

These are the minutes of the regular meeting of the Texas Transportation Commission held on August 28, 2014, in Dallas, Texas. The meeting was called to order at 9:00 a.m. by Chairman Houghton with the following commissioners present:

Texas Transportation Commission:

Ted Houghton	Chairman
Fred Underwood	Commissioner
Jeff Austin, III	Commissioner
Jeff Moseley	Commissioner
Victor Vandergriff	Commissioner

Administrative Staff:

LtGen. Joe Weber, Executive Director
 Jeff Graham, General Counsel
 Rose Guajardo Walker, Chief Clerk
 Robin Carter, Assistant Chief Clerk

Registration sheets listing others in attendance are on file with the Texas Department of Transportation, Assistant Chief Clerk.

A public notice of this meeting containing all items on the proposed agenda was filed in the Office of the Secretary of State at 4:10 p.m. on August 20, 2014, as required by Government Code, Chapter 551, referred to as "The Open Meetings Act."

ITEM 1. Safety Briefing

This item was presented by Dallas District Engineer Bill Hale.

Chairman Houghton recognized and heard opening remarks from Mayor Mike Rawlings of Dallas and Mayor Betsy Price of Fort Worth; Tarrant County Judge Glen Whitley; and Dallas County Judge Clay Jenkins. Chairman Houghton also recognized Denton County Judge Mary Horn; Senator Kelly Hancock; Representative Linda Harper Brown; Representative Scott Turner; Representative Van Taylor; Outreach Coordinator for Congressman Michael Burgess Megan Everitt; and Representative Ron Simmons' District Director Ebony Dougherty.

ITEM 2. Approval of Minutes of the July 31, 2014 regular meeting of the Texas Transportation Commission

Commissioner Austin made a motion, which was seconded, and the commission approved the minutes of the July 31, 2014 regular meeting by a vote of 5 - 0.

ITEM 1. (continued)

Receive comments from and recognition of area public officials, community and civic leaders, and private citizens. Executive summary of Dallas and Fort Worth district overview.

This item was presented by Dallas District Engineer Bill Hale, Fort Worth District Engineer Brian Barth, and Dallas Strategic Projects Office CDA Program Director Randy Redmond. Deputy Executive Director John Barton introduced DeeDee Hale and paid tribute to Bill Hale and his accomplishments in the Dallas District.

ITEM 3. Discussion

Potential Distribution of Proposition 1 Funds

This item was presented by Deputy Executive Director John Barton and Director of Planning Marc Williams.

ITEM 4. Unified Transportation Program (UTP)

Approve the 2015 UTP (MO)

Commissioner Moseley made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 - 0. This item was presented by Director of Planning Marc Williams.

114027
TPP

Transportation Code, §201.991 provides that the Texas Department of Transportation (department) shall develop a Unified Transportation Program (UTP) covering a period of 10 years to guide the development of and authorize construction of transportation projects. Transportation Code, §201.602 requires the Texas Transportation Commission (commission) to annually conduct a public hearing on its highway project selection process and the relative importance of the various criteria on which the commission bases its project selection decisions.

Transportation Code, §222.034 requires the commission to distribute federal aid transportation funds to various parts of the state for a funding cycle through the selection of highway projects in a manner that is consistent with federal formulas that determine the amount of federal aid the state of Texas receives, unless the commission issues a minute order or ruling identifying the variance and providing a particular justification for the variance. The commission has adopted rules located in Title 43, Texas Administrative Code, Chapter 16, governing the planning and development of transportation projects, which include guidance regarding public involvement related to the project selection process and the development of the UTP. These rules also require the commission to adopt the UTP not later than August 31 of each year.

The department conducted a public meeting across the state via WebEx on July 17, 2014, and a public hearing on August 12, 2014, to receive comments and testimony concerning the development of the 2015 UTP and the project selection process.

The 2015 UTP, which is attached as Exhibit A, authorizes funding for each of the twelve funding categories established by the rules and outlines the various project selection methods and usual funding participation. The 2015 UTP lists the projects that the department intends to develop and let during the 10-year period (with the exception of projects in category 1 – preventative maintenance and rehabilitation), and references for each listed project the funding category to which it is assigned. If a funding category is an allocation program, the listing is for informational purposes only and contains those projects reasonably expected to be selected for development or letting during the applicable period. Projects listed that have been authorized by previous legislative action or prior actions of the commission are still approved and their inclusion in the UTP in no way modifies that prior approval. The remaining funding levels and projects listed for aviation, public transportation, rail, and state waterways and coastal waters are authorized by separate minute orders and this UTP does not supersede those prior actions.

The 2015 UTP also contains an individual evaluation of each federal aid apportionment program, including particular justification for any variance from the federal aid formula and the proposed distribution of the transportation funds through the UTP.

IT IS THEREFORE ORDERED by the commission that the 2015 UTP, including the project selection process, as shown in Exhibit A, is hereby approved and supersedes the previously-approved 2014 UTP for fiscal years 2015-2023.

IT IS FURTHER ORDERED that the information contained in the 2015 UTP shall serve as the commission's identification and justification of variances, as required by Transportation Code, §222.034.

IT IS FURTHER ORDERED that the executive director is hereby authorized to develop the projects listed in the UTP to the level of authority indicated to include any necessary agreements, right of way acquisitions, utility adjustments, and relocation assistance, subject to the policies of the department and all applicable federal and state laws governing the acquisition of real property.

IT IS FURTHER ORDERED that pursuant to Transportation Code, §222.052, the commission may accept financial contributions from political subdivisions of the state for development of projects in the 2015 UTP.

Note: Exhibit A is on file with the assistant chief clerk.

ITEM 5. Statewide Transportation Improvement Program
Various Counties - Approve the Fiscal Year 2015-2018 Statewide Transportation Improvement Program (MO)

Commissioner Vandergriff made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 - 0. This item was presented by Director of Planning Marc Williams and Deputy Executive Director John Barton.

to develop a Transportation Improvement Program (TIP) and a Statewide Transportation Improvement Program (STIP) as a condition to securing federal funds for transportation projects under either Title 23 or the Federal Transit Act.

Section 134(j) requires an MPO to develop its TIP in cooperation with the state and affected public transit operators, and further requires the TIP to be updated at least once every four years and to be approved by the MPO and the governor.

Section 135(g) requires the state to develop a STIP for all areas of the state in cooperation with the MPOs designated for each metropolitan planning area and, with respect to non-metropolitan areas, in consultation with affected local officials, and requires that the STIP be approved by the governor.

By letter dated October 4, 2005, the governor delegated the power and responsibility for approving the STIP to the Texas Transportation Commission (commission) or its designees. The commission has adopted rules governing the development of transportation plans and programs, codified as Title 43, Texas Administrative Code, Chapter 16.

Sections 134(j) and 135(g) and 43 TAC §§16.101 - 16.103 specify the requirements and eligibility criteria for projects to be included in the respective TIPs and the STIP. In accordance with those requirements, TIPs have been developed for each metropolitan planning area, as well as those areas of the state outside designated MPO boundaries (rural TIPs). The individual TIPs are incorporated into the STIP.

The various TIPs developed by the designated MPOs have been presented for public comment by means of various public meetings conducted by relevant authorities throughout the state. Rural TIPs were made available to citizens, affected public agencies, representatives of transportation agencies, freight shippers, private providers of transportation, providers of freight transportation services, representatives of users of public transit, and other interested parties for review and comment in each of the Texas Department of Transportation's (department's) district offices and at the department's headquarters in Austin. On August 19, 2014, a public hearing was held to receive comments and testimony on the STIP. No oral or written comments were received.

After due deliberation and consideration, the commission finds that the requirements of §134 and 43 TAC §16.101 have been fully satisfied as they pertain to the development of the prescribed TIPs by each of the 25 MPOs. The commission also finds that the STIP, attached as Exhibit A to this order, fully satisfies the requirements of §135 and 43 TAC §16.103, as well as the project selection criteria developed for the Unified Transportation Program (UTP), and is consistent with the Statewide Long Range Transportation Plan, the UTP, and the Strategic Plan.

IT IS THEREFORE ORDERED by the commission that the Fiscal Year 2015-2018 STIP, which incorporates the respective TIPs of each designated MPO, as well as rural TIPs and is attached as Exhibit A to this order, is hereby adopted.

IT IS FURTHER ORDERED that the executive director, or his designee, shall sign all necessary certifications required by federal regulations.

Note: Exhibit A is on file with the assistant chief clerk.

ITEM 6. Aviation**a. Various Counties - Award federal and state grant funding for airport improvement projects at various locations (MO)**

Commissioner Underwood made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 - 0. This item was presented by Director of Aviation Dave Fulton.

114029
AVN

The Texas Department of Transportation (department) is authorized under the federal Airport and Airway Improvement Act and the state Aviation Facilities Development and Financial Assistance Act to award federal and state funding for capital improvement projects and to assist in the development and establishment of airports in the state of Texas.

The airports listed in Exhibit A are currently in need of improvements to preserve the airports or to meet standards. The department recommends the award of federal and state grant funds for the improvements.

On Friday, July 25, 2014 a public hearing was held. No comments were received.

IT IS THEREFORE ORDERED by the Texas Transportation Commission that the executive director, or the director's designee, is authorized to enter into any necessary agreements to fund, through the Aviation Facilities Grant Program, the projects described in Exhibit A at an estimated cost of \$7,298,578.

Note: Exhibit A is on file with the assistant chief clerk.

b. Aviation Advisory Committee**Approve appointment of two members to the Aviation Advisory Committee (MO)**

Commissioner Underwood made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 - 0. This item was presented by Director of Aviation Dave Fulton.

114030
AVN

Transportation Code §21.003, requires the Texas Transportation Commission (commission) to appoint a six-member Aviation Advisory Committee (committee) to advise the commission and the Texas Department of Transportation (department) on aviation matters.

Transportation Code §21.003, further provides that each member of the committee must have five years of successful experience as an aircraft pilot, an aircraft facilities manager or a fixed-base operator.

The department's administrative rules governing advisory committees (Title 43, TAC, §§1.80-1.85) provide that committee members serve three-year terms. The terms of two members expire on August 31, 2014; therefore, it is necessary for the commission to reappoint them for terms to expire on August 31, 2017.

The commission has determined that the individuals listed below fulfill the statutory requirements to serve as members of the committee:

Gordon Richardson
Caldwell, Texas

Michael Collier
Lakeway, Texas

IT IS THEREFORE ORDERED by the commission that the individuals identified above are hereby appointed for three-year terms as members of the Aviation Advisory Committee with terms effective September 1, 2014, and expiring on August 31, 2017.

c. Routine Airport Maintenance Program
Approve the Routine Airport Maintenance Program (MO)

Commissioner Underwood made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 - 0. This item was presented by Director of Aviation Dave Fulton.

114031
AVN

The Texas Department of Transportation (department) is authorized under Texas Transportation Code, Chapter 21 and Chapter 22, to assist in the development and maintenance of airports in the state.

The Routine Airport Maintenance Program (RAMP) provides financial assistance for publicly owned or operated general aviation, reliever and non-hub commercial service airports included in the Texas Airport System Plan.

Due to the success of this program, the department requests continuation of the program by providing funds for airport maintenance and small capital improvements on a 50-50 basis up to a maximum of \$50,000 in state funds for Fiscal Year 2015.

A public hearing regarding the funding of RAMP was held on July 25, 2014, and no comments were received.

IT IS THEREFORE ORDERED by the commission that the airports listed in Exhibit A be awarded grants in accordance with RAMP and that the executive director, or the director's designee, is authorized to enter into any necessary grant agreements with the appropriate local government agencies necessary to carry out the directives of this minute order.

Note: Exhibit A is on file with the assistant chief clerk.

d. Aviation Capital Improvement Program
Approve Aviation Capital Improvement Program (MO)

Commissioner Underwood made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 - 0. This item was presented by Director of Aviation Dave Fulton.

114032
AVN

Pursuant to Transportation Code, §§21.108-21.111 and Title 43, Texas Administrative Code, §30.209, the Texas Department of Transportation (department)

prepares an Aviation Facilities Development Program identifying the aviation facility requirements, locations, timing, eligibility for funding, and the investment necessary for a statewide system of airports that will provide for the state's air transportation needs.

There continues to be a need for the construction, rehabilitation and upgrading of the state airport system.

As an element of the Aviation Facility Development Program, the department is required to prepare and update a multiyear Aviation Capital Improvement Program (CIP) at least annually. In July 2014, the draft FY 2015-2017 Aviation CIP was submitted to the sponsors of airports included in the Texas airport system for review.

The Texas Aviation Advisory Committee recommended approval of the FY 2015-2017 CIP at its July 2014 meeting.

Comments received have been evaluated and, when appropriate, have been addressed in the CIP.

IT IS THEREFORE ORDERED by the commission that the attached FY 2015-2017 Capital Improvement Program (Exhibit A) is hereby adopted and the executive director is authorized to proceed with the development of the airport facilities included in the Capital Improvement Program.

Note: Exhibit A is on file with the assistant chief clerk.

ITEM 7. Promulgation of Administrative Rules Under Title 43, Texas Administrative Code, and the Administrative Procedure Act, Government Code, Chapter 2001:

a. Final Adoption

(1) Chapter 15 – Financing and Construction of Transportation Projects (MO) Amendments to §15.52, Preliminary and Construction Engineering Expenses, and §15.55, Construction Cost Participation (Federal, State, and Local Participation).

Commissioner Underwood made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 - 0. This item was presented by Deputy Executive Director John Barton.

114033
CSO

The Texas Transportation Commission (commission) finds it necessary to adopt amendments to §21.146, §21.187, §21.189, and §21.405, all relating to the regulation of signs along highways and roads, and to be codified under Title 43, Texas Administrative Code, Part 1.

The preamble and the adopted amendments, attached to this minute order as Exhibits A - C, are incorporated by reference as though set forth verbatim in this minute order, except that they are subject to technical corrections and revisions, approved by the general counsel, necessary for compliance with state or federal law or for acceptance by the Secretary of State for filing and publication in the Texas Register.

IT IS THEREFORE ORDERED by the commission that the amendments to §21.146, §21.187, §21.189, and §21.405 are adopted and are authorized for filing with the Office of the Secretary of State.

The executive director is directed to take the necessary steps to implement the actions as ordered in this minute order, pursuant to the requirements of the Administrative Procedure Act, Government Code, Chapter 2001.

Note: Exhibits A - C are on file with the assistant chief clerk.

(2) Chapter 21 - Right of Way (MO)

Amendments to §21.146, Exempt Signs, §21.187, Spacing of Signs, and §21.189, Sign Height Restrictions, (Regulation of Signs Along Interstate and Primary Highways); and §21.405, Exemptions and §21.429, Spacing of Signs (Control of Signs Along Rural Roads)

Deferred

The commission did not vote on this item.

ITEM 9. Lease Agreement Negotiations

Authorize the department to negotiate a new Lease and Operating Agreement with Northeast Texas Rural Rail Transportation District (NETEX) (MO)

Commissioner Underwood made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 - 0. This item was presented by Chief Planning and Projects Office Russell Zapalac. Chairman of NETEX Sam Young also addressed the commission.

114034
RRD

Texas Transportation Code § 91.052 provides that the Texas Department of Transportation (the department) may enter into an agreement with a public entity, including a political subdivision of the state, to permit the entity, independently or jointly with the department, to acquire, construct, maintain, or operate a rail facility or system.

The Northeast Texas Rural Rail Transportation District (NETEX) was created in 1994 by the County Commissioners Courts of Hunt, Hopkins, Franklin, and Titus Counties pursuant to Article 6550c of Vernon's Civil Texas Statutes. NETEX was created following Southern Pacific Railroad's (SP) notice of intent to abandon a 31-mile portion of SP's rail line between Greenville and Sulphur Springs in Hunt and Hopkins Counties.

Within the 1995 Texas General Appropriations bill, the 74th Legislature appropriated a total of \$2.0 million for the purchase of a portion of SP's rail line between Greenville and Sulphur Springs. The commission, by Minute Order 106154 dated August 31, 1995, authorized the department to enter into a grant funding agreement with NETEX for the acquisition of this rail line. That agreement was executed on December 13, 1995, and gave ownership of the rail corridor and a financial interest in the infrastructure to TxDOT, with operating rights assigned to NETEX.

The department recommends that the original grant funding agreement be replaced by a lease and operating agreement that would update and more accurately define the roles and responsibilities of the department and NETEX.

IT IS THEREFORE ORDERED by the commission that the department is authorized to enter into negotiations with NETEX for a lease and operating agreement

on the department-owned NETEX line. It is further ordered that the final lease and operating agreement be presented to the commission for review and approval before being executed by the department.

ITEM 10. Office of Compliance, Ethics, and Investigations

Office of Compliance, Ethics, and Investigations Report

This item was presented by Chief Audit and Compliance Officer Benny Ybarra.

ITEM 11. Transportation Planning

Caldwell County - Concurrence with Caldwell County's funding of construction and other project development costs of projects to be advanced through the use of payments received from SH 130 Concession Company, LLC for the right to develop, finance, design, construct, operate, and maintain the SH 130 toll project from US 183 in Travis County to I-10 in Guadalupe County (MO)

Commissioner Underwood made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 - 0. This item was presented by Director of Planning Marc Williams. Caldwell County Judge Tom Bonn also addressed the commission.

114035
TPP

Transportation Code, §228.012 requires the Texas Department of Transportation (department) to create a separate account in the state highway fund to hold payments received by the department under a comprehensive development agreement and the surplus revenue of a toll project or system.

The department is required to create subaccounts in the account for each project, system, or region, and to hold money in a subaccount in trust for the benefit of the region in which a project or system is located. Interest earned on money in a subaccount shall be deposited to the credit of that subaccount.

The department has created subaccounts in the state highway fund to hold the payments received from the SH 130 Concession Company, LLC under the SH 130, Segments 5&6 Facility Concession Agreement for the right to develop, finance, design, construct, operate, and maintain the SH 130, Segments 5&6 toll project from US 183 in Travis County to I-10 in Guadalupe County (SH 130 Payments). Selection of projects to be financed using those funds shall be made by the department, subject to Texas Transportation Commission (commission) concurrence. The projects are to be selected in a cooperative selection process which considers the desires of the cities and counties in which the project is located.

Pursuant to Transportation Code, §228.012, the SH 130 payments may be used to pay the costs of a transportation project or air quality project within a region in which any part of the SH 130 toll project is located. Money must be allocated to projects authorized by Transportation Code, §228.0055 or §228.006, as applicable. An air quality project is a project or program of the department or another governmental entity that the commission determines will mitigate or prevent air pollution caused by the construction, maintenance, or use of public roads.

The department has established work programs to account for and track projects in the Austin and San Antonio Districts that are to be funded with the SH 130 payments. Minute Order 113487 dated February 28, 2013, allocated \$127,000,000 of those funds to programs and projects in the Austin and San Antonio Districts, of which \$10,000,000 was allocated to Caldwell County. On June 23, 2014, the Caldwell County Commissioners Court approved a list of projects to be funded with the Caldwell County allocation, which is shown in Exhibit A. The department reviewed the potential air quality benefits of the proposed projects and found that the projects will mitigate air pollution caused by the use of public roads, either through reduced emissions or improved mobility.

IT IS THEREFORE ORDERED by the commission that it concurs with the projects shown in Exhibit A that have been selected by Caldwell County to be funded with the SH 130 payments, and approves the placement of those projects in the work program with CONSTRUCT authority, to be developed consistent with applicable state and federal laws, regulations, and procedures. Pursuant to the findings of the department, the commission determines that the projects shown in Exhibit A are air quality projects that will mitigate or prevent air pollution caused by the construction, maintenance or use of public roads, and are therefore eligible to be funded with the SH 130 payments.

IT IS FURTHER ORDERED that additional projects or changes in the distribution of the SH 130 payments as shown in Exhibit A will be approved by the commission through updates to the department's Unified Transportation Program.

IT IS FURTHER ORDERED that, unless otherwise approved by the commission, all direct costs associated with these projects for which federal and state funds have not been allocated shall be charged to this work program, including the costs of right of way acquisition, preliminary engineering, and construction engineering, and the costs of department staff incurred in the development, procurement, and construction of the projects.

IT IS FURTHER ORDERED that the department shall annually provide the commission a report describing the status of projects in the work programs.

Note: Exhibit A is on file with the assistant chief clerk.

ITEM 12. Proposition 14 Bonds

Clay County - Approval of an additional project to be funded with the proceeds of State Highway Fund revenue bonds issued under Transportation Code, Section 222.003 (MO)

Commissioner Underwood made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 - 0. This item was presented by Deputy Executive Director John Barton.

114036
TRF

Section 49-n, Article III, of the Texas Constitution (constitutional provision) provides that the Texas Legislature may authorize the Texas Transportation

Commission (commission) to issue bonds and other public securities and enter into bond enhancement agreements that are payable from revenue deposited to the credit of the state highway fund to fund state highway improvement projects.

Pursuant to the constitutional provision, the Texas Legislature enacted Section 222.003, Texas Transportation Code (Enabling Act), which authorizes the commission to issue bonds and other public securities secured by a pledge of and payable from revenue deposited to the credit of the state highway fund. Bonds and other public securities issued under the constitutional provision and Enabling Act are commonly known as "Proposition 14" bonds.

The Enabling Act, as amended, provides that: (i) the aggregate principal amount of such bonds and other public securities may not exceed \$6 billion; (ii) the commission may issue bonds or other public securities in an aggregate principal amount of not more than \$1.5 billion each year; (iii) \$1.2 billion of the aggregate principal amount of such bonds or other public securities must be issued to fund safety projects that reduce accidents or correct or improve hazardous locations on the state highway system; and (iv) bonds and other public securities and credit agreements may not have a principal amount or terms that are expected to cause annual expenditures with respect thereto to exceed 10 percent of the amount deposited to the credit of the state highway fund in the preceding year. The commission has issued approximately \$3.1 billion of Proposition 14 bonds pursuant to the terms of the Enabling Act.

Pursuant to the Enabling Act, the commission has adopted rules, codified as 43 TAC §§15.170-15.174, that prescribe criteria for selecting projects (including safety projects) eligible for funding under the Enabling Act.

On October 30, 2008, January 29, 2009, February 26, 2009, March 26, 2009, July 30, 2009, September 24, 2009, November 19, 2009, December 17, 2009, February 25, 2010, March 25, 2010, May 27, 2010, August 26, 2010, October 28, 2010, February 24, 2011, May 26, 2011, April 25, 2013, and November 21, 2013, the commission adopted Minute Orders 111550, 111680, 111709, 111751, 111890, 111976, 112037, 112075, 112155, 112199, 112275, 112375, 112474, 112610, 112692, 113562 and 113759 respectively, which approved the use of proceeds of Proposition 14 bonds for state highway improvement projects and work associated with state highway improvement activities, as contained in Exhibits to the Minute Orders.

Due to continuing national economic conditions and the accompanying effects on construction and material supplies, the projects that have gone to letting continue to experience underruns of the originally obligated bond funds. These underruns allow additional projects to be brought forward for funding under the bond program.

This minute order revises funding allocations for previously approved projects and activities and approves one additional project to be funded with the proceeds of Proposition 14 bonds, as set forth in Exhibit A.

IT IS THEREFORE ORDERED by the commission that the state highway improvement project and work to be performed in connection with state highway improvement activities, as contained in Exhibit A, is approved for funding with the proceeds of Proposition 14 bonds.

Note: Exhibit A is on file with the assistant chief clerk.

ITEM 13. Toll Operations**a. Various Counties - Consider the approval of a regional tolling services agreement with the North Texas Tollway Authority (NTTA) (MO)**

Commissioner Austin made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 - 0. This item was presented by Chief Financial Officer James Bass.

114037
TOD

Pursuant to Transportation Code, §366.038, the North Texas Tollway Authority (NTTA) is required to provide, for reasonable compensation, tolling services for a toll project in the boundaries of the NTTA, regardless of whether the toll project is developed, financed, constructed, and operated under an agreement with the authority or another entity. Tolling services means those services normally provided through an authority's customer service center, including customer service, customer account maintenance, transponder supply, and toll collection and enforcement.

Before providing tolling services for a toll project, the NTTA must execute a written agreement that sets out the terms and conditions for the tolling services to be provided and the terms of compensation for those services.

The Texas Department of Transportation (department) and the NTTA have negotiated a regional tolling services agreement (Regional TSA) for all department managed lane projects in NTTA's service area that are not revenue bond financed or the subject of a comprehensive development agreement.

In Minute Order 113977, dated June 26, 2014, the Texas Transportation Commission (commission) approved an interim tolling services agreement with the NTTA for the DFW Connector Project, which opened to traffic in April 2014, and includes two tolled managed lanes in each direction, extending 4.1 miles along SH 114 from SH 26 to east of International Parkway (Interim TSA). Section 13(a) of the Interim TSA provides that the Interim TSA will be automatically terminated and replaced by the Regional TSA upon the consummation of the Regional TSA.

The Regional TSA provides for the agreement to be implemented in a manner consistent with the Statement of Principles for a Regional Tolling Services Agreement set forth in Exhibit B to the Regional TSA. The Regional TSA provides for the NTTA to provide tolling services on projects whose service commencement date occurs during the term of the Regional TSA. The Regional TSA has an initial term of five years, renewing automatically for additional five year terms unless a party provides notice of termination.

The NTTA will provide tolling services in accordance with the performance standards set forth in the Regional TSA and the Interface Control Document (ICD) and business rules developed by NTTA and the department for managed lane facilities, and at the same level of service NTTA provides customers on its own facilities. The department will facilitate NTTA's performance of tolling services by installing and maintaining tolling equipment and capturing and transmitting data and other information in accordance with the business rules and ICD.

The department will reimburse NTTA for the cost of NTTA's services by paying an estimate of those costs for the following fiscal year, based on the anticipated

total costs NTTA will incur providing tolling services for that fiscal year for all projects in NTTA's service area, and the number of transactions on the projects covered by the Regional TSA as a percentage of all transactions for which NTTA anticipates providing tolling services. The department and NTTA will seek cost effective ways of improving tolling services, including making appropriate adjustments to the performance standards.

IT IS THEREFORE ORDERED by the commission that the Regional Tolling Services Agreement with the NTTA is approved, and the executive director of the department is authorized to execute the Regional Tolling Services Agreement.

b. Harris County - Authorize the executive director of the department to enter into an agreement with Harris County for development of the US 290 Project, a proposed managed lane facility on US 290 from I-610 to SH 99, further development and operation of the Katy Managed Lanes Project, a managed lanes facility within the limits of I-10 from SH 6 to I-610, and potential development of the Hempstead Tollway Project (MO)

Commissioner Moseley made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 - 0. This item was presented by Deputy Executive Director John Barton.

114038
TOD

On March 14, 2003, the Texas Department of Transportation (department), Harris County (County), and the Federal Highway Administration entered into an agreement to construct, improve, maintain, and operate a toll facility within the median of Interstate Highway 10 known as the Katy Managed Lanes (Tri-Party Agreement). The agreement provides for the design and construction of a County toll project comprised of four managed lanes within the median of Interstate Highway 10 from west of State Highway 6 to Interstate Highway 610, a distance of approximately 12 miles (Katy Managed Lanes Project).

Transportation Code, Chapter 373 gives the County the primary responsibility to develop, construct, and operate toll projects located within its jurisdiction.

On April 10, 2012, the County approved a memorandum of understanding (MOU) with the department relating to the development, funding, construction, operation, and maintenance of improvements in the US Highway 290 (Northwest Freeway)/Hempstead Road corridor. In the MOU, the County agreed to waive its primacy development rights and declined to develop a toll facility along the US 290/Hempstead corridor.

The US 290/Hempstead corridor in the northwest portion of Harris County is one of the most highly congested and mobility constrained corridors in the region and includes multiple segments on the state's 100 Most Congested Roadway Segments. It has retained its basic configuration for through-lanes since the late 1960's and early 1970's original construction, and although adjacent development has increased, the roadway's capacity has remained unchanged.

The planned US 290 Managed Lanes Project will replace the functionally obsolete and deteriorating infrastructure, as well as add capacity to the corridor.

Improvements to this corridor are critical to the region's continued mobility and economic vitality. The goals of the project are to facilitate the replacement of existing infrastructure that has reached or exceeded its design life; add additional capacity to an extremely congested corridor; utilize pricing as a mechanism to operate and fund parts of the project; and provide an additional link in the growing toll road and managed lane network to offer transportation options for optimizing mobility.

The US 290 Managed Lanes Project initiates a phased approach to constructing the ultimate planned improvements in the US 290/Hempstead corridor as identified in the approved environmental document. In the US 290 Managed Lanes Project, US 290 from Interstate 610 to State Highway 99 will be reconstructed, including building a two to three-lane reversible managed lane facility to accommodate both High Occupancy Vehicle (HOV) and toll traffic, as well as adding one general purpose lane in each direction. As part of the development of the project, the department will rehabilitate Hempstead Road from east of Washington Avenue to west of Beltway 8 in order to provide for a safe and efficient alternative route while the US 290 facility is under construction.

The department and the County have negotiated an interlocal agreement for the reallocation of resources and responsibility for the development of the US 290 Managed Lanes Project, further development and operation of the Katy Managed Lanes Project, and potential development of the Hempstead Tollway Project. Under the interlocal agreement, the County's contribution for the US 290 Managed Lanes Project will be reduced to \$200 million, and the County will have no further responsibility for development, funding, construction, installation or operation of the US 290 Managed Lanes Project.

As consideration for the reduction of the County's contribution for the US 290 Managed Lanes Project, the County will transfer ownership and all responsibility for the Katy Managed Lanes to the department, and waives its primacy rights for development of toll facilities in the US 290 and Hempstead Road corridors. The transfer will include all responsibility operation, maintenance, and enforcement of the Katy Managed Lanes and associated diamond lanes and termination of operating and maintenance agreements between the department and the County. The County will be reimbursed for its previous contributions to the Katy Managed Lanes Project as provided in the Tri-Party Agreement by keeping and retaining one third of tolls collected for use of the Katy Managed Lanes by County EZ TAG customers.

IT IS THEREFORE ORDERED by the commission that the executive director of the department is authorized to enter into an interlocal agreement with Harris County for development of the US 290 Managed Lanes Project, further development and operation of the Katy Managed Lanes Project, and potential development of the Hempstead Tollway Project.

ITEM 14. Texas Mobility Fund

El Paso County - Camino Real Regional Mobility Authority - Grant approval of a request from Camino Real Regional Mobility Authority for a grant in the amount of \$97 million for capital costs relating to the delivery of a street car route in the City of El Paso, Texas, consisting of design and construction of a two-mile long corridor with two

loops consisting of a total of 5.6 miles of single track beginning near the El Paso Business District and the International Ports of Entry on South Stanton Street and South El Paso Street, traveling north through downtown, to the University of Texas at El Paso area, the Cincinnati Entertainment District and Kem Place, design and construction of a maintenance and operation facility and the costs of acquisition and reconstruction of street cars, with funding from the Texas Mobility Fund established pursuant to Section 49-k, Article III, Texas Constitution (MO)

Commissioner Moseley made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 - 0. This item was presented by Chief Financial Officer James Bass.

114039
DMO

Article III, Section 49-k of the Texas constitution (constitutional provision) created the Texas Mobility Fund (fund) in the state treasury and provides that the fund shall be administered by the Texas Transportation Commission (commission) as a revolving fund to provide a method of financing the construction, reconstruction, acquisition, and expansion of state highways and to provide participation by the state in the payment of a portion of the costs of constructing and providing publicly-owned toll roads and other public transportation projects, in accordance with the procedures, standards and limitations established by law.

The Texas Legislature implemented the authority granted by this constitutional provision in Transportation Code, Chapter 201, Subchapter M (enabling act). In Minute Order 109800, dated September 30, 2004, the commission adopted the Texas Mobility Fund Strategic Plan (plan) in accordance with Transportation Code §201.947 describing how the proceeds of obligations will be used and the benefit the state will derive from use of money in the fund.

Camino Real Regional Mobility Authority (CRRMA) has submitted a request to the Texas Department of Transportation (department) for state participation in the form of a grant of funds in the Texas Mobility Fund to pay a portion of the cost of constructing and providing other public transportation projects, specifically a street car route and system components in the City of El Paso (project). The project consists of design and construction of a two-mile long corridor with two loops comprising a total of 5.6 miles of single track beginning near the El Paso Business District and the International Ports of Entry on South Stanton Street and South El Paso Street, traveling north through downtown, to the University of Texas at El Paso area, the Cincinnati Entertainment District and Kem Place, design and construction of a maintenance and operation facility and the costs of acquisition and reconstruction of street cars.

The grant of money in the fund for the project is consistent with the uses of the fund set forth in the plan.

In Minute Order 113967, the commission reserved \$97 million in funding for the project. The department now recommends that \$97 million in state participation in the development and delivery of the project be provided in the form of a grant to the CRRMA from the fund.

NOW, THEREFORE, IT IS DETERMINED that the request for a grant from the fund submitted by the Camino Real Regional Mobility Authority meets the

eligibility requirements of the constitutional provision, enabling act, and the plan, and the commission approves the request for funding from the fund in the amount of \$97 million, in the form of a grant, to be used for the purposes described herein, and directs the executive director to implement the actions necessary to effect the purposes of this minute order and further directs the chief financial officer, as an authorized representative pursuant to the master resolution, to ensure compliance with the permitted uses of the fund including execution of any necessary agreements or certificates.

ITEM 15. State Infrastructure Bank

Sherman County - City of Stratford - Consider granting final approval of an application from the City of Stratford (City) to borrow up to \$125,000 from the State Infrastructure Bank (SIB) to pay for the relocation of utility lines for the partial realignment of SH 15 from CR 7 to US 287 in Sherman County. (MO)

Commissioner Austin made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 - 0. This item was presented by Chief Financial Officer James Bass.

114040
DMO

The Texas Department of Transportation (department) is partially realigning SH 15 from CR7 to US 287 in Sherman County.

The City of Stratford (City) applied for a \$125,000 State Infrastructure Bank (SIB) loan to pay for the relocation of utility lines necessary for the realignment of SH 15 (Project).

The Texas Transportation Commission's (commission) rules regarding the SIB at 43 Texas Administrative Code §6.32 allow for final approval by the Commission of any SIB loan in the principal amount of \$10 million or less without first going through the preliminary approval process described in the rules.

The executive director or his designee implemented actions authorized and required by the commission's rules for final approval, and also hereby determines that the requirement to submit any information or data that was not submitted by the City is waived as permitted by the rules either because the information or data is not relevant or the department already possesses the information or data. The executive director affirms that the necessary social, economic, and environmental impact studies have been completed and approved by the department. The executive director recommends that the commission grant final approval of the SIB application for financial assistance.

In accordance with 43 Texas Administrative Code (TAC) §6.32(c)(2), the commission finds that: (1) the project is consistent with the Statewide Long-Range Transportation Plan and the metropolitan transportation plan developed by the applicable metropolitan planning organization; (2) the project is not in a Clean Air Act non-attainment area; (3) the project will improve the efficiency of the state's transportation systems; (4) the project will expand the availability of funding for transportation projects or reduce direct state costs; and (5) the application shows that the project and the applicant are likely to have sufficient revenues to assure repayment of the financial assistance.

In accordance with 43 TAC §6.32(e), the commission has determined that providing financial assistance for the Project will protect the public safety and prudently provide for the protection of public funds, while furthering the purposes of the SIB, and that the Project will provide for all reasonable and feasible measures to avoid, minimize, or mitigate for adverse environmental impacts.

IT IS THEREFORE ORDERED that the application for SIB financial assistance submitted by the City to borrow up to \$125,000 from the State Infrastructure Bank is granted final approval. The executive director or his designee is directed and authorized to enter into the financial assistance agreement as negotiated with the City. The loan will be repaid over a period of no more than 5 years at no more than 1.95 percent interest per annum.

ITEM 16. Appointments

a. Grand Parkway Transportation Corporation

Appoint director to the Grand Parkway Transportation Corporation (MO)

Commissioner Moseley made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 - 0. This item was presented by Chief Financial Officer James Bass.

114041
DMO

By Minute Order 113046 adopted on March 29, 2012, the Texas Transportation Commission (commission) authorized the creation of the Grand Parkway Transportation Corporation (corporation) under the authority of Transportation Code, Chapter 431, Subchapters A through C and as further authorized by Title 43, Texas Administrative Code, Section 15.95. The corporation was created to facilitate the developing, financing, refinancing, designing, constructing, reconstructing, expanding, operating, and maintaining of various segments of State Highway 99 (Grand Parkway) and act on behalf of the commission to promote and develop various segments of the Grand Parkway.

The powers of the corporation are exercised through its board of directors consisting of three persons appointed by the commission. Under the articles of incorporation of the corporation, as approved by the commission, the directors of the corporation must be employees of the Texas Department of Transportation (department), and the commission duly appointed three initial members in Minute Order 113046 to serve an initial term expiring on August 31, 2015.

There is now a vacancy on the corporation's board of directors due to one director, Dee Porter, no longer being an employee of the department, effective as of August, 2014.

IT IS THEREFORE ORDERED that Rich McMonagle, an employee of the department, is hereby appointed to the board of directors of the corporation to serve Ms. Porter's remaining term expiring on August 31, 2015.

b. Private Activity Bond Surface Transportation Corporation

Appoint director to the Texas Private Activity Bond Surface Transportation Corporation (MO)

Commissioner Underwood made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 - 0. This item was presented by Chief Financial Officer James Bass.

114042
DMO

By Minute Order 111551 adopted on October 30, 2008, the Texas Transportation Commission (commission) authorized the creation of the Texas Private Activity Bond Surface Transportation Corporation (corporation) under the authority of Transportation Code, Chapter 431, Subchapters A through C and as further authorized by Title 43, Texas Administrative Code, Section 15.94. The corporation was created to assist and act on behalf of the commission to promote and develop new and expanded public transportation facilities and systems including the issuance of private activity bonds for comprehensive development agreement proposers approved by the commission.

The powers of the corporation are exercised through its board of directors consisting of three persons appointed by the commission. Under the articles of incorporation of the corporation, as approved by the commission, the directors of the corporation must be employees of the Texas Department of Transportation (department), and the commission duly appointed three initial members in Minute Order 111551 dated October 30, 2008. In Minute Order 112797 dated August 25, 2011, the commission appointed directors to a six year term. There is now a vacancy on the corporation's board of directors due to one director, Dee Porter, having resigned as an employee of the department, as of August, 2014.

IT IS THEREFORE ORDERED that Rich McMonagle, an employee of the department, is appointed to the board of directors of the corporation to serve Ms. Porter's remaining term expiring on August 31, 2017.

ITEM 17. Contracts

Award or reject contracts for maintenance, highway and building construction
(a) Highway Maintenance and Department Building Construction (MO)

Commissioner Moseley made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 - 0. This item was presented by Deputy Executive Director John Barton.

114043
MNT

Pursuant to Transportation Code, Chapter 223, Subchapter A, and Title 43, Texas Administrative Code, Chapter 9, Subchapter B, the Texas Department of Transportation (department) solicited and received sealed competitive bid proposals for maintenance of the State Highway System, which were publicly opened and read on August 5 and 6, 2014, as shown on Exhibit A.

Pursuant to cited code provisions highway maintenance contract bids on a project may be accepted or rejected, but if accepted must be awarded to the lowest bidder.

An award is conditional in the event it is subject to Federal Highway Administration concurrence, third party funding or concurrence, and other conditions listed in the contract or an Exhibit to this order.

The department recommends that the Texas Transportation Commission (commission) respectively award to the lowest bidder or reject, as indicated, those highway maintenance and department building construction contracts, with an engineer's estimated cost of \$300,000 or more, identified on attached Exhibit A to this order.

IT IS THEREFORE ORDERED by the commission that the contracts described in Exhibit A be and are hereby respectively awarded to the lowest bidder or rejected as indicated therein.

If a contractual requirement of award is not satisfied within the prescribed time limit, including any extension of time allowed by the executive director or the director's designee, by reason of the action or inaction of the successful low bidder on any contract, including, but not limited to, disadvantaged business/historically underutilized business participation, the contract is automatically in default and the executive director is authorized and directed to retain and deposit the related contract proposal guaranty to the credit of the State Highway Fund and to readvertise that project for competitive bids at the earliest practical subsequent date.

If a condition of award is not satisfied, including, but not limited to, reason of nonconcurrence of the Federal Highway Administration, the failure of a third party to fund or concur, or failure to meet other conditions in the contract or an Exhibit to this order, the respective award is voided and the department will return the bid guaranty.

Note: Exhibit A is on file with the assistant chief clerk.

(b) Highway and Transportation Enhancement Building Construction (MO)

Commissioner Underwood made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 - 0. This item was presented by Deputy Executive Director John Barton.

114044
CST

Pursuant to Transportation Code, Chapter 223, Subchapter A, and Title 43, Texas Administrative Code, Chapter 9, Subchapter B, the Texas Department of Transportation (department) solicited and received sealed competitive bid proposals for improvement of the State Highway System, which were publicly opened and read on August 5 and 6, 2014, as shown on Exhibit A.

Pursuant to cited code provisions highway improvement contract bids on a project may be accepted or rejected, but if accepted must be awarded to the lowest bidder.

An award is conditional in the event it is subject to Federal Highway Administration concurrence, third party funding or concurrence, and other conditions listed in the contract or an Exhibit to this order.

The department recommends that the Texas Transportation Commission (commission) respectively award to the lowest bidder or reject, as indicated, those

highway and transportation enhancement building construction contracts identified on attached Exhibit A to this order.

IT IS THEREFORE ORDERED by the commission that the contracts described in Exhibit A, be and are hereby respectively awarded to the lowest bidder or rejected as indicated therein.

If a contractual requirement of award is not satisfied within the prescribed time limit, including any extension of time allowed by the executive director or the director's designee, by reason of the action or inaction of the successful low bidder on any contract, including, but not limited to, disadvantaged business/historically underutilized business participation, the contract is automatically in default and the executive director is authorized and directed to retain and deposit the related contract proposal guaranty to the credit of the State Highway Fund and to readvertise that project for competitive bids at the earliest practical subsequent date.

If a condition of award is not satisfied, including, but not limited to, reason of nonconcurrence of the Federal Highway Administration, the failure of a third party to fund or concur, or failure to meet other conditions in the contract or an Exhibit to this order, the respective award is voided and the department will return the bid guaranty.

Note: Exhibit A is on file with the assistant chief clerk.

ITEM 18. Eminent Domain Proceedings

Various Counties - Authorize the filing of condemnation proceedings to acquire real property by eminent domain for non-controlled and controlled access highways (see attached list) (MO)

Commissioner Vandergriff made a motion that the Texas Transportation Commission authorize the Texas Department of Transportation to use the power of eminent domain to acquire the properties described in the minute order set forth in the agenda for the current month for construction, reconstruction, maintenance, widening, straightening, or extending the highway facilities listed in the minute order as a part of the state highway system, and that the first record vote applies to all units of property to be condemned. The motion was seconded and the following minute order was approved by Chairman Houghton, Commissioner Underwood, Commissioner Moseley, Commissioner Austin, and Commissioner Vandergriff (a vote of 5 - 0). This item was presented by Deputy Executive Director John Barton.

114045
ROW

To facilitate the safety and movement of traffic and to preserve the financial investment of the public in its highways, the Texas Transportation Commission finds that public necessity requires the laying out, opening, constructing, reconstructing, maintaining, widening, straightening, extending, and operating of the highway facilities listed below as a part of the State Highway System (highway system).

As provided for by Transportation Code, Chapter 203, Subchapter D, including Sections 203.051, 203.052, and 203.054, the commission finds and determines that each of the parcels of land listed below, and more particularly described in the attached Exhibits (parcels), are necessary or convenient as a part of the highway system to be constructed, reconstructed, maintained, widened, straightened, or extended (constructed

or improved) and it is necessary to acquire fee simple title in the parcels or such lesser property interests as set forth in the attached Exhibits.

The commission finds and determines that the highway facilities to be constructed or improved on the parcels identified and listed below under "CONTROLLED ACCESS" are designated as a Controlled-Access Highway in accordance with Transportation Code, Section 203.031; and where there is adjoining real property remaining after acquisition of a parcel, the roads are to be constructed or improved as a part of the highway facility with the right of ingress and egress to or from the remaining real property adjoining the highway facility to be permitted or denied, as designated and set forth on each of the attached Exhibits A - H. Where there is adjoining real property remaining after acquisition of a parcel with respect to the highway facilities to be constructed or improved on the parcels identified as listed below under "NON-CONTROLLED ACCESS," roads are to be constructed or improved as a part of the highway facility with the right of ingress and egress to or from the remaining real property adjoining the highway facility to be permitted or denied, as designated and set forth on each of the attached Exhibits 1 - 23, in accordance with Transportation Code, Sections 203.002 and 203.003.

The commission finds and determines that condemnation of the parcels is required.

IT IS THEREFORE ORDERED that the initiation of condemnation proceedings for the parcels is adopted and authorized by a single order for the parcels, and this first vote by the commission applies to all of the parcels.

IT IS FURTHER ORDERED that the executive director is hereby authorized to proceed to condemnation on the parcels and directed to transmit or cause to be transmitted this request of the commission to the Office of the Attorney General to file or cause to be filed against all owners, lienholders, and any owners of any other interests in the parcels, proceedings in condemnation to acquire in the name of and on behalf of the state, fee simple title to each parcel or such lesser estates or property interests as are more fully described in each of the attached Exhibits, save and excepting oil, gas, and sulfur, as provided by law, as follows:

NON-CONTROLLED ACCESS

<u>COUNTY</u>	<u>HIGHWAY</u>	<u>EXHIBIT</u>	<u>ROW CSJ NO.</u>	<u>PARCEL</u>
Cherokee	US 69	22	0199-03-039	3
Comal	FM 306	15	1728-02-055	9
Dallas	US 75	16	0047-07-222	8
Dallas	US 75	17	0047-07-222	2
Dallas	US 75	18	0047-07-222	19
Dallas	US 75	19	0047-07-222	3
Dallas	US 75	20	0047-07-222	4
Dallas	US 75	21	0047-07-222	16
Dallas	US 75	23	0047-07-222	13

NON-CONTROLLED ACCESS (continued)

<u>COUNTY</u>	<u>HIGHWAY</u>	<u>EXHIBIT</u>	<u>ROW CSJ NO.</u>	<u>PARCEL</u>
Denton	FM 156	11	0718-01-065	21
Denton	FM 156	6	0718-01-065	52
Denton	FM 156	5	0718-01-065	45
Denton	FM 156	3	0718-01-065	20
Denton	FM 156	4	0718-01-065	37
Denton	FM 156	12	0718-01-065	39
Denton	FM 156	8	0718-01-065	16
Denton	FM 156	9	0718-01-065	51
Denton	FM 156	10	0718-01-065	1
Grimes	SH 30	14	0212-04-034	14
Grimes	SH 30	13	0212-04-034	15
McLennan	FM 1637	1	0833-03-041	98, 98E
McLennan	FM 1637	7	0833-03-041	81
Montgomery	FM 1488	2	0523-10-037	13

CONTROLLED ACCESS

<u>COUNTY</u>	<u>HIGHWAY</u>	<u>EXHIBIT</u>	<u>ROW CSJ NO.</u>	<u>PARCEL</u>
Dallas	IH 35E	G	0196-03-248	62A
Denton	IH 35E	F	0196-01-097	89AC
Denton	IH 35E	E	0196-01-097	91AC
Denton	IH 35E	B	0196-01-100	26
Denton	IH 35E	H	0196-01-100	58
Denton	IH 35E	C	0196-01-100	53
Harris	SH 99	A	3510-06-005	136
Tarrant	IH 35W	D	0014-16-266	949

Note: Exhibits A - H and 1 - 23 are on file with the assistant chief clerk.

ITEM 19. Routine Minute Orders

Commissioner Underwood made a motion, which was seconded, and the commission approved the following minute orders by a vote of 5 - 0. This item was presented by Executive Director General Joe Weber.

a. Donations to the Department

Various Districts - Consider the acceptance of donations made to the department to include: (a) donations in any form, including realty, personalty, money, materials, or services, which are made to the department for the purpose of carrying out its functions and duties; and (b) donations from landowners, with land adjacent to a highway that is part of the state highway system, to construct an improvement on the highway right-of-way that is directly related to improving access to or from the owner's land (See attached itemized list) (MO)

114046
CSO

Transportation Code, §201.206, authorizes the Texas Department of Transportation (department) to accept a donation in any form, including realty, personalty, money, materials, and services, for the purpose of carrying out its functions and duties. Government Code, Chapter 575, requires the governing board of a state agency to acknowledge the acceptance of a donation valued at \$500 or more by majority vote at an open meeting, not later than the 90th day after the date the donation is accepted. It also prohibits a state agency from accepting a donation from a person who is a party to a contested case before the agency until the 30th day after the date the decision in the case becomes final.

Transportation Code, §223.049 authorizes the department to contract with an owner of land adjacent to a highway that is part of the state highway system to construct an improvement on the highway right of way that is directly related to improving access to or from the owner's land.

The Texas Transportation Commission (commission) has adopted 43 TAC §§1.500-1.506, which relate to the department's acceptance of donations. Section 1.503 authorizes the executive director to approve acceptance of donations to the department and requires that donations valued at \$500 or more must be acknowledged by order of the commission not later than the 90th day after the date the donation is accepted by the department. It further prohibits acceptance of a gift or donation when the donor is subject to department regulation or oversight or when the donor is interested in or likely to become interested in any contract, purchase, payment, or claim with or against the department, except as provided by that section. It also provides that the executive director may approve the acceptance of a donation, notwithstanding the foregoing proscriptions in the rules, if the executive director determines that acceptance would provide a significant public benefit and would not influence or reasonably appear to influence the department in the performance of its duties.

The executive director found that the donations identified on the attached Exhibit A were in compliance with the provisions of 43 TAC §§1.500-1.506, Government Code, Chapter 575, Transportation Code, §201.206, and Transportation Code, §223.049.

IT IS THEREFORE ORDERED by the commission that it acknowledges the acceptance of the donations identified on the attached Exhibit A.

Note: Exhibit A is on file with the assistant chief clerk.

b. Right of Way Dispositions and Donations

(1) Anderson County - SL 256, southeast corner at Old Elkhart Road in Palestine - Consider the sale of right of way to the city of Palestine (MO)

114047
ROW

In the city of Palestine, ANDERSON COUNTY, on STATE LOOP 256, the state of Texas acquired certain land for highway purposes by instrument recorded in Volume 659, Page 462, Deed Records of Anderson County, Texas. A portion of the land (Tract 2), described in Exhibit A, is no longer needed for a state highway purpose.

In accordance with Transportation Code, Chapter 202, Subchapter B, the Texas Transportation Commission (commission) may recommend the sale of any interest in

real property no longer needed for a state highway purpose to a governmental entity with the authority to condemn the property.

The city of Palestine has requested to purchase Tract 2 for \$108,000.

The commission finds \$108,000 to be a fair and reasonable value of the state's right, title, and interest in Tract 2.

IT IS THEREFORE ORDERED by the commission that Tract 2 is no longer needed for a state highway purpose, and the commission recommends, subject to approval by the attorney general, that the governor of Texas execute a proper instrument conveying the state's right, title, and interest in Tract 2 to the city of Palestine, Texas, for \$108,000; SAVE AND EXCEPT, however, there is excepted and reserved herefrom all of the state's rights, titles, and interests, if any, in and to all of the oil, gas, sulphur, and other minerals, of every kind and character, in, on, under, and that may be produced from Tract 2.

Note: Exhibit A is on file with the assistant chief clerk.

(2) Bexar County - I-37, west side in downtown San Antonio - Consider the quitclaim of no-title land and sale of state-owned land to the city (MO)

114048
ROW

In the city of San Antonio, BEXAR COUNTY, on I-37, the state of Texas used certain land for highway purposes to which there is no record title (no-title land), and the state acquired certain land for highway purposes (state-owned land) by various instruments recorded in the Deed Records of Bexar County, Texas.

Portions of the no-title land, described in Exhibit A, and the state-owned land, described in Exhibit B, are no longer needed for state highway purposes.

In accordance with V.T.C.A., Transportation Code, Chapter 202, Subchapter B, the Texas Transportation Commission (commission) may recommend, if there is no record title to the property, the quitclaim of any interest that might have accrued to the state by use of the property to the county or municipality where the property is located. The commission also may recommend the sale of any interest in real property acquired and no longer needed for a state highway purpose to a governmental entity with the authority to condemn the property.

The city of San Antonio has requested that the no-title land be quitclaimed to the city and that the state-owned land be sold to the city for \$4 million. The commission finds \$4 million to be a fair and reasonable value of the state's right, title, and interest in the state-owned land.

IT IS THEREFORE ORDERED by the commission that the no-title and state-owned land are no longer needed for a state highway purpose. The commission recommends, subject to approval by the attorney general, that the governor of Texas execute a proper instrument quitclaiming the no-title land to the city and conveying the state's right, title, and interest in the state-owned land to the city of San Antonio, Texas, for \$4 million; SAVE AND EXCEPT, however, there is excepted and reserved herefrom all of the state's rights, titles, and interests, if any, in and to all of the oil, gas, sulphur, and other minerals, of every kind and character, in, on, under, and that may be produced from the state-owned land.

Note: Exhibits A and B are on file with the assistant chief clerk.

(3) Dallas County - SS 366, northwest corner at Riverfront Boulevard in Dallas - Consider the sale of right of way to the abutting landowner (MO)

114049
ROW

In the city of Dallas, DALLAS COUNTY, on STATE SPUR 366, the state of Texas acquired certain land for highway purposes by instrument recorded in Instrument No. 2005091, Page 8, Official Public Records, Dallas County, Texas.

A portion of the land (Tract 1), shown on Exhibit A, is no longer needed for state highway purposes.

In accordance with V.T.C.A., Transportation Code, Chapter 202, Subchapter B, the Texas Transportation Commission (commission) may recommend the sale of any interest in real property no longer needed for a state highway purpose to abutting landowners.

505 Riverfront, Ltd., is the abutting landowner and has requested that Tract 1 be sold to the partnership for \$6.8 million.

The commission finds \$6.8 million to be a fair and reasonable value of the state's right, title, and interest in Tract 1.

IT IS THEREFORE ORDERED by the commission that Tract 1 is no longer needed for a state highway purpose. The commission recommends, subject to approval by the attorney general, that the governor of Texas execute a proper instrument conveying all of the state's right, title, and interest in Tract 1 to 505 Riverfront, Ltd., for \$6.8 million; SAVE AND EXCEPT, however, there is excepted and reserved herefrom all of the state's rights, titles, and interests, if any, in and to all of the oil, gas, sulphur, and other minerals, of every kind and character, in, on, under, and that may be produced from Tract 1.

Note: Exhibit A is on file with the assistant chief clerk.

(4) Rains County - FM 3299 at US 69 in Emory - Consider an exchange of right of way and acceptance of a donation (MO)

114050
ROW

In the city of Emory, RAINS COUNTY, on FARM TO MARKET ROAD 3299, the state of Texas acquired an easement interest in certain land needed for highway right of way purposes by instrument recorded in Volume 186, Page 783, Deed Records of Rains County, Texas.

A portion of the land (Tract 1), described in Exhibit A, is no longer needed for a state highway purpose.

In accordance with V.T.C.A., Transportation Code, Chapter 202, Subchapter B, the Texas Transportation Commission (commission) may recommend the exchange of an interest in real property acquired but not needed for a highway purpose as whole or partial consideration for another interest in real property needed for a state highway purpose.

Rains Independent School District (Rains ISD) has conveyed to the state certain land (Parcel 6), described in Exhibit B, needed for a state highway purpose.

V.T.C.A., Transportation Code, Chapter 201, Subchapter D, authorizes the Texas Department of Transportation (department) to accept donations of real property for the purpose of carrying out its functions and duties.

V.T.C.A., Government Code, Chapter 575, requires the commission to acknowledge the acceptance of a gift or donation valued at over \$500 by majority vote at an open meeting not later than the 90th day after the date the donation is accepted.

An Agreement Concerning the Donation of Property to the Texas Department of Transportation (donation agreement) has been executed by Rains ISD and tendered to the department for acceptance under the provisions of Title 43, Texas Administrative Code, Chapter 1, Subchapter M, since the value of Parcel 6, which is \$17,190, exceeds the value of Tract 1, which is \$10,733, resulting in a difference in value of \$6,457.

Rains ISD has executed and delivered a document under the terms of the donation agreement conveying Parcel 6 to the state and has requested that the state's right and interest in Tract 1 be released to Rains ISD.

It is the opinion of the commission that it is proper and correct that the state release its right and interest in Tract 1 to Rains ISD in exchange and as consideration for the conveyance of Parcel 6 and the partial donation to the state.

IT IS THEREFORE ORDERED by the commission that it acknowledges the acceptance of the donation of \$6,457 in accordance with Title 43, Texas Administrative Code, Chapter 1, Subchapter M.

FURTHER, in consideration of the foregoing premises and in accordance with V.T.C.A., Transportation Code, Chapter 202, Subchapter B, the commission finds that Tract 1 is no longer needed for a state highway purpose and recommends, subject to approval by the attorney general, that the governor of Texas execute a proper instrument releasing the state's right and interest in Tract 1 to Rains Independent School District in exchange and as consideration for the conveyance of Parcel 6 and partial donation to the state.

Note: Exhibits A and B are on file with the assistant chief clerk.

c. Finance

(1) Adopt the 2015 Operating Budget (MO)

114051
FIN

The General Appropriations Act of the 83rd Legislature, Regular Session, has appropriated funds for the operations of the Texas Department of Transportation (department) for Fiscal Year 2015.

The funds appropriated are necessary to effectively operate the activities of the department in accordance with the guidelines set forth in the General Appropriations Act.

IT IS THEREFORE ORDERED by the Texas Transportation Commission that a cash operating budget of \$10,115,639,213 be authorized for the operations of the department for Fiscal Year 2015; and the executive director is hereby ordered to administer this cash operating budget in the most feasible and economical manner within the guidelines prescribed by the 83rd Legislature, Regular Session.

IT IS FURTHER ORDERED that the executive director is hereby authorized to make necessary adjustments to spending levels in accordance with the General

Appropriations Act or other legislation as may be necessary in the operations of the department.

(2) Travis and Williamson Counties - Approval of the Central Texas Turnpike System (CTTS) annual operating, maintenance and capital budgets (MO)

114052
TOD

Transportation Code, Chapter 228 and other applicable law authorizes the Texas Transportation Commission (commission) to issue turnpike revenue bonds, bond anticipation notes, and other obligations to finance turnpike projects on the state highway system, and to enter into trust agreements and indentures of trust governing matters relating to the issuance of such obligations.

In TRAVIS AND WILLIAMSON COUNTIES, pursuant to Minute Order 108873, dated April 25, 2002, STATE HIGHWAY 130 has been designated as a toll project and a controlled access state highway from I-35 North of Georgetown to the intersection US 183 and SH 130 at SH 45 Southeast.

In TRAVIS AND WILLIAMSON COUNTIES, pursuant to Minute Order 108896, dated May 30, 2002, STATE HIGHWAY 45 NORTH has been designated as a toll project and a controlled access state highway from west of US 183 to SH 130 / SH45 North Interchange.

In TRAVIS AND WILLIAMSON COUNTIES, pursuant to Minute Order 108896, dated May 30, 2002, LOOP 1 has been designated as a toll project and a controlled access state highway from the intersection of existing Loop 1 and FM 734 (Parmer Lane) in Austin to the Loop 1 / SH 45 North Interchange.

In TRAVIS COUNTY, pursuant to Minute Order 113243, dated August 30, 2012, STATE HIGHWAY 45 SOUTHEAST has been designated as a turnpike project and a controlled access state highway from I-35 at FM 1327 south of Austin to the SH 130 / US 183 interchange.

In 2002 the commission issued \$2,199,993,782 in obligations to finance a portion of the costs of the Central Texas Turnpike System (system), a toll project composed initially of the SH 130, SH 45, and Loop 1 project elements (2002 Project), pursuant to an Indenture of Trust, dated July 15, 2002 (indenture), and four supplemental indentures. The indenture prescribes the terms, provisions and covenants related to the issuance of toll revenue bonds and obligations to finance a portion of the costs of the 2002 Project. In 2009 the commission issued \$149,275,000 in refunding bonds, pursuant to the indenture and a fifth supplemental indenture.

Pursuant to Section 702 of the indenture, the commission has covenanted that on or before August 31 in each fiscal year, it will adopt an annual operating, maintenance and capital budget for the system for the ensuing fiscal year and provide copies of such budgets to the Trustee and the U.S. Department of Transportation.

The Texas Department of Transportation has completed these budgets to include SH 45 North, Loop 1, SH 130 and SH 45 Southeast with no cash collections, and they are attached as Exhibit A. In accordance with Section 702 of the indenture, the budgets were provided to the general engineering consultant for review and comment prior to adoption by the commission.

IT IS THEREFORE ORDERED by the commission that the annual operating, maintenance and capital budgets for the system are adopted for FY 2015.

IT IS FURTHER ORDERED that the executive director is hereby authorized to make necessary adjustments to spending levels in accordance with the indenture as may be necessary in the operations of the system.

Note: Exhibit A is on file with the assistant chief clerk.

d. Advisory Committee Re-appointment

Appoint members to the Border Trade Advisory Committee (MO)

114053
TPP

Transportation Code, Section 201.114(b), requires the Texas Transportation Commission (commission) to appoint members to the Border Trade Advisory Committee (committee) to assist the commission in defining and developing a strategy and making recommendations for addressing the highest priority border trade transportation challenges.

The Texas Department of Transportation's administrative rules governing advisory committees, Title 43, Texas Administrative Code, Section 1.84, provide that the committee members serve staggered three-year terms.

The commission has determined that the individuals or positions listed below fulfill the statutory requirements to serve as members of the committee and shall serve the terms specified:

Terms expiring August 31, 2017

Raul Salinas, Mayor, City of Laredo, or designee
Pilar Garza, Commissioner, City of Alamo, or designee
Chris Boswell, Mayor, City of Harlingen, or designee
Tony Martinez, Mayor, City of Brownsville, or designee
Roberto Fernandez, Mayor, Del Rio, or designee
Eduardo Campirano, Port Director/CEO, Port of Brownsville, or designee

IT IS THEREFORE ORDERED by the commission that the individuals or positions named above are appointed to the Border Trade Advisory Committee for the terms specified.

e. Debt Management

(1) Annual review and approval of the investment policy and investment strategies applicable to all funds of the commission not otherwise required to be invested by the comptroller (MO)

114054
DMO

Government Code, Chapter 2256 (Public Funds Investment Act) authorizes the Texas Transportation Commission (commission) to purchase, sell, and invest its funds and funds under its control in accordance with investment policies approved by the commission.

Government Code, §2256.005 requires the commission to adopt a written investment policy regarding the investment of its funds and funds under its control, including a separate written investment strategy for each of the funds or group of funds.

In Minute Order 108970, dated July 25, 2002, the commission approved and adopted a written investment policy applicable to funds of the commission relating to the Central Texas Turnpike System held by Bank One, N.A., (in such capacity with its successors, currently Bank of New York Mellon), as Trustee under the Indenture of Trust dated July 15, 2002, between the commission and the trustee.

Government Code, §2256.005(e) and Section 17.0 of the investment policy require the commission to review the investment policy and investment strategy on an annual basis, and to approve by order any modifications to the investment policy and investment strategy. The investment policy and investment strategies of the commission have been reviewed and revised annually by minute order since 2003, to update the investment policy and strategies and to make them applicable to all funds under the control of the commission and not otherwise required to be invested by the Comptroller of Public Accounts (comptroller) including the Texas Mobility Fund and Central Texas Turnpike System.

The investment policy and investment strategies are attached as Exhibit A.

IT IS THEREFORE ORDERED by the commission that the investment policy and investment strategies applicable to all funds of the commission not otherwise required to be invested by the comptroller, attached as Exhibit A, have been reviewed and are hereby approved in accordance with Government Code, Section §2256.005(e) and Section 17.0 of the investment policy.

Note: Exhibit A is on file with the assistant chief clerk.

(2) Annual review of debt management policy and derivative management policy for financing programs of the department (MO)

114055
DMO

Pursuant to various provisions of Texas law, the Texas Transportation Commission (commission) is authorized to issue and incur obligations for transportation and other projects.

To ensure that all financings undertaken by the commission and/or the Texas Department of Transportation (department) are effected in accordance with the highest standards of industry, law and government practice and to confirm the intent of the commission and the department to adhere to sound financial management practices, the commission initially reviewed and adopted a Debt Management Policy through Minute Order 110656 on August 24, 2006. The policy requires an annual review and, if necessary, amendment. The amended policy is attached hereto as Exhibit A for consideration.

The Debt Management Policy establishes parameters within which to administer the commission's financing programs, and such parameters focus on acceptable levels of risk, minimizing interest costs, optimizing future flexibility, and achieving and maintaining the best possible credit ratings.

Pursuant to Chapter 1371, Texas Government Code, and other applicable Texas law, the commission is authorized to execute credit agreements including interest rate swap and other similar agreements.

To establish responsibilities, objectives and guidelines for the use of interest rate swap and other similar products in order to efficiently and prudently manage the commission's asset/liability profile for each financing program the commission initially reviewed and adopted a Derivative Management Policy, also pursuant to Minute Order 110656 on August 24, 2006. The policy also requires annual review and, if necessary, amendment. The amended policy is attached hereto as Exhibit B for consideration.

IT IS THEREFORE ORDERED by the commission that the Debt Management Policy and Derivative Management Policy have been reviewed and are hereby approved.

Note: Exhibits A and B are on file with the assistant chief clerk.

f. Designation of Access Control

Harris County - I-10, approximately 750 feet east of Westgreen Boulevard - Consider the designation of a location on the highway at which access will be permitted to the abutting property.

114056
DES

In HARRIS COUNTY, on INTERSTATE HIGHWAY 10, a designated controlled-access highway, the State of Texas acquired certain land for highway purposes, by instrument recorded in Harris County Clerk's File No. P019476, and controls certain access rights to the abutting remainder properties as described in the instrument.

SRE Texas 12 LLC, the current owner of the abutting property, has requested that access to and from the westbound frontage road of I-10 be permitted along their south property line at a new access point described in Exhibit A.

Transportation Code, §201.103, empowers the Texas Transportation Commission (commission) to plan and make policies for the location, construction, and maintenance of a comprehensive system of state highways and public roads.

Transportation Code, §203.002, authorizes the commission to lay out, construct, maintain and operate a modern state highway system with an emphasis on the construction of controlled-access highways.

Transportation Code, §203.031, authorizes the commission to designate locations on a controlled-access highway at which access to or from the highway is permitted and determine the type and extent of access permitted at each location.

NOW, THEREFORE, the commission finds that the new access point will not compromise the mobility, safety or operation of the existing state highway facility, and designates the new access point as a location where ingress and egress are permitted to and from the westbound frontage road of I-10.

IT IS FURTHER ORDERED by the commission that the executive director or his designee is hereby authorized to execute any necessary documents containing terms consistent with the provisions of this order.

Note: Exhibit A is on file with the assistant chief clerk.

g. Transportation Planning**Hidalgo County - Approve the transfer of Border Colonias Access Program funds from previously selected colonia projects to other eligible colonia projects (MO)**114057
LGP

Government Code, §1403.002, requires the Texas Public Finance Authority (TPFA), as authorized by the Office of the Governor, to issue general obligation bonds and notes in an aggregate amount not to exceed \$175 million. The TPFA shall, as directed by the Texas Department of Transportation, distribute the proceeds to counties to provide financial assistance for colonia access roadway projects to serve border colonias. Government Code, §1403.002, further requires the Texas Transportation Commission (commission) to establish a program to administer the use of the proceeds of the bonds and notes.

The commission approved projects for funding under the third call of the Border Colonias Access Program by Minute Order 111442, dated July 31, 2008. In Minute Order 111637, dated December 18, 2008, and Minute Order 113855, dated February 27, 2014, the commission approved adjustments to the list of projects located in Hidalgo County (county).

Title 43, Texas Administrative Code, §15.105(10) provides that a county may use unexpended funds from a project on any other commission-selected county colonia project. Due to the cancellation of some previously-approved projects, the county has requested approval to transfer a portion of the funds awarded to the county by previous minute orders to other eligible colonia projects, as shown in Exhibit A.

IT IS THEREFORE ORDERED by the commission that the county's request to transfer a portion of the funds awarded to the county by previous minute orders to other eligible colonias projects, as shown in Exhibit A, is approved.

Note: Exhibit A is on file with the assistant chief clerk.

h. Speed Zones**Various Counties - Establish or alter regulatory and construction speed zones on various sections of highways in the state (MO)**114058
TRF

Transportation Code, §545.352 establishes prima facie reasonable and prudent speed limits for various categories of public roads, streets and highways.

Transportation Code, §545.353 empowers the Texas Transportation Commission (commission) to alter those prima facie limits on any part of the state highway system as determined from the results of an engineering and traffic investigation conducted according to the procedures adopted by the commission.

The Texas Department of Transportation (department) has conducted the prescribed engineering and traffic investigations to determine reasonable and safe prima facie maximum speed limits for those segments of the state highway system shown in Exhibits A and B.

Exhibit A lists construction speed zones in effect when signs are displayed within construction projects. The completion and/or acceptance of each project shall cancel the provision of this minute order applying to said project and any remaining construction speed zone signs shall be removed.

Exhibit B lists speed zones for sections of highways where engineering and traffic investigations justify the need to alter the speeds.

It has also been determined that the speed limits on various segments of the state highway system, previously established by the commission by minute order and listed in Exhibit C, are no longer necessary or have been incorporated by the city which has the authority to set the speed limits on these sections of the highway.

IT IS THEREFORE ORDERED by the commission that the reasonable and safe prima facie maximum speed limits determined in accordance with the department's "Procedures for Establishing Speed Zones" and shown on the attached Exhibits A and B are declared as tabulated in those Exhibits. The executive director is directed to implement this order for control and enforcement purposes by the erection of appropriate signs showing the prima facie maximum speed limits.

IT IS FURTHER ORDERED that a provision of any prior order by the commission which is in conflict with a provision of this order is superseded to the extent of that conflict, and that the portion of the minute order establishing the speed zones shown on the attached Exhibit C are canceled.

Note: Exhibits A - C are on file with the assistant chief clerk.

ITEM 8. Legislative Appropriations Request

Adopt the Texas Department of Transportation's Fiscal Year 2016-2017 Legislative Appropriations Request (MO) (Presentation)

Commissioner Moseley made a motion, which was seconded, and the commission approved the following minute order by a vote of 4 - 1. This item was presented by Chief Financial Officer James Bass.

114059
FIN

The Government Code provides the statutory basis for each agency to submit a biennial request for legislative appropriations. The funds shown in Exhibit A are necessary to effectively accomplish the mission, goals, objectives, and strategies of the Texas Department of Transportation's (department) strategic planning and budget structure previously approved by the Governor's Office of Budget, Planning and Policy, and the Legislative Budget Board. The Texas Transportation Commission supports the mission, goals, objectives, strategies and funding requirements contained in Exhibit A.

IT IS THEREFORE ORDERED that the executive director is authorized to submit a Legislative Appropriations Request to the Legislative Budget Board and the Governor's Office of Budget, Planning and Policy in accordance with all prescribed guidelines in the amounts outlined in Exhibit A for Fiscal Year 2016 and Fiscal Year 2017.

IT IS FURTHER ORDERED that the executive director is hereby authorized to make adjustments to the requested levels as may be necessary in the operations of the department.

Note: Exhibit A is on file with the assistant chief clerk.

ITEM 20. Executive Session Pursuant to Government Code, Chapter 551

- a. **Section 551.071** - Consultation with and advice from legal counsel regarding any item on this agenda
- b. **Section 551.071** - Consultation with and advice from legal counsel regarding pending or contemplated litigation
- c. **Section 551.074** - Deliberate on the employment, evaluation, reassignment, and duties of individual staff reporting to the commission office

OPEN COMMENT PERIOD - At the conclusion of all other agenda items, the commission will allow an open comment period, not to exceed one hour, to receive public comment on any other matter that is under the jurisdiction of the department. No action will be taken. Each speaker will be allowed a maximum of three minutes. Speakers must be signed up prior to the beginning of the open comment period.

President of Texas Rail Advocates Peter LeCody, President of Northeast Texas Trail Coalition Earl Erickson, and Executive Director BikeTexas Robin Stallings addressed the commission.

The regular meeting of the Texas Transportation Commission was adjourned at 12:29 p.m.

APPROVED:



Ted Houghton, Chairman
Texas Transportation Commission

I hereby certify that the above and foregoing pages constitute the full, true, and correct record of all proceedings and official records of the Texas Transportation Commission at its regular meeting on August 28, 2014, in Dallas, Texas.



Robin Carter, Assistant Chief Clerk
Texas Department of Transportation