

These are the minutes of the regular meeting of the Texas Transportation Commission held on January 29, 2015, in Austin, Texas. The meeting was called to order at 9:00 a.m. by Chairman Houghton with the following commissioners present:

**Texas Transportation Commission:**

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

**Administrative Staff:**

LtGen. Joe Weber, Executive Director  
 Jeff Graham, General Counsel  
 Robin Carter, Interim Chief Clerk

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

A public notice of this meeting containing all items on the proposed agenda was filed in the Office of the Secretary of State at 3:21 p.m. on January 21, 2015, as required by Government Code, Chapter 551, referred to as "The Open Meetings Act."

**ITEM 1. Safety Briefing**

This item was presented by Occupational Safety Director Jerral Wyer.

Chairman Houghton recognized Representative Trent Ashby of Lufkin.

**ITEM 2. Approval of Minutes of the December 18, 2014 regular meeting of the Texas Transportation Commission**

Commissioner Underwood made a motion, which was seconded, and the commission approved the minutes of the December 18, 2014 regular meeting by a vote of 5 - 0.

**ITEM 3. Acknowledgment of Service**

**a. Recognize by resolution Catherine Hejl, P.E., Bryan District Engineer, for her 30 years of service to the department**

This item was presented by Deputy Executive Director John Barton. Representative Trent Ashby congratulated Ms. Hejl and spoke to the commission. District Engineer Hejl was congratulated by the commission and she spoke to the commission.

b. Recognize by resolution Doug Woodall, P.E., Director, Toll Operations Division, for his 31 years of service to the department

This item was introduced by Deputy Executive Director John Barton and presented by Chief Financial Officer James Bass. Director Woodall was congratulated by the commission and he spoke to the commission.

**ITEM 9. Toll Roads**

**Hidalgo County** - Consider the approval of a project development agreement with Hidalgo County Regional Mobility Authority (HCRMA) relating to the development, construction, financing, operation, and maintenance of SH 365 from FM 1016 (Conway Avenue) to US 281 (Military Highway) (MO)

Chairman Houghton invited Randy Sweeten, Chairman of the Hidalgo County Regional Mobility Authority, to the podium. Deputy Executive Director John Barton also spoke. The commission took no action on this item.

**ITEM 4. Discussion Item**

**Texas Transportation Plan (TTP) 2040 (Presentation)**

This item was presented by Maintenance Deputy Director Michelle Conkle.

**ITEM 5. Public Transportation**

**Cameron County** - Award federal Rural Transportation Assistance Program funds to the City of South Padre Island (MO)

Commissioner Underwood made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 - 0. This item was presented by Director of Public Transportation Eric Gleason.

114183  
PTN

The Texas Transportation Commission (commission) takes special note of its designation by the governor as the administering agency for the Federal Transit Administration (FTA) grant program, Formula Grants Program for Rural Areas (49 U.S.C. §5311), in a letter dated October 4, 2005 and further acknowledges that federal program regulations require the Texas Department of Transportation (department) to ensure that these grant funds are distributed fairly and equitably within the state.

Title 43, Texas Administrative Code, Section §31.37 establishes a process by which funds are distributed and describes the program purpose to foster the development of state and local capacity to meet the training and technical assistance needs of rural public transportation systems.

The department received a funding request from the City of South Padre Island for assistance for a study to review the efficiency and effectiveness of current transit services impacted by the FTA's program funding changes under Moving Ahead for Progress in the 21st Century.

The commission finds that the project is eligible for funding and awards a total of \$70,000 in federal Rural Transportation Assistance Program (§5311(b)(3)) funds for the purpose described above.

Transportation Code, Chapter 455 assigns a broad spectrum of public transportation roles and missions to the department.

Transportation Code, Chapter 456 authorizes the commission to administer funds appropriated for public transportation.

IT IS THEREFORE ORDERED by the commission that the executive director or the director's designee is directed to proceed with the award as described, submit the necessary state application to the FTA, and enter into the necessary contracts.

**ITEM 6. Promulgation of Administrative Rules Under Title 43, Texas Administrative Code, and the Administrative Procedure Act, Government Code, Chapter 2001:**

**a. Final Adoption**

(1) Chapter 9 - Contract and Grant Management (MO)

Amendments to §9.3, Protest of Department Purchases under the State Purchasing and General Services Act (General)

Commissioner Austin made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 - 0. This item was presented by Chief of Procurement and Field Support Operations Lauren Garduno.

114184  
PRO

The Texas Transportation Commission (commission) finds it necessary to adopt amendments to §9.3, relating to Protest of Department Purchases under the State Purchasing and General Services Act, to be codified under Title 43, Texas Administrative Code, Part 1.

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

IT IS THEREFORE ORDERED by the commission that the amendments to §9.3 are adopted and are authorized for filing with the Office of Secretary of State. The executive director is directed to take the necessary steps to implement the actions as ordered in this minute order, pursuant to the requirements of the Administrative Procedure Act, Government Code, Chapter 2001.

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

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

Amendments to §21.602, Highway Asset to be Leased, §21.603, Methods of Awarding Leases, §21.604, Lease Agreement, and §21.606, Requests to Lease (Leasing of Highway Assets)

Commissioner Moseley made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 - 0. This item was presented by Real Estate Division Director Roland Tilden.

114185  
RMD

The Texas Transportation Commission (commission) finds it necessary to adopt amendments to §§21.602, 21.603, 21.604, and 21.606, relating to Leasing of Highway Assets to be codified under Title 43, Texas Administrative Code, Part 1.

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

IT IS THEREFORE ORDERED by the commission that the amendments to §§21.602, 21.603, 21.604, and 21.606, are adopted and are authorized for filing with the Office of the Secretary of State.

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

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

**b. Rule Review**

In accordance with Government Code, §2001.039, Readoption of Title 43 Texas Administrative Code Chapter 10, Ethical Conduct by Entities Doing Business with the Department, and Chapter 16, Planning and Development of Transportation Projects (MO)

Commissioner Moseley made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 - 0. This item was presented by General Counsel Jeff Graham.

114186  
OGC

Government Code, §2001.039 requires state agencies to readopt their rules every four years and, prior to readopting, to consider whether the reason for adopting each rule continues to exist.

During October and November 2014, the Texas Department of Transportation reviewed Title 43 Texas Administrative Code, Part 1, Chapter 10, Ethical Conduct by Entities Doing Business with the Department, and Chapter 16, Planning and Development of Transportation Projects. The Notice of Intent to review was published in the Texas Register on October 31, 2014 (39 TexReg 8601).

No comments were received regarding this rule review.

The Texas Transportation Commission (commission) finds that the reasons for adopting these rules continue to exist.

IT IS THEREFORE ORDERED by the commission that the reviewed rules are readopted and that the executive director provide for filing with the Office of the Secretary of State, Texas Register Division, a notice readopting these rules.

**ITEM 7. Unified Transportation Program (UTP)****Overview of proposed February updates to the 2015 UTP (Presentation)**

This item was presented by Transportation Planning and Programming Division Director James Koch.

**ITEM 8. Office of Compliance, Ethics, and Investigations****Office of Compliance, Ethics, and Investigations Report**

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

**ITEM 10. Innovative Financing/Debt Management****a. Texas Mobility Fund Bonds**

Approve an Eleventh Supplemental Resolution authorizing the issuance of new money and refunding obligations of the Texas Mobility Fund in one or more series; approve documents relating to the issuance of such obligations and the refunding of certain outstanding Texas Mobility Fund revenue bonds, including official statements, purchase contracts, and escrow agreements; designate certain department officials to take all action necessary to deliver the bonds; and approve an application to the Texas Bond Review Board, if necessary, for authority to issue such obligations; approve an amendment to the Master Resolution to increase the amount of Texas Mobility Fund obligations that may be outstanding at any one time (MO)

Commissioner Austin made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 - 0. This item was presented by Innovative Finance and Debt Management Officer Ben Asher.

114187  
DMO

Pursuant to Minute Order 110081, dated May 4, 2005, the Texas Transportation Commission (commission) approved a Master Resolution Establishing the Texas Transportation Commission Mobility Fund Revenue Financing Program, as subsequently amended by the First Amendment and Second Amendment (master resolution), to establish a revenue financing program (mobility fund revenue financing program) pursuant to which the commission may issue obligations including bonds, notes and other public securities and execute credit agreements secured by and payable from a pledge of and lien on all or part of the moneys in the Texas Mobility Fund (Fund). Under such master resolution, the commission approved ten supplemental resolutions to the master resolution which authorized the issuance of eleven series of Texas Transportation Commission State of Texas General Obligation Mobility Fund Bonds which are still outstanding as follows: Series 2005-A, Series 2006, Series 2006-A, Series 2006-B, Series 2007, Series 2008, Taxable Series 2009A (Build America Bonds - Direct Payment), Series 2014, Series 2014-A and Series 2014-B (collectively, the "outstanding parity debt"). Any terms not otherwise defined herein have the meaning given in the eleventh supplement, as hereinafter defined.

Section 49-k, Article III of the Texas Constitution (constitutional provision) and Transportation Code, Chapter 201, Subchapter M, and other applicable law, including

Government Code, Chapters 1207 and 1371, authorize the commission to issue bonds and other obligations secured by all or part of the money in the Fund to 1) pay all or part of the costs of constructing, reconstructing, acquiring, and expanding State highways; 2) provide participation by the State in the payment of part of the costs of constructing and providing publicly owned toll roads and other public transportation projects that are determined by the commission to be in the best interests of the State in its major goal of improving the mobility of the residents of the State; 3) create debt service accounts; 4) pay interest on obligations for a period of not longer than two years; 5) refund or cancel outstanding obligations; and 6) pay the commission's costs of issuance (collectively, projects).

Transportation Code, Chapter 201, Subchapter M, provides that the commission may guarantee on behalf of the State the payment of any obligations and credit agreements secured by the Fund by pledging the full faith and credit of the State to the payment of the obligations and credit agreements in the event the revenue and money dedicated to the Fund and on deposit in the Fund under the constitutional provision, are insufficient for that purpose.

Additionally, the master resolution can be amended at any time without notice or consent of the owners of the outstanding parity debt to increase the mobility fund revenue financing program size so long as the commission determines that the dedicated revenues defined in the master resolution, will be sufficient to pay all amounts to be payable from the dedicated revenues.

The commission has determined it to be in the best interest of the State and the Fund to issue additional obligations, on parity with the previously issued outstanding parity debt, secured by revenues and money dedicated to the Fund and on deposit in the Fund under the constitutional provision and by a pledge of the full faith and credit of the State for additional projects including to refund all or part of the outstanding parity debt for debt service savings and to further amend the master resolution in a Third Amendment to the Master Resolution (third amendment to the master resolution) to permit issuances under this minute order.

The master resolution, together with the "Eleventh Supplemental Resolution to the Master Resolution Establishing the Texas Transportation Commission Mobility Fund Revenue Financing Program" (eleventh supplement), prescribes the terms, provisions and covenants related to the issuance of additional bonds in one or more series of State of Texas General Obligation Mobility Fund Obligations (obligations) with such title and series designation as set forth in the eleventh supplement and any series of obligations may be issued for refunding purposes if the refunding results in any of the following: (i) provides a net present value debt service savings of not less than 3% of the outstanding parity debt refunded, (ii) provides long-term fixed rates for refunded variable rate bonds, (iii) other variable rate financing for refunded variable rate bonds or (iv) any combination thereof.

Government Code, §1231.041 provides that a State agency may not issue a State security, including a bond, unless the issuance is approved by the Texas Bond Review Board (Board) or exempted under law, including by Board rule, from review by the Board.

Under the eleventh supplement, the Department Representative, as defined in the eleventh supplement, includes the Chief Financial Officer of the department and the Innovative Financing/Debt Management Officer, is authorized to determine the method of sale for each series of obligations as well as the price and other terms of each series of the obligations as prescribed in each award certificate.

Under the eleventh supplement, the Department Representative is authorized to price all or a portion of one or more series of the bonds with various interest rate and other structures including variable rate bonds, put bonds, index bonds and others, which may require the use of liquidity provider(s), tender agents, remarking agents, calculation agents and other entities performing various functions in connection with any such interest rate structures.

The commission understands that a preliminary official statement (POS) and final official statement (official statement) in substantially the form of the POS will be distributed in connection with the public offering of one or more series of the obligations, which POS and official statement will include a description of the general obligation pledge of the State's full faith and credit in the event the revenue and money dedicated to and on deposit in the fund are insufficient for payments due on the obligations and any related credit agreements.

Department staff is in the process of determining which highway improvement projects may include private business use or other issues that may require the issuance of taxable bonds or obtaining State volume cap through application to the Board's private activity bond program.

IT IS THEREFORE ORDERED by the commission that the Chairman and the Executive Director are authorized and directed to execute and deliver each series of the obligations and such other documents and certificates to carry out the intent of this order and the Department Representative, on behalf of the commission, is authorized and directed to execute and deliver the eleventh supplement, the third amendment to the master resolution, each purchase contract, if applicable, paying agent/registrars agreement and escrow agreement and similar agreements necessary for any series of the obligations (collectively, program documents), in the form approved by the Department Representative or in substantially the form previously approved by the commission in connection with the outstanding parity debt, as applicable, with such changes as the Department Representative, on behalf of the commission, executing the same may approve, such approval to be conclusively evidenced by execution of the program documents.

IT IS FURTHER ORDERED by the commission that the Department Representative, on behalf of the commission, is authorized and directed to execute and deliver any remarketing agreement, liquidity agreement, tender agent agreement and similar agreements necessary for any variable rate bonds (collectively, variable rate documents), and the variable rate documents and similar agreements in connection with any variable rate bonds are approved in substantially the form previously approved by the commission in connection with the outstanding parity debt, as defined in the eleventh supplement, with such changes as the Department Representative executing the same may approve, such approval to be conclusively evidenced by execution of the variable rate documents.

IT IS FURTHER ORDERED the Chief Financial Officer of the department is hereby designated an Authorized Representative for purposes of the master resolution. IT IS FURTHER ORDERED by the commission that any necessary ancillary documents in connection with the issuance of a series of the obligations, the program documents and the variable rate documents are hereby approved, and the Department Representative, on behalf of the commission, is authorized and directed to execute and deliver such documents.

IT IS FURTHER ORDERED by the commission that the POS and the official statement are approved for distribution with such changes as the Department Representative, on behalf of the commission, executing the same may approve, such approval to be conclusively evidenced by execution of the POS and the official statement, and the Department Representative, on behalf of the commission, is authorized to deem the POS and official statement final for purposes of Rule 15c2-12 of the Securities and Exchange Commission (rule) with such omissions as permitted by the rule.

IT IS FURTHER ORDERED by the commission that the Department Representative, on behalf of the commission, is authorized to make application to the Board from time to time as necessary to receive approval, exemption or State volume cap, including volume cap carryforward, as applicable and necessary in connection with the issuance of each series of the bonds.

IT IS FURTHER ORDERED by the commission that a pledge of the full faith and credit of the State be utilized in connection with each series of the obligations and the payment obligations of the commission under any credit agreements.

IT IS FURTHER ORDERED by the commission that each member of the commission, each Department Representative, the Executive Director and General Counsel are authorized and directed to perform all such acts and execute such documents and notices, including execution of certifications to the underwriters or purchasers, the Attorney General, the Comptroller of Public Accounts, the Board and other parties, as may be necessary to carry out the intent of this order and other orders of the commission relating to the mobility fund revenue financing program, the program documents and the variable rate documents.

b. State Highway Fund Revenue Bonds

Approve a Seventh Supplemental Resolution authorizing the issuance of new money and refunding obligations of the State Highway Fund in one or more series; approve documents relating to the issuance of such obligations and the refunding of certain outstanding State Highway Fund revenue bonds, including official statements, bond purchase contracts, and escrow agreements; designate certain department officials to take all action necessary to deliver the obligations; and approve an application to the Texas Bond Review Board for authority to issue such obligations (MO)

Commissioner Austin made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 - 0. This item was presented by Innovative Finance and Debt Management Officer Ben Asher.

114188  
DMO

Section 49-n, Article III, of the Texas Constitution (constitutional provision) provides that the Texas Legislature may authorize the Texas Transportation Commission (commission) to issue bonds and other public securities and enter into bond enhancement agreements that are payable from revenue deposited to the credit of the State Highway Fund (highway fund) to fund state highway improvement projects. The constitutional provision further provides for the appropriation of amounts from highway fund revenues that are sufficient to pay the principal of and interest on such bonds or other public securities and any cost related to the bonds and other public securities, including payments under bond enhancement agreements.

Pursuant to the constitutional provision, the Texas Legislature enacted Section 222.003, Texas Transportation Code, as amended (enabling act), which authorizes the commission to issue bonds and other public securities secured by a pledge of and payable from revenue deposited to the credit of the highway fund.

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

The enabling act further provides that the Comptroller of Public Accounts (Comptroller) shall withdraw from the highway fund amounts determined by the commission to permit timely payment of the principal of and interest on the bonds and other public securities and any cost related to the bonds and other public securities, including payments under credit agreements.

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

Pursuant to Minute Order No. 110472, dated March 30, 2006, the commission approved a master resolution, as amended (master resolution), establishing a financing program for bonds, other public securities and credit agreements secured by and payable from revenue deposited to the credit of the highway fund to provide a financing structure to facilitate the commission's exercise of the powers and authority conferred by the enabling act and pursuant to which the commission is authorized to issue obligations (senior obligations), including bonds, notes and other public securities, and execute credit agreements, secured by and payable from a pledge of and lien on revenues deposited to the credit of the highway fund, as provided by the master resolution. Under the master resolution, the commission has approved six supplemental resolutions that authorized the issuance of eight series of Texas Transportation Commission State Highway Fund First Tier Revenue Bonds, designated as Series 2006, Series 2006-A, Series 2006-B, Series 2007, Series 2008, Taxable Series 2010 (Build

America Bonds - Direct Payment), Series 2014-A, and Series 2014-B (collectively, the “outstanding senior obligations”).

The commission has determined that it is in the best interest of the state to approve a seventh supplemental resolution to the master resolution (seventh supplemental resolution) to authorize the issuance of additional senior obligations (additional senior obligations), in one or more series, to fund state highway improvement projects, provided that the aggregate principal amount of such additional senior obligations (new money bonds) shall not exceed \$700,148,786.56, and to authorize the issuance of additional senior obligations, in one or more series, to refund certain outstanding senior obligations, and to prescribe the terms, provisions and covenants related to the additional senior obligations. As provided by the seventh supplemental resolution, additional senior obligations issued to refund outstanding senior obligations shall (i) provide net present value debt service savings of not less than 3% of the principal amount of the refunded senior obligations, (ii) provide long-term fixed rates for refunded variable rate bonds, (iii) provide alternative variable rate financing for refunded variable rate bonds, or (iv) any combination thereof.

Government Code, §1231.041 provides that a state agency may not issue a state security, including a bond, unless the issuance is approved by the Texas Bond Review Board (Board) or exempted under law, including by Board rule, from review by the Board.

Section 1.150-2 of the Treasury Regulations (26 C.F.R. §1.150-2) authorizes the commission to use the proceeds of bonds or other obligations, under the conditions set out in that section, to reimburse expenditures for a governmental purpose that are originally paid from another source, and the Texas Department of Transportation (department) expects to pay capital expenditures in connection with state highway improvement projects prior to the issuance of additional senior obligations to finance such projects.

Under the seventh supplemental resolution, the Department Representative, defined in the seventh supplemental resolution to include the chief financial officer of the department, the innovative financing/debt management officer, is authorized to determine the timing and method of sale for each series of additional senior obligations as well as the price and other terms of each series of additional senior obligations, as prescribed in each award certificate for additional senior obligations.

Under the seventh supplemental resolution, the Department Representative is authorized to price all or a portion of the additional senior obligations as variable rate bonds, including variable rate demand bonds, index bonds, and put bonds, and bonds with other interest rate structures, which may require the use of liquidity provider(s), remarketing agent(s), calculation agent(s), tender agent(s) and other entities to perform various functions in connection with any such bonds and structures.

The commission understands that an official statement in preliminary and final form (collectively, official statement) will be distributed in connection with the public offering and sale of each series of additional senior obligations, which official statement will include a description of the revenues deposited to the credit of the highway fund and other security and payment provisions related to the additional senior obligations.

The commission has determined that it is in the best interest of the State to authorize the Department Representative to direct the Comptroller to withdraw from the highway fund and forward such amounts as are necessary to permit timely payment of obligations issued or incurred pursuant to the master resolution and any seventh supplemental resolution thereto, as provided by the enabling act, and to authorize the Department Representative to enter into any memoranda and agreements (collectively, management agreements) as are deemed necessary or appropriate by the Department Representative to evidence such direction and to provide for the management and administration of the highway fund and any other funds and accounts established and maintained in connection with or related to such obligations.

IT IS THEREFORE ORDERED by the commission that the chairman and the executive director are authorized and directed to execute and deliver each series of additional senior obligations and such other documents and certificates as are necessary or appropriate to effect the intent of this order, and the Department Representative is authorized and directed to execute and deliver the seventh supplemental resolution, each purchase contract, if applicable, paying agent/registrars agreement, escrow agreement and similar agreement necessary or appropriate for any series of additional senior obligations (collectively, financing documents) in the form approved by the Department Representative or in substantially the form previously approved by the commission in connection with previously issued senior obligations, as applicable, with such changes as the Department Representative executing each such financing document may approve, such approval to be conclusively evidenced by the execution of such financing document; and, the Department Representative is authorized and directed to take any and all actions necessary or appropriate to effect the delivery of additional senior obligations in accordance with the terms and conditions of the financing documents.

IT IS FURTHER ORDERED by the commission that the Department Representative is authorized and directed to execute and deliver any liquidity agreement, remarketing agreement, tender agent agreement, calculation agent agreement, and similar agreement necessary or appropriate for any variable rate bonds and bonds with other interest rate structures permitted by the seventh supplemental resolution (collectively, supporting documents), and the supporting documents, in the form approved by the Department Representative or in substantially the form previously approved by the commission in connection with previously issued senior obligations, as applicable, are approved, with such changes as the Department Representative executing such supporting document may approve, such approval to be conclusively evidenced by execution of such supporting document.

IT IS FURTHER ORDERED by the commission that the Department Representative is authorized to direct the Comptroller to withdraw amounts from the highway fund and forward such amounts as are necessary to permit timely payment of obligations issued or incurred pursuant to the seventh supplemental resolution or the cash defeasance or redemption of a portion of the outstanding senior obligations; and, the Department Representative is authorized to execute and deliver such management agreements as are deemed necessary or appropriate to evidence such direction and to provide for the management and administration of the highway fund and any other

funds and accounts established and maintained in connection with or related to such obligations.

IT IS FURTHER ORDERED by the commission that any other agreements, instruments or ancillary documents necessary or appropriate in connection with the issuance of the additional senior obligations and the performance of the terms and conditions of any financing document or supporting document are hereby approved; and, the Department Representative is authorized and directed to execute and deliver such agreements, instruments and documents.

IT IS FURTHER ORDERED by the commission that an official statement is approved for distribution in connection with the public offering and sale of each series of additional senior obligations in such form as the Department Representative may approve, and the Department Representative is authorized to execute the official statement for each series of additional senior obligations and to deem final the preliminary form of the official statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission (rule) with such omissions as are permitted by the rule.

IT IS FURTHER ORDERED by the commission that the Department Representative is authorized and directed to file with the Board an application for approval, exemption or state volume cap, as applicable and necessary, in connection with the issuance of each series of additional senior obligations.

IT IS FURTHER ORDERED by the commission that the Department Representative is delegated the authority to declare official intent on behalf of the commission and the department to reimburse capital expenditures in connection with state highway improvement projects from the proceeds of additional senior obligations in accordance with Section 1.150-2 of the Treasury Regulations.

IT IS FURTHER ORDERED by the commission that each member of the commission, the executive director, each Department Representative and the general counsel are authorized and directed to perform such acts and execute such documents, notices and other instruments, including certifications to underwriters or purchasers, the Attorney General, the Comptroller, the Board and other parties, as may be necessary or appropriate to carry out the intent and purpose of this order and other orders of the commission relating to the state highway fund revenue financing program, the financing documents, and the supporting documents.

c. Texas Highway Improvement General Obligation Bonds

Approve a Fourth Supplemental Resolution authorizing the issuance of the unissued remainder of the \$5 billion in highway improvement general obligation (HIGO) bonds authorized by the constitutional provision and enabled under Transportation Code, §222.004; approve the preliminary official statement and other documents relating to the issuance of the bonds; authorize designated department officials to take all actions necessary to deliver one or more series of bonds; and approve an application to the Bond Review Board, if necessary, for authority to issue additional bonds (MO)

Commissioner Austin made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 - 0. This item was presented by Innovative Finance and Debt Management Officer Ben Asher.

114189  
DMO

Section 49-p, Article III of the Texas Constitution (Constitutional Provision) and Transportation Code, Section 222.004 (Section 222.004), and other applicable law, including Government Code, Chapter 1371, authorize the Texas Transportation Commission (commission) to issue general obligation bonds, notes and other public securities (bonds) and to enter into credit agreements. The commission may issue general obligation bonds for one or more of the following purposes: 1) to pay, or reimburse the State Highway Fund for payment of, all or part of the costs of highway improvement projects including loans for highway improvement projects; 2) to pay (a) the costs of administering projects authorized under Section 222.004, (b) the costs or expense of the issuance of the bonds or (c) all or part of a payment owed or to be owed under a credit agreement and 3) refunding outstanding bonds.

Pursuant to Minute Order 112100 adopted by the commission on January 28, 2010, the commission approved a "Master Resolution Establishing the Texas Transportation Commission Highway Improvement General Obligation Financing Program" (master resolution) to establish a general obligation financing program in an initial aggregate principal amount not to exceed \$5 billion pursuant to which the commission may issue bonds and execute credit agreements secured by and payable from the general revenues of the State pursuant to the Constitutional Provision and Section 222.004.

Pursuant to the "First Supplemental Resolution to the Master Resolution Establishing the Texas Transportation Commission Highway Improvement General Obligation Financing Program" also approved by Minute Order 112100, the commission issued \$815,420,000 aggregate principal amount of "Texas Transportation Commission State of Texas Highway Improvement General Obligation Bonds, Taxable Series 2010A (Build America Bonds – Direct Payment)" and \$162,390,000 aggregate principal amount of "Texas Transportation Commission State of Texas Highway Improvement General Obligation Bonds, Series 2010B."

Pursuant to the "Second Supplemental Resolution to the Master Resolution Establishing the Texas Transportation Commission Highway Improvement General Obligation Financing Program" also approved by Minute Order 112974, the commission issued \$818,635,000 aggregate principal amount of "Texas Transportation Commission State of Texas Highway Improvement General Obligation Bonds, Series 2012A" and \$99,570,000 aggregate principal amount of "Texas Transportation Commission State of Texas Highway Improvement General Obligation Bonds, Series 2012B."

Pursuant to the "Third Supplemental Resolution to the Master Resolution Establishing the Texas Transportation Commission Highway Improvement General Obligation Financing Program" approved by Minute Order 113831, the commission issued \$1,260,000,000 aggregate principal amount of "Texas Transportation Commission State of Texas Highway Improvement General Obligation Bonds, Series 2014."

There currently remains \$1,442,008,139.56 authorized but unissued general obligation bonds pursuant to the Constitutional Provision.

In furtherance of financing highway improvement projects the commission has determined it to be in the best interest of the State to issue additional general obligation bonds for highway improvement projects.

The master resolution, together with the "Fourth Supplemental Resolution to the Master Resolution Establishing the Texas Transportation Commission Highway Improvement General Obligation Financing Program" (fourth supplement), prescribes the terms, provision and covenants related to the issuance of additional general obligations bonds in one or more series entitled "Texas Transportation Commission State of Texas Highway Improvement General Obligation Bonds" with such series designation as set forth in the fourth supplement.

Under the fourth supplement, the Department Representative, as defined in the fourth supplement, is authorized to determine the method of sale for the bonds, and shall further determine such price, interest rate or rates and such terms of the bonds, as prescribed in the award certificate in accordance with the fourth supplement.

The commission understands that a preliminary official statement (POS) and final official statement (official statement) in substantially the form of the POS will be distributed in connection with the public offering and sale of one or more series of the bonds, which POS does, and which official statement will, include a description of the general obligation pledge of the State's full faith and credit.

Under the fourth supplement, the Department Representative is authorized to price all or a portion of the bonds with various interest rate and other structures including variable rate bonds, put bonds, index bonds and others, which may require the use of liquidity provider(s), tender agents, remarking agents, and other entities performing various functions in connection with any such interest rate structures.

Government Code, Section 1231.041 provides that a State agency may not issue a State security, including a bond, unless the Texas Bond Review Board (Board) approves the issuance. Government Code, Section 1231.042 provides that, in order to obtain the approval of the Board to issue a State security, a State agency must apply to the Board in the manner prescribed by the Board.

Department staff is in the process of determining which highway improvement projects may include private business use or other issues that may require the issuance of taxable bonds or obtaining State volume cap through application to the Board's private activity bond program.

**IT IS THEREFORE ORDERED** by the commission that the Chairman of the commission and the executive director of the department are authorized and directed to execute and deliver the bonds and such other documents and certificates necessary to carry out the intent of this order and the Department Representative, on behalf of the commission, is authorized and directed to execute and deliver the fourth supplement, any bond purchase contract, award certificate and paying agent agreement (collectively, program documents), and the program documents are approved in substantially the form presented to the commission with such changes as the Department Representative executing the same may approve, such approval to be conclusively evidenced by execution of the program documents.

IT IS FURTHER ORDERED by the commission that the Department Representative, on behalf of the commission, is authorized and directed to execute and deliver any remarketing agreement, liquidity agreement, tender agent agreement and similar agreements necessary for any variable rate bonds (collectively, variable rate documents), and the variable rate documents and similar agreements in connection with any variable rate bonds are approved in substantially the form previously approved by the commission in connection with the Outstanding Mobility Fund Debt, as defined in the fourth supplement, with such changes as the Department Representative executing the same may approve, such approval to be conclusively evidenced by execution of the variable rate documents.

IT IS FURTHER ORDERED by the commission that any necessary ancillary documents in connection with the issuance of the bonds, the program documents and the variable rate documents, if any, are hereby approved, and the Department Representative, on behalf of the commission, is authorized and directed to execute and deliver such documents, including the application and submission to the Board, as necessary.

IT IS FURTHER ORDERED by the commission that the POS and the official statement are approved for distribution with such changes as the Department Representative, on behalf of the commission, executing the same may approve, such approval to be conclusively evidenced by execution of the POS and the official statement, and the POS and official statement are deemed final for purposes of Rule 15c2-12 of the Securities and Exchange Commission (rule) with such omissions as permitted by the rule.

IT IS FURTHER ORDERED that the Department Representative, on behalf of the commission, is authorized to make application to the Board from time to time as necessary to receive further approval, exemption or State volume cap, including volume cap carryforward, as applicable and necessary in connection with the issuance of each series of the bonds.

IT IS FURTHER ORDERED by the commission that the highway improvement projects to be financed with the proceeds of the bonds issued pursuant to the master resolution and the fourth supplement are necessary highway improvements and related structures.

IT IS FURTHER ORDERED by the commission that each member of the commission, each Department Representative, the executive director and general counsel of the department are authorized and directed to perform all such acts and execute such documents, certificates, notices and applications, including execution of certifications to the underwriters, the Attorney General, the Comptroller of Public Accounts, the Board and other parties, as may be necessary to carry out the intent of this order and other orders of the commission relating to the general obligation financing program established by the master resolution, the fourth supplement, the program documents and the variable rate documents, if any.

d. Central Texas Turnpike System Revenue Bonds

Approve the Eighth Supplemental Indenture authorizing the issuance of one or more series of Central Texas Turnpike System (CTTS) Revenue Refunding Bonds to refund

all or any portion of the outstanding bonds; approve the official statement, bond purchase contract, escrow agreement and other documents relating to any issuance of refunding bonds; authorize the chief financial officer and other designated department representatives to take all actions necessary to effectuate any refunding and deliver one or more series of CTTS Revenue Refunding Bonds; and approve an application to the Texas Bond Review Board, if necessary, for approval or approval to issue such refunding bonds (MO)

Commissioner Austin made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 - 0. This item was presented by Innovative Finance and Debt Management Officer Ben Asher.

114190  
DMO

Transportation Code Section 228.051 provides that the Texas Transportation Commission (commission) by order may designate one or more lanes of a segment of the state highway system as a toll project or system.

By Minute Order 108873, dated April 25, 2002, SH 130 was designated as a toll project and a controlled access state highway from I-35 north of Georgetown to the intersection of US 183 and SH 130 at SH 45 Southeast (SH 130) as part of the Central Texas Turnpike System (System).

By Minute Order 108896, dated May 30, 2002, SH 45 N was designated as a toll project and a controlled access state highway from west of US 183 to SH 130/SH 45 North interchange (SH 45 N) as part of the System.

By Minute Order 108896, dated May 30, 2002, Loop 1 was designated as a toll project and a controlled access state highway from the existing Loop 1 and FM 734 (Parmer Lane) to the Loop 1/SH 45 North interchange (Loop 1) as part of the System.

By Minute Order 109729 dated July 29, 2004 SH 45 Southeast was designated as a toll project and a controlled access state highway from I-35 at FM 1327 South of Austin to the SH 310/US 182 interchange (SH 45 SE) and by Minute Order 113243 dated August 30, 2012 SH 45 SE was designated as part of the System.

The commission has outstanding \$2,139,041,172 in aggregate principal amount of obligations (collectively, the system obligations) to finance or refinance a portion of the costs of the System, composed of the SH 130, SH 45 N, Loop 1 and SH 45 SE project elements, described above, pursuant to an Indenture of Trust (indenture) and seven supplemental indentures. Any terms not otherwise defined in this order have the meaning given in the indenture.

The commission is authorized pursuant to Chapters 1207 and 1371, Texas Government Code, as amended, and Chapter 228, Texas Transportation Code, as amended, to refund, refinance, and restructure outstanding toll revenue obligations such as the system obligations and the department is reviewing all outstanding system obligations for refunding opportunities to achieve debt service savings.

The commission has determined it to be in the best interest of the State and the System to issue additional obligations pursuant to the indenture to refund all or any portion of the outstanding system obligations for debt service savings and the indenture authorizes the issuance of additional obligations to refund all or any portion of the

outstanding system obligations upon compliance with certain conditions as set forth in the indenture.

The indenture, together with the "Eighth Supplemental Indenture of Trust" (eighth supplement), prescribes the terms, provisions, and covenants related to the proposed issuance of refunding obligations in one or more series with such name, series designation, and other terms and provisions as provided in the eighth supplement and each related award certificate so long as the issuance of such refunding obligations results in any of the following: (i) a net present value debt service savings of not less than 3% of the obligations refunded; (ii) provides long-term fixed rates for refunded variable rate obligations; (iii) other variable rate financing for refunded variable rate obligations; or (iv) any combination thereof.

Government Code Section 1231.041 provides that a State agency may not issue a State security unless the issuance is approved by the Texas Bond Review Board (Board) or exempted under law, including by board rule, from review by the Board.

Under the eighth supplement, a chief financial officer, as defined in the eighth supplement, includes the chief financial officer of the department and the innovative financing/debt management officer, who is authorized to determine the method of sale for each series of refunding obligations as well as the price, lien status, and other terms of each series of the refunding obligations as prescribed in each award certificate.

The commission understands that a preliminary official statement (POS) and final official statement (official statement) in substantially the form of the POS will be distributed in connection with the public offering and sale of one or more series of the refunding obligations.

Under the eighth supplement, a chief financial officer is authorized to price all or a portion of one or more series of the refunding obligations with various interest rate and other structures including variable rate bonds, put bonds, index bonds, and others, which may require the use of liquidity provider(s), tender agents, remarketing agents, and other entities performing various functions in connection with any such interest rate structures.

**IT IS THEREFORE ORDERED** by the commission that the chairman and executive director are authorized and directed to execute and deliver each series of the refunding obligations and such other documents and certificates to carry out the intent of this order and a chief financial officer, on behalf of the commission, is authorized and directed to execute and deliver the eighth supplement, each bond purchase agreement, as applicable, escrow agreement, if necessary, paying agent agreement, award certificate and similar agreements necessary for any series of the refunding obligations (collectively, program documents), in the form approved by a chief financial officer or in substantially the form previously approved by the commission in connection with the outstanding system obligations, as applicable, with such changes as a chief financial officer, on behalf of the commission, executing the same may approve, such approval to be conclusively evidenced by execution of the program documents.

**IT IS FURTHER ORDERED** by the commission that a chief financial officer, on behalf of the commission, is authorized and directed to execute and deliver any remarketing agreement, liquidity agreement, tender agent agreement, and other agreements necessary for any variable rate refunding obligations (collectively, variable



(purchase order), on March 5, 2014, under the authority provided by Chapter 2155, Government Code, for the purchase of gift cards to be given to employees as part of the department's Safety Incentive Recognition Program. A copy of the purchase order is attached as Exhibit A.

The department proposes to amend the purchase order to allow the department to purchase additional gift cards. The amendment would increase the total consideration to be paid under the purchase order from \$608,000 to \$1,744,000, an increase of more than 10% over the initial amount of the purchase order. A copy of the amendment is attached as Exhibit B.

Subsection (b), Section 2155.088, Government Code requires that the governing body of a state agency, at a meeting, consider a material change to the contract for goods or services awarded under Chapter 2155, Government Code, and consider why that change is necessary. For the purposes of Subsection (b), an increase of at least 10% of the total amount paid under a purchase order is a material change. The commission, at a meeting, has considered the material change to the purchase order that would be made by the proposed amendment and has determined that change is acceptable and necessary.

IT IS THEREFORE ORDERED by the commission that the material change to the purchase order proposed by the department and set out in Exhibit B to this minute order is approved.

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

### **ITEM 12. Contracts**

Award or reject contracts for maintenance, highway and building construction

#### **(a) Highway Maintenance and Department Building Construction (MO)**

Commissioner Austin made a motion, which was seconded, and the commission approved the following minute order by a vote of 5 - 0. This item was presented by Director of Construction John Obr.

114192  
CST

Pursuant to Transportation Code, Chapter 223, Subchapter A, and Title 43, Texas Administrative Code, Chapter 9, Subchapter B, the Texas Department of Transportation (department) solicited and received sealed competitive bid proposals for maintenance of the State Highway System, which were publicly opened and read on January 6 and 7, 2015, as shown on Exhibit A.

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

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

The department recommends that the Texas Transportation Commission (commission) respectively award to the lowest bidder or reject, as indicated, those highway maintenance and department building construction contracts, with an

engineer's estimated cost of \$300,000 or more, identified on attached Exhibit A to this order.

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

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

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

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

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

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

114193  
CST

Pursuant to Transportation Code, Chapter 223, Subchapter A, and Title 43, Texas Administrative Code, Chapter 9, Subchapter B, the Texas Department of Transportation (department) solicited and received sealed competitive bid proposals for improvement of the State Highway System, which were publicly opened and read on January 6 and 7, 2015, as shown on Exhibit A.

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

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

The department recommends that the Texas Transportation Commission (commission) respectively award to the lowest bidder or reject, as indicated, those highway and transportation enhancement building construction contracts identified on attached Exhibit A to this order.

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

If a contractual requirement of award is not satisfied within the prescribed time limit, including any extension of time allowed by the executive director or the director's

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

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

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

**ITEM 15. Eminent Domain Proceedings**

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

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

114194  
ROW

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

As provided for by Transportation Code, Chapter 203, Subchapter D, including Sections 203.051, 203.052, and 203.054, the commission finds and determines that each of the parcels of land listed below, and more particularly described in the attached Exhibits (parcels), are necessary or convenient as a part of the highway system to be constructed, reconstructed, maintained, widened, straightened, or extended (constructed or improved) and it is necessary to acquire fee simple title in the parcels or such lesser property interests as set forth in the attached Exhibits.

The commission finds and determines that the highway facilities to be constructed or improved on the parcels identified and listed below under "CONTROLLED ACCESS" are designated as a Controlled-Access Highway in accordance with Transportation Code, Section 203.031; and where there is adjoining

real property remaining after acquisition of a parcel, the roads are to be constructed or improved as a part of the highway facility with the right of ingress and egress to or from the remaining real property adjoining the highway facility to be permitted or denied, as designated and set forth on each of the attached Exhibits A - H. Where there is adjoining real property remaining after acquisition of a parcel with respect to the highway facilities to be constructed or improved on the parcels identified as listed below under "NON-CONTROLLED ACCESS," roads are to be constructed or improved as a part of the highway facility with the right of ingress and egress to or from the remaining real property adjoining the highway facility to be permitted or denied, as designated and set forth on each of the attached Exhibits 1 - 22, in accordance with Transportation Code, Sections 203.002 and 203.003.

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

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

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

**NON-CONTROLLED ACCESS**

| <u>COUNTY</u> | <u>HIGHWAY</u> | <u>EXHIBIT</u> | <u>ROW CSJ NO.</u> | <u>PARCEL</u> |
|---------------|----------------|----------------|--------------------|---------------|
| Collin        | US 75          | 3              | 0047-14-072        | 43,43E        |
| Collin        | US 75          | 14             | 0047-14-072        | 31            |
| Collin        | FM 2514        | 20             | 2679-03-011        | 12            |
| Collin        | FM 2514        | 21             | 2679-03-011        | 21            |
| Collin        | FM 2514        | 22             | 2679-03-011        | 6             |
| Dallas        | SH 183         | 19             | 0094-03-099        | 59            |
| Denton        | FM 156         | 9              | 0718-01-065        | 8             |
| Denton        | FM 156         | 10             | 0718-01-065        | 46            |
| El Paso       | LP 375         | 15             | 2552-04-041        | 3M            |
| Grimes        | SH 30          | 5              | 0212-04-034        | 16            |
| Harris        | US 290         | 4              | 0050-06-077        | 1009          |
| Harris        | US 290         | 11             | 0050-09-086        | 2068          |
| Harris        | US 290         | 1              | 0050-09-087        | 523           |
| Harris        | US 290         | 2              | 0050-09-087        | 521           |
| Harris        | US 290         | 6              | 0050-06-077        | 1007          |
| Hidalgo       | FM 493         | 16             | 0863-01-057        | 116           |

**NON-CONTROLLED ACCESS (continued)**

| <u>COUNTY</u> | <u>HIGHWAY</u> | <u>EXHIBIT</u> | <u>ROW CSJ NO.</u> | <u>PARCEL</u> |
|---------------|----------------|----------------|--------------------|---------------|
| Hidalgo       | FM 493         | 17             | 0863-01-057        | 118           |
| Hidalgo       | FM 493         | 18             | 0863-01-057        | 94A           |
| Hill          | SH 31          | 13             | 0162-02-036        | 54            |
| McLennan      | FM 1637        | 8              | 0833-03-040        | 138E          |
| McLennan      | FM 1637        | 12             | 0833-03-041        | 100           |
| Nueces        | US 77          | 7              | 0102-02-100        | 14            |

**CONTROLLED ACCESS**

| <u>COUNTY</u> | <u>HIGHWAY</u> | <u>EXHIBIT</u> | <u>ROW CSJ NO.</u> | <u>PARCEL</u> |
|---------------|----------------|----------------|--------------------|---------------|
| Dallas        | US 175         | F              | 0197-02-113        | 16            |
| Dallas        | US 175         | G              | 0197-02-113        | 13            |
| Dallas        | US 175         | H              | 0197-02-113        | 17            |
| Denton        | IH 35E         | A              | 0196-01-097        | 88AC          |
| Denton        | IH 35E         | E              | 0196-01-097        | 53            |
| Denton        | SH 114         | C              | 0353-02-068        | 13            |
| Harris        | IH 10          | B              | 0508-01-326        | 204,204TE     |
| Harris        | IH 10          | D              | 0508-01-326        | 202           |

Note: Exhibits A - H and 1 - 22 are on file with the interim chief clerk.

**ITEM 14. Routine Minute Orders**

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

**a. Donations to the Department**

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

114195  
CSO

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

who is a party to a contested case before the agency until the 30th day after the date the decision in the case becomes final.

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

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

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

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

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

**b. Real Estate Dispositions and Donations**

**(1) Blanco County - US 281, old alignment at Rolling Hills Road north of Blanco - Consider the sale of right of way to an abutting landowner (MO)**

114196  
ROW

In BLANCO COUNTY, on US 281, the state of Texas acquired certain land for highway purposes by instruments recorded in Volume 47, Page 261, and Volume 47, Page 193, Deed Records of Blanco County, Texas.

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

In accordance with V.T.C.A., Transportation Code, Chapter 202, Subchapter B, the Texas Transportation Commission (commission) may recommend the sale of land no longer needed for a state highway purpose to abutting or adjoining landowners. Queenie Properties, LLC, is an abutting landowner and has requested to purchase Tract 1 for \$27,832.

The commission finds \$27,832 to be a fair and reasonable value of the state's right, title, and interest in Tract 1.

IT IS THEREFORE ORDERED by the commission that Tract 1 is no longer needed for a state highway purpose. The commission recommends, subject to approval

by the attorney general, that the governor of Texas execute a proper instrument conveying all of the state's right, title, and interest in Tract 1 to Queenie Properties, LLC, for \$27,832; SAVE AND EXCEPT, however, there is excepted and reserved herefrom all of the state's rights, titles, and interests, if any, in and to all of the oil, gas, sulphur, and other minerals, of every kind and character, in, on, under, and that may be produced from the land.

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

**(2) Collin County - FM 2934 and FM 3537 in Frisco - Consider the exchange of right of way no longer needed for new right of way needed for highway purposes (MO)**

114197  
ROW

In the city of Frisco, COLLIN COUNTY, on FARM TO MARKET ROAD 2934, the state of Texas acquired certain land for highway purposes by instruments recorded in Volume 700, Page 620, Page 626, and Page 629, Land Records of Collin County, Texas.

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

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

The city of Frisco is the owner of land on FARM TO MARKET ROAD 3537 (Parcels), described in Exhibit B, needed by the state for a highway purpose. In accordance with an Advance Funding Agreement, the city has agreed to convey the Parcels to the state in exchange for the conveyance of Tract 1 to the city.

It is the opinion of the commission that it is proper and correct that the state convey Tract 1 to the city in exchange and as consideration for the conveyance of the Parcels to the state.

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

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

**c. Finance**

**(1) Travis and Williamson Counties - Accept the audited financial statements of the Central Texas Turnpike System (CTTS), as required by the CTTS Indenture of Trust (MO)**

114198  
FIN

Transportation Code, Chapter 228 and other applicable law authorizes the Texas Transportation Commission (commission) to issue toll project revenue bonds, bond

anticipation notes, and other obligations to finance toll projects on the state highway system, and to enter into trust agreements and indentures of trust governing matters relating to the issuance of such obligations.

The commission issued toll project revenue bonds and other obligations to finance a portion of the costs of the Central Texas Turnpike System (system), a toll project composed initially of SH 130 (Segments 1 through 4), SH 45 North, and Loop 1 project elements (2002 Project). SH 45SE was transferred to CTTS in Fiscal 2013. The commission also authorized the execution of an indenture of trust and seven supplemental indentures to secure revenue bonds and other obligations issued for the 2002 Project. The Indenture of Trust dated July 15, 2002 (indenture) prescribes the terms, provisions and covenants related to the issuance of toll project revenue bonds and obligations to finance a portion of the costs of the 2002 Project.

Under Section 712 of the indenture, the commission covenants to prepare, or cause to be prepared, no more than 120 days after the last day of each fiscal year, a financial report of the results of operations of the system for such fiscal year. The financial report is required to be certified by a certified public accountant and to contain an audited balance sheet, an audited statement of operations, and an audited statement of cash flows for such fiscal year. Audited financial statements, contained in the attached Exhibit A, have been prepared for the fiscal year ended August 31, 2014.

IT IS THEREFORE ORDERED by the commission that the audited financial statements of the system, attached as Exhibit A, are accepted.

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

(2) Accept the audited financial statements of the Texas Mobility Fund (TMF) as required by the governing master resolution (MO)

114199  
FIN

Article III, Section 49-k of the Texas Constitution created the Texas Mobility Fund (Mobility Fund) within the treasury of the State of Texas (state) to be administered by the Texas Transportation Commission (commission) as a revolving fund to: (i) provide a method of financing the construction, reconstruction, acquisition, and expansion of state highways, including costs of any necessary design and costs of acquisition of rights of way, as determined by the commission in accordance with standards and procedures established by law; and (ii) provide participation by the state in the payment of a portion of the costs of constructing and providing publicly-owned toll roads and other public transportation projects in accordance with the procedures, standards, and limitations established by law.

Transportation Code, Chapter 201 and other applicable law authorizes the commission to issue obligations secured by and payable from a pledge of and lien on all or part of the moneys in the Mobility Fund in the name and on behalf of the state and the Texas Department of Transportation (department) in multiple series and issues from time to time for one or more of the following purposes: (i) to pay all or part of the costs of constructing, reconstructing, acquiring, and expanding state highways, including any necessary design and acquisition of rights of way, in the manner and locations determined by the commission that, according to conclusive findings of the commission, have an expected useful life, without material repair, of not less than 10

years; (ii) to provide participation by the state in the payment of part of the costs of constructing and providing publicly owned toll roads and other public transportation projects that are determined by the commission to be in the best interests of the state in its major goal of improving the mobility of the residents of the state; (iii) to create debt service reserve accounts; (iv) to pay interest on obligations for a period of not longer than two years; (v) to refund or cancel outstanding obligations; and (vi) to pay the commission's costs of issuance. The commission also authorized the execution of a Master Resolution, an amendment to the Master Resolution and ten supplemental Resolutions (Resolutions) to authorize bonds for the Mobility Fund Revenue Financing Program. The Resolutions pledge a variety of dedicated statutory fees and other revenues as security and sources of payment for the Mobility Fund bonds and additionally pledge the general revenue of the state. The Resolutions also prescribe the terms, provisions and covenants related to the general obligation Mobility Fund bonds.

Under Section 5 (j) of the Resolution, the commission covenants to prepare, or cause to be prepared, no more than 120 days after the last day of each fiscal year, a financial report of the Mobility Fund. The financial report is required to be prepared in accordance with generally accepted accounting principles and certified by a certified public accountant. Audited financial statements, contained in the attached Exhibit A, have been prepared for the year ended August 31, 2014.

IT IS THEREFORE ORDERED by the commission that the audited financial statements of the Mobility Fund, attached as Exhibit A, are accepted.

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

#### **d. Reports**

##### **(1) Obligation Limit Report**

Quarterly status report on the FY 2015 Obligation Limit, the actual obligations utilized through the current month, proposed remaining highway maintenance and construction contract letting for the fiscal year and an update on motor fuel tax receipts (Report)

Note: The Report is on file with the interim chief clerk.

##### **(2) Quarterly report on FY 2015 State Highway Fund 6 cash status (Report)**

Note: The Report is on file with the interim chief clerk.

##### **(3) Accept the Quarterly Investment Report (MO)**

114200  
DMO

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

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

Department of Transportation (department) as investment officer to be responsible for the investment of funds consistent with the investment policy.

Pursuant to this legislation and as documented in Minute Order 108970, dated July 25, 2002, the commission approved and adopted a written investment policy and investment strategy applicable to funds of the commission held under the Indenture of Trust dated July 15, 2002, securing the outstanding bonds, notes, and other obligations issued by the commission to finance a portion of the cost of the initial phase of the Central Texas Turnpike System, also known as the 2002 Project. The commission has designated the department's Chief Financial Officer as investment officer. In the absence of the Chief Financial Officer, the Innovative Financing/Debt Management Officer or the Deputy Director of Innovative Financing/Debt Management Office is authorized to act as investment officer.

Pursuant to Government Code §2256.005(e) and Section 20 of the investment policy, the investment policy and investment strategies of the commission have been reviewed and revised annually by minute order since 2003, most recently by Minute Order 114054, dated August 28, 2014.

Government Code, §2256.023 requires the designated investment officer to prepare and submit to the commission and the executive director, not less than quarterly, a written report of investment transactions for all funds covered by the Public Funds Investment Act for the preceding reporting period. The report must describe in detail the investment position of the department on the date of the report, and must be prepared jointly and signed by each investment officer.

Section 9.0 of the investment policy requires the investment officer to prepare and submit to each member of the commission and the executive director of the department an investment report on no less than a quarterly basis. The report must be prepared in accordance with the requirements of that section, including containing sufficient information to provide for a comprehensive review of investment activity and current investment instruments and performance for the reporting period. A quarterly investment report for the department for the period ending November 30, 2014, attached as Exhibit A, has been prepared in accordance with Government Code §2256.023 and Section 9.0 of the investment policy.

IT IS THEREFORE ORDERED by the commission that the quarterly investment report attached as Exhibit A is accepted.

**e. Transportation Planning**

**Various Counties - Concurrence with the Regional Transportation Council of the North Central Texas Council of Governments' funding of construction and other project development costs of projects to be advanced through the use of payments received from the North Texas Tollway Authority for the right to develop, finance, design, construct, operate and maintain the SH 121 toll project from Business SH 121 in Denton County to US 75 in Collin County (MO)**

received by the department under a comprehensive development agreement (CDA) and the surplus revenue of a toll project or system.

The department is required to create subaccounts in the account for each project, system, or region, and to hold money in a subaccount in trust for the benefit of the region in which the project or system is located. Interest earned on money in a subaccount shall be deposited to the credit of that subaccount. The department may assign the responsibility for allocating money in a subaccount to the metropolitan planning organization (MPO) in which the region is located.

The department has created subaccounts in the state highway fund to hold the payments received from the North Texas Tollway Authority (NTTA) for the right to develop, finance, design, construct, operate, and maintain the SH 121 toll project from Business SH 121 in Denton County to US 75 in Collin County (SH 121 payments). Pursuant to Transportation Code, §228.012, the SH 121 payments may be used to pay the costs of a transportation project, highway project, or air-quality project within a region in which any part of the SH 121 toll project is located. Money must be allocated to projects authorized by Transportation Code, §228.0055 or §228.006, as applicable. An air-quality project is a project or program of the department or another governmental entity that the Texas Transportation Commission (commission) determines will mitigate or prevent air pollution caused by the construction, maintenance, or use of public roads.

In Minute Order 110727, dated October 26, 2006, the commission approved, and authorized the department's executive director to enter into, a memorandum of understanding (MOU) with the Regional Transportation Council (RTC), the transportation policy council of the North Central Texas Council of Governments (NCTCOG), a federally designated MPO, concerning the administration, sharing, and use of surplus toll revenue and CDA concession payments in the region served by the NCTCOG. The SH 121 toll project is located in the region served by the NCTCOG.

Responsibility for allocating the SH 121 payments has been assigned to the RTC under the MOU. The MOU provides that the selection of projects to be financed using those funds shall be made by the RTC, subject to commission concurrence. The projects are to be selected through a process which considers the desires of the cities and counties in which the project is located. The RTC has developed a plan for regional sharing of surplus toll revenue and CDA concession payments, based on the location of the toll project from which these revenues are derived and the residential location of toll users in the region served by the NCTCOG.

In Minute Order 112015, dated October 29, 2009, the commission clarified that commission concurrence in projects selected by the RTC to be financed with surplus toll revenue and CDA concession payments is limited to ensuring the funds are allocated to projects authorized by Transportation Code, §228.0055 or §228.006. The minute order requires the department to disburse such funds in accordance with directions from the RTC to pay the costs of qualified projects.

The department has established a work program to account for and track projects and project costs in the NCTCOG Metropolitan Planning Area (MPA) boundary funded with the SH 121 payments. In previous minute orders, the commission concurred with certain projects identified by the RTC to be funded with

those payments, and approved the placement of those projects in the work program. The RTC, through an extensive public involvement process, has identified additional project costs in the NCTCOG MPA boundary to be funded with the SH 121 payments, as shown in Exhibit A. The RTC has also identified changes to the list of previously-approved projects, which are shown in Exhibit B. A summary of funds associated with the SH 121 work program is set forth in Exhibit C, which is included for informational purposes only.

IT IS THEREFORE ORDERED by the commission that, pursuant to the MOU and Minute Order 112015, it concurs with the projects as shown in Exhibit A that have been selected by the RTC to be funded with the SH 121 payments, and approves the placement of the projects in the work program with CONSTRUCT authority, to be developed consistent with applicable state and federal laws, regulations, and procedures. Pursuant to the finding of the RTC, the commission determines that the projects shown in Exhibit A are transportation or highway projects, or air-quality projects that will mitigate or prevent air pollution caused by the construction, maintenance, or use of public roads, and are therefore eligible to be funded with the SH 121 payments. The commission also concurs with the changes to the list of previously-approved projects as shown in Exhibit B.

IT IS FURTHER ORDERED that, unless otherwise approved by the commission, all direct costs associated with the projects for which federal and state funds have not been allocated shall be charged to this work program, including the costs of right of way acquisition, preliminary engineering, and construction engineering,. The costs of department staff incurred in the development, procurement, and construction of on-system projects to be funded from the SH 121 payments subaccounts will not themselves be funded from the SH 121 payments subaccounts. Funds from the SH 121 payments subaccounts that were used to reimburse the costs of department staff will be returned to the subaccounts without interest at least quarterly.

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

**f. Designation of Access Control**

Angelina County - Loop 287, approximately 350 feet west of Business US 59 - Consider the designation of a location on the highway at which access will be permitted to the abutting property (MO)

114202  
DES

In ANGELINA COUNTY, on LOOP 287, a designated controlled-access highway, the State of Texas acquired certain land for highway purposes by instrument recorded in County Clerk's File No. 2010-00272175 of the Official Public Records of Real Property Angelina County, Texas with denial of access to the abutting remainder properties as described in the instrument.

Kelby McCall, the current owner of the abutting property, has requested that access to the eastbound frontage road of LP 287 be permitted along his north property line at a new access point described in Exhibit A.

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

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

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

NOW, THEREFORE, the commission finds that the new access point will not compromise the mobility, safety, or operation of the existing state highway facility, and designates the new access point as a location where egress is permitted to the eastbound frontage road of LP 287.

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

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

**g. Speed Zones**

**Various Counties - Establish or alter regulatory and construction speed zones on various sections of highways in the state (MO)**

114203  
TRF

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

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

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

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

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

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

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

The department, in consultation with the Texas Commission on Environmental Quality, has also determined that the environmental speed limits on the segments of highways established by Minute Order 108409, dated January 25, 2001,

Minute Order 108438, dated February 22, 2001 and Minute Order 108876, dated April 25, 2002 and listed in Exhibit D, are no longer necessary.

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

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

Note: Exhibits A - D are on file with the interim chief clerk.

**ITEM 17. Executive Session Pursuant to Government Code, Chapter 551**

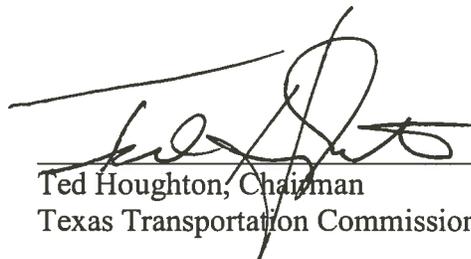
**a. Section 551.071 - Consultation with and advice from legal counsel regarding any item on this agenda**

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

The commission heard remarks from Karen Fike and Josh Fike of Fike Farms; Mark Beauchamp, Traffic Superintendent, Wichita Falls; Chris Riley; and Fernando Martinez of BikeTexas.

The regular meeting of the Texas Transportation Commission was adjourned at 11:11 a.m.

APPROVED:



Ted Houghton, Chairman  
Texas Transportation Commission

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January 29, 2015

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I hereby certify that the above and foregoing pages constitute the full, true, and correct record of all proceedings and official records of the Texas Transportation Commission at its regular meeting on January 29, 2015, in Austin, Texas.



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Robin Carter, Interim Chief Clerk  
Texas Department of Transportation