

These are the minutes of the regular meeting of the Texas Transportation Commission held on August 25, 2016, in Austin, Texas. The meeting was called to order at 9:03 a.m. by Chairman Lewis with the following commissioners present:

Texas Transportation Commission:

Tryon D. Lewis	Chairman
Jeff Austin, III	Commissioner
Victor Vandergriff	Commissioner
J. Bruce Bugg	Commissioner
Laura Ryan	Commissioner

Administrative Staff:

James Bass, Executive Director
 Jeff Graham, General Counsel
 Robin Carter, Commission 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 1:43 p.m. on August 17, 2016, 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 Specialist Sidney Maloy.

ITEM 2. Approval of Minutes of the July 13, 2016, special meeting, the July 27, 2016, workshop meeting, and the July 28, 2016, regular meeting of the Texas Transportation Commission

Commissioner Ryan made a motion, which was seconded by Commissioner Bugg, and the commission approved the minutes of the July 13, 2016, special meeting, the July 27, 2016, workshop meeting, and the July 28, 2016, regular meeting by a vote of 5 - 0.

ITEM 3. Finance

Adopt the Fiscal Year 2017 Budget (MO)

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

The General Appropriations Act of the 84th Legislature, Regular Session, has appropriated funds for the operations of the Texas Department of Transportation (department) for Fiscal Year 2017.

114669
 FIN

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

IT IS THEREFORE ORDERED by the Texas Transportation Commission that a cash budget of \$11,046,520,070 be authorized for the operations of the department for Fiscal Year 2017; and the executive director is hereby ordered to administer this cash budget in the most feasible and economical manner within the guidelines prescribed by the 84th Legislature, Regular Session.

IT IS FURTHER ORDERED that the executive director is hereby authorized to make necessary adjustments to spending levels in accordance with the General Appropriations Act or other legislation as may be necessary in the operations of the department.

ITEM 4. Unified Transportation Program (UTP)
Approve the 2017 UTP (MO) (Presentation)

This item was presented by Project Planning and Development Director Lauren Garduno. The commission also heard remarks from CAMPO Chairman Will Conley, CAMPO Executive Director Ashby Johnson, NCTCOG Regional Transportation Council Chairman Ron Jensen, H-GAC MPO Director Alan Clark, Nacogdoches City Manager Jim Jeffers, and engineer and private citizen Don Dixon. Commissioner Austin made a motion, which was seconded by Commissioner Vandergriff, and the commission approved the following minute order by a vote of 5 - 0.

114670
 TPP

Transportation Code, §201.991 provides that the Texas Department of Transportation (department) shall develop a Unified Transportation Program (UTP) covering a period of 10 years to guide the development of and authorize construction of transportation projects. Transportation Code, §201.602 requires the Texas Transportation Commission (commission) to annually conduct a public hearing on its highway project selection process and the relative importance of the various criteria on which the commission bases its project selection decisions. The commission has adopted rules located in Title 43, Texas Administrative Code, Chapter 16, governing the planning and development of transportation projects, which include guidance regarding public involvement related to the project selection process and the development of the UTP. These rules also require the commission to adopt the UTP not later than August 31 of each year.

Transportation Code, §222.034 requires the commission to distribute federal aid transportation funds to various parts of the state for a funding cycle through the selection of highway projects in a manner that is consistent with federal formulas that determine the amount of federal aid the state of Texas receives, unless the commission issues a minute order or ruling identifying the variance and providing a particular justification for the variance.

The department conducted a public meeting across the state via WebEx on July 21, 2016, and a public hearing on August 9, 2016, to receive comments and testimony concerning the development of the 2017 UTP and the project selection process.

The 2017 UTP, which is attached as Exhibit A, authorizes funding for each of the twelve funding categories established by the rules and outlines the various project selection methods and usual funding participation. The 2017 UTP lists the projects that the department intends to develop and potentially let during the 10-year period (with the exception of projects in category 1 – preventative maintenance and rehabilitation), and references for each listed project the funding category to which it is assigned. If a funding category is an allocation program, the listing is for informational purposes only and contains those projects reasonably expected to be selected for development or letting during the applicable period. Projects listed that have been authorized by previous legislative action or prior actions of the commission are still approved and their inclusion in the UTP in no way modifies that prior approval. The remaining funding levels and projects listed for aviation, public transportation, rail, and state waterways and coastal waters are authorized by separate minute orders and this UTP does not supersede those prior actions.

The 2017 UTP also contains an individual evaluation of each federal aid apportionment program, including particular justification for any variance from the federal aid formula and the proposed distribution of the transportation funds through the UTP.

IT IS THEREFORE ORDERED by the commission that the 2017 UTP, including the project selection process, as shown in Exhibit A, is hereby approved and supersedes the previously-approved 2016 UTP for fiscal years 2017-2025.

IT IS FURTHER ORDERED that the information contained in the 2017 UTP shall serve as the commission's identification and justification of variances, as required by Transportation Code, §222.034.

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

IT IS FURTHER ORDERED that pursuant to Transportation Code, §222.052, the commission may accept financial contributions from political subdivisions of the state for development of projects in the 2017 UTP.

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

ITEM 5. Statewide Transportation Improvement Program (STIP)
Various Counties - Approve the Fiscal Year 2017-2020 STIP (MO)

This item was presented by Project Planning and Development Director Lauren Garduno. Commissioner Bugg made a motion, which was seconded by Commissioner Ryan, and the commission approved the following minute order by a vote of 5 - 0.

114671
 TPP

Title 23, United States Code, §§ 134 and 135 require each designated metropolitan planning organization (MPO) and the State of Texas (state), respectively,

to develop a Transportation Improvement Program (TIP) and a Statewide Transportation Improvement Program (STIP) as a condition to securing federal funds for transportation projects under either Title 23 or the Federal Transit Act. Section 134 requires an MPO to develop its TIP in cooperation with the state and affected transit operators, and further requires the TIP to be updated at least once every four years.

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

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

The various TIPs developed by the designated MPOs have been presented for public comment by means of various public meetings conducted by relevant authorities throughout the state. Rural TIPs were made available to citizens, affected public agencies, representatives of transportation agencies, freight shippers, private providers of transportation, providers of freight transportation services, representatives of users of public transit, and other interested parties for review and comment in each of the Texas Department of Transportation's (department's) 25 district offices and at the department's headquarters in Austin. On August 15, 2016, a public hearing was held to receive comments and testimony on the STIP. No oral or written comments were received.

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

IT IS THEREFORE ORDERED by the commission that the Fiscal Year 2017-2020 STIP, which incorporates the respective TIPs of each designated MPO, as well as rural TIPs and is attached as Exhibit A to this order, is hereby approved.

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

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

ITEM 6. Legislative Appropriations Request

Adopt the Texas Department of Transportation's Fiscal Year 2018-2019 Legislative Appropriations Request (MO) (Presentation)

This item was presented by Chief Financial Officer Brian Ragland. Commissioner Austin made a motion, which was seconded by Commissioner Bugg,

and the commission approved the following minute order by a vote of 5 - 0. Chairman Lewis requested Commissioner Ryan act as point person for review of the department's FTE requirements and Commissioner Ryan agreed to do so.

114672
FIN

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

IT IS THEREFORE ORDERED that the executive director is authorized to submit a Legislative Appropriations Request to the Office of the Governor, Budget Division and the Legislative Budget Board in accordance with all prescribed guidelines in the amounts outlined in Exhibit A for Fiscal Year 2018 and Fiscal Year 2019.

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

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

ITEM 7. Advisory Committee Appointments

a. Border Trade Advisory Committee

Appoint members to the Border Trade Advisory Committee (MO)

This item was presented by Project Planning and Development Director Lauren Garduno. Commissioner Ryan made a motion, which was seconded by Commissioner Austin, and the commission approved the following minute order by a vote of 5 - 0.

114673
TPP

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

Transportation Code, Section 201.114, also provides that the committee must include, to the extent practicable: (1) the presiding officers, or persons designated by the presiding officers, of the policy boards of metropolitan planning organizations wholly or partly in the Texas Department of Transportation's (department's) Pharr, Laredo, Odessa, or El Paso transportation districts; (2) the person serving, or a person designated by the person serving, in the capacity of executive director of each entity governing a port of entry in this state; (3) a representative each from at least two institutes or centers operated by a university in this state that conduct continuing research on transportation or trade issues; and (4) the port director of the Port of Brownsville or the port director's designee.

The department's administrative rules governing statutory advisory committees, Title 43, Texas Administrative Code, Section 1.84, provide that the committee members serve staggered three-year terms expiring on August 31 of each year.

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

Terms expiring August 31, 2019

Luis Bazan, Pharr International Bridge

The Honorable Pete Sepulveda Jr., International Bridge System, Cameron County

Rigo Villareal, Anzalduas International Bridge

Julie Ramirez, Progreso International Bridge

Sam F. Vale, Starr-Camargo Bridge

Ed Drusina, International Boundary and Water Commission

Mathew McElroy, El Paso International Bridge System

Jake Giesbrecht, Presidio International Port Authority

Brenda Mainwaring, Union Pacific

Rolando Pablos, Borderplex Alliance

Bret Erickson, Texas International Produce Association

Cynthia Garza-Reyes, Pharr Economic Development Corporation

Thomas Taylor, Fasken Oil and Ranch Ltd

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

b. Bicycle Advisory Committee

Appoint members to the Bicycle Advisory Committee (MO)

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

114674
PTN

The Bicycle Advisory Committee (committee) makes recommendations to the Texas Transportation Commission (commission) on the development of bicycle tourism trails in this state, provides recommendations on the selection of projects relating to the Safe Routes to School Program, and reviews and makes recommendations on items of mutual concern between the Texas Department of Transportation and the bicycling community. The committee functions under Title 43, Texas Administrative Code, §1.85 concerning advisory committees.

The commission desires to make the following four committee appointments:

<u>Name</u>	<u>Location</u>	<u>Term Expiration</u>
Billy Hibbs	Tyler, TX	August 31, 2019
Robert Gonzales	El Paso, TX	August 31, 2019
George Mendes	Woodlands, TX	August 31, 2019
DawnElla Rust	Nacogdoches, TX	August 31, 2019

IT IS THEREFORE ORDERED by the commission that the four individuals identified above are appointed as members of the Bicycle Advisory Committee for the terms specified.

c. Aviation Advisory Committee

Appoint members to the Aviation Advisory Committee (MO)

This item was presented by Aviation Division Director Dave Fulton. Aviation Advisory Committee Vice Chairman Peter Huff also addressed the commission. Commissioner Vandergriff made a motion, which was seconded by Commissioner Austin, and the commission approved the following minute order by a vote of 5 - 0.

114675
AVN

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

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

The department’s administrative rules governing statutory advisory committees (Title 43, Texas Administrative Code, §1.84) provide that committee members serve staggered three-year terms.

The terms of two members expire on August 31, 2016; therefore, it is necessary for the commission to reappoint both members for terms to expire on August 31, 2019.

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

Mike Schnell
Spearman, Texas

Pete Huff
McKinney, Texas

IT IS THEREFORE ORDERED by the commission that the individuals identified above are hereby appointed for three-year terms as members of the Aviation Advisory Committee with terms effective September 1, 2016, and expiring on August 31, 2019.

ITEM 8. Aviation

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

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

114676
AVN

The Texas Department of Transportation (department) is authorized under Title 49, United States Code, Chapter 471, and Texas Transportation Code, Chapter 21, to award federal and state funding for capital improvement projects and to assist in the development and establishment of airports in the state of Texas.

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

On July 25, 2016 a public hearing was held. No comments were received.

IT IS THEREFORE ORDERED by the Texas Transportation Commission that the executive director, or the director's designee, is authorized to enter into any necessary agreements to fund, through the Aviation Facilities Grant Program, the projects described in Exhibit A at an estimated cost of \$14,849,750.

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

b. Approve the Routine Airport Maintenance Program (MO)

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

114677
AVN

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

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

Due to the success of this program, the department requests continuation of the program by providing funds for airport maintenance and small capital improvements on a 50-50 basis up to a maximum of \$50,000 in state funds for Fiscal Year 2017.

A public hearing regarding the funding of RAMP was held on July 25, 2016, and no comments were received.

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

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

c. Approve the Aviation Capital Improvement Program (MO)

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

114678
AVN

Pursuant to Transportation Code, §§21.108 and 21.109, and Title 43, Texas Administrative Code, §30.209, the Texas Department of Transportation prepares and updates a multiyear Aviation Capital Improvement Program (CIP). The CIP is a plan for general aviation airport development in Texas. It is a detailed listing of potential projects based on the anticipated funding levels of the Federal Aviation Administration Airport Improvement Program and the Texas Aviation Facilities Development Program.

In July 2016, the draft FY 2017-2019 Aviation CIP was submitted to the sponsors of airports included in the Texas airport system for review. Comments received have been evaluated and, when appropriate, have been addressed in the CIP. The Texas Aviation Advisory Committee recommended approval of the FY 2017-2019 CIP at its August 2016 meeting.

IT IS THEREFORE ORDERED by the Texas Transportation Commission that the FY 2017-2019 Aviation Capital Improvement Program, as shown in Exhibit A, is hereby adopted and the executive director is authorized to proceed with the development of the airport facilities included in the program.

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

ITEM 9. Public Transportation

a. Ector, El Paso, and Midland Counties - Award transportation development credits to the El Paso Metropolitan Planning Organization and the City of Odessa (MO)

This item was presented by Public Transportation Division Director Eric Gleason. Midland Odessa Urban Transit District General Manager Rob Stephens also addressed the commission. Commissioner Austin made a motion, which was seconded by Commissioner Ryan, and the commission approved the following minute order by a vote of 5 - 0.

114679
PTN

The Texas Transportation Commission (commission) desires to award 37,500 Transportation Development Credits (TDC) to the El Paso Metropolitan Planning Organization and 400,000 TDC to Midland Odessa Urbanized Transit District to be used as the local match for federally funded capital projects.

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

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

Title 43, Texas Administrative Code (TAC), §5.109 establishes a process by which TDC may be awarded at the discretion of the commission. The commission

recognizes that state and federal law permits the substitution of TDC as the required non-federal match for projects.

In making this award, the commission has considered the potential of the projects to expand the availability of funding for public transportation projects and finds that the projects meet the established program goals set forth in 43 TAC §5.102 to support public transit.

IT IS THEREFORE ORDERED by the commission that the executive director or the director's designee is directed to proceed with the awards and enter into the necessary contracts in accordance with the priorities established in this minute order.

b. Various Counties - Award federal §5311 Formula Grants for Rural Areas Program funds to rural transit districts for FY 2016 (MO)

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

114680
PTN

The Texas Transportation Commission (commission) desires to award \$343,052 in federal funds under the Federal Transit Administration (FTA) Formula Grants for Rural Areas program (49 U.S.C. §5311) 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.

The commission awarded federal formula funds in Minute Order 114557 on April 28, 2016. The commission now desires to award additional federal funds in the amount of \$343,052, to help mitigate negative formula impacts as a result of using 2010 census data in the formula.

Awards to rural transit districts are calculated in accordance with the formula provided in Title 43, Texas Administrative Code (TAC), §31.36(g)(3). The distribution of the FY 2016 awards is shown in Exhibit A.

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 awards as described in Exhibit A, submit the necessary state application to the FTA, and enter into the necessary contracts for the FY 2016 program of projects.

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

c. Galveston County - Award Surface Transportation Program - Metropolitan Mobility funds through the §5311 grant program to the City of Galveston for a transit preventative maintenance project (MO)

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

114681
PTN

The Texas Transportation Commission (commission) desires to award \$500,000 in federal funds under the Federal Transit Administration (FTA) grant program, Formula Grants for Rural Areas (49 U.S.C. §5311), and further acknowledges that federal program regulations require the Texas Department of Transportation (department) to ensure that grant funds are distributed fairly and equitably within the state.

The Houston-Galveston Area Council has authorized the transfer of \$500,000 in Surface Transportation Program Metropolitan Mobility funding for preventative maintenance. The flexed funding will be administered under the FTA grant program referenced above.

The commission finds that preventative maintenance is eligible for funding and desires to award \$500,000 in §5311 funds to the City of Galveston.

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 submit the necessary state application to the FTA and enter into the necessary contracts with the City of Galveston upon completion of all application requirements.

ITEM 10. Promulgation of Administrative Rules Under Title 43, Texas Administrative Code, and the Administrative Procedure Act, Government Code, Chapter 2001:
a. Final Adoption
(1) Chapter 10 - Ethical Conduct by Entities Doing Business with the Department
Amendments to §10.5, Benefit (General Provisions) (MO)

This item was presented by Compliance Division Director Kristin Alexander. Commissioner Bugg made a motion, which was seconded by Commissioner Ryan, and the commission approved the following minute order by a vote of 4 - 0. Commissioner Vandergriff voted against adoption of this minute order.

114682
CMP

The Texas Transportation Commission (commission) finds it necessary to adopt amendments to §10.5, Benefit, relating to General Provisions, 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 §10.5 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 commission chief clerk.

The commission took a short break from 11:27 a.m. to 11:46 a.m.

(2) Chapter 9 - Contract and Grant Management

Amendments to §9.150, Purpose, §9.151, Definitions, §9.152, General Rules for Design-Build Contracts, §9.153, Solicitation of Proposals, and §9.155, Conflict of Interest and Ethics Policies (Design-Build Contracts) (MO)

This item was presented by Director of Comprehensive Development Agreements Katherine Holtz. Commissioner Austin made a motion, which was seconded by Commissioner Bugg, and the commission approved the following minute order by a vote of 4 - 0. Commissioner Vandergriff voted against adoption of this minute order.

114683
PFD

The Texas Transportation Commission (commission) finds it necessary to adopt amendments to §§9.150 - 9.153 and §9.155, relating to Design-Build Contracts, 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 §§9.150 - 9.153 and §9.155 are adopted and are authorized 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 commission chief clerk.

(3) Chapter 27 - Toll Projects

Amendments to §27.8, Conflict of Interest and Ethics Policy (Comprehensive Development Agreements), §27.91, Definitions, and §27.92, Financial Terms (Determination of Terms for Certain Toll Projects) (MO)

This item was presented by Director of Comprehensive Development Agreements Katherine Holtz. Commissioner Bugg made a motion, which was seconded by Commissioner Ryan, and the commission approved the following minute

order by a vote of 4 - 0. Commissioner Vandergriff voted against adoption of this minute order.

114684
PFD

The Texas Transportation Commission (commission) finds it necessary to adopt amendments to §27.8, Conflict of Interest and Ethics Policies, relating to Comprehensive Development Agreements, and §27.91, Definitions, and §27.92, Financial Terms, relating to Determination of Terms for Certain Toll Projects, to be codified under Title 43, Texas Administrative Code, Part 1.

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

IT IS THEREFORE ORDERED by the commission that the amendments to §27.8, §27.91 and §27.92 are adopted and are authorized for filing with the Office of the Secretary of State.

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

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

(4) Chapter 27 - Toll Projects

Amendments to §27.83, Contracts to Operate Department Toll Projects, New §27.84, No-Cost Contracts for Services to Support the Operation of Department Toll Projects, and New §27.85, Service Charge for Payment Transactions (Operation of Department Toll Projects) (MO)

This item was presented by Toll Operations Division Director Rick Nelson. Commissioner Austin made a motion, which was seconded by Commissioner Bugg, and the commission approved the following minute order by a vote of 5 - 0.

114685
TOD

The Texas Transportation Commission (commission) finds it necessary to adopt amendments to §27.83, Contracts to Operate Department Toll Projects, new §27.84, No-Cost Contracts for Services to Support the Operation of Department Toll Projects, and new §27.85, Service Charge for Payment Transactions, relating to the Operation of Department Toll Projects to be codified under Title 43, Texas Administrative Code, Part 1.

The preamble and the adopted amendments and new sections, 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 §27.83 and new §§27.84 and 27.85 are adopted and 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 commission chief clerk.

ITEM 11. Financial Assistance for Projects

Cameron County - Cameron County Regional Mobility Authority - Consider granting final approval of a request from the Cameron County Regional Mobility Authority to receive financial assistance in the form of a grant of up to \$6,000,000 to be used for construction of a toll facility on SH 550 from .53 mi East of Old Alice Road to .48 mi West of FM 1847 called the Gap I project (MO)

This item was presented by Project Finance, Debt & Strategic Contracts Division Director Ben Asher. Cameron County Commissioner David Garza also addressed the commission. Commissioner Austin made a motion, which was seconded by Commissioner Vandergriff, and the commission approved the following minute order by a vote of 5 - 0.

114686
PFD

The Texas Department of Transportation (department) and the Cameron County Regional Mobility Authority (CCRMA) have been proceeding with the development of the SH 550 Toll Project in Cameron County, a project under the jurisdictional limits of the CCRMA.

Part of the SH 550 Toll Project, called the GAP I project, is a controlled access toll facility on SH 550 from .53 mi East of Old Alice Road to 0.48 mi West of FM 1847 consisting of four main lanes, two in each direction (project). The project is located within the boundaries of the CCRMA, and CCRMA has exercised its option to develop, construct, and operate the project pursuant to Transportation Code §228.0111(f-1), pursuant to which the department and the CCRMA executed a market valuation waiver agreement dated September 9, 2009.

Transportation Code §370.301 authorizes the department to provide for or contribute to the payment of costs of the design, financing, construction, operation, or maintenance of a turnpike project by a regional mobility authority (RMA) on terms agreed to by the department and the RMA. Transportation Code §222.103 authorizes the department to participate, by spending money from any available source, in the acquisition, construction, maintenance, or operation of a toll facility of a public or private entity on terms and conditions established by the Texas Transportation Commission (commission).

Pursuant to Transportation Code §222.103, the commission adopted Title 43 Texas Administrative Code §§27.50-27.58 (financial assistance rules) to prescribe conditions for the commission's financing of a toll facility of a public or private entity.

In accordance with Section 27.53 of the financial assistance rules, the CCRMA has submitted a request to receive a grant of up to \$6,000,000, all to pay for the

construction of the project. The information and data required by Section 27.53 of the financial assistance rules is either contained in the request for financing, is already in the department's possession, or may be waived.

On February 24, 2011, the commission adopted Minute Order 112605, directing that if financial assistance is provided to a public entity under Transportation Code §222.103 from a statewide funding source: (1) that assistance shall be repaid, or (2) the department shall require the entity to which the assistance is provided to agree to share project revenue with the department, in such amounts and for such period of time as is approved by the commission. These requirements do not apply to financial assistance provided from funds allocated to metropolitan planning organizations and department districts.

The commission granted preliminary approval of the project for financing in Minute Order 114648 dated July 28, 2016, and, in accordance with 43 TAC §27.54(a)(2), the commission found that: (1) the project is consistent with the Statewide Long-Range Transportation Plan and the metropolitan transportation plan developed by the applicable metropolitan planning organization; (2) the project is not in a Clean Air Act non-attainment area; (3) the project will improve the efficiency of the state's transportation systems; and (4) the project will expand the availability of funding for transportation projects or reduce direct state costs.

In accordance with 43 TAC §27.54(b): (1) the required study of the social, economic, and environmental impacts of the project has been completed; (2) CCRMA has obtained the executive director's waiver of an investment grade traffic and revenue report for the project from a nationally recognized traffic engineer.

In accordance with 43 TAC §27.54(c), the commission has determined that: (1) providing financial assistance will prudently provide for the protection of public funds; and (2) the project will provide for all reasonable and feasible measures to avoid, minimize, or mitigate adverse environmental impacts.

IT IS THEREFORE DETERMINED AND ORDERED that the requests submitted by the Cameron County Regional Mobility Authority for financial assistance in the form of a grant meet the applicable requirements of 43 TAC §§27.53 and 27.54(a) and, in accordance with those provisions, and including an exception to the requirements of Minute Order 112605, the commission grants final approval of the request for financial assistance in an amount not to exceed \$6,000,000 as a grant, to be used for construction of the project.

ITEM 12. Surface Transportation Corporation

Various Counties - Approve the resolution of the board of directors of the Grand Parkway Association (association) pursuant to Transportation Code, Chapter 431, to dissolve the association's existence as a transportation corporation (MO)

This item was presented by Deputy Executive Director Marc Williams. David Gornet of the Grand Parkway Association also addressed the commission. Commissioner Ryan made a motion, which was seconded by Commissioner Bugg, and the commission approved the following minute order by a vote of 5 - 0.

114687
ADM

The Texas Transportation Commission (commission) by order adopted on October 25, 1984, created the Grand Parkway Association (association), as a non-profit transportation corporation, to perform route and environmental studies and other matters in support of the development of State Highway (SH) 99, the Grand Parkway.

The association has determined that the purposes for which the association was formed have been substantially fulfilled.

At a duly called association meeting held on August 19, 2016, the board of directors of the association adopted a resolution authorizing the termination and dissolution of the association (dissolution resolution) attached here to as Exhibit A.

The association has presented to the commission a final audit attached hereto as Exhibit B which audit was conducted in compliance with Section 15.90 of Title 43 of the Texas Department of Transportation (department rules) and the association has also presented proposed articles of dissolution attached hereto as Exhibit C, all in accordance with Texas Transportation Code, Chapter 431 (act) and Section 15.91 of Title 43 of the department rules.

In accordance with the act and the department rules the association has determined that all of its obligations have been fully paid at the time the board of directors approved the dissolution resolution.

NOW, THEREFORE, IT IS ORDERED that the commission hereby determines that the final audit, the articles of dissolution and the dissolution resolution of the association comply with the act and the department rules.

IT IS FURTHER ORDERED that the commission approves the dissolution of the association and authorizes the articles of dissolution and other necessary documents to be filed with the Secretary of State.

IT IS FURTHER ORDERED that the department is authorized to accept any remaining funds and assets of the association in accordance with the act.

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

ITEM 13. Toll Operations

Dallas and Tarrant Counties - In accordance with Regional Transportation Council policy, establish additional toll rates for the I-30 Managed Lanes Project, from west of Center Street in Tarrant County to east of Sylvan Avenue in Dallas County (MO)

This item was presented by Toll Operations Division Director Rick Nelson. NCTCOG Director of Transportation Michael Morris also addressed the commission. Commissioner Austin made a motion, which was seconded by Commissioner Bugg, and the commission approved the following minute order by a vote of 5 - 0.

114688
TOD

Title 43, Texas Administrative Code, §27.82(d) provides that the Texas Transportation Commission (commission) will establish toll rates for the use of a toll project on the state highway system. In setting toll rates, the commission is required to consider: (1) the results of traffic and revenue studies and any schedule of toll rates established in a traffic and revenue report; (2) the requirements of project bond covenants, if applicable; and (3) vehicle classifications, type and location of the facility, and similar criteria that apply to a specific project.

In Minute Order 113710, dated September 26, 2013, the commission designated a controlled access facility along I-30 from west of North Fielder Road in Tarrant County to Sylvan Avenue in Dallas County (I-30 Managed Lanes Project) as a toll project on the state highway system. The I-30 Managed Lanes Project includes one concurrent flow managed tolled lane in each direction from west of Center Street to west of SH 161 and two reversible managed tolled lanes from west of SH 161 to east of Sylvan Avenue. The I-30 Managed Lanes Project is an all-electronic, open road tolling managed lane facility.

The Tolled Managed Lane Policy adopted by the Regional Transportation Council (RTC) on June 13, 2013 provides that a fixed pricing schedule will be applied during the first six months of operation, and a dynamic pricing schedule will be applied thereafter. The Texas Department of Transportation (department) has been requested, by the North Central Texas Council of Governments (NCTCOG), to extend the operating hours of the I-30 Managed Lanes Project during the midday, overnight, and weekend hours to accommodate special events. The department desires to establish additional toll rates for the extended hours of operation for the I-30 Managed Lanes Project, in accordance with the RTC Tolled Managed Lane Policy, at each tolling point as set forth in Exhibit A.

IT IS THEREFORE ORDERED that the department is authorized to charge additional tolls on the I-30 Managed Lanes Project along I-30 from west of Center Street in Tarrant County to east of Sylvan Avenue in Dallas County, for the midday, overnight, and weekend hours to accommodate extended operating hours and special events, in the amounts stated in Exhibit A, beginning on September 1, 2016 or at such time thereafter when all toll systems have been tested and are functioning.

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

ITEM 14. Audit Plan

Approve the Audit Plan for Fiscal Year 2017 and determine whether adequate resources have been dedicated to the internal audit program (MO)

This item was presented by Internal Audit Division Director Craig Otto. Commissioner Austin made a motion, which was seconded by Commissioner Bugg, and the commission approved the following minute order by a vote of 5 - 0.

114689
AUD

The Texas Internal Auditing Act, Government Code, Chapter 2102, requires the internal auditor to create an annual Audit Plan that is prepared using risk assessment techniques and that identifies the individual audits to be conducted during the year. The Audit Plan must be approved by the state agency's governing board. In addition, the governing board must periodically review the resources dedicated to the internal audit program and determine if adequate resources exist to ensure that risks identified in the annual risk assessment are adequately covered within a reasonable time frame.

The Chief Audit and Compliance Officer has developed an Audit Plan for Fiscal Year (FY) 2017, which is set forth in Exhibit A. This Audit Plan was prepared by completing a risk assessment of the Texas Department of Transportation's (department's) functions and obtaining input from the Compliance Division, the Federal

Highway Administration, members of the department's administration and management team, and the Texas Transportation Commission (commission). This Audit Plan identifies the audits to be conducted and the resources available to the Internal Audit Division for FY 2017. The Chief Audit and Compliance Officer considers the resources for FY 2017 to be adequate to address the risks that warrant audit coverage.

The Audit Plan for FY 2017 is being presented to the commission for approval and a determination that adequate resources exist to ensure that the risks identified are adequately covered.

IT IS THEREFORE ORDERED by the commission that the Audit Plan for FY 2017, as shown in Exhibit A, is hereby approved.

FURTHER, the commission finds that adequate resources have been dedicated to the internal audit program in order to ensure that the risks identified in the annual risk assessment are covered within a reasonable time.

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

ITEM 15. Audit Subcommittee Charter

Approve changes to the Audit Subcommittee Charter (MO)

This item was presented by Internal Audit Division Director Craig Otto. Commissioner Bugg made a motion, which was seconded by Commissioner Austin, and the commission approved the following minute order by a vote of 5 - 0.

114690
AUD

The Audit Subcommittee (subcommittee) of the Texas Transportation Commission (commission) was created on January 28, 2009. The subcommittee was created to oversee and ensure compliance with the intent of Sarbanes-Oxley as to reliability and transparency in financial reporting, as well as to ensure the independence of the Texas Department of Transportation's internal audit program by providing oversight of the program and evaluating the implementation of audit recommendations.

The subcommittee charter was approved by the commission on March 25, 2010, in Minute Order 112196, and amended on April 28, 2011, in Minute Order 112661, and further amended on September 24, 2015, with Minute Order 114372. The charter sets forth the purpose and composition of the subcommittee, as well as meeting requirements and principal duties and responsibilities of the subcommittee in carrying out its oversight role.

The subcommittee is required to review and assess the adequacy of the charter annually and request commission approval for proposed changes. On August 24, 2016, the subcommittee voted to amend the charter to change the supervisory structure for the Chief Audit and Compliance Officer. The amended charter is attached as Exhibit A.

IT IS THEREFORE ORDERED by the commission that the Audit Subcommittee Charter, as amended and set forth in Exhibit A, is approved.

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

ITEM 16. Compliance Program

Approve changes to the management and supervision of the Compliance Division (MO)

This item was presented by Compliance Division Director Kristin Alexander. Commissioner Vandergriff made a motion, which was seconded by Commissioner Bugg, and the commission approved the following minute order by a vote of 5 - 0.

114691
CMP

In Minute Order 112788, dated August 25, 2011, the Texas Transportation Commission (commission) ordered the establishment of a compliance program and compliance office to implement Transportation Code, Chapter 201, Subchapter F-1. That minute order provided that the compliance office was to be under the direct supervision of the executive director of the Texas Department of Transportation (department). The Internal Compliance Office, now named the Compliance Division, was established shortly after the adoption of Minute Order 112788.

Changing the reporting structure of the Compliance Division strengthens independence required for an effective compliance program and enables reasonable oversight, implementation, and the effectiveness of the program. This change formalizes the reporting structure previously established by the commission.

IT IS THEREFORE ORDERED by the commission that the Compliance Division of the department shall be under the direct management and supervision of the Chief Audit and Compliance Officer.

ITEM 17. Contracts

Award or reject contracts for maintenance, highway and building construction

(a) Construction of Highways, Department Buildings, and Other Transportation Facilities (MO)

This item was presented by Construction Division Director Tracy Cain. Commissioner Ryan made a motion, which was seconded by Commissioner Bugg, and the commission approved the following minute order by a vote of 5 - 0.

114692
CST

Pursuant to Transportation Code, Chapter 223, Subchapter A, and Title 43, Texas Administrative Code, Chapter 9, Subchapter B, the Texas Department of Transportation (department) solicited and received sealed competitive bid proposals for improvement of the State Highway System, which were publicly opened and read on August 9 and 10, 2016, as shown on Exhibit A.

Pursuant to cited code provisions highway improvement contract bids on a project may be accepted, rejected or deferred, 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, reject, or defer, 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 commission chief clerk.

(b) Highway Maintenance (MO)

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

114693
MNT

Pursuant to Transportation Code, Chapter 223, Subchapter A, and Title 43, Texas Administrative Code, Chapter 9, Subchapter B, the Texas Department of Transportation (department) solicited and received sealed competitive bid proposals for maintenance of the State Highway System, which were publicly opened and read on August 9 and 10, 2016, 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, 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 commission chief clerk.

(c) Construction of Highways, Department Buildings, and Other Transportation Facilities (MO)

Project C 25-2-198, Bexar County, IH-10

This item was presented by Construction Division Director Tracy Cain. Tensar International Roadway Technical Manager Douglas Brown, Tensar attorney Mark Barrera, Maccaferri, Inc. Sales personnel Joe Schweighofer, Hill Country Site Supply Manager Clay Cashatt, Hawkins Parnell attorney Amy Welborn, Haynes Geo Components' John Dowdell, and Innovative Soil Solutions paralegal Isaiah Sanders also addressed the commission. Chief Engineer Bill Hale and General Counsel Jeff Graham also spoke to and answered questions from the commissioners. Commissioner Bugg made a motion, which was seconded by Commissioner Austin, and the commission approved the following minute order by a vote of 5 - 0.

114694
CST

Pursuant to Transportation Code, Chapter 223, Subchapter A, and Title 43, Texas Administrative Code, Chapter 9, Subchapter B, the Texas Department of Transportation solicited and received sealed competitive bid proposals for improvement of the State Highway System, which were publicly opened and read on June 8, 2016, as shown on Exhibit A.

Pursuant to cited code provisions highway improvement contract bids on a project may be accepted, rejected or deferred, 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, reject, or defer 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 commission chief clerk.

ITEM 18. Eminent Domain Proceedings

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

This item was presented by Right of Way Division Director Gus Cannon. Commissioner Ryan 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 by Commissioner Bugg and the following minute order was approved by Chairman Lewis, Commissioner Austin, Commissioner Vandergriff, Commissioner Bugg, and Commissioner Ryan (a vote of 5 - 0).

114695
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 - DD. 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 - 26, 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:

CONTROLLED ACCESS

<u>COUNTY</u>	<u>HIGHWAY</u>	<u>EXHIBIT</u>	<u>ROW CSJ NO.</u>	<u>PARCEL</u>
Bell	US 190	A	0185-01-035	40
Bell	US 190	D	0185-01-035	60
Bell	US 190	E	0185-01-035	58,58TE
Bell	US 190	H	0185-01-035	59,59TE
Bell	US 190	I	0185-01-035	37,37AC
Bell	US 190	J	0185-01-035	50
Bell	US 190	K	0185-01-035	47
Bell	US 190	L	0185-01-035	45
Bell	US 190	T	0185-01-035	67Part1
Brazos	FM 2347	C	3138-01-026	15
Fort Bend	US 59	DD	0089-09-085	1
Galveston	IH 45	N	0500-04-123	203
Galveston	IH 45	O	0500-04-123	206
Galveston	IH 45	P	0500-04-123	208
Galveston	IH 45	Q	0500-04-123	215
Galveston	IH 45	R	0500-04-123	231

CONTROLLED ACCESS (continued)

<u>COUNTY</u>	<u>HIGHWAY</u>	<u>EXHIBIT</u>	<u>ROW CSJ NO.</u>	<u>PARCEL</u>
Galveston	IH 45	S	0500-04-123	232
Galveston	IH 45	V	0500-04-123	201C
Galveston	IH 45	W	0500-04-123	229
Galveston	IH 45	X	0500-04-123	211
Galveston	IH 45	Y	0500-04-123	104
Galveston	IH 45	Z	0500-04-123	107
McLennan	IH 35	AA	0015-01-234	10
McLennan	IH 35	B	0015-01-234	103
McLennan	IH 35	BB	0015-01-234	183
McLennan	IH 35	CC	0015-01-234	206,206AC
McLennan	IH 35	F	0015-01-234	27
McLennan	IH 35	G	0015-01-234	94
McLennan	IH 35	M	0015-01-234	29
Milam	US 190	U	0185-02-038	67Part2,67E

NON-CONTROLLED ACCESS

<u>COUNTY</u>	<u>HIGHWAY</u>	<u>EXHIBIT</u>	<u>ROW CSJ NO.</u>	<u>PARCEL</u>
Bell	US 190	26	0185-01-035	2,2E
Bell	US 190	10	0185-01-035	41
Bell	US 190	11	0185-01-035	34
Bell	US 190	14	0185-01-035	1
Brazos	FM 2347	25	3138-01-026	19
Burleson	FM 60	23	0648-03-064	3
Burleson	FM 60	24	0648-03-064	28
Cherokee	US 69	17	0199-03-039	41
Collin	SH 121	15	0549-03-026	15
Denton	US 377	6	0081-03-057	14,14TE
Ellis	FM 664	1	1051-01-043	68
Ellis	FM 664	2	1051-01-043	12
Fort Bend	US 90A	12	0027-06-054	3
Grayson	FM 121	18	0729-01-044	24
Rockwall	FM 3549	3	1015-01-077	30
Rockwall	FM 3549	4	1015-01-077	44
Rockwall	FM 3549	5	1015-01-077	53
Rockwall	FM 3549	7	1015-01-077	32
Rockwall	FM 3549	8	1015-01-077	40
Rockwall	FM 3549	9	1015-01-077	54
Rockwall	FM 3549	13	1015-01-077	38
Rockwall	SH 66	16	0009-04-067	1
Williamson	FM 1660	19	1566-02-021	15
Williamson	FM 1660	20	1566-02-021	16

NON-CONTROLLED ACCESS (continued)

<u>COUNTY</u>	<u>HIGHWAY</u>	<u>EXHIBIT</u>	<u>ROW CSJ NO.</u>	<u>PARCEL</u>
Williamson	FM 1660	21	1566-02-021	17
Williamson	FM 1660	22	1566-02-021	18

Note: Exhibits A - DD and 1 - 26 are on file with the commission chief clerk.

ITEM 19. Routine Minute Orders and Reports

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

a. Donations to the Department

(1) Various Districts - Consider the acknowledgment 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 (MO)

114696
CPD

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 commission chief clerk.

(2) Highway Sponsorship Donations Acknowledgment - Consider the acknowledgement of donations made to the department under the Sponsorship Acknowledgement Program. The donations under this program provide funding for highway related services and facilities such as litter removal, wildflower maintenance, Travel Information Centers, and rest areas. The donors are acknowledged with a sign located on the right of way near the facility or service sponsored. (MO)

114697
TRV

This minute order considers a donation from the sponsors listed in Exhibit A to provide monetary sponsorship to the Texas Department of Transportation (department) under the Sponsorship Acknowledgement Program, as governed by the Federal policy on sponsorship acknowledgement and sponsorship agreements within the highway right-of-way set forth in FHWA Order 5610.1A.

The department has determined that acceptance of the donations is in the best interest and welfare of the traveling public and will provide a significant public benefit.

Transportation Code, §201.206, authorizes the 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.

The Texas Transportation Commission (commission) established the Sponsorship Acknowledgement Program with the adoption of 43 TAC, Chapter 12, Subchapter K in February 2013. This program authorized by the Federal Highway Administration in FHWA Order 5610.1.A, allows the department to place signs in state highway right of way to acknowledge donations submitted to the department to fund transportation related services. The department has contracted with a vendor to manage the collection of donations and to erect the signs acknowledging the donation. Each donation listed in this MO will receive a sign with their business name or logo acknowledging their donation. The locations of the signs are approved by the department and are within the vicinity of the transportation service for which the donation was received.

The executive director found that the donations identified on the attached Exhibit A were in compliance with the provisions of 43 TAC §§12.353-12.355, Government Code, Chapter 575, and Transportation Code, §201.206.

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 commission chief clerk.

b. Real Estate Donations

Various Districts - Consider for acknowledgement of the acquisition by gift/donation of required right of way accepted by the department for purposes of constructing, maintaining, widening, straightening, or extending the state highway system. (MO)

114698
ROW

The Texas Department of Transportation (department) is acquiring the right of way for highway improvement projects by donations.

This minute order considers acknowledgement of acceptance of a donation of real property to the State of Texas by the department. The department has determined that acceptance of this donation is in the best interest and welfare of the traveling public and will provide a significant public benefit.

Transportation Code, §201.206, authorizes the 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.

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 donation identified on the attached Exhibit A was in compliance with the provisions of 43 TAC §§1.500-1.506, Government Code, Chapter 575, Transportation Code, §201.206, §223.049, and §224.001. The donation agreement has been executed and accepted by the department under Title 43, Texas Administrative Code, §1.504.

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

NOTE: Exhibit A is on file with the commission chief clerk.

c. Real Estate Dispositions

(1) Collin County - FM 3038 and SS 359 in McKinney - Consider the removal from the system and transfer of control, jurisdiction, and maintenance to the City of McKinney (city) and quitclaim of right of way to the city (MO)

114699
ROW

In the City of McKinney, COLLIN COUNTY, on FARM TO MARKET ROAD 3038 and STATE SPUR 359, the state of Texas acquired certain land for highway purposes by various instruments, and the state used other land for highway purposes to which record title is in the name of the City of McKinney (city). Pursuant to Texas Transportation Code, §§201.103 and 221.001, the executive director has recommended, as shown in Exhibit A, that FM 3038, a distance of approximately 1.9 miles

(RCSJ 3132-01-011), and SS 359, a distance of approximately 1.5 miles (RCSJ 0047-15-006), be removed from the state highway system and that control, jurisdiction, and maintenance be transferred to the city.

The land, described in Exhibit B, is no longer needed for a state highway purpose.

In accordance with Texas Transportation Code, §202.021, the Texas Transportation Commission (commission) may recommend the quitclaim of any interest that might have accrued to the state by use of the property to the county or municipality where the property is located.

The city has requested that the land be quitclaimed to the city.

IT IS THEREFORE ORDERED by the commission that FM 3038, a distance of approximately 1.9 miles, and SS 359, a distance of approximately 1.5 miles, is removed from the state highway system and that control, jurisdiction, and maintenance is transferred to the city.

FURTHER, IT IS ORDERED by the commission that the land 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 quitclaiming all of the state's right, title, and interest in the land to the City of McKinney, Texas; 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.

FURTHER, if the land ceases to be used for public road purposes, the land shall immediately and automatically revert to the state.

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

(2) Dallas County - 4202 Corn Valley Road in Grand Prairie - Consider the sale of a former maintenance site and improvements to the successful bidder (MO)

114700
ROW

In the City of Grand Prairie, DALLAS COUNTY, at 4202 CORN VALLEY ROAD, the state of Texas acquired certain land for highway purposes by instruments recorded in Volume 69207, Page 1537, and Volume 86150, Page 4056, Deed Records of Dallas County, Texas.

The land (Tract 1), RCSJ 0918-00-248, is no longer needed for state highway purposes.

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

Tract 1 was advertised for sale, and Grand Prairie Independent School District submitted a bid of \$950,000.

The commission finds \$950,000 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 Grand Prairie Independent School District for \$950,000; SAVE AND EXCEPT, however, there is excepted and reserved herefrom all of the state's right, title, 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 the land.

(3) Denton County - I-35W, west side, south of SH 114 in Fort Worth - Consider the sale of right of way to the abutting landowner (MO)

114701
ROW

In the City of Fort Worth, DENTON COUNTY, on INTERSTATE 35W, the state of Texas acquired certain land by instrument recorded in Volume 530, Page 118, Deed Records of Denton County, Texas.

A portion of the land (Tract 1), RCSJ 0081-13-062, described in Exhibit A, is no longer needed for highway purposes.

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

Roanoke 35/114 Partners, L.P., a Texas limited partnership, is the abutting landowner and has requested to purchase Tract 1 for \$14,034.

The commission finds \$14,034 to be a fair and reasonable value for 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 Roanoke 35/114 Partners, L.P., a Texas limited partnership, for \$14,034; 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 commission chief clerk.

(4) Eastland County - US 183, east side, south of Cisco - Consider the sale of right of way to the abutting landowner (MO)

114702
ROW

In EASTLAND COUNTY, on US 183, the state of Texas acquired certain land for highway purposes by instrument recorded in Volume 579, Page 203, Deed Records of Eastland County, Texas.

A portion of the land (Tract 1), RCSJ 0127-01-032, 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 any interest in real property that was acquired and is no longer needed for a state highway purpose.

Farris C. Wilks is the abutting landowner and has requested to purchase Tract 1 for \$3,000.

The commission finds \$3,000 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 and that the value is less than \$10,000. The commission authorizes the executive director to execute a proper instrument conveying all of the state's right, title, and interest in Tract 1 to Farris C. Wilks for \$3,000; SAVE AND EXCEPT, however, there is excepted and reserved herefrom all of the state's rights, titles, and interests, if any, in and to all of the oil, gas, sulphur, and other minerals, of every kind and character, in, on, under, and that may be produced from the surplus land.

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

(5) Goliad County - US 183 at SH 19 - Consider the sale of right of way to the abutting landowner (MO)

114703
ROW

In GOLIAD COUNTY, on US 183, the state of Texas acquired certain land for highway purposes by instrument recorded in Volume 77, Page 580, Deed Records of Goliad County, Texas.

A portion of the land (Tract 1), RCSJ 0155-02-027, 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 any interest in real property that was acquired and is no longer needed for a state highway purpose.

Darren Joseph Bammert is an abutting landowner and has requested to purchase Tract 1 for \$4,800.

The commission finds \$4,800 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 and that the value is less than \$10,000. The commission authorizes the executive director to execute a proper instrument conveying all of the state's right, title, and interest in Tract 1 to Darren Joseph Bammert for \$4,800; 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 surplus land.

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

(6) Hunt County - I-30, east side, north of Centerpoint Lane in Greenville - Consider the sale of a drainage easement (MO)

Deferred

The commission did not consider this item.

(7) McLennan County - US 81, old Marlin Road at 11th Street in Waco - Consider the sale and quitclaim of right of way to the abutting landowner (MO)

114704
ROW

In the City of Waco, McLENNAN COUNTY, on US 81, the state of Texas acquired certain land for highway purposes by instrument recorded in Volume P, Page 641, Civil Minutes of McLennan County Courthouse Records, and the state used certain land for highway purposes to which there is no record title.

Portions of the land (Tracts 1 and 2), RCSJ 0014-10-063, are no longer needed for state highway purposes.

In accordance with V.T.C.A., Transportation Code, Chapter 202, Subchapter B, the Texas Transportation Commission (commission) may recommend the sale of any interest in real property that was acquired and is no longer needed for a state highway purpose and may recommend the quitclaim of property to which there is no record title to abutting landowners at the request of the county or municipality.

Baylor University is the abutting landowner and has requested to purchase Tract 1, described in Exhibit A, for \$9,382 and has requested the quitclaim of Tract 2, described in Exhibit B.

The City of Waco has requested that Tract 2 be quitclaimed to the abutting landowner.

The commission finds \$9,382 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 Tracts 1 and 2 are no longer needed for a state highway purpose and that the value of Tract 1 is less than \$10,000. The commission authorizes the executive director to execute a proper instrument conveying all of the state's right, title, and interest in Tract 1 to Baylor University for \$9,382; 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 surplus land.

FURTHER, the commission recommends, subject to approval by the attorney general, that the governor of Texas execute a proper instrument quitclaiming the state's right and interest in Tract 2 to Baylor University.

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

d. Reports

(1) Compliance Division

Compliance Division report

Note: Confidential report to commission.

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

114705
TOD

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

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

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

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

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

In 2002 the commission issued \$2,199,993,782 in obligations to finance a portion of the costs of the Central Texas Turnpike System (system), a toll project composed initially of the SH 130, SH 45, and Loop 1 project elements (2002 Project), pursuant to an Indenture of Trust, dated July 15, 2002 (indenture), and four supplemental indentures. The indenture prescribes the terms, provisions and covenants related to the issuance of toll revenue bonds and obligations to finance a portion of the costs of the 2002 Project. Subsequent bond refundings occurred in 2009, 2012 and 2015, pursuant to the indenture and supplemental indentures. The 2015 bond

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

The Texas Department of Transportation has completed these budgets including SH 45 North, Loop 1, SH 130 and SH 45 Southeast and they are attached as Exhibit A. In accordance with Section 702 of the indenture, the budgets were provided to the general engineering consultant for review and comment prior to adoption by the commission.

IT IS THEREFORE ORDERED by the commission that the annual operating, maintenance and capital budgets for the system are adopted for FY 2017.

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

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

e. Finance

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

114706
PFD

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 that are in compliance with investment policies approved by the commission.

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

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

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

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

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

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

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

114707
PFD

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

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

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

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

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

IT IS THEREFORE ORDERED by the commission that the Debt Management Policy attached hereto as Exhibit A and Derivative Management Policy attached hereto as Exhibit B have been reviewed and are hereby approved.

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

f. Transportation Planning

Howard County - Near the City of Big Spring, designate US 87 along a new location, redesignate existing US 87 as BU 87-M, and remove the concurrent designation of US 87 with I-20 (MO)

114708
TPP

In Howard County, the Abilene District has requested the following actions: 1) designation of US 87 along a new location from I-20 to approximately 1.3 miles north of FM 700 on existing US 87, a distance of approximately 7.6 miles; 2) upon completion of the proposed US 87 roadway, redesignation of a segment of existing US 87 as BU 87-M from I-20 to approximately 1.3 miles north of FM 700, a distance of approximately 3.3 miles; and 3) removal of the concurrent designation of US 87 with I-20 from the intersection of existing US 87 and I-20 to the intersection of new US 87 and I-20, a distance of approximately 4.3 miles.

Pursuant to Texas Transportation Code, §§201.103 and 221.001, the executive director of the Texas Department of Transportation has recommended these actions.

The Texas Transportation Commission (commission) finds that these actions will facilitate the flow of traffic, promote public safety, and maintain continuity of the state highway system and are necessary for the proper development and operation of the system.

IT IS THEREFORE ORDERED by the commission that: 1) US 87 is designated along a new location from I-20 to approximately 1.3 miles north of FM 700 on existing US 87, a distance of approximately 7.6 miles; 2) upon completion of the proposed US 87 roadway, a segment of existing US 87 is redesignated as BU 87-M, from I-20 to approximately 1.3 miles north of FM 700, a distance of approximately 3.3 miles; and 3) the concurrent designation of US 87 with I-20 is removed from the intersection of existing US 87 and I-20 to the intersection of new US 87 and I-20, a distance of approximately 4.3 miles, as shown in Exhibit A.

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

g. Speed Zones

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

114709
TRF

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

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

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

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

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

It has also been determined that the speed limits on 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.

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 Exhibit C are canceled.

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

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

a. Section 551.071 - Consultation with and advice from legal counsel regarding any item on this agenda, pending or contemplated litigation, or other legal matters.

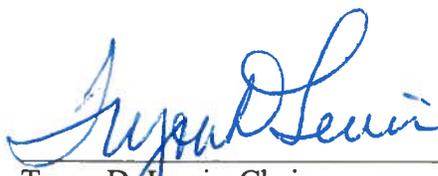
The commission did not meet in executive session.

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 received comments concerning SH 49 through Grimes County from Sandra Nobles, Robert Nobles, Chad Nobles, and Amy Nobles.

Commissioner Vandergriff motioned adjournment and Commissioner Austin seconded the motion. The commission voted 5 - 0 to adjourn. The regular meeting of the Texas Transportation Commission was adjourned at 1:14 p.m.

APPROVED:



Tryon D. Lewis, Chairman
Texas Transportation Commission

I hereby certify that the above and foregoing pages constitute the full, true, and correct record of all proceedings and official records of the Texas Transportation Commission at its regular meeting on August 25, 2016, in Austin, Texas.



Robin Carter, Commission Chief Clerk
Texas Department of Transportation