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TEXAS DEPARTMENT OF TRANSPORTATION
COMMISSION MEETING

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

Thursday
September 18, 2014
9:00 a.m.

COMMISSION MEMBERS:

Ted Houghton, Jr., Chair
Victor Vandergriff
Jeff Moseley
Jeffrey Austin, III
Fred Underwood

STAFF:

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

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P R O C E E D I N G S

1
2 MR. HOUGHTON: Good morning. It is 9:00 a.m. and
3 I call to order the September 18th, 2014, meeting of the
4 Texas Transportation Commission in Austin, Texas. Note for
5 the record that public notice of this meeting containing all
6 items on the agenda was filed with the Secretary of State at
7 4:47 p.m. on September 10th, 2014. As customary, at this
8 time please turn your cell communication devices, iPads,
9 mopeds, whatever pad you have into the off or silent
10 position, and if you wish to address the Commission, it's on
11 an agenda item, it's a yellow card, in the general session
12 at the end of the Commission meeting if you just like to
13 speak it's a blue card. And regardless we still need -- if
14 you'd like to speak we'll still need to have you sign a
15 card.

16 At this time I want to turn over the mic to
17 General Weber for our Safety briefing.

18 GENERAL WEBER: Thank you, Chairman. I'd like to
19 ask our Occupational Safety Specialist, Randy Clawson, to
20 come forward and provide our quick safety briefing. Randy?

21 MR. CLAWSON: Good morning General Weber and
22 Commissioners and guests. I want to appreciate a thank you
23 for your leadership, particularly arena of safety for our
24 employees and the traveling public of this great state.

25 I want us to begin for a moment before we begin

1 the meeting, talking about emergency procedures in case of
2 an incident with fire or inclement weather. If we were to
3 have a fire we would proceed orderly out of the building
4 back toward the lobby where you came in, and we would cross
5 over to the State Capital grounds and gather and -- and
6 gather there.

7 In case of inclement weather, again, we have had
8 some rainy weather this evening and this morning. In case
9 of inclement weather like high winds we would go down to the
10 basement area of this building and we would move toward the
11 core of the building, away from windows and doors and glass
12 and flying debris.

13 If someone were to have a heart related issue this
14 morning, and unfortunate situation, there is an AED located
15 on the first floor of this building.

16 In case of any other medical emergency we have
17 first aid kits, we have fire extinguishers.

18 Also, if someone needs to make a call for an
19 emergency today, you need to know the building that you're
20 in, so remember we're at 125 East 11th Street. You would
21 clearly need to indicate that on a cell phone if you were --
22 in case of an emergency.

23 I want to speak for just a moment on vehicle
24 safety. We need to make sure that we keep a four-second
25 lead-time between us and the bumper in front of us. That's

1 in good conditions. With the wet pavement that we had this
2 morning we would definitely need to have an additional
3 couple of seconds in addition to that four-second lead-time
4 so that we can -- we can be safe.

5 Again, make sure that you are fully engaged in the
6 process of driving when you're behind the wheel. Remember
7 our number one priority is driving, so I like to usually
8 remind people, hang up and drive.

9 I also in closing just want to say I hope that you
10 have a safe and productive day. This is Randy Clawson the
11 safety guy signing out. Thank you.

12 GENERAL WEBER: Thanks Randy and back to you
13 Chairman.

14 MR. HOUGHTON: All right. I have to -- I was
15 asked and I have to make an announcement about our
16 audio/visual will be limping along. This behind me will not
17 be working today. For the Commissioners we will not have
18 the advantage of the big screen in front of us. For the
19 audience, for the audio -- video presentations you will have
20 monitors on either side of the room, so if you're on this
21 side of the room you twerk your head that way to your -- to
22 my left, your right. And for those on this side of the
23 room, on the left side -- my left you have to go do an about
24 face and look at those monitors back there. Apparently the
25 lightning did a number on us this morning and we've got

1 some fried equipment in the -- behind us in the audio/visual
2 rooms. So please bear with us and we hope it won't cause
3 too much of an inconvenience.

4 Now, with that said we'll open up with our
5 customary welcome from our Commissioners, starting with
6 Commissioner Vandergriff.

7 MR. VANDERGRIFF: Just a couple of things. One, I
8 want to revisit the meeting from last month and talk about
9 what the great job that the staff did on that meeting.
10 There were multitudes, probably 40 or 50 that were engaged
11 in it. But I have to give a shout out to those that really
12 worked very hard, specifically on that meeting. And those
13 were Ray Joiner, Rose Walker, Tony Hartzel, Michelle
14 Releford, Michele Region, Donna Huerta, Lisa Walzl, I
15 apologize if I miss pronounced that one, Ryan Lafontaine,
16 and Michelle Peters -- excuse me, Michael Peters. And those
17 are the folks that really put in the trench time on this in
18 addition to all the rest that were involved. So thank you
19 for that. The city -- the city of Dallas, Dallas County and
20 the Regional Transportation Council mini staff from there as
21 well. I think the Commissioners would certainly agree with
22 me that it was a successful meeting. I know I will be
23 topped by the very next one out of town, which is in El
24 Paso. I'm looking forward to that. But I thought that was
25 important.

1 There were three things that happened at that
2 meeting that I wanted to make sure that we had an update on
3 since the -- they've taken action since. We had a
4 presentation on US 75 as it heads north into Collin County.
5 I won't belabor all the discussion we had there, but that
6 discussion, I think, was a catalyst for the RTC. And they
7 put -- they listened to the folks in Collin County and put
8 that one on hold pending the outcome of the legislative
9 session. And the representatives there have -- either in
10 the House and Senate have pledged a lot of support to help
11 TxDOT find additional money for projects. And we shall see
12 how all that goes, but I think it was important that the
13 communities there were listened to and given some extra time
14 to try to work out something different.

15 Interstate 635 on the eastside has made the short
16 list, if you will, of the Regional Transportation Council as
17 the projects to support through a CDA development, and
18 they've moved that up. And I think that also was impacted
19 by the discussion that we had.

20 And then Bill Hale, I noticed he's in the room,
21 there's a tremendous amount of trust in him and his
22 leadership. And all the multitude of projects that we saw
23 that are in the downtown corridor in Dallas are going to
24 start on a process, probably starting in October. If the
25 Department will take on -- if you just make sure and give

1 all the folks the facts about those projects that are
2 available to us.

3 And I can tell we're getting ready for the next
4 presentation, so I will move forward quickly. But that
5 those projects will be coming forward in a logical fashion
6 about when we can do them, how we can them. And the
7 community will get a chance to pick. And so the local
8 leadership will have an opportunity to weigh in. So really
9 feel good about that.

10 The second thing I wanted to mention and the last
11 on my list was something I went to yesterday that was very
12 instructive. It was the opening of what is known as the
13 Center for Excellence in Aviation Transportation and
14 Logistics. It is the -- it was the front page headline in
15 the Star Telegram this morning. A full disclosure, it was
16 with the Tarrant County College. And my wife Christine is a
17 thirteen-year trustee there. I had to make sure I made that
18 assignment that the Department had given me to be a part of
19 the opening. It was next to the Alliance Airport and very
20 much championed by the Hillwood Development Company that was
21 there. They bought the campus there, or the College bought
22 the old Bell Helicopter headquarters. They moved from there
23 and consolidated. And inside there -- they're training and
24 they've already started -- they started last spring and in
25 full earnest this fall, in training pilots, helicopter and

1 also commercial in doing anything from painting planes to
2 working on there, and then a whole logistics operation. And
3 they hope to do some transportation in the future to where
4 you get Associate Degrees. I can see a real correlation
5 between some of the things the Department's trying to do and
6 wanting to do with centers like that, to be able to help
7 training the workforce of the future. For us, as well, it
8 was exciting and appreciating to be a part of that.

9 But it also was instructive to note that the
10 Community College is a pay-as-you-go system. They actually
11 have a tax rate that's in excess of what they need. The
12 voters there approved that, they kept it, and have been
13 able, when an opportunity arises, to cease it. And that's
14 one of the challenges this Department always has. We
15 probably will never be pay-as-you-go again, but the
16 opportunity to have the resources to cease transportation
17 options when they become available is imperative. And
18 again, I hope we have the opportunity to continue to press
19 for that going forward in the legislative session.

20 And with that I'll pass the mic.

21 MR. MOSELEY: Chairman members, good morning.
22 What a delight to wake up to flashflood warnings in central
23 Texas. We don't -- we don't see that very often, or often
24 enough. Maybe it will recharge are aquifer and the lakes.

25 But I did want to say thank you to Commissioner

1 Vandergriff for hosting our Commission meeting in Dallas
2 last month. I think it's a wonderful thing, Chairman, that
3 you allow the Commission to convene away from Austin during
4 the interim. And for me personally it was -- it was very
5 useful, Commissioner Vandergriff, to have a chance to listen
6 and hear during the work session, and I appreciate your work
7 in putting that agenda together. And also to be with
8 Commissioner Underwood and Commissioner Austin for a
9 helicopter tour to see twenty billion dollars of highway
10 construction is nothing short of phenomenal. And it really
11 demonstrates the north-central Texas leadership and their
12 commitment to building mobility and infrastructure using all
13 the tools the legislature has given. And so I really was
14 taken by how wonderful that infrastructure is coming
15 together.

16 Members this morning, I'd like to use my opening
17 time to give a quick update. At our Commission meeting in
18 Houston the Commission approved a project that had gone
19 forward to our UTP. And it's a dedicated bus line project
20 along Post Oak Boulevard and Loop 610. And I wanted to say
21 thank you, Chairman and members, for making this a priority.
22 It was brought to us by Metro. It was brought to us by the
23 Uptown Improvement District. And since we focused on that
24 project there have been some studies showing that this
25 section of Loop 610 in Houston is perhaps the most congested

1 stretch of roadway in the state. So clearly it could use
2 some help.

3 We were -- we were pleased to take a look at the
4 project. It was my understanding that Mayor Parker had
5 prioritized this related to the upcoming opportunities to
6 host the Super Bowl in 2017. And as we started looking at
7 it it made a lot of sense to relieve congestion on Loop 610.
8 And this was simply a chance to have a dedicated bus lane
9 that would connect a park-and-ride and to the Galleria area
10 and then connect that area to another park-and-ride south of
11 Galleria.

12 So we began communicating with Metropolitan
13 Transit Authority and its chairman related to how TxDot
14 funds could be used. And we felt like it was important to
15 have a very clear declaration of our involvement in this
16 project so that taxpayers and public would know how we would
17 team up with Metro and with the Uptown Improvement District.

18 On December 20 of 2013, I put in writing a memo to
19 the Metropolitan Transit Authority chair, stating that if
20 this agency were to proceed with funding the project and
21 amending our UTP, that we must reflect that this is a
22 dedicated bus lane project. And that would require a
23 written declaration from both the Metropolitan Transit
24 Authority as well as Uptown Improvement District stating
25 that this was only a dedicated bus lane and that it would

1 not be contemplated as a conversion project for rail.

2 So the project -- we got of our verbal assurances,
3 the project moved forward, but recently it's come to our
4 attention that Metro feels like it needs more time to study
5 the project as a bus rapid transit project. And that's
6 Federalese for conversion; BRT. We were -- we were very
7 purposefully staying away from that language. We were
8 calling it a dedicated bus lane. The Chairman of Metro has
9 actually acquired and sought out the Harris County attorney
10 to request an opinion from the State's Attorney General's
11 office to clarify whether or not making this declaration of
12 participating in a dedicated bus lane violates the voter's
13 wishes.

14 And it's been my past experience, Chairman and
15 members, as an elected office holder, that an AG's opinion
16 may take a very long time. So I think perhaps it might even
17 transcend the current Metro leadership. I mean, this thing
18 could drag on for a while.

19 May I just also say, I have the greatest respect
20 for Metro, for their leadership. Chairman, we see them as a
21 strategic partner. We look forward to continuing to work
22 with Metro on a series of projects throughout the Houston
23 area. But clearly they've asked for more time to resolve
24 questions that they have as to whether or not they can
25 commit to a dedicated bus lane project. So this morning I

1 would just suggest by way of an update that the Commission
2 continue to consider this as a future project. But in the
3 meantime I'll be asking the Commission to look at taking the
4 funds that were assigned to this dedicated bus lane and
5 moving them to a future UTP process where we could redirect
6 these funds and allocate them for direct connectors on State
7 Highway 288. This project is moving very quickly and is
8 basically shovel ready. And we're serious about
9 accelerating the construction of Beltway 288 direct
10 connectors. And so that's why I'd be asking Chairman for
11 future UTP, to consider using the funds. We would also be
12 asking Brazoria County to partner with us financially to
13 support these connectors, as well.

14 Chairman and members, may I also mention how proud
15 I am that our state is being recognized by the American
16 Association of State Highways and Transportation Officials,
17 ASHTO, and the American Automobile Association, triple A,
18 and the US Chamber of Commerce as one of top ten
19 transportation project finalists. This was determined by
20 qualifying and competing in three categories. And these are
21 categories that are projects that came in under budget that
22 exemplified the best use of innovation, and show that they
23 would be improving the quality of life and development of
24 the community. And of the ten projects nationwide, we're
25 very pleased, Chairman and members, that the Grand Parkway

1 Segment E, which is now an open segment of Grand Parkway is
2 on the top ten out of a record 73 projects in 36 states. So
3 now out of the ten there will be a grand prize winner and a
4 People's Choice Award winner which will earn a \$10,000
5 donation from ASHTO on behalf of the winning State
6 Department of Transportation. This money will be allowed to
7 be donated to a charity or scholarship fund of that
8 Department of Transportation's choice. And the nation will
9 judge the ten finalists through on-line voting from now
10 through October 24th. So of course, Chairman, I'd like to
11 use this time to ask everybody to get on-line and vote for
12 the Grand Parkway Segment E. We're very proud of the fact
13 that when completed this -- this strategic corridor will
14 serve the entire State's interest and encompass a 185 mile
15 loop around the Houston metro area.

16 Thank you, Chairman and members.

17 MR. AUSTIN: Good morning, everyone. I, like
18 Commissioner Moseley, want to thank Commissioner Vandergriff
19 for a great meeting in Dallas last week in the Metroplex.
20 The tour, I've had the opportunity to go back and drive a
21 lot of those roads. I spend -- I do spend a lot of time in
22 Dallas. And I wish we'd been in that helicopter because
23 I've -- getting from point A to point B, because all of
24 Commissioner Vandergriff's and poor Commissioner Meadow's
25 traffic cones are up there. But having been back up there a

1 couple times Mr. -- you all hear one thing, I know we talk a
2 lot about, and you've been very vocal in talking about let's
3 vet processes. And one thing that was really clear, vet
4 them everywhere else but Dallas; we don't want to slow down,
5 so. That's my message back to them and I -- we hear them.
6 But I do echo some of the comments of listening to local
7 control. And I will say, you know, we talk about "Don't
8 Mess with Texas," I'm going to share something in a minute
9 about that. But we've also -- we hear a message "don't mess
10 with local control". I do applaud our staff, because
11 they're at the table in a lot of conversations throughout
12 the State of looking at what projects mean a lot, and
13 setting priorities, and really appreciate what they do.

14 I also had the opportunity of -- I called
15 Commissioner Moseley a week ago and said I've got a traffic
16 problem. I was in Houston, down there -- I had an
17 opportunity on 9/11 to be down in Fort Bend County and
18 looking at one of their projects, 36A, also looked at the
19 great -- the progress of Grand Parkway. But there's
20 growing. Every part of the State has needs. And that's
21 what's awesome about what each of us do up here is to learn
22 about other parts of the State and the regions other than
23 where we're from. As we begin looking at LAR, begin looking
24 at projects, we're going to have a discussion on the UTP
25 today, looking at what projects are ready to go. And I just

1 can't say enough -- one of the most frequent questions I
2 have, how can we advance a project locally? And I say it
3 comes back to the grassroots, work with your MPO, work with
4 TxDOT, work with the economic development partners to really
5 set priorities. And that's where, with our limited
6 resources, there's priorities that are put together and
7 using the tools that are available, that's going to make it
8 easier for us to move forward.

9 I want to mention one thing about 9/11. As we're
10 in there talking the bell was rung in remembrance of what
11 took place that day. We're not going to forget it, but it's
12 also look at the lessons learned. You know, we talk now a
13 lot about disaster recovery, safety briefings, it has
14 changed our lives. There have been some things,
15 unfortunately, that were good that came out of this on
16 planning. It's impacted every one of our industries, and I
17 just think back to disasters that may take place here in
18 Texas, or have, our team regardless of what happened with
19 the snow storm, or tornado or whatever, are ready to --
20 ready to roll, and I mean that, to go out and help and give
21 aid and keep Texas moving.

22 I know we'll be in El Paso next -- next month,
23 Chairman Houghton and -- you know, I was going to ask him
24 earlier how to read a coin toss but, you know, I decided to
25 let that -- let that go.

1 One last thing I'd like to share is -- while I'm
2 doing this -- oh, by the way, I attended the IVTTA
3 Convention this week here in Austin. Mike Heiligenstein
4 signed Executive Director of Central Texas RMA as president.
5 There were over a thousand people here from across the
6 country and outside the United States that came to Austin to
7 talk about transportation, and what a great place to come.
8 And I'll say congratulations again to Mike.

9 I want to talk boots for a second. Every Texan's
10 got to talk about boots. We have a new partnership; Margo
11 Richards here is the head of our travel division, as worked
12 diligently with her team with Justin Boots to come back out
13 -- to make available to the public the "Don't Mess with
14 Texas" boots. And what you see here are two styles; one is
15 ostrich, I think the ladies have another calf skin in there
16 and then this blue kind of work -- work boot. But you can
17 now go on-line to order these. There's a link on the Don't
18 Mess with Texas web page, but also through Justin Boots.
19 And in October these boots will be available at a very -- at
20 a variety of boot retail outlets. And if you think back to
21 this logo, TxDOT does own the trademark to "Don't Mess with
22 Texas". This started about 28 years ago as a letter
23 campaign, and I think it's one of the most widely recognized
24 brands. The proceeds from this, or the royalties from this,
25 will go back into the "Don't Mess with Texas" campaign. And

1 I think back to when we were here two months ago "Keep Texas
2 Beautiful" had a great campaign. We -- TxDOT and Keep Texas
3 Beautiful was recognized. This does help keep Texas
4 beautiful and keep our roadways clean. It's a great
5 campaign. I would encourage you to go purchase your boots.
6 I hope to see each of you wearing the boots -- just thinking
7 back over the years, some of our Texas celebrities that have
8 been associated proudly with the "Don't Mess with Texas"
9 campaign: George Straight, Jennifer Love Hewitt, Matthew
10 McConaughey, Lyle Lovett, Willy Nelson, George Foreman, and
11 recently Kevin Fowler, Jack Ingram and Sonny Solita.

12 So thank you, Margo, you all have done a great job
13 in helping promote this. I'm going to leave these out here
14 if you all want to look at these later, but it's a pretty
15 nice pair of boots. I've already ordered a pair.

16 UNIDENTIFIED SPEAKER: What size are those?

17 MR. AUSTIN: Sir, there's only one boot. Anyway,
18 thank you all. Have a -- thank you all for being here.

19 MR. UNDERWOOD: Good morning everyone. I want to
20 thank our Audit Department. I was honored to be able to
21 speak at our Audit and Compliance Conference that's going on
22 this week. I'm really proud of the work the men and women
23 in Audit do and in Compliance. I'm going to share with you
24 a little -- some of the things they've done.

25 Our Internal Audit Office has increased the number

1 of audit engagements on the average from 40 to 45 per year
2 over the last 2-plus years without an increase in staff.
3 That's impressive. This fiscal year they've done 43 audits
4 internally. These internal audits cover various TxDOT
5 functions including IT, human resources, finance and
6 operations just to name a few.

7 They've also, Internal Audit, has adopted a more
8 performance-based approach, rather than a compliance-based
9 engagement as in previous years. Understanding that
10 performance auditing adds value by finding ways to improve
11 government operations with corresponding results. Our
12 office of Compliance and Ethics and Investigations have
13 answered over 200 concerns submitted by TxDOT staff while
14 providing more than 10 outreach roadshows to improving
15 employee's knowledge of ethical conduct.

16 We provide them with a book on ethical conduct and
17 what you need to do as TxDOT employees, but this -- this
18 roadshow is really great because it allows employees to be
19 able to ask questions and say, well, what about this
20 situation, what about that. And I'm really proud of our
21 employees for doing that. I'm proud of Audit, Benny, if
22 you'll share that. Congratulations to you, again, for being
23 invited to go to the school of -- the FBI training school on
24 compliance; you were there for about a week in Quantico.
25 That's excellent. That really looks good for our

1 department. There were only 50 people in the United States
2 invited and Benny was one of those.

3 Also, Benny, would you please thank Kathy Baca for
4 all her hard work, for putting on this conference that's
5 going on right now, if you would please share with -- but I
6 do have a question. I noticed that when Randy gave this --
7 the safety speech he didn't finish it like Kathy did.
8 Kathy's comment at the end was "do not attempt to drive a
9 car or operate heavy equipment after hearing Commissioner
10 Underwood speak". So that's a little different spin on it.

11 Ted, I hope you don't mind --

12 MR. HOUGHTON: No, never.

13 MR. UNDERWOOD: -- but I'm going to share
14 something with everyone that you said. Ted said that praise
15 is something that someone tells you about yourself that
16 you've always suspected all along.

17 Ted, also I want to leave you --

18 MR. HOUGHTON: Two for one.

19 MR. UNDERWOOD: Yeah well, leave you with this
20 thought. Have you ever thought, Ted, that when someone
21 tells you "have a nice day" that that puts all the pressure
22 on you.

23 MR. HOUGHTON: Yes. Yes.

24 MR. UNDERWOOD: Okay. Thank you.

25 MR. HOUGHTON: Most days.

1 Thank you, Fred, once again, I still -- I still --
2 wondering where Commissioner Holmes right now, because he
3 was the insulator between us, now he's gone.

4 I've got something that was just released by the
5 Reason Foundation about 26 minutes ago. This morning the
6 Reason Foundation came out with its latest rankings on the
7 overall highway performance and cost effectiveness, and
8 Texas has now ranked number 11. And the reason this is
9 important to us as the largest highway system in the
10 country, Texas spends about one third of what our friends in
11 Florida and California spend on a per mile basis, and is
12 still seeing tremendous results. With additional funding,
13 and I will talk about that later on the agenda today, I'm
14 certain we could see scores even better. It is a testament
15 to our team and the leadership here at TxDOT of the strong
16 relations we have with our transportation partners all
17 across the State. So my congratulations, we are moving up
18 the ranks. We're doing a lot more with a lot less; one
19 third less and beating some of the folks that spend a whole
20 bunch of money. I don't know what they're spending it on,
21 but they're spending it.

22 The other thing I'd like to do at this point in
23 time on a very much lighter note, we had -- I got the
24 opportunity to attend a retirement, a retirement of Jay
25 Griffis Smith who had been with Texas Highways, the

1 magazine, for -- since 1980, the mid '80s as a staff
2 photographer. At the time of his retirement in August,
3 Smith was a photographer/editor for Texas Highways Magazine.
4 Now, we at the Texas Department of Transportation and Texas
5 A&M Press have been working for two years to produce on The
6 Road with Texas Highways a Tribute to True Texas and the
7 book will be available to the public in mid-September. So
8 that's one announcement. And I've got the only book and
9 it's right here and it is fabulous. I've leafed through
10 this and this is -- what would you say, Griffis, one third
11 of your life's work, maybe or ten percent of your life's
12 work at the Texas --

13 MR. GRIFIS: It's a little bit more than that.

14 MR. HOUGHTON: Is that right? But this thing is
15 filled full of Texas, what Texas is all about.

16 Now, I'd be remised if it didn't tell you a little
17 bit about Griffis. I'm going to ask him to come up here.
18 But he began his career, and this is inside the jacket of
19 the magazine:

20 "As a staff photographer in the mid-80s, and it
21 will end almost 30 years later as one of the short line --
22 as short line to Texas Highways distinguished photo editors.
23 Described by a fellow photographer as a 'galactic force,'
24 now that's an interesting description, 'galactic force,'
25 Smith was reveled in taking pictures of everything in

1 Texas".

2 And this magazine is a testament to that
3 everything is in -- I mean, I just imagine what you have
4 left in stock. We're so proud of you, Griffis, and thank
5 you for your service and your service to the State of Texas.
6 But forever memorializing what you have seen through the
7 lens of a camera, my congratulations to you now. My
8 understanding this will be, Margo, on sale shortly?

9 MS. RICHARDS: End of the month.

10 MR. HUOGHTON: End of the month?

11 MS. RICHARDS: Uh-huh.

12 MR. HOUGHTON: Yeah, you guys can get yours
13 sometime later, so I've got mine.

14 Griffis, congratulations to you; the mic is yours.

15 MR. SMITH: All right. Thank you. I got to say
16 thanks for giving me the, you know, the opportunity to
17 travel Texas. That was -- when I was -- started photography
18 when I was 15 years old that was my goal was to work here.
19 And I started out at A&M though. Yeah, what can I say? A&M
20 really -- I got the opportunity there to really learn my
21 craft. I had some good mentors there. And I think it's
22 very fitting that A&M Press publish my book. And they were
23 interested as soon as I told them what I wanted to do, they
24 immediately, I mean, it was -- I talked to them one morning,
25 by that afternoon, done deal, we were on the road. We were

1 going. And so I was really happy about that.

2 You know, I guess, all the people that have
3 allowed me into their lives to take their photographs, just
4 amazing. And it's just been a great time. And I'm not
5 stopping, by the way. My hope is to help -- my niche is
6 rural tourism. I really like to help small towns because I
7 grew up in the small town of Caldwell. And I understand
8 rural tourism and they -- I want them to get a bigger piece
9 of the pie. And that's what I'm going to be working on.
10 And so I thank you for giving me the stage and the
11 credentials to go out and pursue that business.

12 MR. HOUGHTON: Well, it's a fabulous book,
13 Griffis, and thank you for your service to the State of
14 Texas.

15 MR. SMITH: One thing, the book is already on
16 sale, by the way. And A&M Press, we did a book sale, book
17 launch sale in my hometown of Caldwell Saturday, the Kolache
18 Festival. We sold 160 books and they've always said that 30
19 to 40 books was considered a great turnout. 100 is really a
20 big deal. But my number was -- they broke -- we broke the
21 record.

22 MR. HOUGHTON: Congratulations.

23 MR. GRIFFIS: So thank you.

24 MR. AUSTIN: Griff, before you leave I just want
25 to say, I've had the opportunity to work with you a little

1 bit --

2 MR. SMITH: Yes.

3 MR. AUSTIN: -- and, you know, you answering some
4 of my stupid questions, well, how do you do that and how do
5 you do -- it comes naturally as a photographer. But you
6 remind me of something one of the National Geographic
7 photographers show something; you have validated something.
8 Is that while we may all look at the same object, a
9 different state of viewpoints, we're going to look through
10 different lens and have different interpretations of the
11 same -- of the same item.

12 MR. SMITH: Correct.

13 MR. AUSTIN: And what you've done and been able to
14 capture things that you see in the magazine, it's
15 incredible. Most recent, I guess one of your last
16 interviews you came to Jacksonville and I got to sit in for
17 a few minutes on the interview with Margo Martindale, which
18 was in Texas Highways, and it was incredible. And before
19 you got off anything -- take pictures you say tell me about
20 yourself, tell me about growing up in the rural area,
21 exactly what you said. And I think you all went up and did
22 the photo shoot at one of our parks --

23 MR. GRIFFIS: Right.

24 MR. AUSTIN: Love's Lookout. So --

25 MR. SMITH: That's right.

1 MR. AUSTIN: -- thank you for the way you
2 personalized things. We're going to miss you. But don't go
3 far. And thank you for what you've done.

4 MR. SMITH: Well, I won't be far. Thank you very
5 much. Thank you all.

6 MR. UNDERWOOD: One more -- one thing.
7 Griffith -- Griffis, one quick question. I haven't seen the
8 book, but I kind of know, the pictures that we did are they
9 in there?

10 MR. SMITH: No.

11 MR. UNDERWOOD: Thank you. That's all I'm going
12 to say.

13 MR. SMITH: But they're great.

14 MR. UNDERWOOD: Thank you. But I appreciate your
15 professionalism and also your patience. And this gentleman
16 has a great sense of humor by the way, ladies and gentlemen,
17 and it he was fun to be with. And my wife said I've never
18 looked that good before, so thank you for getting my wife to
19 bless me, you know, so I appreciate it.

20 MR. SMITH: Thank you.

21 MR. UNDERWOOD: Thank you, sir.

22 MR. SMITH: Thank you very much.

23 MR. HOUGHTON: Thanks, Griffis. Thank you very
24 much.

25 Now the first order of business is the approval of

1 the minutes from the August 27th Workshop meeting, and the
2 August 27th regular meeting of the Texas Transportation
3 Commission. Members drafted the minutes and have been
4 provided in your briefing materials. Is there a motion?

5 MR. AUSTIN: So moved.

6 MR. VANDERGRIFF: Second.

7 MR. HOUGHTON: All in favor?

8 (Chorus of "Ayes")

9 MR. HOUGHTON: General, it's all yours.

10 GENERAL WEBER: Thank you, Chairman. At this time
11 we'll move to item 3(a), the discussion of the
12 Implementation of 3D Design and ProjectWise. Our Director
13 of Urban and Rural District Operations Randy Hopmann will
14 present. Randy?

15 MR. HOPMANN: Good morning, General Weber, Chair
16 Houghton and the rest of the Commission, good morning to
17 you. It's my pleasure to be before you this morning. For
18 the record, my name is Randy Hopmann, I'm the Director of
19 Urban and Rural District Operations. And I'm here today to
20 talk to you about technology and innovation. It just so
21 happens it has to be after thunderstorms and rain early this
22 morning that we were blessed with and now we are kind of
23 limping along with the audio/visual aids that we have in the
24 room. But none the less, I'd like to talk to you about 3D
25 Design and ProjectWise. And again, it's my pleasure to be

1 here with you.

2 I apologize if I have to turn around from time-to-
3 time to make sure I'm on the right slide. But design
4 technology has progressed dramatically over the past 20
5 years; however our workflows have remained the same; 2D
6 design to create 2D paper plan sheets for our contracting
7 community. And that's difficult to do. We've been working
8 in 2D for many, many years, decades in fact. And there are
9 new technologies that are available to us now that we
10 haven't had in the past. And that's what we're going to be
11 talking about this morning. We have an opportunity to
12 update our technology and become a leading DOT in the United
13 States using 3D design.

14 As you can see on the slide, 3D design tools use -
15 - utilize digital visualization to improve the design
16 process. The current situation, which is the left slide,
17 the left portion of the slide on the screen, demonstrates
18 that design is created and reviewed page-by-page. And end
19 product that basically is a flat sheet of paper or flat file
20 at the end of the day.

21 In this type design environment errors easily are
22 missed due to greater interpretation error -- effort that is
23 required by our designers. They work in 2D, they have to in
24 their mind visualize what they're doing in 3D, because we
25 haven't had the software support until now.

1 Some of the deficiencies of this type of
2 environment is that it has -- it does not have an integrated
3 model for broad decisions. We lack visualization in our
4 work, which makes communication difficult between the
5 disciplines that we work in. 3D design, as you can see on
6 the right portion of the slide, it's easier to interpret and
7 define errors and omissions early in the design process
8 through conflict detection, or clash detection as it is
9 sometimes called. It allows review of design alternatives,
10 improves decision making, improves communication and
11 coordination between disciplines, improves design quality,
12 we'll talk more about that here in a moment, and provides
13 better estimating and bidding practices. And I know it's
14 difficult to see from where you're at, but there's a -- the
15 picture that's on the left-hand side is -- the two narrow
16 lines that are warning skewed across the slide is a railroad
17 grade separation structure. The other lines below that --

18 MR HOUGHTON: Randy, we have them -- we have them
19 up on our iPads, so we can see them. Okay.

20 MR. HOPMANN: Okay. Great. Good. The lines
21 below that represent right-of-way, it represents the edge of
22 slope, it represents the edge of pavement, and everything
23 looks good when you're looking down on it from an airplane,
24 which is the view on the left side of the slide, looking
25 down on the railroad grade separation. Everything looks

1 pretty good. But when using 3D, if you look to the right
2 side of the slide, you can see the 3D visual image of a
3 railroad grade separation structure. And if you look
4 closely you can see that a column supporting that railroad
5 bridge is not aligned in the pavement property and we have a
6 conflict there between the roadway where cars will be
7 traveling and where the column of the bridge structure will
8 be constructed.

9 And that's the value of 3D design is it helps
10 you -- helps the designer see those errors, see those
11 problems and correct them immediately rather than to
12 proceeding on with the design, learning of the problem later
13 on and then having to go back and do more rework to correct
14 the problem.

15 There's some -- there's also some other benefits
16 to 3D modeling that extend past the design stage. It
17 improves operations of maintenance by providing better asset
18 management. And there's a picture on the left side of the
19 slide, it shows an oversized, overweight load going down the
20 load. And as we develop a 3D design modeling database we'll
21 be able to better support the oversized loads that are
22 traveling our Texas highways and bridges, and we'll be able
23 to make sure that those loads fit underneath bridge
24 structures vertically but also horizontally to make sure
25 they can safely pass and travel throughout out state.

1 Another benefit is automated machine guidance,
2 which reduces cost and improves safety during construction.
3 There's a -- you can see a little computerized screen there,
4 and often times when you travel around the State and you
5 observe construction zones, you see construction equipment
6 and you'll notice that some of the equipment may have a
7 little GPS units on each end of their blade, for example, on
8 a maintainer or a bulldozer. And that is a -- that's a
9 computerized GPS modeling technology that's installed on
10 that equipment that helps the contractor and the operator of
11 that piece of equipment move dirt more efficiently, for
12 example. And they are -- so there's less work involved,
13 less time involved, less expense involved when you have that
14 type of technology available on the construction equipment
15 that's readily available out there in the industry.

16 An additional benefit is on the right-hand side of
17 the screen, is public involvement and visualization. And
18 often times that's the thing that we struggle with most in
19 talking with the public is getting them to understand as we
20 do as designers and engineers, what we're building, what
21 it's going to look like at the end of the day, what are we
22 designing or how it's going to look, how it will be phased
23 during construction under traffic. And we're able to use
24 visualization through 3D technology to demonstrate that to
25 the public, and we can have a better conversation that way.

1 So it aids in public involvement as well.

2 And we have a -- I have a little movie clip, and
3 we're going to try to show that here with the aid of the IT
4 folks in the back room.

5 This is how a designer will build a file in 3D.
6 You can see it here. It starts with survey information and
7 then we build what's called shape files to construct the
8 roadway. It starts adding in different types of elements
9 for the roadway itself, the pavement, curving gutter, storm
10 drain systems, utility lines can all be added into the 3D
11 model as well. To actually build a visualization model that
12 allows us to go out to public meeting and show the public
13 what it will look like at the end of the construction
14 project. We can actually -- it show cars driving down the
15 road. You can not the trees, the sky, the clouds, the
16 illumination that's all going to be constructed with that
17 project. So it's a very -- it becomes a very valuable tool
18 not only to us internally in TxDOT, but also talking to the
19 public and our external partners out in the industry.

20 Now if we can go back to the PowerPoint
21 presentation. Here we go. All right. We will also
22 implement ProjectWise, which is a collaboration software; it
23 allows us to operate more efficiencies -- efficiently with
24 our file management process. ProjectWise will also improve
25 the engineering content management system. Under the

1 current content management system we have duplicate files
2 that area stored redundantly in different locations as
3 different people from different disciplines are working on a
4 particular project. This offers limited version control of
5 changes made to the project files. Files can only be
6 accessed from selected devices. And there's obviously
7 dwindling space capability on various shared drives around
8 the State of Texas. So it becomes very restrictive in our
9 work internally in TxDOT.

10 Content management provided through ProjectWise is
11 demonstrated on the right-hand side of the slide. It has a
12 single copy of the file located on ProjectWise, so it's --
13 you don't have that redundancy, so you have less file
14 storage requirements associated with ProjectWise. Changes
15 are tracked by audit trail and provide version control, so
16 it becomes a secured file management system.

17 It eliminates geographic barriers and
18 collaboration. For example, managing -- we can manage
19 project files from different locations, different offices,
20 different regions or different geographic areas in the State
21 of Texas. And it allows some talent that we have within
22 TxDot that may be in smaller offices out -- throughout the
23 State of Texas to work on some major projects that
24 ordinarily in their career they may not be exposed to. So
25 it takes a -- it takes advantage of some of the resources

1 and the talent that we have available internally. But it
2 also provides us the ability to work externally as well
3 using consultant engineers that we often collaborate with on
4 doing our planning and design work throughout TxDOT.

5 It also is a centralization of content and will
6 allow for more standardization and the creation of templates
7 to reduce repetitive work. In other words, we can create
8 elements like curb and gutter that is pretty common in
9 TxDOT, we can create design elements or cells as they are
10 called so that they can be used redundantly, and a designer
11 does not have to design those each and every time.

12 The next slide talks about the return on
13 investment for both ProjectWise and 3D modeling. We expect
14 the financial business case to be very positive, returning
15 up to five times on the cost of investment initially.

16 Primary benefits fall into three categories.
17 Direct IT cost reduction is one category, and that is
18 reduced from the license fees and the shared drive cost of
19 procuring the software. In fact, when we went out to
20 procure this software and go through the competitive process
21 of procuring this software we -- we actually saved \$300,000
22 a year just through the competitive process. So we were
23 paying \$300,00 more last year than what we're paying this
24 year with better software with better capabilities going
25 through the competitive process.

1 Another category is direct bid reduction from
2 reducing 2D to 3D conversions on the part of a contract.
3 Often times on major projects our contracting community in
4 Texas would take our 2D files and they would hire an
5 engineering firm to correct a 3D model so that they could
6 see for themselves how they were going to need sequence and
7 construction in their work to build a project. We will now
8 do that for them and we were able to provide them with a 3D
9 model and they will not have to go out and hire -- have to
10 hire an engineer to create that model for them. So we will
11 provide that to them. That is a cost savings to TxDot of
12 being able to do that.

13 Another category is the construction cost
14 reduction primarily based on reduced change orders in the
15 construction phase process. This is reducing errors and
16 omissions that we were not able to catch during the design
17 process. Now we are through 3D software modeling
18 capabilities. We can catch that in the design process and
19 reduce the number of errors and omissions, saving TxDot and
20 the taxpayer's money. And we can roll that into other
21 projects.

22 So we will have fewer design errors. We'll have a
23 reduced number of construction conflicts which will help to
24 expedite the construction phase of a project. And overall,
25 all total, will all those categories added up, the five year

1 preliminary savings is estimated at 70 to \$95,000,000. So
2 this is a pretty significant savings to the taxpayers of
3 Texas.

4 Beyond the business case we expect to see several
5 qualitative benefits from this implementation. To highlight
6 a few, will better enable us to attract and retain talent
7 within the Department. Often times in higher education
8 Universities around the State, the kids that are going to
9 those schools now are taking classes in 3D design. And
10 we're able to hire them straight out of college and into the
11 TxDOT ranks and they already come trained with those type of
12 skills and knowledge available to them because they have
13 already been exposed to the 3D paradigm.

14 It would also improve safety by enabling machine
15 guidance, as I talked about earlier, to be used in
16 construction phases of the project, and reducing conflicts,
17 and reducing rework on the part of the contractors out
18 there.

19 Will also us to better communicate and collaborate
20 with consultants, contractors and the general public as I
21 have described.

22 Moreover, TxDOT has an opportunity to become a
23 national leader in 3D design. Most other states are moving
24 in that direction, but are just beginning the journey of
25 converting to 3D design, similar to where we are. There are

1 three states that are a little bit in front of us. They are
2 Oregon, Iowa and Missouri DOTs. They are in to 3D -- 3D
3 world of design and planning and modeling. So we're right
4 on their heels and we're kind of similar to other states
5 around the State. What sets TxDOT apart in the State of
6 Texas is that fact of what you talked about a little bit
7 earlier, and that is the extent and expansiveness of our
8 state and our programs here in TxDOT.

9 So industry is really watching what we do here in
10 Texas. And by us moving into the 3D modeling world many
11 other states will quickly follow in behind us, and those
12 that have not started mostly likely will.

13 So what to expect next? We are currently
14 finalizing the software solution, which means we are
15 configuring a TxDOT specific version, often referred to as
16 the Gold Standard. We are -- have been going through that
17 process in the last couple of months. We will begin to roll
18 out this winter in Austin and to surrounding area -- to
19 divisions here in Austin within TxDOT. We'll be training
20 our employees. We will be training about 3,500 users on the
21 3D modeling software package, and how to really gain the
22 efficiencies that the software makes available to us. And
23 this will continue throughout calendar year 2015. So as we
24 roll this software out, we train our employees and we train
25 our partners that work with us frequently, we're going to

1 begin to realize those savings and those improvements in the
2 future. And our -- it's really going to do wonders, I
3 think, for the future of TxDOT and for our engineers. Our
4 engineers have not had a software upgrade in a while, so
5 this is something that they're very engaged with, they're
6 very excited about. And there truly is excitement in the
7 air within TxDOT by us moving into this 3D modeling
8 environment.

9 With that I'll conclude my presentation and my
10 remarks, and I'm happy to answer questions or take any
11 comments.

12 MR. AUSTIN: Randy, great presentation. I'm glad
13 to see us using the technology especially with the savings.
14 Yesterday, I know, Commissioner Underwood and I saw a report
15 in our Audit Committee, kind of going by looking statewide,
16 just a little sample, at the number of change orders that
17 we've had. And you said something that's near and dear, I
18 think, to help reduce those.

19 Going back last month, you know, we passed the --
20 been order -- where we're basically not going to go back to
21 the counties anymore and say, hey, you owe us another
22 hundred thousand, two hundred thousand, we're going to give
23 them a fixed price, fixed contract. That puts more
24 accountability back on us. And what you're showing today is
25 an answer, I think the question I asked last time, what are

1 we going to do to improve that accountability? And I would
2 hope that this continues, because reducing the number of
3 change orders, to some degree, comes back to us. And I
4 think, well, with your oversight and John's that will help.

5 The -- what projects will this be used on? Is
6 there a threshold? Is this going to be the larger projects,
7 or?

8 MR. HOPMANN: It's a very good question,
9 Commissioner Austin. We'll be using this on probably the
10 more complex projects, so it won't be our entire project
11 portfolio. Obviously sealcoat type projects, overlay type
12 projects don't require 3D design and modeling. However, the
13 freeway type projects, at a capacity, widening projects,
14 maybe even major rehab projects would be the type of
15 projects we would look at using this modeling software on.

16 MR. AUSTIN: Maybe in a few months or somehow I'd
17 to just see how this is working and implemented to come back
18 and show the anticipated cost savings are real. I think
19 this is a great -- what you all are doing is -- I applaud
20 you.

21 MR. HOPMANN: Very good, happy to do that.

22 MR. HOUGHTON: Any other questions? Randy, this
23 has been in the works for a while and it's been greatly
24 needed. And I like the innovation that we're leapfrogging
25 other states in our innovation and creativity and using

1 technology. Congratulations.

2 MR. HOPMANN: Yes, sir. Thank you.

3 GENERAL WEBER: Next is item 3(b), discussing
4 Proposition 1 Stakeholder Committee Report. This item will
5 be introduced by our Director of Planning Marc Williams.
6 Marc?

7 MR. WILLIAMS: Thank you, General Weber, members
8 of the Commission. Again, for the record, my name is Marc
9 Williams, I'm the Director of Planning with the Texas
10 Department of Transportation.

11 As many of you all know, a couple of months ago
12 we -- staff came to the Commission with a recommendation to
13 establish a steering, or a working group if you will, to
14 look at the requirements associated with the Proposition 1
15 Ballot Initiative. And should that initiative pass the
16 requirements that were set forth in legislation to govern
17 the distribution of that. To get input and recommendations
18 that the Department and this Commission can consider for
19 future allocations of funds should that program successfully
20 pass.

21 The Commission appointed a number of -- several
22 members, or the Department nominated a number of members to
23 that committee. The chairman to the committee was former
24 Commission Chairman John W. Johnson who graciously agreed to
25 serve as the chair and has been invaluable in assisting

1 staff in working with members of that committee. And for
2 this presentation I'd like to introduce Mr. Johnson to
3 provide that presentation today.

4 MR. JOHNSON: Marc, thank you. For the record, my
5 name is John W. Johnson. Off the -- firsthand what is --
6 stuck me, is from 1999 to 2007 I spent quite a few Thursdays
7 each year in this room and was privileged to do so. And
8 likewise I am privileged to return today.

9 As Marc laid out, our committee, the Stakeholder's
10 Committee, included a cross section of stakeholders from the
11 various regions of the State who could consider the
12 legislative direction, the local and regional needs and
13 opportunities for the effective use of potential funding
14 through Proposition 1.

15 I want to read the names, for the record, the
16 members of the committee, because as I mentioned they are a
17 cross section of stakeholders. They included Judge Mike
18 Bradford from Midland County, Judge Carlos Cascos from
19 Cameron County, Judge Ed Emmett from Harris County, John
20 Esparaza, Texas Trucking Association, Judge Woody Gossom of
21 Wichita County, Commission Judy Hawley of the I-69 Coalition
22 and the Port of Corpus Christi, Councilman Jungus Jordan
23 from Fort Worth, Mr. Michael Morris of the North Central
24 Texas Council of Governments, and Judge Keith Self from
25 Collin County. I was, as I say, privileged to serve as

1 chair of this committee.

2 We met three times since we were established. We
3 met on the 28th of August, September the 5th, September the
4 16th. Each of our meetings were well attended in person by
5 WebEx and by telephone. We also had visitors representing
6 the legislature, Senate Finance Committee and the Speaker's
7 Office along with several of the Representatives and
8 Senator's personnel. We also had outside guests and in the
9 each meeting -- of the first two, rather, additional comment
10 from outside was encouraged at the end of the meeting. The
11 third meeting was conducted to basically go through the
12 document and do the last modifications, and so it was --
13 there was no open forum there.

14 All of our meetings, as I say, were well attended.
15 There was spirited discussion. And I think the final
16 product represents very deliberative thinking of
17 contribution of each of the committee members. As a group
18 we were cognoscente of the opportunity presented by the
19 November 4th vote to provide a much needed infusion of
20 funding for its transportation statewide. And specifically
21 the committee members agreed that the committee
22 recommendations should not distract voters from the overall
23 positive result for Texas should Proposition 1 pass.

24 We came to a conclusion of five basic
25 recommendations. Hopefully they are on a screen near you.

1 I will go through them. We have sub points to each of
2 those, and I'm not going to extend the session by reading
3 each of the sub points, but I do want to mention that the
4 full report will become part of the minutes of this meeting.
5 They will also appear -- the report will appear on
6 TxDOT's website.

7 Anyway, Commission -- recommendation number one is
8 to ensure the program administration of Proposition 1,
9 funding and alliance with legislative direction and guiding
10 principles.

11 Our second recommendation is to respond to
12 previously identified additional need of \$5,000,000,000 per
13 year for statewide transportation. Based upon the 2030
14 committee's Texas Transportation Needs Report, which was
15 done in 2009, and the recent work of the Energy Section
16 Taskforce, TxDot has outlined a \$5,000,000,000 additional
17 annual need for maintaining our state highway system. This
18 needs includes \$3,000,000,000 per year to address congestion
19 and connectivity, \$1,000,000,000 a year for maintenance and
20 safety needs and \$1,000,000,000 per year in additional
21 funding to respond to transportation needs associated with
22 increased oil and gas production, exploration, activity.

23 The committee acknowledged and agreed that this
24 statement of need represents a clear and appropriate
25 template to consider in the distribution of the potential

1 funding under Proposition 1.

2 Our third recommendation is to address the
3 transportation needs related to the growing drilling and
4 production activity in the Texas energy sector. The impact
5 of energy sector activities is a priority for public safety
6 reasons. And to ensure that this sector of the economy that
7 supports the "rainy-day fund" retains momentum. The
8 committee feels funding distribution should target where
9 current activity in the energy sector related needs are most
10 significant.

11 The committee further recognizes that some safety
12 and maintenance challenges need to be addressed in areas
13 where the energy sector was recently active. The committee
14 recognize that there are needs related to the energy sector
15 of facilities not on the State highway system, and many
16 counties do not have the sufficient resources to address
17 these needs.

18 Formulas applied for energy sector distribution
19 should best account for current energy related activities
20 that most impact the transportation system. The committee
21 also observed that energy and maintenance projects are
22 generally the type of project that can be advanced quickly
23 and insure that the potential Proposition 1 funding is
24 quickly implemented.

25 Our next recommendation is to focus investments on

1 the transportation system needs, strategically being
2 responsive to growth, and supportive of the State's current
3 and future economic activities. These include the statewide
4 20/40 long-range plan, the Texas Freight Mobility Plan, the
5 Panama Canal Stakeholders Working Group Report, the
6 Metropolitan Transportation Plans and the other regional
7 plans and corridor studies.

8 Our fourth recommendation is a -- our fifth
9 recommendation is to provide flexibility to allow for TxDOT
10 to leverage cooperation and partnerships with MPOs and local
11 communities to address both congestion and connectivity
12 objectives. There are a series of drivers for this
13 recommendation, some of which are in -- addressed always
14 into the formulas of such as population, state highway
15 system lane miles, state highway system vehicles miles of
16 travel, and the state highway system of truck miles of
17 travel.

18 We particularly encourage that the -- particular
19 attention be paid to the dynamic of change and to make sure
20 that we recognize that this is a changing world and that
21 economic activities around the State are affected by the
22 decisions that are made with the disposition of these funds.

23 The Proposition 1 Stakeholder Committee recognizes
24 that the Texas Transportation Commission is best able to
25 adequately determine the suitability of specific funding

1 distributions, therefore the committee has focused on
2 overall strategic guidance as outline in the recommendations
3 above.

4 Consistent with legislature direction and
5 guidelines, the Texas Transportation Commission, working
6 with TxDOT staff, MPOs and stakeholders should determine
7 specific distributions, applicable formulas and
8 administration processes for final project selection.

9 That is some of the excerpts of the highlights of
10 our report. I will be happy to answer any questions that
11 any of you might have.

12 MR. HOUGHTON: Members?

13 MR. AUSTIN: Go ahead, Vic.

14 MR. VANDERGRIFF: I'd just like to add one thing.
15 It was a privilege for me to sit in on a couple of the
16 meetings and just be sort of a fly on the wall. I'd never
17 had the privilege of meeting Chairman Johnson before, but
18 his leadership talent's apparent and he did a nice job with
19 the group people. He gave us their names and also where
20 they're from, but he didn't give you a reflection of the
21 fact that they all have differing opinions about exactly how
22 we should proceed, and he did a nice job of managing that
23 process.

24 And I also want to note my appreciation for
25 General Weber and Chairman Houghton for bringing this

1 forward in the process they did. Going forward it really
2 did allow communities, and I think it will -- and interest
3 to talk, and I think it will benefit us later, hopefully
4 post-prop 1 in that election, in the process of deciding
5 what to do.

6 MR. MOSELEY: Chairman Johnson, thank you for your
7 willingness to --

8 MR. JOHNSON: Thank you.

9 MR. MOSELEY: -- lead this and really just to echo
10 what Commissioner Vandergriff said, we really appreciate
11 this report. This is a wonderful foundation. We are
12 optimistic the voters -- that we the voters will approve
13 some new funds and so you've given us a good foundation.
14 But it's good to have you back in the saddle, and thank you
15 for your service.

16 MR. JOHNSON: Thank you.

17 MR. MOSELEY: Thank you, Chairman Houghton, for
18 calling this committee together.

19 MR. AUSTIN: Mr. Chairman, welcome back.

20 MR. JOHNSON: Thank you.

21 MR. AUSTIN: It's great to see you again. And I
22 want to thank you again for all the recommendations.
23 There's one thing in there I'd like to point out. And part
24 of this came up yesterday of John Barton's testimony on the
25 Senate Transportation Committee. We were talking about the

1 \$1,000,000,000 that's needed for the additional usage and
2 damage that's taking place in the energy sector. So Senator
3 Garcia asked John, was this enough of this amount, and John
4 responded, and you highlighted this a little bit, these
5 are -- that's only for the roads that we have jurisdiction
6 over. And if you add in what the counties may have and the
7 other roads that are not in our system that could be another
8 number much larger.

9 But I -- for example -- and this ties back to our
10 LAR request for one billion -- if they choose to fund more
11 that would help the counties, or etcetera, or come to us,
12 that could be an additional billion dollars, but that's what
13 we have jurisdiction over. So the need is far greater than
14 what's identified just in one billion.

15 MR. JOHNSON: Commissioner, that was noted in our
16 report and was also an item of very serious discussion from
17 all parties including the Metro people who are -- they're
18 affected, but not directly by the impact of drilling and
19 completion and production. And so it was recognized as
20 something that is extremely important.

21 MR. AUSTIN: And I wanted to just say, I know, I
22 say Scott Haywood here earlier. What Scott is doing to help
23 really educate folks, a lot of us have been involved in
24 education, what Proposition is and what it is not. Again,
25 it cannot be used on toll roads and there are no swapping of

1 the funds, because it's constitutionally dedicated. So
2 we're excited to be able to get closer to a pay-as-you-go
3 system.

4 Thank you again for all your help.

5 GENERAL WEBER: Chairman --

6 MR. UNDERWOOD: One last thing, sir. I just thank
7 you for your service to Texas and also, again, to TxDOT.
8 Appreciate it. Good to see you again, sir.

9 MR. JOHNSON: I appreciate your being there
10 Tuesday and thanking the committee as a whole.

11 MR. UNDERWOOD: Yes, sir.

12 MR. JOHNSON: It was --

13 GENERAL WEBER: Chairman, Commissioner Underwood
14 stole my thunder. I wanted to thank you for your service to
15 this commission and our great State of Texas. And I want to
16 applaud you and your committee for thinking and looking and
17 discussing the need for flexibility in however this extra
18 revenue is allocated. And I can tell you from experience
19 you spend a lot of time planning and strategizing and doing
20 all these great things, but when you live in an environment
21 like we live in today in our great State of Texas, with
22 things happen so quickly and so suddenly with respect to
23 population growth, changes in economy, energy sector, those
24 type of things, that's going to be what's key is that we
25 prioritize and end up allocating and have the flexibility to

1 make those changes along the road as we need to. Because
2 it's ultimately -- there's lots of needs across the great
3 State of Texas, but it's ultimately we got to do what's best
4 for the State of Texas. So thank you very much.

5 MR. JOHNSON: It's a privilege. Thank you.

6 MR. HOUGHTON: Chairman, thank you. And I
7 especially thank you for taking the phone call -- my phone
8 call between the green and the tee box. I appreciate that
9 in accepting that --

10 MR. JOHNSON: Well, had I known what you were
11 calling about I probably would have just -- gone to voice
12 mail.

13 MR. HOUGHTON: I was trying to set one of my sons
14 up with you to counsel will again. But I thank you for all
15 that you've done for the State as Chair when you served
16 here. I had the privilege of serving with you and it was
17 very rewarding and worth wild from my part.

18 MR. JOHNSON: Well thank you. My whole experience
19 with this agency has been a huge privilege. And we would
20 not be where we are today without the extraordinary work of
21 staff members like Marc Williams and Karen Lorenzeni. They
22 contributed a -- kept us moving and on point, and it was
23 great to work with very capable people like that.

24 MR. HOUGHTON: Thank you very much, Chairman.

25 MR. JOHNSON: Thank you.

1 MR. HOUGHTON: Any other questions or comments?

2 Thank you.

3 MR. JOHNSON: Thank you.

4 MR. HOUGHTON: Marc, do you want to wrap it or --

5 GENERAL WEBER: Number four.

6 MR. HOUGHTON: Hold on.

7 Marc, you done?

8 MR. WILLIAMS: That's it.

9 MR. HOUGHTON: You're next, though, right?

10 MR. WILLIAMS: I'm next.

11 MR. HOUGHTON: Oh, I'm sorry.

12 GENERAL WEBER: Next is item 4, Speed Restrictions
13 in Montgomery County. Is that correct?

14 MR. WILLIAMS: No, 3(c).

15 GENERAL WEBER: No, we're off. We're off. Can
16 you go back? Next is item 3(c) -- excuse me -- discussion
17 of our Unified Transportation System. Okay, Marc, I'm
18 sorry.

19 MR. WILLIAMS: Thank you, sir. Again, for the
20 record my name is Marc Williams, Director of Planning with
21 the Texas Department of Transportation.

22 This presentation is in response to some of the
23 requests that we receive from this Commission to provide a
24 little bit more background and historical prospective on the
25 Unified Transportation Program. We have another

1 presentation for you, that's on the monitors behind me and
2 that you all should have on our electronic devices. And I'm
3 going to step through that and I will certainly be available
4 for any questions or comments through the course of this
5 presentation or at the conclusion.

6 But the UTP has been a document that I know a
7 number of the Commission members who've been on this
8 Commission for some time, understand and appreciate the
9 history of this document. It has been in existence in some
10 form or fashion for over two decades. It was originally
11 known as the Project Development Plan, or the PDP. It
12 evolved in 2003/2004 into the Unified Transportation
13 Program. And then about 2010 there was a very important in
14 the UTP's development where the Department, under the
15 leadership of James Bass and John Barton and the members of
16 the Commission at that time, took a -- an important but a
17 challenging step with the UTP to bring fiscal constraint
18 into the document. And I was not with the Department at the
19 time, but understand and certainly appreciate that that was
20 a very challenging exercise to have to go through and
21 constrain that document fiscally, and financially that align
22 with reasonable projections of committed transportation
23 funding. And the outfall of that, well, a number of
24 projects could no longer be reflected in the UTP.

25 And as we've gone forward in the development of

1 the UTP, we have refined and updated our process for
2 managing that document within the financial constraint. But
3 also have worked to try to account for a lot of the
4 uncertainty that the UTP represents in the transportation
5 and funding in general represent.

6 Looking back at 2010 the UTP forecasted letting
7 volume at that time was about fifteen and a half billion
8 dollars, with the new financial constraint in place on that
9 through 2014. So for the next five years of the UTP, it's
10 about fifteen and a half billion dollars.

11 Our actual letting volume over that time period
12 was about 24.9 billion dollars, resulting in a difference of
13 about 9.4 billion into the program. We had about 5,433
14 projects that were delivered over that time period and set
15 record levels throughout the Department in our districts for
16 project delivery.

17 Why did that change in letting volume come about?
18 A lot of that, again, goes to the level of funding
19 uncertainty that we have to deal with. In 2010 the Federal
20 Transportation Law, SAFETEA-LU, had expired with no sign of
21 a replacement. Congress went through about a dozen
22 extensions of that Bill, so we were really kind of going
23 hand to mouth in terms of what was going to happen with our
24 Federal funding. In addition, in July of 2012, Congress
25 finally passed an extension, or a new transportation program

1 known as Moving Ahead for Progress in the 21st Century,
2 MAP-21. That was only an 18-month bill. So that as you all
3 know expired last -- last month and we are again in a period
4 of transportation uncertainty at the federal level and
5 continuing extensions.

6 Nontraditional funding from Category 3 also
7 increased as a share of our Department's total budget. That
8 includes new capacity authorized by the State Legislature
9 associated with our Proposition Bond Fundings. We've also
10 had efforts to leverage funds through our Comprehensive
11 Development Agreements and public/private partnerships and
12 our Finance Division and Debt Management Division has also
13 been very effective in helping those bond funds and
14 refinance those bond funds to increase the capacity that we
15 have available.

16 So some of the things that we have done since
17 2010, some of the focus of our investment in that time
18 period, first of all, has been directed toward maintaining
19 our maintenance, energy sector and safety needs, and bridge
20 needs across the State. While we've had some success over
21 that time period, as you'll see in the next sets of slides,
22 we're starting to see a tempering of the rate of improvement
23 that has occurred in these areas.

24 As you can see here in the bridge program, our
25 percentage of bridges in good or better condition have has

1 steadily improved through about 2012. And you're beginning
2 to see on this chart sort of a tapering off of that
3 improvement in our bridge conditions.

4 Our maintenance of highway conditions, the
5 Commission has been very proactive in responding to a lot of
6 our maintenance needs and directing additional strategic
7 project funding into these areas. And it's been able to
8 allow us to kind of maintain a -- or hold our ground since
9 2004. But as staff has testified to this Commission
10 previously, we're starting to see real challenges in our
11 energy sector areas. And we're beginning to see the impacts
12 of that in our statewide pavement management scores, as you
13 can see a decrease in those scores, and falling below our
14 predicted scores from the Center for Transportation Research
15 at the University of Texas for 2014.

16 In addition, our safety challenges have had from
17 2004 to here recently, about 2011, some real success at
18 driving down our fatality rates around the State of Texas.
19 As you know, though, we have seen an uptick in the rate of
20 crashes and fatalities on our State highway system over the
21 past couple of years, and that, too, is probably a
22 reflection of a number of factors. But throughout the past
23 decade there's been about 1.2 billion dollars of additional
24 Safety Bond programs and proceeds that has gone to our
25 safety program that has helped to address our safety needs

1 statewide.

2 In addition, we've had additional funding that
3 this Commission has lead that has been directed toward
4 strategic projects throughout the State. From 2005 and
5 2009, shown on this map, the Commission authorized about a
6 billion dollars, a little shy of a billion dollars in
7 funding from Category 3 and Category 12 that have supported
8 about \$4,000,000,000 in total project costs. Since -- from
9 2010 to 2014 the Commission allocated or authorized an
10 additional 6.3 billion dollars in funding from these
11 categories that have support 8.1 billion dollars in total
12 project cost. These numbers include about 5.7 billion
13 dollars of State and Federal investment in our Comprehensive
14 Development Agreements and public/private partnerships that
15 have leveraged a total value of about -- of nearly 11
16 billion dollars in funding around the State.

17 MR. HOUGHTON: Marc, that's from the period '05 to
18 '10, right?

19 MR. WILLIAMS: The previous map is from -- well,
20 yes, sir. The last set of numbers is from --

21 MR. HOUGHTON: Additional --

22 MR. WILLIAMS: The first set of numbers shown with
23 the green dots is from '05 to about 2009. That was the
24 \$4,000,000,000 total project cost.

25 MR. HOUGHTON: And that leveraged 11 billion.

1 MR. WILLIAMS: The combined total over that ten
2 year time period, Mr. Chairman, included -- included a total
3 of about \$12 billion dollars in total strategic projects.

4 MR. HOUGHTON: Oh, total projects.

5 MR. WILLIAMS: Of that about 5.7 billion of that
6 were associated with Comprehensive Development Agreements
7 and public/private partnerships that accounted for about
8 \$11 billion dollars of that \$12 billion dollars total
9 project cost. So the point in that, I may not have made it
10 very eloquently, was that the use of those funds for our
11 CDAs and public/private partnerships has really helped to
12 leverage and grow the total amount of projects.

13 MR. HOUGHTON: Advanced projects sooner than
14 later?

15 MR. WILLIAMS: Yes, sir.

16 MR. AUSTIN: As you talk about leverage --

17 MR. WILLIAMS: And more.

18 MR. AUSTIN: -- does that include TIFIA or PABS?

19 MR. WILLIAMS: Yes, sir. It includes -- it
20 includes innovative financing such as TIFIA and PABS. It
21 includes developer equity on those projects. It also
22 includes local participation, local fund sources that went
23 to those projects outside of what the Commission may have
24 allocated in Categories 3 and Categories 12.

25 MR. AUSTIN: Okay.

1 MR. WILLIAMS: Some of the lessons learned through
2 this process, one, as you all know, are traditional fund
3 sources largely represented by our motor fuels taxes is
4 declining as a percentage of our overall program and in
5 terms of its buying power, as well. Nontraditional funding
6 has and will continue to contribute a larger portion of
7 State transportation funds. And funding swings that we have
8 to deal with can be significant. And I have a subsequent
9 slide that will touch on that. And as we go forward we
10 really have to balance the needs for conservative financial
11 forecast due to unpredictable funding levels, with the being
12 prepared for potential opportunities. And I think
13 historically this Department has responded very well in
14 being able to meet those challenges when they've come about
15 with historical lettings over this time period that have
16 totaled 21.1 billion dollars.

17 This chart really provides -- I've discussed up
18 until this date kind of a historic look back. The next
19 subsequent set of slides is more of a look forward. This
20 chart kind of encapsulates both of those. And you can see
21 to the left of the graph our historical funding levels have
22 been very peaks and valleys. And a lot of what I've talked
23 about has been responding to some of those peaks that have
24 come about.

25 As we go forward we show a tapering off of our

1 committed funding levels based upon what funding we are
2 currently authorized to include in our Unified
3 Transportation Program. But we also -- and we've discussed
4 issues and the expectation for potential additional funding.
5 Some of that association with -- associated with a possible
6 extension of MAP-21 should Congress continue to extend that
7 Legislation or pass new Legislation. Also you all are aware
8 of the potential impact from passage of Proposition 1, the
9 ballot initiative for that.

10 Collectively that would get us, not quite, but
11 almost halfway to our stated need of about \$5 billion
12 dollars statewide, depending on what actually is approved
13 out of the Ballot proposition and what Congress may do with
14 the extension of MAP-21.

15 What are we looking to do with that funding going
16 into the future? Well, a lot of that funding is directed
17 toward our project opportunities associate with maintenance
18 including highways and bridges, safety and energy. The
19 graph on the chart here shows that from 2015 to 2024, in the
20 UTP today there's about \$3.1 billion dollars in bridge
21 replacement rehabilitation projects, 4.3 billion dollars in
22 pavement maintenance and rehabilitation in energy sector
23 funding, and then another \$533,000,000 in safety program
24 funding.

25 Waiting to be funding through Supplemental Program

1 Authority is a number of projects that represent about \$2
2 billion dollars of our stated \$5 billion dollar annual
3 needs. Priorities within that \$2 billion dollars that are
4 currently identified "waiting funding." These don't
5 represent all of the projects that would go toward that
6 \$2 billion dollars of annual need, but just the priorities
7 that we have ready to go today include about \$200,000,000 of
8 bridge replacement and rehabilitation projects, \$1.6 billion
9 dollars in pavement maintenance rehabilitation and energy
10 projects, an additional nearly \$900,000,000 in safety
11 related projects.

12 Some examples we wanted to provide you, some
13 visual illustrations of some of the sample needs, many of
14 you all, and I know General Weber have seen these things --
15 these issues first hand, issues and concerns across the
16 State, particularly in maintaining our highways and
17 addressing our safety needs and addressing our bridge needs.
18 Not all of this is related to energy sector. Some of it is
19 related to just our ongoing maintenance challenges. And as
20 we've talked about our maintenance needs we've cited a
21 billion dollars for our -- maintaining our existing highways
22 and bridges, and then an addition billion dollars associated
23 with addressing our energy concerns.

24 There's also a number of strategic project
25 opportunities similar to the ones that we've spoke about

1 previously in the UTP today. There is a little less than
2 \$15 billion dollars of mobility projects and Comprehensive
3 Development Agreement, public/private partnerships that have
4 been identified and are currently funded in the UTP.

5 Waiting to be funded and it is an additional
6 nearly \$26 billion dollars of mobility and CDA,
7 public/private partnerships, I would point out that those
8 are just the priorities out of a total \$80 billion dollars
9 list of statewide opportunities that we would have in these
10 areas if funding were to be available.

11 So moving ahead, as we've outlined in the previous
12 slide, significant transportation issues exist involving
13 safety concerns, maintenance and energy sector concerns
14 throughout the State. Texas' population and traffic is
15 continuing to grow since 2010. Vehicles' miles of travel
16 have grown faster than the population in the State of Texas.
17 This is different than the trends that you see in other
18 parts of the country, largely due to the economic activity
19 and the international trade that we're experiencing here in
20 Texas that goes along with our population growth and
21 increase.

22 So looking forward, this Commission will be
23 briefed in October, and for a November revision to the
24 Unified Transportation Program. That UTP revision we expect
25 to reflect the impact of the nine-month MAP-21 extension

1 into the funding program, as well as end-of-year adjustments
2 and carryover. And consider the needs for addressing any
3 ongoing strategic project priorities will also not have the
4 ability to reflect in the November UTP, because of the
5 public involvement time frame and the process that still
6 needs to go forward with the Proposition 1, but we will have
7 the ability to begin to look and respond to the outcome of
8 the Proposition 1 Ballot measure in future updates of the
9 UTP.

10 And continuing our efforts to improve the quality
11 of information in the UTP also associated with the
12 Supplemental Program Authority, dealing with that
13 uncertainty and providing for more transparency in the
14 information and engagement with our stakeholders and being
15 more performance driven in our measures and targets related
16 to not only the program associated with MAP-21 at the
17 federal level, but also our statewide and regional plans as
18 well.

19 So that concludes my presentation. General Weber
20 and Mr. Chairman, I'll be happy to answer any questions and
21 stuff.

22 MR. HOUGHTON: Any questions of Marc? Comments?

23 MR. AUSTIN: Marc, this is really comprehensive
24 and I think it shows the bubbles that you've seen. Going
25 back here in the Metroplex, you've got the Houston area and

1 then Austin, San Antonio. Obviously with the majority of
2 that being up in, as we talked about earlier, up in the
3 Dallas/Fort Worth area. And I want to compliment the
4 leaders up there, because what they've done, and this was
5 highlighted a few minutes ago, I've been able to leverage in
6 using the tools that are available, you know, through TIFIA
7 and Private Activity Bonds, to advance projects in ways that
8 others haven't been able to.

9 And I think this -- some of this goes back to
10 something that Commissioner Vandergriff mentioned earlier,
11 you know, while Dallas County, Collin County, Fort Worth,
12 you know, Tarrant County, there's a lot of toll roads that
13 are up there, those leaders have demonstrated that they're
14 looking for action to add capacity. And I want to stress on
15 adding capacity, not just tolling the roads but adding
16 capacity to really bring relief to a congested area. And I
17 hope these things can continue.

18 But as we look at the UTP, I know we're going to
19 have an update, you know, the energy sector, I've talked to
20 several Legislators that have been down visiting, a lot of
21 our staff have gone back down to visit, and just because
22 time has passed and we're talking about additional funding,
23 we're not being able to fix the roads quick enough. And I
24 just look, if we've had projects that are -- need to be
25 vetted more or talked about more or whatever, do we consider

1 moving funds to the energy sector to really bring needed
2 relief and safety modes right now? So it's just something
3 to think about as we go forward.

4 MR. WILLIAMS: Sir, thank you.

5 MR. MOSELEY: Marc, thank you for the overview and
6 the presentation. My question -- first of all I think the
7 UTP's a wonderful planning tool and it's about 10 years old,
8 and so clearly there are opportunities to update and fine
9 tune it and revise it as we learn how to use it better. But
10 my question is, how many other states use this type of a
11 planning instrument?

12 MR. WILLIAMS: Each of the states have -- are a
13 little different in their approach. I think most of the
14 states, or any of the states that I'm aware of, have a
15 document that is similar to this that is kind of their mid
16 to short range programming tool. I was familiar with the
17 document that was used in Kentucky; it was a 6-year plan.
18 In Oklahoma they have a similar program, and I believe
19 Arkansas does as well. Out of all the states that I've been
20 exposed to in terms of their short-range programing
21 document, through some of the recent efforts of Texas and
22 this Commission as well as some of the guidance that we've
23 received from the legislature, my experience is that the
24 process that Texas is now going through with its UTP is
25 becoming one of the more open and transparent processes for

1 these types of programming decisions that exist throughout
2 the nation. And some of the tools that we're developing to
3 help the Commission and to help staff, help our own staff
4 better understand the projects that are out there. The
5 Supplemental Program Authority and the SharePoint site that
6 we're developing, that's beginning to get some national
7 attention. We've had some inquiries from other states. We
8 recently presented to a national WebEx on some of the
9 development of that tool. And so we're beginning to get
10 some attention on how we're trying to work to evolve and
11 better develop and inform our Unified Transportation Program
12 Document.

13 MR. MOSELY: Do most states take a 10-year look?
14 I mean, how many other states --

15 MR. WILLIAMS: They're all different quite honest.

16 MR. MOSELEY: Right. Well, how many of them would
17 -- how many of them would be looking ten years into the
18 future?

19 MR. WILLIAMS: I can get that information. I
20 don't have off the top of my head the exact number.

21 MR. MOSELEY: It seems like -- it seems like one
22 of the challenges of the planning document is that trying to
23 appreciate where Texas will be ten years from now is a
24 significant challenge.

25 MR. WILLIAMS: Yes, sir.

1 MR. MOSELEY: So this is a wonderful document,
2 doing a very significant challenge.

3 MR. WILLIAMS: Yes, sir.

4 MR. MOSELEY: Trying to appreciate how the
5 needs -- and Commissioner Austin touched on that, you know
6 five years ago we couldn't spell fracking and it has
7 profoundly changed the global economy, but especially the
8 way goods move to market in the State of Texas. And there's
9 a profound shortage of pipelines, and so trucks are now the
10 new carrier of crude oil, and that's both for exploration as
11 well as for taking the crude oil to a manufacturing facility
12 where it gets its highest value.

13 So our highways are now being challenged by this
14 new, thank goodness, economic force. We're very happy to
15 have this good problem of finding ways to get crude oil out
16 of the ground and getting it to market. And the UTP
17 couldn't possibly have contemplated, could not have possibly
18 contemplated that because the big oil companies didn't
19 contemplate it, and they hire scenario planners that look 25
20 and 50, and Shell Oil looks 100 years in the future, and not
21 one of big oil companies contemplated fracking. So how
22 could the State and how could the UTP possibly have
23 contemplated this shift, and yet it's a very real need that
24 Commission Austin points towards.

25 So my question is perhaps we do ourselves a

1 disservice by trying to -- trying to serve a 10-year need.
2 That's where I'm coming from. And how many other states are
3 trying to do that?

4 MR. WILLIAMS: We can look at a review of what
5 other states do. As I mentioned before, Kentucky's look
6 ahead is about six years. Oklahoma's, I believe, is about
7 eight. The -- at the Federal level what we have is a 4-year
8 transportation improvement program, a TIP or a STIP. And
9 that is embedded as part of the UTP.

10 MR. MOSELEY: Right.

11 MR. WILLIAMS: And so, you know, honestly a lot of
12 our focus in the UTP is on the near-term projects, the next
13 two years that's in our letting schedule or the four years
14 that's in our TIP. The projects that are in years five
15 through ten, the last six years, understandably there's a
16 lot of variability with that and we probably don't put the
17 amount of attention to those as we do to the near-term
18 priorities.

19 MR. AUSTIN: Commissioner, during the convention
20 here this work, I've been TTA, I had the opportunity to
21 visit with the new Executive Director of Florida. And I
22 kind of -- I was talking about our UTP, and I asked them --

23 MR. MOSELEY: Right.

24 MR. AUSTIN: -- and I really liked his response.
25 They have a similar document of what we would use as our UTP

1 that's called a Strategic Intermodal System -- Strategic
2 Intermodal System. I like that name because it does tie in
3 multimodes. And he said it does include rail. And I hope
4 I'm not misquoting him.

5 MR. MOSELEY: Right. Right.

6 MR. AUSTIN: But it does look at the multiple
7 usage. And if I look at what we've done -- you look at our
8 LAR, we're tying in rail, freight, we have exceptional items
9 to come back and request. These are changing things as
10 you've pointed out. Because this is our economic engine,
11 and Judge Emmett who chairs our Freight Advisory Committee
12 said just because the Panama Canal's going to open up, you
13 know, that's a change in dynamics, change in patterns.
14 We've got to protect what we have right now, and that's the
15 people in Texas moving. And you've been an advocate for
16 keeping discretion at the Commission level as well. But as
17 you know, economic development, if somebody were bringing a
18 new company into Texas, we need to be able to respond to
19 local communities, to the Governor's Office, hey, we need a
20 turn lane, we need to add a stop light capacity, to have
21 some discretion. That's what's generating a lot of the
22 revenue that we have right now.

23 MR. WILLIAMS: Yes, sir.

24 MR. AUSTIN: But I like that name. I'm not
25 suggesting we change, but I like the -- I like that name.

1 GENERAL WEBER: Marc, I think it's a great work
2 you got, but I would just caution everybody. When we use
3 the term "we", we need to understand that that's not TxDOT
4 alone looking into the future, or TxDOT alone determining
5 what are the needs for the State; it's our partners --

6 MR. WILLIAMS: Yes, sir. That's right.

7 GENERAL WEBER: -- at the local levels, are MPOs,
8 our RMAs, our county judges, our mayors. And all of that is
9 part of this UTP, too. People need to understand that as we
10 try to get a grip on what the State's going to look like in
11 20 years and what their needs are going to be. Sometimes
12 when we say we, everybody is saying TxDOT. And I think that
13 we mean it includes our partners, as well.

14 MR. WILLIAMS: Yes, sir.

15 MR. HOUGHTON: Any other questions? Comments?

16 Good job, Marc. The UTP has been -- you can sit
17 down, John, I'm not ready for you yet.

18 The UTP has -- please sit down. I'm sorry -- used
19 as -- I wasn't going to call it liberally the whipping boy
20 in the last several months, and liberally interpretations of
21 what's going on and as a result of that the leadership of
22 this Department has been called in question. And for the
23 sake of the Department and the interest in public
24 transparency -- Marc, you may want to sit down for a minute,
25 too. This may take a few minutes.

1 I feel that we ought to address recent criticisms.
2 I believe that the honest communication is an essential
3 element of any successful leader. For example, I believe
4 the rolls that you, Commissioner Austin, has played in our
5 leading efforts in communicating with Congress and a 169
6 stakeholders demonstrates our commitment to good
7 communication. There's not a decision we make to fund a
8 project that doesn't run the risk of making someone unhappy.
9 Our State's needs are outstripped, the resources we have
10 available to fund projects for which there are a many a
11 need.

12 Any decision to allocate funding for one project
13 is a choice not to fund the other projects. Emotions can
14 run high because Commission decisions have a big impact on
15 our State. But exclusively focusing on disagreements
16 surrounding funding of isolated projects runs the risk of
17 painting a distorted picture of our leadership.

18 Given the magnitude of the UTP, focusing criticism
19 on an overall process, based difference of opinion on one
20 percent of the allocation casts the entire department in an
21 unfair light.

22 As you know, the Metropolitan Planning
23 Organization's funding request for a project is not a
24 panacea of consensus among all transportation leaders in
25 this community and all members of the public. In the past

1 ten years we have significantly shifted the decision making
2 to our local MPOs in our metropolitan areas, to the tune of
3 the last ten years of \$51.4 billion dollars over the last
4 ten years.

5 Now, Mr. Barton, where do we rank over the last
6 ten years with the rest of the country as far as the
7 projects, as far as that number is concerned?

8 MR. BARTON: I believe that we would be at the top
9 of the list.

10 MR. HOUGHTON: Top of the list. Thank you. Thank
11 you. That's what I needed you for.

12 The vast enterprise creates leadership challenges.
13 The size of our stated infrastructure, for example, we have
14 the most bridges in the nation. We have the responsibility
15 to provide TxDOT the proper equipment and the most
16 importantly safety measures to protect them from inherent
17 hazards of their work.

18 Fred, your leadership in protecting employees has
19 been critical to making TxDOT a safer place to work --
20 emergency response, big state with different risk of fires,
21 hurricanes, winter storms, today flooding, and in an
22 explosive population.

23 More than the vast system of roads and bridges we
24 created a very small division; the maritime division. How
25 many people do we have in our maritime division? Six?

1 Commissioner Moseley, you demonstrated leadership by being a
2 Commissioner and touring our State ports, not only our State
3 ports but our land ports.

4 Those who want to criticize our leadership could
5 say we should have done it sooner. Alternatively might say
6 it distracts from our goal of asphalt and concrete. The
7 reality is that we need a division to help our state
8 understand the vast impact of the Panama Canal, as well as
9 the overall impact of our ports and waterways we have on the
10 Texas transportation system.

11 Now, we've become innovators. And as innovators
12 in the last ten years the Department's leadership has been
13 an -- has been very innovative. Given our limited resources
14 we have relied on creative solutions to solve complex
15 funding problems.

16 Innovators by definition hold a minority opinion.
17 And we can prove that. The public/private partnerships
18 activity that Texas had in the past decade to deliver
19 projects in a timely manner that would have otherwise
20 remained waiting to be built, Fred, to your point as to
21 the -- as to the leveraging effect is unprecedented.

22 We have leveraged, what, \$7 billion dollars to
23 leverage \$23 billion dollars across this state. We, as I
24 said earlier, a total of \$51 billion over the last ten
25 years. That required strong leadership. We could have been

1 too scared to making a mistake. We could have, but we
2 instead -- we had the courage to move forward and we would
3 learn as we went along using the tools that the Legislature
4 has provided us. It was not popular. We weren't popular.
5 But where we were as a state would be -- we'd have to take
6 some risk.

7 Now we are a leader in this country and other
8 states look to us as to the public/private partnership, CDAs
9 and the other innovative things that we are doing.

10 Now in the last several years under
11 Commissioner -- Chairman Delisi's leadership, we had to take
12 on a transformation, we took a Grant Thornton Review, we had
13 to look at ourselves moving in the 21st century. The SB
14 1420 included specific recommendations of improving the UTP.
15 As we modernize we adopt a new mission statement including
16 striving to be the best-in-class agency, which I believe we
17 have achieved. But we still need to continue to be the
18 best, because when you're the best they continue to nip at
19 you.

20 Now, what I'd like to do is I'd like to recognize
21 some folks and some entities across the State that have been
22 our partners and have made all of this happen. And I want
23 to thank and recognize part of our TxDot family General
24 Weber, John Barton, James Bass, Russell Zapalac, Rich
25 McMonagle, Ben Asher, Marc Williams, and Darren Anderson.

1 And to those men and women who operate this vast system; the
2 biggest system in the country. Also to our partners HCTRA,
3 NTTA, CTRMA, DRT, NETRMA, Camino Real RMA, as well as our --
4 and as well as the city of Lubbock who demonstrated early
5 on, Fred, before you got on the Commission, early on instead
6 of tolling something they put up the utility franchise tax
7 to match our dollars. And that was unique and very profound
8 to be -- to those projects. Also to the RTC and the
9 Dallas/Fort Worth, City of El Paso, county of El Paso,
10 Cameron County, Tyler and CAMPO.

11 I also -- I think you get the idea of the
12 partnership. I could go on and on and on about how things
13 were a success. To the General's comment, it's a
14 partnership that we have.

15 Our success also is a result of the leadership
16 that has occupied the chairs on this desk: Chairs Johnson,
17 who was just here and left; Chair Williamson; Chair
18 Andrade and Chair Delisi, who's in the audience; as well as
19 Commission Members Nichols; Holmes; and, of course, our
20 ever-loving Commissioner Meadows from Fort Worth.

21 Now, what I'd like to do is wrap up a little bit.
22 We've heard earlier on and just recently about the -- about
23 the energy sector. In addition to the challenges, you know,
24 we've had the great opportunity -- Commissioner Moseley talk
25 about fracking wasn't heard about five years ago. We are

1 fortunate to be undergoing this oil and gas boom, but it's
2 created an enormous challenge for us. Our response took
3 real leadership.

4 Again, I want to thank Fred for his taking the
5 lead on the issue, particularly for his participation on a
6 task force that formed, prior to the last Legislative
7 session. And two years ago after consultation with the
8 Chair of the Senate Finance the committee requested 1.6
9 billion dollars for the energy sector; we got \$225 million,
10 which we have now deployed. And of course we appreciate
11 that added funding.

12 Given the current situation we've requested, not
13 \$1.6 but \$2 billion the -- for this Legislative session. We
14 can't sit here and absorb these additional costs. We have
15 to be decisive and we have to do what's in the best and the
16 -- with finite resources.

17 Now with that said, I have given to my fellow
18 Commissioners two newspaper articles that were in the
19 Houston Chronicle and they isolated the most dangerous roads
20 in the State of Texas, and the problem we're having with
21 mortality rates and crashes in the oil patch. We have
22 addressed with the presentation here today opportunities and
23 our death rates, accident rates are going up in the oil
24 patch. I would recommend that this Commission take a look
25 at what monies are available, what projects are not ready to

1 go, and then next month in El Paso our Commission say here's
2 some money that we can move quickly. Because what I heard
3 here today is that from Chairman Johnson, we can deploy
4 those assets, repair those roads quickly.

5 John, now you can come up. Is it my
6 understanding, John, that we don't need environmental
7 clearance to repair those roads that are unsafe, becoming
8 unsafe and need repair?

9 MR. ANDERSON: The environmental process is done
10 through what's called a Categorical Exclusion, and it's a
11 relatively easy and quick process to go through. It's not
12 the more fulsome environmental assessments or environmental
13 impact statements that new location or larger projects
14 require.

15 MR. HOUGHTON: Okay. So you could deploy that
16 money pretty quickly?

17 MR. ANDERSON: We could if were given the
18 resources. We have several projects in the energy sector
19 areas that we could develop and deploy quickly.

20 MR. HOUGHTON: I would admonish everyone to read
21 those articles in the Houston -- in our -- they were in
22 clips, but they are heart wrenching about what is going.
23 They're not only heart wrenching they're not -- it's not
24 abating. It's happening, people are getting killed. Not as
25 a result, necessarily, of our roads, but we don't need to be

1 the excuse. There are issues with the transportation sector
2 as to truckers as to equipment, but we need not to be the
3 excuse.

4 And with my fellow Commissioner's permission, I
5 think we need to look at available funds to be transferred
6 to the energy sector and report back next month.

7 MR. AUSTIN: Mr. Chairman, may I ask you -- when
8 we're looking at funds that might be available, that doesn't
9 mean we're going to not do those other projects, but they
10 just may be delayed for a little while that --

11 MR. HOUGHTON: I'm going to leave it up to staff
12 to --

13 MR. AUSTIN: Figure out how to do it.

14 MR. HOUGHTON: I just don't think we can run and
15 hide from this issue any longer. And what galvanized it for
16 me is I read these clips when I get them. And what
17 galvanized it for me are these articles that were in the
18 Chronicle regarding the issues around deaths of loved ones,
19 family members. And it is something, again, it may not be
20 our fault, but at the same time what we need to -- we don't
21 need to be blamed for it. So with that said --

22 MR. VANDERGRIFF: Chairman, I want to be clear and
23 ask this question, if I could. Are you suggesting that we
24 take a look at projects that are in the UTP, that have been
25 granted funding, and those that are not like immediately

1 hitting the ground, we would potentially move that money
2 towards the energy sector; is that what I understand you
3 saying?

4 MR. HOUGHTON: That's what -- that is what you're
5 hearing.

6 MR. VANDERGRIFF: Okay.

7 MR. HOUGHTON: That would be my request.

8 MR. VANDERGRIFF: I just wanted to be clear that I
9 understood that.

10 MR. HOUGHTON: Yes, all projects in the UTP.

11 MR. VANDERGRIFF: I understand.

12 MR. HOUGHTON: Any other questions?

13 MR. MOSELEY: Chairman, I think you're spot on.
14 We probably should really highlight this, and so I
15 appreciate your leadership on it and be pleased to take a
16 look at projects from our region that might -- might not be
17 quite ready to go, but they deserve consideration for what
18 you're asking.

19 MR. HOUGHTON: Marc, come on up, or John, either
20 one, or both of you. My understanding is that the Federal
21 Government, based on our request, will be allocating
22 additional resources to us soon?

23 MR. ANDERSON: Yes, sir. At the end of each
24 Federal Fiscal year the Federal Government looks at funding
25 obligation authority that they've assigned to themselves at

1 the Federal Highway Administration and to the other states,
2 as well as the two territories; Washington DC and Puerto
3 Rico. And if there are entities within those groups that
4 have not been able to fully utilize their obligation
5 authority they allow states to request -- those that have to
6 request additional authority. We have always consumed all
7 of our authority and each year ask for additional funding,
8 if you will, obligation authority. And this year we
9 requested \$200,000,000 of additional authority.

10 MR. HOUGHTON: And now I would like to make the
11 other Commissioners aware, and not -- and I think they
12 already are, there are two very high profile projects that
13 are funded, that are ready to go, and I call it ready to go,
14 is the 288 Project in Houston and the Bridge Project, Corpus
15 Christi Bridge Project. But our folks are telling us may
16 require additional funds. Is that an accurate statement?

17 MR. ANDERSON: That's correct. Both of those
18 projects are currently under procurement through a design
19 build process on the, what we call Harbor Bridge Project in
20 Corpus Christi and through a Comprehensive Development
21 Agreement Concession Model for the State Highway 288
22 Project. And the bids, if you will, have not been received
23 on either of those projects. We expect those in the next
24 few months, but as our team, led by Russell Zapalac and his
25 group work with the potential bidders, developers for those

1 projects, we are getting indications that to perform the
2 work that we have envisioned and asked for their proposals
3 on. We may need to put additional State funding into both
4 of those projects in order to meet that scope of work that
5 we've envisioned.

6 MR. HOUGHTON: Can we come back to the
7 Commission -- these projects are on the edge of being
8 awarded -- not awarded but bids, to secure those dollars --
9 a recommendation back to this Commission to make sure that
10 the locals know that those projects will be taken care of?

11 MR. ANDERSON: We can do that. I think that
12 Russell and his team were already preparing an analysis of
13 what they believe might be an appropriate amount of
14 additional funding we should be planning for, and we can
15 prepare the Commission for that.

16 MR. VANDERGRIFF: Chairman, I'd ask one other
17 thing. That when we move forward, I particularly would like
18 to look at the projects that we have funded, say in the last
19 year or so, and how those came about and where they are in
20 the process. I'm sure many of those would probably be on
21 this list, but I continue to believe in the UTP and the
22 planning tool that it is. But I also understand that human
23 decisions are made on projects and I'd just like us to make
24 sure and we revisit those as well when we're talking about
25 projects that might potentially defund.

1 MR. HOUGHTON: Any other questions? Okay.

2 MR. ANDERSON: If I could interrupt the meeting
3 for a moment. I wanted to make sure that this Commission
4 and the members of the audience here today, and those
5 listening over the internet are aware the storms in Texas
6 continue to drop significant amounts of rainfall across
7 central Texas and other parts of the State. And I know that
8 we've all heard that "turn around don't drown" saying. We
9 just got a report that a Travis County Sheriff's Office has
10 been swept away in a flood event. They've retrieved the car
11 but not the Sheriff's Deputy. And that's an example of how
12 an emergency response can get caught up into these things.
13 So as you leave here today, if you have -- if you're about
14 to travel in these areas, it is not a joking matter. Do not
15 drive into water that you can't see the roadway surface.
16 And if even if you can, often that pavement or bridge
17 structure may be compromised, and it's just not a safe thing
18 to do. And so apologize for having to interrupt this
19 meeting, but this is serious business, people's lives are in
20 jeopardy and we need to make sure that our citizens safely
21 navigate on our roadways. And if there is water over a
22 roadway do not, I repeat do not drive through that water in
23 rout to your final destination.

24 MR HOUGHTON: Let me wrap -- or John, stay right
25 there. I'm sorry. I had one other point. And it was to

1 yours Commissioner Moseley regarding the UTP. When you talk
2 about looking out ten years and who'da thunk five years ago
3 we'd be talking about fracking and what we're talking about
4 today in the energy sector. I got to believe we got revisit
5 the UTP 10-year look. And what we're really looking at is
6 we're planning 10 years out when we need these projects
7 today. I mean, well, we're smart. Marc, you talked about
8 Kentucky is a six-year look. We're taking money, or
9 potentially looking at moving money from project A to the --
10 or project B to project D in the energy sector, when five
11 years ago we'd never think about doing that.

12 MR. WILLIAMS: Yes, sir.

13 MR. HOUGHTON: So I'm not sure that the 10-year
14 look is the right look. I don't know what Commissioner
15 Moseley -- I'm not --

16 MR. WILLIAMS: Well, we --

17 MR. MOSELY: I'm not sure what the best practice
18 is.

19 MR. WILLIAMS: Well, we'd be -- come to the
20 Commission with kind of a review of the, what we would call
21 kind of the mid-range planning documents that our peer
22 states have. We do have a, actually, a peer exchange coming
23 up in two weeks with the Florida DOT, where myself and
24 several other staff members Ed Pensock, Ben Asher and others
25 are going to be traveling to Tallahassee to meet with them

1 to discuss a broad range of issues, but included in that are
2 their approach to planning and programming documents, and we
3 will certainly be looking at what practices they bring
4 forward, and we'll be happy to bring that back to this
5 Commission.

6 GENERAL WEBER: Chairman, I'd like to just add --
7 don't get me wrong, I think there's a need for strategic
8 planning and long range-planning without a doubt. But what
9 I think we could hone our skills a little better on to meet
10 the need that you just mentioned is our rapid planning. Do
11 we have any rapid planning techniques or skills or
12 strategies to make that type of adjustment? And those
13 processes are out there and we probably need to take a look
14 at them and hone our skills a little bit in that area.

15 MR. HOUGHTON: I think that would be greatly
16 received by this Commission, General.

17 Okay. Now that I've taken most of the time, we're
18 moving on.

19 GENERAL WEBER: We're going to move on. And
20 thanks, Chairman. And as the Executive Director I just want
21 to make sure you know that I speak for all the men and women
22 of TxDot that we truly appreciate your, and all the
23 Commissioner's leadership that you've given us. So thank
24 you very much.

25 Item four, Speed Restrictions in Montgomery

1 County. Traffic Operations Director Carol Rawson will
2 present. Carol, thank you.

3 MS. RAWSON: Good morning, Commissioners. For the
4 record I'm Carol Rawson, Director of the Traffic Operations
5 Division.

6 The minute order before you proposes to extend
7 speed restrictions to a private road; Grand Harbor Boulevard
8 in Montgomery County. Transportation Code section 542.006
9 authorizes the Commission to consider issuing such orders
10 for private roads if certain criteria are met. The owners
11 of the -- of majority of the parcels of real property
12 abutting a private road may petition the Commission to
13 extend the speed restrictions to the portion of the road in
14 a subdivision or across adjacent subdivisions if; number
15 one, the road is not in a municipality; number two, the
16 number of residents in the subdivision and subdivisions
17 adjacent to this subdivision is at least 400; and three, a
18 plat of the subdivision and each adjacent subdivision has
19 been filed in the deed of records of county.

20 The Department has determined that the Statute has
21 been met, and the Commission must decide whether extension
22 of the speed restriction is in the interest of the residents
23 and the general public.

24 If the Commission issues the order, local law
25 enforcement can enforce speed limits on Grand Harbor

1 Boulevard. Staff recommends approval of this minute order.

2 MR. HOUGHTON: Let me talk. Where's our legal
3 counsel. Do we have legal counsel here?

4 LEGAL COUNSEL: Yes.

5 MR. HOUGHTON: This is an interesting one. Is
6 this the one about our gated communities?

7 LEGAL COUNSEL: Not gated.

8 MS. RAWSON: It is gated.

9 LEGAL COUNSEL: This one is gated?

10 MS. RAWSON: Yes, it is gated.

11 LEGAL COUNSEL: Then it is gated.

12 MR. HOUGHTON: Would you tell the Commission
13 exactly -- I guess they got briefed yesterday also. I guess
14 they do know. Maybe the audience doesn't know. That if we
15 decide not to do this, what is then the next course of
16 action?

17 LEGAL COUNSEL: If you decided not to accept this
18 recommendation from staff, then you would get to go to the
19 county in question and have this same meeting in front of
20 those local residents to explain your decision no.

21 MR. HOUGHTON: How many times would we have to do
22 that in these homeowner's association groups.

23 LEGAL COUNSEL: Well, once for each one -- in this
24 case once -- but once for each one that you reject.

25 MR. HOUGHTON: Once for each homeowner associate

1 in the --

2 LEGAL COUNSEL: No. So what I think I understand
3 your question, just once in this case.

4 MR. HOUGHTON: Just once in this case for this.

5 LEGAL COUNSEL: If you received another petition
6 you would have to do it again.

7 MR. HOUGHTON: So we could be petitioned by
8 everyone; is that correct?

9 LEGAL COUNSEL: Every home owner's association?

10 MR. HOUGHTON: To change the speed limit?

11 LEGAL COUNSEL: In the State of Texas?

12 MR. HOUGHTON: Yeah.

13 LEGAL COUNSEL: So long as they met the
14 requirements of the size and the non-municipality of the
15 situation.

16 MR. HOUGHTON: Now Ken, is there something we can
17 do to talk to the Legislature about getting us out of this
18 business?

19 LEGAL COUNSEL: I think we might have a session
20 coming up.

21 MR. HOUGHTON: I know the gated community that
22 Commissioner Austin lives in, I really don't want to set the
23 speed limit in his community.

24 MR. AUSTIN: We are not gated.

25 MR. HOUGHTON: Do you have a homeowner's

1 association?

2 MR. AUSTIN: Yes, we do.

3 MR. HOUGHTON: Oh, my goodness. Okay.

4 MR. AUSTIN: They have big speed bumps.

5 MR. UNDERWOOD: Carol, one thing I want to shift
6 gears from these gentlemen. What percent of people in that
7 area, again, are for this?

8 MS. RAWSON: Well, the actual statue,
9 Commissioner, it looks at the actual parcels that abut the
10 roadway, Grand Harbor.

11 MR. UNDERWOOD: That are actually afflicted by the
12 road is -- basically in front of their house?

13 MS. RAWSON: Correct. And out of the -- on Grand
14 Harbor there's 81 total parcels. And when they did their
15 petition they had to go to each of those individuals along
16 there. And of the 81, 58, which is 72 percent, said yes,
17 they would like to have these restrictions. It's not just
18 establishing the speed limit. What it is, is it's giving
19 local law enforcement, that would be either the Constable or
20 the Sheriff, the ability to enforce it, meaning to issue
21 tickets.

22 MR. UNDERWOOD: Right.

23 MS. RAWSON: So 58 of them said yes. That's 72
24 percent. There were six that said no, which is seven
25 percent. And 12 there was a no response along with it,

1 which was --

2 MR. UNDERWOOD: so almost three fourths are saying
3 yes --

4 MS. RAWSON: Yes, sir.

5 MR. UNDERWOOD: -- is the bottom line.

6 MS. RAWSON: Of those that are abutting Grand
7 Harbor, correct, as based upon the statute.

8 MR. UNDERWOOD: Okay. Thank you, ma'am.

9 MR. HOUGHTON: Is there a motion?

10 MR. AUSTIN: So moved.

11 UNIDENTIFIED SPEAKER: Second.

12 MR. HOUGHTON: All in favor?

13 (Chorus of "Ayes")

14 MR. HOUGHTON: Oh, I'm sorry. I apologize. I had
15 two speakers.

16 GENERAL WEBER: I apologize.

17 MR. HOUGHTON: Will you --

18 UNIDENTIFIED SPEAKER: Rubin?

19 MR. HOUGHTON: Yes.

20 UNIDENTIFIED SPEAKER: Who showed up?

21 MR. HOUGHTON: Oh, yeah. I again, I apologize.

22 UNIDENTIFIED SPEAKER: That's just fine, I didn't
23 want to talk anyway.

24 UNIDENTIFIED SPEAKER: What do you have more
25 important enough to do?

1 MR. UNDERWOOD: But --

2 UNIDENTIFIED SPEAKER: You don't want me to get
3 talking anyway.

4 MR. UNDERWOOD: But I want to thank you for taking
5 the time to come, gentlemen.

6 MR. HOUGHTON: Yes, thank you very much.

7 MR. UNDERWOOD: Gentlemen, thank you.

8 UNIDENTIFIED SPEAKER: All right.

9 MR. UNDERWOOD: What you do is important. We
10 appreciate you being here, sir --

11 UNIDENTIFIED SPEAKER: Yes, sir.

12 MR. UNDERWOOD -- sirs.

13 UNIDENTIFIED SPEAKER: My hat -- hats off to the
14 officer they can't find. Because I've been -- I am a
15 responder; 35 years with HFD, and I've been in the
16 situations "turn around don't drown" and look for people.
17 You all have a safe day and do what that gentleman says.
18 Thank you all.

19 MR. MOSELEY: Thank you for coming.

20 MR. HOUGHTON: Carol, will you get with the
21 gentlemen.

22 MS. RAWSON: I will. I got it.

23 MR. HOUGHTON: Thank you.

24 Okay, General.

25 GENERAL WEBER: Okay. Moving along, next is our

1 Aviation item. Award of federal and state grant funding and
2 our Director of Aviation Dave Fulton will present.

3 MR. FULTON: Thank you, General Weber and
4 Commissioners. For the record, my name is Dave Fulton,
5 director of TxDOT's aviation division. This minute order
6 contains a request for grant funding approval for 11 airport
7 improvement projects. The total estimated costs of all
8 requests is shown in Exhibit A is approximately
9 \$15.8 million dollars, \$13.2 million in federal funds,
10 \$900,000 in state funds, and \$1.7 million in local funds.

11 A public hearing was held on August 22nd. No
12 comments were received. We would recommend approval of this
13 minute order.

14 MR. HOUGHTON: Any questions for Dave?
15 Motion?

16 MR. AUSTIN: So moved.

17 MR. UNDERWOOD: Second.

18 MR. HOUGHTON: All in favor?

19 (Chorus of "Ayes")

20 MR. HOUGHTON: All right. Dave?

21 MR. FULTON: Thank you.

22 MR. AUSTIN: Mr. Chairman, before Dave leaves, I
23 want to say we were talking about the other divisions and
24 everything that really take place and we left out aviation,
25 and I want to say that ya'll have one of the most efficient

1 departments and thank you for what you do for the men and
2 women across the state and keep Texas flying.

3 MR. FULTON: Well, thank you very much for that.
4 I'll pass that on to tour staff who really deserve the
5 credit. Thank you.

6 MR. UNDERWOOD: And also the safety record that
7 you have, too, Dave. Yes, sir.

8 MR. FULTON: I'll pass that on as well.

9 MR. UNDERWOOD: Please.

10 MR. AUSTIN: Mr. Chairman, as we talk about rapid
11 response, last year when we looked at losing a lot of
12 funding because what we did took, basically, the governor's
13 recommendation and what they did, they'll keep somebody's
14 contract higher at how tower's open, that ties right into
15 that theory.

16 MR. HOUGHTON: Good point. Well noted.

17 General?

18 GENERAL WEBER: Next is item 6, appoint members to
19 the Bicycle Advisory Committee, Public Transportation
20 Division Eric Gleason will present.

21 Eric?

22 MR. GLEASON: Good morning, Mr. Chairman,
23 Commission Members and General Weber. For the record, my
24 name is Eric Gleason, Director of Public Transportation for
25 TxDOT.

1 Agenda item 6 appoints three new members to
2 TxDOT's Bicycle Advisory Committee. The Committee the
3 charged with making recommendations to the Commission on the
4 development of bicycle tourism trails in Texas and reviews
5 and makes recommendations on items of mutual concern between
6 the Department and the bicycling community.

7 The recommended appointments are as follows:
8 Mr. Jason Fialkoff from Austin, Ms. Karla Weaver from the
9 Dallas/Fort Worth area and Mr. David Steiner from Lufkin.
10 These three individuals will take the place of three
11 long-serving members on the advisory committee, Ms. Annie
12 Melton, from Dallas; Mr. Tommy Eden and Ms. Sheila
13 Holbrook-White, both from Austin. All three terms are
14 scheduled to expire on August 31st, 2017.

15 Staff recommends approval of this minute order.

16 MR. HOUGHTON: Questions?

17 MR. AUSTIN: Are any of these members here?

18 MR. GLEASON: I don't believe so.

19 MR. HOUGHTON: Okay. Motion?

20 MR. AUSTIN: So moved.

21 UNIDENTIFIED SPEAKER: Second.

22 MR. HOUGHTON: All in favor?

23 (Chorus of "Ayes")

24 MR. GLEASON: Thank you.

25 GENERAL WEBER: Next is item 7(a)(1), the final

1 adoption rules to Chapter 11, Design. This will be
2 presented by director of planning Mr. Marc Williams.

3 MR. WILLIAMS: Good morning, again, Mr. Chairman,
4 Commission Members, and General Weber. Again, for the
5 record, my name is Marc Williams, director of planning with
6 Texas Department of Transportation.

7 This minute order authorizes the final adoption to
8 new sections of Chapter 11 of the Texas Administrative Code
9 concerning the administration of the Transportation
10 Alternatives Program. These proposed rule changes are a
11 companion piece to a following agenda item which is
12 7(a)(2) that authorizes the final adoption to amendments of
13 Chapter 16 of the Transportation Administrative Code
14 concerning funding categories and transportation allocation
15 funding formulas for the Transportation Alternatives
16 Program. And so these two minute orders go together and I
17 wanted to reference them and I'll kind of continue to
18 reference them in my opening comments, but I understand that
19 the Commission will take up each of those minute orders
20 separately.

21 For this particular minute order, under 7(a)(1),
22 the new sections implement the Transportation Alternatives
23 Program that was established by MAP-21, Moving Ahead for
24 Progress in the 21st century, and associated program calls
25 are set forth to the administrative requirements for the

1 associated program calls to be undertaken by both the Texas
2 Department of Transportation and a new set of program calls
3 administered by our Metropolitan Planning Organizations that
4 are outlined in MAP-21. Many of the concepts and the
5 requirements that are in these new sections are really a
6 carry forward from the Department's administrative rules
7 that existed previously concerning the Transportation
8 Enhancement Program, which was the predecessor to the
9 Transportation Alternatives Program that was adopted in
10 MAP-21. The new sections lay out various aspects of the
11 Transportation Alternatives Program, including program
12 administration, eligible activities, allowable costs, local
13 funding and matching requirements, as well as a nomination
14 and selection process for projects and their implementation.

15 In particular, MAP-21 sets forth a suballocation
16 of Transportation Alternatives Program funding that goes to
17 the Metropolitan Planning Organizations, as well as for
18 programs to TxDOT. TxDOT will administer those portions of
19 the programs for small and medium-sized communities and the
20 MPOs will have responsible for administering programs that
21 fall within their areas, and this is the larger MPOs, the
22 transportation management area MPOs.

23 An approval of these rules will allow for program
24 calls to be initiated by both the Texas Department of
25 Transportation, and the MPOs under the new TAP program. The

1 Department received over 500 comments during the formal
2 comment period. I understand that we have received some
3 additional comments, a number of additional comments since
4 that time. A number of the comments addressed both 7(a) and
5 7(b) and so we tried to make some distinction. About 300
6 comments, the staff reviewed that seemed to align with
7 7(a) and we reviewed those comments and some changes to the
8 proposed rules for May.

9 As an example, many of the comments concerned the
10 matching provisions associated with what are existing rules
11 that governed the Transportation Enhancement Program and the
12 Department -- and asked -- and several cities and members of
13 the public asked the Department to eliminate or modify the
14 provision that requires an application for projects in areas
15 over 200 to be submitted only to the MPO, as well. So we
16 made some modifications in both of those areas. The
17 Department will allow cities the option to submit
18 applications to either the MPO or the Department portion of
19 the program for which projects are eligible.

20 We also looked at the matching requirements that a
21 number of the cities and other comments had asked us to
22 consider making some revisions to or eliminate. We did not
23 entirely eliminate them, but we did allow for additional
24 flexibility and eligibility of any kind of contributions to
25 be considered as part of the local match and also allowed

1 for an offset of the matching requirements for disadvantaged
2 communities.

3 I would also want to say that a majority of the
4 comments that were submitted somewhat align more closely
5 with 7(a)(2) or 7(a)(2), that you will have presented to you
6 subsequently, but I felt like it would be appropriate to
7 mention now that many of those comments involve the
8 implementation of provisions for fund flexibility provided
9 under MAP-21. These proposed changes to these rules align
10 with the provisions to MAP-21 in these areas and do not
11 prescribe any specific funding set-asides beyond those
12 required by federal legislation. The rules themselves do
13 not dictate Commission action in these areas as action to if
14 flex or supplement funding for either the Transportation
15 Alternatives Program or other alternative transportation
16 projects is carried out through the Unified Transportation
17 Program or by separate minute order passed by this
18 Commission.

19 With passage of these rules, however, staff
20 anticipates coming to the Commission in the near future with
21 a recommended program call for TxDOT for alternative
22 transportation projects involving bicycle, pedestrian, and
23 safe routes to schools. We also anticipate, as well, that a
24 number of our large MPOs will be able to move forward with
25 their own program calls under the new Transportation

1 Alternatives Program.

2 The staff is happy to answer any questions and we
3 recommend approval of this minute order.

4 MR. HOUGHTON: Well, I guess I can't forget two
5 speakers on this one, so I'm going to ask Leslie Luciano,
6 Director of Development, BikeTexas -- is she here?

7 MS. LUCIANO: Yeah, I was in the speaking.

8 MR. HOUGHTON: You're not speaking? All right.

9 I know you are, Robin. I know that you wouldn't
10 forego speaking.

11 Sorry, Leslie. I thought you wanted to speak.

12 MS. LUCIANO: No, not yet.

13 MR. HOUGHTON: Not yet, okay.

14 MR. STALLINGS: The forms have been edited to have
15 an option for -- I oppose, but didn't pay attention again --

16 MR. HOUGHTON: Yeah, thank you.

17 MR. STALLINGS: We had many people that showed up
18 at the last meeting that just wanted to register their
19 concern but not take up the mic time. We tried to respect
20 your time by getting letters instead. By our count, over
21 800 people --

22 By the way, my name is Robin Stallings, I'm the
23 executive director of BikeTexas, and thank you very much for
24 giving me a chance to speak on 7(a)(1). We request that you
25 do not approve those today. There were seven requests that

1 we made. One was accepted and we think that the rules could
2 use some work, along with the change that we request in
3 7(a)(2) that I'll do when it's my time.

4 And there are 16 percent of fatalities in Texas
5 are bike and pedestrian. This money, if left in TAP would
6 be an opportunity to create some demonstration projects and
7 see what we could do to improve those numbers. It's
8 terrible with what's going on with fracking; it's a new
9 technology and we're moving on it and I'm happy to see it.

10 Bicycling is old technology. It's been around a
11 long time. It costs us less. Does less damage on our
12 roadways. Does other health -- public health benefits.
13 It's part of our transportation system is, and yet in spite
14 of 16 percent of fatalities, we spend less than one percent
15 of our money on facilities and safety combined. So we would
16 request that you would give this more attention.

17 It looks like there's a division for everything
18 else from maritime to aviation. Maybe it's time that we do
19 a bicycle division because somehow it's clearly getting lost
20 through the cracks in spite of over 500 fatalities every
21 year between bicyclists and pedestrians. And I grieve for
22 the one TxDOT employee that's killed on average every year,
23 and there was legislation moved to do something about that,
24 but we're asking you to also give some attention to the 500
25 bicyclists and pedestrians.

1 When those oil workers get to work, maybe they
2 walk to work before they're driving that truck. That trip
3 to work is just as important as the trip while they're
4 driving that truck and we think that everybody needs to be
5 safe.

6 Thank you. If you have any questions on 7(a)(1),
7 I'll be happy to address them.

8 MR. AUSTIN: Just one comment. You said 16
9 percent bicycle fatalities?

10 MR. STALLINGS: Sixteen percent are bike and
11 pedestrian.

12 MR. AUSTIN: Bike and pedestrian, okay.

13 MR. STALLINGS: That's been increasing.

14 MR. AUSTIN: You make a good point about the
15 bicycle recognition. You do participate with our Bicycle
16 Advisory Committee, don't you?

17 MR. STALLINGS: In fact, I'm a former chair of the
18 Committee, yes, sir.

19 MR. AUSTIN: You still do.

20 MR. STALLINGS: In fact, the Bike Advisory
21 Committee also requested that these be revised as also,
22 7(a)(2), and I'm standing with the Bicycle Advisory
23 Committee on that, as well.

24 MR. HOUGHTON: Thanks Robin.

25 MR. STALLINGS: Thank you.

1 MR. HOUGHTON: Any other questions?

2 MR. AUSTIN: I have a couple of questions of Marc.

3 MR. HOUGHTON:

4 Marc, come on up.

5 MR. AUSTIN: As we look as these, one, the bicycle
6 committee, I think made one recommendation that you
7 highlighted a while ago about using the flex fund -- I'm
8 sorry, not if flex fund -- being able to work with the
9 disadvantaged counties?

10 MR. WILLIAMS: Yes, sir.

11 MR. AUSTIN: Would you explain that one more time?

12 MR. WILLIAMS: Well, we've incorporated a
13 recommendation. One of the things that Bicycle Advisory
14 Committee asked us to do and I know a number of comments
15 that we received asked us to do, was to allow -- was to
16 change the existing rules that already exist to allow for
17 all of the initial project development costs to be eligible
18 for funding under the Transportation Alternatives Program.
19 The Department has chosen not to make a change to that
20 provision to our rule, but we did try to respond to some of
21 those issues by first of all, allowing for eligible costs
22 that those local communities may incur in developing and the
23 design of those projects to count forward their local match
24 that would go to that.

25 MR. AUSTIN: That can easily be documented.

1 MR. WILLIAMS: That can be documented sufficient
2 to meet the federal reimbursement requirements, and then,
3 secondly, to -- we have published annually a list of
4 economically disadvantaged communities around the state and
5 for those -- and that gives them an offset in their local
6 matching requirements. And so the rules allow for, now, and
7 account for, an addition to the rules is that counties or
8 municipalities, applicants that are designated as
9 economically disadvantaged, they will get the same offset in
10 their matching requirements for the TAP program.

11 MR. AUSTIN: So these are funds coming from MAP-21
12 --

13 MR. WILLIAMS: Yes, sir.

14 MR. AUSTIN: -- and federal funds. What happens
15 if we don't flex our funds, if we don't use this capability?

16 MR. WILLIAMS: Well, the challenge that we have to
17 deal with is that currently in our program of funds for
18 Transportation Alternatives Program that's in the UTP, we've
19 got about \$240 million dollars worth of funds that are
20 committed and are, as of yet, unobligated in just FY '15 and
21 FY '16. I suspect when we do the end-year carryover to
22 FY '14 to the UTP, there will be some additional funds that
23 move forward into those years.

24 John mentioned before earlier about the
25 reconciliation of unspent obligation authority by states

1 around the nation, states that have not used fully all of
2 their obligation authority and have had to actually turn
3 that money back to FHWA to be redistributed to other states.
4 Texas uses all of our obligation authority.

5 If we're not able to use that obligation
6 authority, we run the risk of losing that capability and so
7 the Commission and the Department has recommended that we
8 maintain the flexibility that's afforded to us by MAP-21 and
9 the Commission has the discretion through actions of the
10 Unified Transportation Program or by Commission order to
11 make a determination as to how much you all would like to
12 use that flexibility.

13 The rules themselves simply acknowledge that that
14 flexibility exists. They are not the driver of what is a
15 Commission decision to exercise the flexing of TAP funds
16 that may go to other eligible programs. The Commission has
17 used some of those monies to address issues that are
18 bicycle-pedestrian related around the state. They have also
19 flexed some of that money and directed it to addressing the
20 work that's for the feasibility study on the Gulf
21 Intracoastal Waterway. We're looking -- the Commission
22 recently authorized a number of Transit Alternative Programs
23 and some of that flex money may be going to help support
24 some of those programs as well.

25 MR. AUSTIN: So this is multimodal and we're

1 taking action to really respond to the federal law of what's
2 going on?

3 MR. WILLIAMS: Yes, sir.

4 MR. AUSTIN: And I want to say that I do like
5 seeing these funds being used towards capital projects
6 instead of administration because you can actually see the
7 tangible results of these people riding it, walking it,
8 driving it, floating it, the Intracoastal, and other means.

9 MR. WILLIAMS: Certainly.

10 MR. AUSTIN: I know you all put up a lot of work
11 and I appreciate all the comments that have come in.

12 MR. HOUGHTON: Any other questions?

13 (No audible response.)

14 Is there a motion?

15 MR. AUSTIN: So moved.

16 MR. HOUGHTON: Is there a second?

17 MR. UNDERWOOD: Second.

18 MR. HOUGHTON: All right. In favor?

19 (Chorus of "Ayes")

20 MR. HOUGHTON: Thanks.

21 GENERAL WEBER: Marc, do you have more comments
22 for 7(a)(2)?

23 MR. WILLIAMS: Yes, sir. Just briefly. Again,
24 Marc Williams, Director of Planning.

25 These rule changes are a companion piece, as I

1 mentioned before, to the previous agenda item that the
2 Commission just approved. These changes are necessary to
3 address the allocation of fund categories within Chapter 16,
4 largely associated with the Unified Transportation Program.
5 Funding categories remove the reference, the specific
6 reference to the state projects to school program from
7 category 8, since funding for eligible projects under that
8 paragraph is now available through the Transportation
9 Alternatives Program.

10 Amendments to also addressed the transportation
11 allocation funding formulas and clarifying new funding
12 distributions applicable to the Transportation Alternatives
13 Program in Category 9, specifically, the funding formulas
14 have been revised to provide that a portion of the TAP funds
15 will be allocated to MPOs, as well as the distribution of
16 funds that go to TxDOT for small and medium-sized
17 communities.

18 So this portion of the rules essentially governs
19 the -- how the previous section of the rules governed the
20 administration of the administration TAP program, this
21 section of the rules governs the accounting of those
22 dollars, particularly within the Unified Transportation
23 Program. Again, it does not dictate any specific action to
24 move funding by the Commission. That is accounted for
25 through the Unified Transportation Program.

1 Again, the Department received a number of
2 comments on the proposed rules, specifically in this one,
3 almost all of which were related to the transferring of
4 funds from the Transportation Alternatives Program and safe
5 routes to schools. Again, since transferring of funds from
6 TAP is consistent with the provisions of MAP-21 and these
7 rules were developed to adhere to that, and the associated
8 federal guidelines, no revisions to those proposed rules
9 were made and staff recommends approval of this minute
10 order.

11 MR. HOUGHTON: We have two that have signed, one
12 to speak and one just to register.

13 Leslie, you don't want to speak again, huh?

14 MS. LUCIANO: Not yet.

15 MR. HOUGHTON: Not yet, okay.

16 Robin?

17 MR. STALLINGS: Thank you very much. I appreciate
18 the chance to speak. Since 1991, \$168 million dollars -- my
19 name is Robin Stallings, executive director of BikeTexas,
20 thank you very much. Since 1991, \$168 million dollars has
21 been used from bike trail funding to fund highway rest
22 stops. Under MAP-21, TAP, if it stays in the TAP program,
23 that is not an allowable use. If the money is -- TxDOT
24 can't use the money -- and by the way, neither can
25 nonprofits be given the money, okay, directly -- and we

1 support this money being used for infrastructure. That if
2 the money is moved over to STP flex, it can be used for
3 anything, including highway rest stops.

4 And so, at what point, with 800 people all pretty
5 much saying, don't transfer the money -- in the entire
6 country, 28 percent of all of the TAP money that has been
7 transferred out is Texas. We only get 9 percent of the
8 money. So this is not something, a big parade, and we're
9 part of it. Just because it's allowed by the federal money
10 that was lobbied for by TxDOT lobbyists in Washington that
11 got that provision, that flex is allowed, but it's not
12 anything recommended. It's -- and so I think there's a
13 pretty big difference in what's legal -- we're not
14 suggesting that anybody is breaking the law here -- we're
15 suggesting that it's about priorities.

16 And then if it's local and state priorities, then
17 local 800 letters should say something. Many of them are
18 elected officials. The last time I gave you almost a dozen
19 letters from local mayors from East Texas that sought other
20 uses for the money consistent with the cities and MPOs that
21 have weighed in and all the individuals out there, and we
22 are talking about four million Texans bike at least once a
23 year. Sixteen percent of fatalities and that biking has
24 increased by 62 percent since 2000, according to the
25 American census.

1 We don't measure those trips in Texas, but if we
2 did, I believe we would find that it's increasing all over,
3 yet, we're actually moving the money away. So there are
4 historic problems with the program that began in '91. A lot
5 of lessons were along the way. A lot of that money is old.
6 But that \$250 million can be taken care of. We want to be
7 part of that.

8 But we are making rules here that we don't deal
9 with any other transportation projects the same way. We add
10 additional hurdles for bike projects that we don't -- and I
11 can be specific, but for the sake of brevity, I won't be.
12 You know that I'll be happy to provide you the information,
13 if you want it.

14 But, please, do not transfer the TAP money. This
15 ends up becoming a never-ending battle for us. It is life
16 or death. Just last year, one of my board members was
17 killed riding her bike legally, very visible. We get those
18 calls every week at about 50 bicyclists, so many
19 pedestrians, it's almost beyond count, 450 every single
20 year. This is a small chance to do something about it that
21 was designated by our members Congress that said that this
22 is good for this purpose, and so now we're diverting it just
23 because we legally can. It's only \$35 million dollars a
24 year, and I'm not using a B; it's not billion. Only \$35
25 million dollars, let's see what we can do with this money.

1 Please, please, don't pass 72A -- sorry --

2 7(a)(2). Thank you. If you have any questions?

3 MR. HOUGHTON: Any questions for Robin?

4 MR. MOSELEY: I think my question is more for

5 Marc.

6 Basically, the action that you're asking for today
7 just preserves the ability for moving the funds, but it's
8 not -- it's not moving the funds per se; is that correct?

9 MR. WILLIAMS: The transfer of the funds occurs in
10 the UTP as I have described before. We have already taken
11 some measures back in December to flex a portion of those
12 funds through the -- out of TAP program into STP flex. The
13 Commission has elected to use those funds for alternative
14 transportation modes, if you will, and the Commission will
15 don't have the discretion going forward to flex or to
16 supplement this program to administer program calls through
17 the TAP program, if they would like or the administer
18 program calls outside of the TAP program that may, if there
19 are concerns with challenges or issues associated with the
20 Transportation Alternatives Program and how Texas and TxDOT
21 administers it, the Commission has, under this provision
22 from MAP-21, the flexibility to directly fund projects that
23 are high priorities that may not, for whatever reason, be
24 able to be successfully administered through the TAP program
25 because of some of the requirements associated with it. So

1 it's simply exercising the flexibility, acknowledging the
2 flexibility that exists with MAP-21 and the Commission has
3 the discretion moving forward to determine funding on this.

4 MR. MOSELEY: Chairman, I will be in favor of
5 staff recommendation, but I think that Robin's point is well
6 taken. I think it would be good to maybe get a review of
7 how we are investing in bicycle paths. It's an important
8 investment for a lot of reasons, safety, of course being one
9 that Robin has talked about. But the more that we can
10 encourage Texans to get outdoors and exercise, that's a big
11 return on investment. We don't need to buy as much health
12 insurance or maybe have as many doctor's visits the more we
13 can provide opportunities for Texans to get outside and
14 exercise. So I would just be pleased to get an idea of how
15 our expenditures have looked over the last five years.

16 I'll be voting in favor of the motion today,
17 Robin, but your point is well taken and it will open a
18 discussion for us.

19 MR. AUSTIN: Commissioners, I believe last year
20 when we were awarded the enhancement grants, almost
21 80 percent of the funds went towards bike and hike trails,
22 so I think that was -- and I stand to be corrected, but I'm
23 pretty close. If you look at the number of projects and the
24 dollars and amount spent, there was a high priority placed
25 on a lot of those, for pedestrians and bicycles.

1 MR. MOSELEY: We have a motion.

2 MR. AUSTIN: I second Commissioner Moseley's
3 motion.

4 MR. HOUGHTON: All in favor?

5 (Chorus of "Ayes")

6 GENERAL WEBER: Next is item 7(a)(3), final
7 adoption of rules, the Chapter 21 Right of Way. This item
8 will be presented by Director of Right of Way, John
9 Campbell.

10 John?

11 MR. CAMPBELL: Good morning. Thank you, General
12 Weber. For the record, my name is John Campbell, director
13 of the Right of Way Division. I would like to present for
14 your consideration, item 7(a)(3) which provides for the
15 proposed final adoption of amendments to Title 43 of the
16 Texas Administrative Code, Part 1, Chapter 21.

17 Sections 21.31 through 21.40 are related to
18 utility accommodation and new Sections 21.961 through
19 21.972, are related to the leasing of right of way to salt
20 water pipeline operators.

21 These amendments concern the implementation of
22 Senate Bill 514, passed by the 83rd Legislature, and more
23 specifically, these changes allow us to implement Subchapter
24 T of the national resources code, Sections 91.901 through
25 91.905, which authorizes a salt water pipeline operator to

1 install, maintain, and operate a pipeline through, under,
2 along, across, or over a public road by lease agreement or
3 other conditions set forth by the Texas Transportation
4 Commission.

5 We held a public hearing on July 25th. There
6 were no comments received during the public hearing. We
7 also had a written comment period through August 11th of
8 2014. The only substantive comments that we received in the
9 written period addressed the effect, if any, there would be
10 on the common carrier status. There is no effect on common
11 carrier status of a public utility provider.

12 We are pleased to take any questions, but staff
13 recommends your approval of the minute orders.

14 GENERAL WEBER: So moved, Chairman.

15 MR. HOUGHTON: Is there a second?

16 UNIDENTIFIED SPEAKER: Second.

17 MR. HOUGHTON: All in favor?

18 (Chorus of "Ayes")

19 GENERAL WEBER: John if you want to continue on
20 with item 7(a)(4).

21 MR. CAMPBELL: Yes, sir.

22 Again, for the record, my name is John Campbell,
23 director of the Right of Way Division. I am presenting for
24 your consideration, item 7(a)(4), which provides for the
25 final adoption of amendments to 43 Texas Administrative Code

1 Sections 21.146, Section 21.187 and Section 21.189
2 concerning regulation of signs along interstate and primary
3 highways, and Sections 21.405, which concerns control and
4 regulation of signs along Texas rural roads.

5 More specifically, these amendments propose a new
6 exemption to consider. They take into consideration
7 proposals with regard to the height limitation. They
8 clarify methods for determining and measuring height and
9 certain aspects have been clarified associated with
10 jurisdictional authority at municipal boundaries. We
11 received quite a bit of comment on these proposed rules.
12 Over 941 total comments received. We also conducted a
13 public hearing, as well, on June 24th. The comment period
14 extended through July 14th.

15 Of the 941 comments received, the majority, the
16 vast majority of them, 919 of them concerned the proposal
17 addressing the height limitation and of those 919, 900 of
18 them reflected an overwhelming public opposition to the
19 notion of raising the height of regulated signs to 65 feet.

20 Staff recommends your positive consideration and
21 approval of the minute order. I would like to just take a
22 moment just to recognize the staff that was engaged in
23 preparing this rule. It's been a long, difficult struggle.
24 I would like to commend them for their effort at outreach to
25 the community and the regulated industry, the

1 professionalism, and the leadership that they showed in this
2 effort. I would like to recognized Ron Wilson with the
3 Office of General Counsel, Gus Cannon, with the Right of Way
4 Division, and Wendy Knox with the Right of Way Division. I
5 believe that's all.

6 Would you all mind standing just to -- they have
7 done an outstanding effort. They've shown great
8 professionalism and great patience throughout the effort.
9 Staff recommends your approval.

10 MR. HOUGHTON: Questions?

11 MR. UNDERWOOD: We're not talking about raising
12 the height; is that correct?

13 MR. CAMPBELL: That's correct, sir.

14 MR. HOUGHTON: No, we are discussing.

15 MR. CAMPBELL: We discussed it in length. We
16 heard public comment and we are rejecting the proposal to
17 raise it from --

18 MR. UNDERWOOD: That's my point. We're not --
19 when we vote --

20 MR. HOUGHTON: You're rejecting the proposal.

21 MR. UNDERWOOD: When we vote, we're not going to
22 raise the height of the --

23 MR. CAMPBELL: Our recommendation is to maintain
24 the current height limitation at 42 and a half feet.

25 MR. UNDERWOOD: That's what I wanted to hear.

1 Thank you.

2 MR. HOUGHTON: Well, that's not the only question.
3 Is there another issue with private signs?

4 MR. CAMPBELL: Yes, sir. That was one of the
5 three years of concern here. These rules also created a new
6 exempt status for private signs that are small in size, no
7 greater than that --

8 MR. HOUGHTON: What's small?

9 MR. CAMPBELL: No greater than 96 square feet of
10 fence, of sign fence. That they're on private property, and
11 there is no profit motive or commercial business associated
12 with the sign.

13 MR. HOUGHTON: Like lemonade for sale?

14 MR. CAMPBELL: Absolutely.

15 MR. HOUGHTON: That's profit, though.

16 MR. CAMPBELL: That would be for profit. I'm
17 sorry, yes.

18 MR. HOUGHTON: Free lemonade?

19 MR. CAMPBELL: Yes, we can't do that.

20 MR. HOUGHTON: Free lemonade?

21 MR. CAMPBELL: Free lemonade? Maybe it would be
22 encouraging the purchase of some other item associated with
23 the lemonade. That would be depend, sir.

24 MR. HOUGHTON: Okay. But there is a sub issue
25 here that private signs will be allowed?

1 MR. CAMPBELL: They'll be exempt from our
2 regulatory control if they're small in sign face, on private
3 property, and no commercial business.

4 MR. HOUGHTON: That's a rural issue.

5 Are there any other questions? There's somebody
6 to speak of, John.

7 No questions, John?

8 MR. CAMPBELL: No questions.

9 MR. HOUGHTON: Margaret Lloyd, Scenic Texas.

10 MS. LLOYD: Thank you.

11 MR. HOUGHTON: Nice to see you. It's been awhile.

12 MS. LLOYD: It has been awhile, and thank you,
13 Mr. Chairman. I'm happy to be here and thanks for allowing
14 me to speak.

15 I'm happy to come and not complain. I'd like to
16 just say thank you to the staff members who have helped
17 negotiate these rules for your consideration and for
18 listening to the over 900 people in Texas who care deeply
19 about how our roads look and I read every one of those
20 comments, by the way, and they were very passionate and care
21 a lot about our state. So I was very proud that they spoke
22 up, and you should be proud too.

23 MR. HOUGHTON: I didn't know that you have 900
24 family members in the state of Texas?

25 (Laughter)

1 MS. LLOYD: I have a very big family.

2 And if I could just take one more minute, every
3 time there is a substantive rule considered for outdoor
4 advertising, there's not only a scenic implication. There's
5 also driver distraction, safety implications and there's
6 cost implications and I just hope that the commissioners
7 will, in the future, consider all of those things, not just
8 one or two.

9 But particularly the cost, I wanted to emphasize
10 today because there's a court case before the Supreme Court.
11 The oral arguments were heard yesterday, and if the State
12 loses that case against Clear Channel, the costs for
13 condemnation for billboards will go up. Given the fact that
14 the rules have been -- are now allowing digital billboards
15 in the state of Texas, those condemnations are going to be
16 very, very expensive in the cities that are allowing them.

17 So I really encourage you to connect the dots more
18 clearly between the rules for outdoor advertising, and the
19 costs, the contingent liability associated with those rules
20 in the future under condemnation.

21 MR. HOUGHTON: Any other questions of Margaret?

22 (No audible response.)

23 Margaret, welcome back. Thank you for coming

24 MS. LLOYD: Thank you.

25 GENERAL WEBER: Okay. Next is items --

1 MR. HOUGHTON: Oh, wait, we haven't voted.

2 GENERAL WEBER: Oh, we didn't. I'm sorry.

3 MR. HOUGHTON: Are we finished with John? Any
4 questions of John?

5 MR. AUSTIN: I move the approval.

6 MR. UNDERWOOD: Second.

7 MR. HOUGHTON: All in favor?

8 (Chorus of "Ayes")

9 MR. CAMPBELL: Thank you.

10 GENERAL WEBER: Next is item 7(a)(5), the final
11 adoption of rules to Chapter 25, Traffic Operations. This
12 item will be presented by our Director of Traffic
13 Operations, Carol Rawson.

14 Carol?

15 MS. RAWSON: For the record, I'm Carol Rawson, the
16 director of traffic operations. The amendment order before
17 you proposes amendment of our existing rules to revise the
18 2011 version of the Texas Manual on Uniform Traffic Control
19 Devices, the MUTCD. Texas law requires the Department to
20 adopt a traffic device manual. Federal law and regulation
21 requires that our manual be in substantial compliance with
22 the federal version.

23 The proposed revision to the Texas manual will
24 eliminate some definitions not currently used by the FHWA,
25 correct some figures and tables as a result of this change,

1 adopt clear sign text messages for bridge icing conditions,
2 eliminate cemetery signing, as this is not an accepted
3 national signing practice, and correct non-substantive
4 typographical errors.

5 We only receive comments from the North Central
6 Texas Council of Governments on the draft revision two of
7 the Texas MUTCD. Their comments are not in compliance with
8 the federal MUTCD, therefore, the comments are not included
9 in revision two of the Texas MUTCD that is before you today.

10 Staff recommends approval of this minute order.

11 MR. HOUGHTON: Questions?

12 MR. AUSTIN: So moved, chairman.

13 MR. HOUGHTON: All in favor?

14 (Chorus of "Ayes")

15 GENERAL WEBER: Okay. Next is item 7(a)(6), final
16 adoption of rules to Chapter 27, toll projects. Director of
17 Toll Operations, Doug Woodall will present.

18 MR. WOODALL: Thank you, sir.

19 For the record, Doug Woodall, Director of Toll
20 Operations. Item 7(a)(6) is final adoption of amendments to
21 Chapter 27.80 and Chapter 27.82. These amendments authorize
22 the executive director of the Department or designee to
23 establish toll rights on Department toll projects where
24 dynamic pricing is in effect.

25 In setting the toll rates, the executive director

1 will consider vehicle classification, type and location of
2 the facility, regional policies, and similar criteria that
3 apply to a specific project. Toll rates may be established
4 through the approval of an algorithm or other methodology
5 designed to maintain a free-flowing level of traffic on one
6 or more lanes of the toll project.

7 The toll rates during the dynamic pricing phase
8 will continually change as necessary to maintain this
9 free-flowing level of traffic, therefore, it's not feasible
10 for the Commission to set the toll rates as they change.
11 Opportunity for public comment was offered and no comments
12 were received on this amendment.

13 Staff recommends approval.

14 MR. HOUGHTON: Is there a motion?

15 MR. AUSTIN: Second.

16 MR. HOUGHTON: All in favor?

17 (Chorus of "Ayes")

18 GENERAL WEBER: Moving along next is item 7(b)(1),
19 the proposed adoption of rules to Chapter 23, Travel
20 information. The item will be presented by director of
21 travel information Margo Richards.

22 Margo?

23 MS. RICHARDS: Good morning. For the record, my
24 name is Margo Richards. I'm the director of the Travel
25 Information Division.

1 We are proposing the repeal of Section 43 of the
2 Texas Administrative Code, Chapter 23, in its entirety and
3 replacing it with a new chapter. This chapter relates to
4 the various policies and procedures of the Travel
5 Information Division. The Travel Information Division is
6 restructuring operations and services to reflect recent
7 changes in federal and state laws and to more accurately
8 reflect modern business practices. To simplify this process
9 we are proposing to repeal all current rules relating to the
10 travel information operations and simultaneously propose new
11 sections.

12 The majority of the proposed rules are
13 nonsubstantial with formatting changes to conform to the new
14 organizational structure. Additions to the proposed rules
15 are necessary to address federal and state laws pertaining
16 to the allowance of certain commercial activities at safety
17 rest area facilities to include the Texas travel information
18 centers.

19 For example, MAP-21 does allow for commercial
20 advertising and media displays be exhibited within
21 facilities constructed as rest areas and travel information
22 centers. In response, the 83rd Texas Legislature also
23 amended Transportation Code §204.003 to allow the Department
24 to sell commercial advertising space at the travel
25 information centers.

1 Staff recommends your approval.

2 MR. HOUGHTON: Is there a motion?

3 MR. MOSELEY: Motion.

4 MR. AUSTIN: Second.

5 MR. HOUGHTON: All in favor?

6 (Chorus of "Ayes")

7 MR. HOUGHTON: Thanks, Margot.

8 GENERAL WEBER: Margot, do you need your boots
9 back?

10 MS. RICHARDS: Yes, we'll come and get them.
11 Thank you.

12 GENERAL WEBER: Next is item 7(b)(2), the proposed
13 adoption of rules to Chapter 25, Traffic Operations.
14 Director of Traffic Operations, Carol Rawson, will present.

15 Welcome back, Carol.

16 MS. RAWSON: Once again, Carol Rawson, the
17 Director of TxDOT Traffic Operations Division. The minute
18 order before you proposes changes to our existing rules for
19 the information logo sign and tourist oriented directional
20 sign programs. These proposed amendments to these signed
21 programs update and streamline the administrative processes,
22 make changes necessary to comply with the current Texas
23 Manual on Uniform Traffic Control Devices and correct
24 typographical errors. The 2011 Texas MUTCD included the
25 option to allow the display of alternate fuels under the

1 business logo plats and the elimination of the dual logos,
2 which is what we're going to add into the program.

3 With your approval, we will post these proposed
4 amendments to the Texas Register for public comment. Staff
5 recommends approval of the minute order.

6 MR. HOUGHTON: Questions?

7 MR. AUSTIN: Sign of the changing times.

8 MR. HOUGHTON: Yep.

9 MR. AUSTIN: I move approval.

10 UNIDENTIFIED SPEAKER: Second.

11 MR. HOUGHTON: All in favor?

12 (Chorus of "Ayes")

13 MR. HOUGHTON: Thanks, Carol.

14 GENERAL WEBER: Next is item 7(b)(3), the proposed
15 adoption of rules to Chapter 28, Oversized and Overweight
16 Vehicles and Loads. This item will be presented by Deputy
17 Director of Maintenance, Carolyn Dill. Thank you, Carolyn.

18 MS. DILL: Thank you.

19 For the record, I'm Carolyn Dill, Deputy Director
20 of the Maintenance Division. We're proposing changes to the
21 rules to give authority for the Hidalgo County Regional
22 Mobility Authority to issue permits for operation of
23 oversized and overweight vehicles on specific roads within
24 Hidalgo County. The amendments will add additional segments
25 of roadways to their oversized and overweight corridor and

1 will allow the Hidalgo County Regional Mobility Authority to
2 provide a more complete service to the motor carriers within
3 the county. We recommend approval.

4 MR. HOUGHTON: Motion?

5 MR. UNDERWOOD: So moved.

6 MR. AUSTIN: Second.

7 MR. HOUGHTON: All in favor?

8 (Chorus of "Ayes")

9 MS. DILL: Thank you.

10 GENERAL WEBER: Next is item 8, the Audit Plan.

11 This will be presented by Chief Audit Compliance Officer,
12 Benny Ybarra. Benny?

13 MR. YBARRA: Thank you. Good morning.

14 Today I'm here to recommend approval of the fiscal
15 year 2015 Audit Plan. In conformance with the Texas
16 Internal Auditing Act we have performed a risk assessment
17 and analysis to confirm that we have adequate resources to
18 complete the proposed plan for the year. We are proposing
19 50 internal, external, and advisory services engagements to
20 provide assurance in different areas that we have
21 categorized. Those are third-party assurance, governance
22 and controllership, information technology, district
23 operations, management action plan follow-ups, and then as I
24 mentioned, those external audit and advisory service
25 engagements.

1 We discussed the audit plan yesterday during the
2 Audit Subcommittee meeting and invite the Audit Subcommittee
3 to offer comments or questions if they have any further.

4 MR. AUSTIN: I was going to say, Benny, thank
5 ya'll for what you've done and I know Commissioner Underwood
6 and I have yesterday were reflecting back after the
7 implementation of the Audit Committee a few years ago, about
8 three years ago, I was looking at the things that you guys
9 were reviewing and educating and this education is an
10 extremely important part of this as we're finding
11 self-identification, best practices, looking at things,
12 there is a better way to improve and you all have pointed
13 this out, but have also worked with a lot of our folks.

14 The reports that ya'll bring forth are pointing
15 out a lot of great things. You're bringing recommendations
16 not to just improve checks and balances, controls, eliminate
17 waste, but also you're bringing solutions to save a lot of
18 money and I thank ya'll for pointing these out and I know
19 that working with across departments and across the
20 districts, I look forward to some of the implementation of
21 some of the things that were discussed yesterday.

22 I pointed out, you know, I brought up a thing
23 about change orders, bringing the accountability back to us
24 to put back and really better plan, have better cost
25 estimates. I applaud what ya'll are doing.

1 MR. YBARRA: I appreciate that. Thank you.

2 MR. AUSTIN: And you are nationally recognized.
3 You and your team, I think we all continue to hear a lot of
4 good things about ya'll as setting the pace and it starts
5 internally, so thank you very much for what you do.

6 MR. HOUGHTON: That an in use of a motion?

7 UNIDENTIFIED SPEAKER: So moved.

8 MR. AUSTIN: That wasn't the --

9 UNIDENTIFIED SPEAKER: Second.

10 MR. HOUGHTON: All in favor?

11 (Chorus of "Ayes")

12 GENERAL WEBER: Benny, continue on with item 9,
13 Compliance Ethics and Investigations report.

14 MR. YBARRA: Yes, sir.

15 The purpose of this report is to provide a summary
16 of information related to allegations and investigations for
17 the month of August, 2014, in accordance with Transportation
18 Code 201.452 and 201.454.

19 For the month of August, 30 allegations were
20 received. Thirty-two were closed. One of these was
21 substantiated. No further action is recommended.

22 MR. HOUGHTON: Thank you, Benny.

23 MR. YBARRA: Thank you.

24 GENERAL WEBER: Item 10(a) concerns a revision of
25 fees and this item will be presented by our director of toll

1 operations, Doug Woodall. Thanks, Doug.

2 MR. WOODALL: Thank you, General Weber.

3 Again, Doug Woodall, director of toll operations
4 division. Per Minute Order 112971, dated
5 January 26th, 2012, the Commission authorized certain
6 customer service fees to be charged. This minute order
7 revises the amount of the returned check fee and suspends
8 assessment of the account reactivation fee.

9 The Department recently conducted an analysis of
10 annual operations costs and recommends increasing the fee
11 for checks returned for insufficient funds from \$25 per
12 check to \$30 per check. This would also be in line with the
13 returned check fees established by the comptroller and used
14 by the rest of the Department.

15 In addition, the Department has determined that an
16 account reactivation fee is no longer needed under the
17 current operational structure and recommends suspending
18 assessment of this fee.

19 Staff recommends your approval.

20 MR. HOUGHTON: Motion?

21 UNIDENTIFIED SPEAKER: So moved.

22 MR. HOUGHTON: All in favor?

23 (Chorus of "Ayes")

24 MR. HOUGHTON: Thank you.

25 MR. WOODALL: Thank you, gentlemen.

1 GENERAL WEBER: Item 10(b) concerns the repeal of
2 a minute order. This item will be presented by Chief of
3 Staff, Rich McMonagle.

4 Chief?

5 MR. MCMONAGLE: Good morning, Chairman Houghton,
6 Commissioners, and General Weber. My name is Rich
7 McMonagle, and I'm the Chief of Staff.

8 In December, 2003, this Commission passed a minute
9 order directing, and I quote, that the executive director
10 establish and implement guidelines for evaluating mobility
11 projects on the State Highway system for development as toll
12 roads.

13 In practice, during the project initiation phase,
14 we look at all toll -- all funding options including tolling
15 and the willingness of local communities to accept that
16 tolling, thereafter, the 2003 minute order is redundant and
17 unnecessary and the minute order now before the Commission
18 now repeals that December, 2003, minute order, which,
19 therefore, the staff recommends your approval.

20 I'll be happy to answer any questions.

21 MR. HOUGHTON: Motion.

22 MR. AUSTIN: So moved.

23 UNIDENTIFIED SPEAKER: Second.

24 MR. HOUGHTON: All in favor?

25 (Chorus of "Ayes")

1 MR. HOUGHTON: Thanks, Rich.

2 GENERAL WEBER: Item 11 is a TIFIA loan and will
3 be presented by our Chief Financial Officer, James Bass.
4 James?

5 MR. BASS: Good morning. For the record, I'm
6 James Bass, Chief Financial Officer at TxDOT.

7 This minute order seeks your approval to complete
8 negotiations with the United States Department of
9 Transportation for a TIFIA loan not to exceed \$300 million
10 dollars to pay a portion of the costs of the Interstate 35E
11 manage lanes project, which is comprised of the
12 redevelopment of approximately 28 miles of I-35E, between
13 Interstate 635 and U.S. 380. The minute order also
14 authorizes the execution of the TIFIA loan agreement and
15 other associated documents for the project, and it also
16 authorizes the designated commission representative to take
17 all necessary action to permit the execution and delivery of
18 the TIFIA loan agreement and those same associated
19 documents.

20 The staff recommends your approval and I would be
21 happy to answer any questions.

22 MR. HOUGHTON: Are there any questions?

23 A motion.

24 UNIDENTIFIED SPEAKER: Second.

25 MR. HOUGHTON: All in favor?

1 (Chorus of "Ayes")

2 GENERAL WEBER: Thanks, James.

3 This brings us to item 12, the eminent domain
4 proceedings. Our Director of Right of Way, John Campbell
5 will present.

6 MR. CAMPBELL: Good morning, again. My name is
7 John Campbell, director of Right of Way Division. I would
8 like to present for your consideration of item 12 which
9 authorizes the filing of condemnation proceedings necessary
10 to progress the acquisition of 19 parcels by exercise of
11 eminent domain. Fifteen of these parcels are
12 noncontrolled-access parcels for our uncontrolled access
13 facilities.

14 Staff recommends your approval.

15 MR. HOUGHTON: Is there a motion?

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

1 UNIDENTIFIED SPEAKER: Second.

2 MR. HOUGHTON: All in favor?

3 (Chorus of "Ayes")

4 GENERAL WEBER: Item 13 contains the routine
5 minute orders, including donations to the Department, right
6 of way dispositions and donations, transportation planning,
7 professional services, contracts and speed zones.

8 MR. HOUGHTON: Is there a motion for the routine
9 minute orders?

10 UNIDENTIFIED SPEAKER: So moved.

11 UNIDENTIFIED SPEAKER: Second.

12 MR. HOUGHTON: And I'll note that 13(b)(3) has
13 been deferred until next month.

14 So there's a motion and a second, all in favor?

15 (Chorus of "Ayes")

16 GENERAL WEBER: Chairman, this concludes our
17 action items on today's agenda.

18 MR. HOUGHTON: Is there a motion for -- uh oh, we
19 got a --

20 MR. MOSELEY: Before we leave, there have
21 (indiscernible).

22 MR. HOUGHTON: Right. It will be webcast or what
23 do you call it?

24 MR. MOSELEY: Yeah.

25 MR. HOUGHTON: Webcast to address the construction

1 projects specifically.

2 So do you move to adjourn?

3 UNIDENTIFIED SPEAKER: We're going to be in
4 another time zone next month.

5 MR. HOUGHTON: Is there a second?

6 UNIDENTIFIED SPEAKER: Second.

7 MR. HOUGHTON: All in favor?

8 (Chorus of "Ayes")

9 MR. HOUGHTON: We are adjourned at 12:49 p.m.
10 mountain daylight -- excuse me, 11:49 a.m. mountain daylight
11 time.

12 (Proceedings concluded at 11:49 a.m.)

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C E R T I F I C A T E

I, KIMBERLY C. McCRIGHT, CET, certified electronic transcriber, do hereby certify that the foregoing pages 1 through 131 constitute a full, true, and accurate transcript from electronic recording of the proceedings had in the foregoing matter.

DATED this 1st day of October, 2014.



Kimberly C. McCright, CET

Certified Electronic Transcriber