	-	16.00	16.00
Contingency (ROW)	8.10	-	8.10	-	-	-	8.10	8.10
Construction Subtotal (\$ millions)	\$500.10	\$0.00	\$500.10	\$205.18	\$31.50	\$236.68	\$263.42	\$500.10
Financing Costs								
Capitalized Interest	29.99	-	29.99	-	-	-	29.99	29.99
Cost of Issuance ¹	1.59	-	1.59	1.53	0.04	1.58*	0.01	1.59
Debt Service Reserve Funds	24.93	-	24.93	24.93	-	24.93	-	24.93
Rate Stabilization Fund	10.00	-	10.00	10.00	-	10.00	-	10.00
Subtotal Financing Costs	\$66.51	\$0.00	\$66.51	\$36.46	\$0.04	\$36.50	\$30.00	\$66.50
Total Project & Financing Costs	\$566.61	\$0.00	\$66.51	\$241.64	\$31.54	\$273.18	\$293.42	\$566.60
	¹ Cost of Issuance Expense includes transactions funded by Bond Proceeds only.							
	² Includes CO 1-6 and utilities							
	³ The DB Contractor payment is the sum of the DBA & Locally funded CO which totals \$362.64M							
	* The \$ difference is caused by rounding							

Table 5: Segment 1 Forecasts (\$ millions)

Element	Forecast						Total Estimate to Complete ²
	3 month	FY 2020		FY 2021		FY 2022	
Design Build Agreement Cost	43.43	71.98	21.98	8.51	1.72	0.00	\$147.63
ROW Costs	9.89	9.89	9.89	9.89	9.89	9.89	\$59.33
Toll Equipment & Integration ¹	5.50	5.50	-	-	-	-	\$11.00
Environmental Mitigation	2.67	2.67	2.67	2.67	2.67	2.67	16.00
Project Contingencies	4.91	4.91	4.91	4.91	4.91	4.91	29.46
Subtotal Project Costs	\$66.40	\$94.94	\$39.44	\$25.98	\$19.19	\$17.47	\$263.42
Financing Costs							
Capitalized Interest	3.36	3.90	3.90	3.90	3.90	11.04	\$ 29.99
Cost of Issuance	0.01	0.00	0.00	0.00	0.00	0.00	\$ 0.01
Subtotal Financing Costs	\$ 3.37	\$ 3.90	\$ 3.90	\$ 3.90	\$ 3.90	\$ 11.04	\$ 30.00
Total Project & Financing Costs	\$ 69.76	\$ 98.84	\$ 43.34	\$ 29.88	\$ 23.09	\$ 28.50	\$ 293.42

¹ The Toll Integrator construction costs should be paid within the next year. After that point, the Integrator will have O&M costs, but they are not reflected in this table

² Note that rounding may cause values to not add as expected

Table 6 reflects the actual draws thru the end of May 2019 and the projected draws thru the end of the Project. Please be aware that as pending Change Orders are executed the total Project cost will increase and the estimated Construction Draw will change to reflect the additional work.

Table 6: Segment 1 DBA Construction Draws

Period		Estimate of Construction Draw		Paid-to-Date	
Begin	End	Period	Cululative	Period	Cululative
NTP1	2-28-2018			71.08	71.08
03-01-18	8-31-2018			59.86	130.94
09-01-18	2-28-2019			52.99	183.93
03-01-19	05-31-19			31.08	215.01
06-01-19	8-31-2019	43.43	43.43		
09-01-19	2-29-2020	71.98	115.41		
03-01-20	8-31-2020	21.98	137.39		
09-01-20	2-28-2021	8.51	145.90		
03-01-21	3-31-2021	1.72	147.63		
Total		\$147.63		\$215.01	
		\$362.64			



GEC FINDINGS

BGE, Inc, has reviewed the Project's overall construction progress and the Project is currently on time and on track to be completed within the projected schedule and budget with such budget adjusted to account for scope revisions discussed in Table 3 of this Report.

APPENDIX A: PHOTOGRAPHS OF CURRENT CONSTRUCTION

Figure #3: Southern Limit of the Project



Figure 3 shows the progress of the southernmost bridge of Segment 1 in Pinehurst near the connection to the MCTRA Segment 3. The DB Contractor is working to set beams and place the deck in June/July 2019.

Figure #4: Southern Limit of the Project



This is at FM 149 and illustrates the roadway width looking south into Segment 1. From the Figure, we see the DB Contractor finished the rough grading and clearing. It is also possible to see the drilling rig that is working on the overpass in this location. In the background, we also see drainage pipes on the ground for use at various small water crossings near this site.

Figure #5: Bridge Structure in Segment 1



This bridge (Bridge 1A9 & 1A10) are north of our southern mainlane gantry. The DB Contractor will have these structures near completion (except for pavement markings and signs) by the end of the summer 2019.

Figure #6: Bond Breaker



The DB Contractor is working quickly to place miles of bond breaker. This layer prevents or limits the bond between the pavement and the base material.

Figure #7: Overpass Bridge at FM 1488



The DB Contractor is working quickly to place the bridge structure over FM 1488. To the south of this picture (the direction the picture is looking) is the southern half of Segment 1. In the opposite direction of Figure #7 is the northern half of Segment 1 which is seen in Figure #8 below.

Figure #8: Southern Limit of Segment 1



Construction is generally at the same pace along its entire length. The DB Contractor is focused on grading, finishing drainage structures, bridge structure placement, and placing bond breaker.

Figure #9: Future Thoroughfare



TxDOT worked closely with Montgomery County officials to determine the best locations for future thoroughfares based on projected country growth and planned land development projects. This Figure is at one of those future locations which will allow real estate development along the Project.