

These are the minutes of the regular meeting of the Texas Transportation Commission held on January 25, 2018, in Austin, Texas. The meeting was called to order at 9:00 a.m. by Chairman Bugg with the following commissioners present:

**Texas Transportation Commission:**

J. Bruce Bugg, Jr.	Chairman
Jeff Austin, III	Commissioner
Victor Vandergriff	Commissioner
Tryon Lewis	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 4:21 p.m. on January 17, 2018, 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 Mike Pettibon.

Chairman Bugg recognized State Representative Charlie Geren, who spoke briefly to the commission.

**ITEM 2. Consider the approval of the Minutes of the December 14, 2017, regular meeting of the Texas Transportation Commission**

Commissioner Ryan made a motion, which was seconded by Commissioner Vandergriff, and the commission approved the minutes of the December 14, 2017, regular meeting by a vote of 5 - 0.

**ITEM 3. Advisory Committee Appointments**

**Consider the appointment of members to the I-69 Corridor Advisory Committee (MO)**

This item was presented by Corridor Planning Section Director Roger Beall. Harrison County Judge and Chairman of the I-69 Advisory Committee Hugh Taylor also spoke to the commission. Commissioner Austin made a motion, which was seconded by Commissioner Lewis, and the commission approved the following minute order by a vote of 5 - 0.

assist the Texas Department of Transportation (department) in the transportation planning process for the corridor planned as part of Interstate Highway 69 (I-69).

The purpose of the I-69 Corridor Advisory Committee (committee) is to facilitate and achieve support and consensus from affected communities, governmental entities, and other interested parties in the planning of transportation improvements in the I-69 corridor and in the establishment of development plans for that corridor. The committee's advice and recommendations will provide the department with an enhanced understanding of public, business, and private concerns about the I-69 corridor, facilitating the department's communications and project development objectives and resulting in greater cooperation between the department and all affected parties during project planning and development.

In Minute Order 114555, dated April 28, 2016, the commission appointed a new member to the committee. Two members from Texarkana and Marshall, respectively, will be replaced by Cory Floyd of Texarkana and Becky Wilbanks of Linden.

Under 43 TAC §1.86, the commission may appoint members of an advisory committee from the following groups as deemed appropriate by the commission: affected property owners and owners of business establishments; technical experts; representatives of local governmental entities; members of the general public; economic development officials; chambers of commerce officials; members of the environmental community; department staff; and professional consultants representing the department.

Mr. Floyd and Ms. Wilbanks have been selected because they will ensure the committee represents a geographic distribution across the corridor area and reflects a diverse cross-section of the widely varying stakeholder groups needed to help the department identify and reach consensus on corridor needs and potential transportation solutions.

IT IS THEREFORE ORDERED by the commission that Cory Floyd and Becky Wilbanks are appointed as members of the I-69 Corridor Advisory Committee.

#### **ITEM 4. Public Transportation**

**Various Counties - Consider the award of state funds to public transportation providers for FY 2018 as appropriated by the 85th Texas Legislature and federal §5311(b)(3) funds to Concho Valley Transit District (MO)**

This item was presented by Public Transportation Division Director Eric Gleason. 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.

115125  
PTN

The Texas Transportation Commission (commission) desires to award \$6,249,999 in state funds for FY 2018 to urban and rural areas of the state and \$41,958 in federal Rural Transportation Assistance Program (RTAP) funds (49 U.S.C. §5311(b)(3)) to Concho Valley Transit District. The commission 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.

Title 43, Texas Administrative Code (TAC), §31.11 establishes a formula by which state public transportation funds shall be distributed to the urban and rural areas of the state. The urban and rural areas have previously received awards of state funds totaling \$28,741,067 in Minute Orders 114955 dated June 29, 2017, 114980 dated July 27, 2017, 115011 dated August 31, 2017, and 115046 dated September 28, 2017.

Title 43, TAC, §31.11 was revised by the commission in Minute Order 115101 dated November 16, 2017. The commission desires to award additional state funds appropriated by the 85th Legislature, Regular Session which, combined with earlier awards, represents the allocation of state funds for FY 2018. The award of \$6,249,999, which is shown in Exhibits A through C, has been calculated in accordance with the provisions of §31.11.

The commission also desires to award \$41,958 in federal RTAP funds to Concho Valley Transit District in support of the 2018 Texas Transit Association Roadeo and Exposition. The award is provided to Concho Valley Transit District for their specific role in this event to provide technical assistance and logistical support.

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 above and in Exhibits A through C, submit the necessary state application to the FTA, and enter into the necessary contracts.

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

**ITEM 5. Promulgation of Administrative Rules Under Title 43, Texas Administrative Code, and the Administrative Procedure Act, Government Code, Chapter 2001:**

**a. Proposed Adoption**

**(1) Chapter 7 - Rail Facilities**

**Repeal of Subchapter E, Rail Fixed Guideway System State Safety Oversight Program, §§7.80-7.88; and New Subchapter E, Rail Fixed Guideway System State Safety Oversight Program, §7.80, Purpose, §7.81, Definitions, §7.82, System Safety Program Plan, §7.83, Hazard Management Process, §7.84, New State Rail Transit Agency Responsibilities, §7.85, Modifications to a System Safety Program Plan, §7.86, Rail Transit Agency's Annual Review, §7.87, Department System Safety Program Plan Audit, §7.88, Accident Notification, §7.89, Accident Investigations, §7.90, Corrective Action Plan, §7.91, Administrative Actions by the Department, §7.92, Administrative Review, §7.93, Escalation of Enforcement Action, §7.94, Emergency Order to Address Imminent Public Safety Concerns, §7.95, Admissibility; Use of Information (MO)**

This item was presented by Public Transportation Division Director Eric Gleason. 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.

115126  
PTN

The Texas Transportation Commission (commission) finds it necessary to propose the repeal of §§7.80 - 7.88 and propose new §§7.80 - 7.95, relating to Rail Fixed Guideway System State Safety Oversight Program to be codified under Title 43, Texas Administrative Code, Part 1.

The preamble and the proposed amendments, attached to this minute order as Exhibits A, B, and 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 repeal of §§7.80 - 7.88 and new §§7.80 - 7.95 are proposed for adoption and are authorized for publication in the *Texas Register* for the purpose of receiving public comments.

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.

**(2) Chapter 9 - Contract and Grant Management**

**New §9.8, Enhanced Contract and Performance Monitoring (General) (MO)**

This item was presented by Contract Services Division Director Ken Stewart. Commissioner Vandergriff made a motion, which was seconded by Commissioner Lewis, and the commission approved the following minute order by a vote of 5 - 0.

115127  
CSD

The Texas Transportation Commission (commission) finds it necessary to propose new §9.8 relating to Enhanced Contract and Performance Monitoring to be codified under Title 43, Texas Administrative Code, Part 1.

The preamble and the proposed new section, 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 new §9.8 is proposed for adoption and is authorized for publication in the *Texas Register* for the purpose of receiving public comments.

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 9 - Contract and Grant Management**

**Amendments to §9.35, Federal Process, and §9.41, Contract Administration (Contracting for Architectural, Engineering, and Surveying Services) (MO)**

This item was presented by Professional Engineering Procurement Services Division Director Martin Rodin. 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.

115128  
PEPS

The Texas Transportation Commission (commission) finds it necessary to propose amendments to §9.35 relating to Federal Process and §9.41 relating to Contract Administration to be codified under Title 43, Texas Administrative Code, Part 1.

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

IT IS THEREFORE ORDERED by the commission that the amendments to §§9.35 and 9.41 are proposed for adoption and are authorized for publication in the *Texas Register* for the purpose of receiving public comments.

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.

**(4) Chapter 27 - Toll Projects**

Amendments to §27.50, Purpose, §27.51, Definitions, §27.52, Available Financing, §27.53, Request, §27.54, Commission Action, §27.55, Financial Assistance Agreement, and §27.58, Financial and Credit Requirements (Financial Assistance for Toll Facilities) (MO)

This item was presented by Project Finance, Debt & Strategic Contracts Division Director Ben Asher. 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.

115129  
PFD

The Texas Transportation Commission (commission) finds it necessary to propose amendments to §§27.50 - 27.55 and §27.58, all concerning Financial Assistance for Toll Facilities to be codified under Title 43, Texas Administrative Code, Part 1.

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

IT IS THEREFORE ORDERED by the commission that the amendments to §§27.50 - 27.55 and §27.58 are proposed for adoption and are authorized for publication in the *Texas Register* for the purpose of receiving public comments.

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.

**b. Final Adoption**

**Chapter 27 - Toll Projects**

**Amendments to §27.82, Toll Operations (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 Ryan, and the commission approved the following minute order by a vote of 5 - 0.

115130  
TOD

The Texas Transportation Commission (commission) finds it necessary to adopt amendments to §27.82 relating to Toll Operations 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 §27.82 are adopted and are authorized for filing with the Office of Secretary of State.

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

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

**ITEM 6. Design-Build Contract**

**Dallas County - Consider authorizing the department to issue a request for qualifications to design, develop, construct, and potentially maintain improvements in the I-635 corridor from US 75 to I-30 in Dallas County (I-635 East Project), subject to removing any tolling elements. The project may include full reconstruction and widening from eight to ten general purpose lanes and from two express/high occupancy vehicle (HOV) lanes to four non-tolled express lanes for a total of 14 general purpose and non-tolled express lanes, construction of continuous frontage roads, and improvements to the I-635/I-30 interchange (MO) (Presentation)**

The chairman deferred this item for consideration at a later date and the commission did not vote on the minute order. The PowerPoint presentation for this item was made by Comprehensive Development Agreement Director Katherine Holtz. Dallas District Engineer Kelly Selman answered questions from the commission. The commission also heard from City of Garland Councilman B.J. Williams; Dallas County Manufacturers Association Chief Executive Officer Paul Mayer; private citizen Don Dixon; Texans for Toll-Free Highways Founder and Director Terri Hall; Regional

Transportation Council Chairman and Cedar Hill Mayor Rob Franke; Mobility Infrastructure and Sustainability Committee Chairman and City of Dallas Councilman Lee Kleinman; Regional Transportation Council member and City of Fort Worth Councilman Jungus Jordan; Dallas County Judge Clay Jenkins; North Central Texas Council of Governments Director of Transportation Michael Morris; City of Dallas Councilman Adam McGough; and private citizen Susan Morgan. Chairman Bugg left the dais from 11:15 a.m. to 11:19 a.m. and Commissioner Lewis asked general counsel Jeff Graham a private question. The commission continued to hear from private citizen Lynn Davenport; private citizen Holt Mitchell; private citizen and LHPID/LBJNow member Will Toler; private citizen Mark Holmes; City of Garland former councilman Stephen Stanley; and Senator Bob Hall.

The commission took a short break from 11:50 a.m. to 12:00 noon.

**ITEM 7. Environmental Covenants**

**a. Harris County - Consider whether to authorize the executive director to execute an environmental restrictive covenant in favor of the Texas Commission on Environmental Quality (TCEQ) and the State of Texas, restricting the use of a small portion of Beltway 8 right-of-way just east of Hiram Clarke Road to commercial/industrial uses (MO)**

This item was presented by Associate General Counsel Misty Barham. Commissioner Ryan made a motion, which was seconded by Commissioner Vandergriff, and the commission approved the following minute order by a vote of 5 - 0.

115131  
GCD

During the Sam Houston Tollway Widening Project, a joint project between the Texas Department of Transportation (department) and the Harris County Toll Road Authority (HCTRA), HCTRA discovered contamination near the intersection with Hiram Clarke Road. The contamination is primarily underneath Sam Houston Tollway right of way owned by Harris County, but extends onto a small portion of Beltway 8 right of way owned by the department. The contamination is historical, and not caused by HCTRA. It was determined that the groundwater contaminants of concern (COCs) were below residential protective concentration levels (PCLs), and soil COCs were below commercial/industrial PCLs. Thus, the Texas Commission on Environmental Quality (TCEQ) has approved HCTRA's Affected Property Assessment Report, which recommends no further soil or groundwater action, but requires a restrictive covenant be filed that limits use of the affected property to commercial/industrial uses.

HCTRA and TCEQ have requested that the department execute the restrictive covenant, attached to this minute order as Exhibit A, limiting use of the affected property to commercial/industrial uses. The property to be subject to the restrictive covenant is more specifically identified in Exhibit A.

The notice required by Transportation Code § 202.061(d) was sent to the applicable parties on October 16, 2017.

The Texas Transportation Commission (commission) has determined that the restrictive covenant should be executed if the terms of the restrictive covenant are acceptable to the department's executive director.

IT IS THEREFORE ORDERED by the commission that the department's executive director is authorized to execute the above-described restrictive covenant pursuant to Transportation Code, § 202.061.

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

**b. Harris County - Consider whether to authorize the executive director to execute an environmental restrictive covenant on the department's Houston headquarters, located at 7600 Washington Avenue, Houston, Texas, prohibiting use of designated groundwater underlying the property as potable water (MO)**

This item was presented by Associate General Counsel Misty Barham. 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.

115132  
GCD

The Texas Department of Transportation (department) owns property located at 7600 Washington Avenue, Houston, Texas, which currently serves as its Houston headquarters ("the TxDOT property"). The Houston headquarters was previously located at a neighboring property, 7721 Washington Avenue, Houston, Texas, which the department sold to Silver Eagle Distributors, L.P. ("Silver Eagle") on July 19, 2013 ("the Silver Eagle property"). Silver Eagle identified environmental contamination at the Silver Eagle property, which it contended was at least partially caused by historic operations at the property.

Chlorinated volatile organic compounds were identified and documented in groundwater underlying the Silver Eagle Property and the TxDOT property at concentrations exceeding Texas Risk Reduction Program residential groundwater ingestion protective concentration levels ("PCLs"). The groundwater plume has been delineated on all sides, and there are no known active sources at either property. No chemicals of concern have been identified in groundwater at either property at concentrations exceeding the non-ingestion PCLs.

Silver Eagle and the department have submitted a joint application seeking a Municipal Setting Designation ("MSD") for the Silver Eagle and TxDOT properties pursuant to Texas Health and Safety Code Chapter 361, Subchapter W, which would prevent the designated groundwater from being used as potable water. As part of the application for the MSD, the City of Houston has requested that the department execute the restrictive covenant, attached to this minute order as Exhibit A, prohibiting the use of designated groundwater from the TxDOT property. The property to be subject to the restrictive covenant is more specifically identified in Exhibit A.

The notice required by Transportation Code § 202.061(d) was sent to the applicable parties on December 14, 2017.

The Texas Transportation Commission (commission) has determined that the restrictive covenant should be executed if the terms of the restrictive covenant are acceptable to the department's executive director.

IT IS THEREFORE ORDERED by the commission that the department's executive director is authorized to execute the above-described restrictive covenant pursuant to Transportation Code, §202.061.

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

**ITEM 8. Brazoria-Fort Bend Rail District Study**

Consider approval for the department to enter into an Advance Funding Agreement with the Brazoria-Fort Bend County Rail District in the amount of \$600,000 to conduct a planning-level study using federal planning funds with transportation development credits (MO)

This item was presented by Rail Division Director Peter Espy. The commission also heard remarks from Brazoria-Fort Bend Rail District Chairman Sean Stockard, and Fort Bend County Commissioner and 36A Coalition member W.A. Andy Meyers. Commissioner Ryan made a motion, which was seconded by Commissioner Lewis, and the commission approved the following minute order by a vote of 5 - 0.

115133  
RRD

Transportation Code, Chapter 91, authorizes the Texas Department of Transportation (department) to plan and fund studies to determine the viability of a rail facility, and to make policies for the location, construction, maintenance, and operation of a rail facility or system in cooperation with local governments.

The Brazoria-Fort Bend Rural Rail District (rail district) was formed in January 2015 and participated in a feasibility study that forecasts waterborne freight entering the Port of Freeport would increase from 1.1 million containers in 2014 to 3.2 million in 2035. The study also identified the need for additional inland rail and highway infrastructure to efficiently handle the projected increase in traffic.

The rail district has requested the department's assistance with funding a planning level study to analyze the economics, environmental opportunities, constraints, potential alignments, and preliminary costs of a new 65 mile rail line connecting the Port of Freeport with a proposed railway logistics facility near Rosenberg, Texas. The study is the next step to meeting the projected growth in waterborne freight cargo entering Texas via the Port of Freeport. The projected project cost is \$750,000, to be funded 80% with federal funds and 20% with matching funds.

The Texas Transportation Commission (commission) desires to provide up to \$600,000 in Federal State Planning and Research (SPR) funds toward the costs of the planning level study.

In addition, the commission desires to award up to \$150,000 in Transportation Development Credits (TDC) to the rail district to be used as the local match for the federal funds.

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 project to expand the availability of funding for transportation projects and finds that the project meets the established program goals set forth in 43 TAC §5.102.

IT IS THEREFORE ORDERED by the Texas Transportation Commission that the executive director is authorized to negotiate and enter into any necessary agreements to provide up to \$600,000 in Federal State Planning and Research (SPR) funds and up to \$150,000 Transportation Development Credits to the rail district for use toward the cost of the planning level study.

**ITEM 9. Contracts**

**Consider the award or rejection of contracts for highway construction and maintenance, and construction and rehabilitation of buildings.**

**a. Construction of Highways and Other Transportation Facilities (MO)**

This item was presented by Construction Division Director Gina Gallegos. 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.

115134  
CST

Pursuant to Transportation Code, Chapter 223, Subchapter A, and Title 43, Texas Administrative Code, Chapter 9, Subchapter B, the Texas Department of Transportation (department) solicited and received sealed competitive bid proposals for improvement of the State Highway System, which were publicly opened and read on January 4 and 5, 2018; as shown on Exhibit A.

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

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

The department recommends that the Texas Transportation Commission (commission) respectively consider the 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 or deferred 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 Gina Gallegos. 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.

115135  
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 January 4 and 5, 2018; 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 consider the award to the lowest bidder, reject or defer, 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 or deferred, 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 10. Eminent Domain Proceedings**

**Various Counties - Consider the authorization of 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 Austin and the following minute order was approved by Chairman Bugg, Commissioner Austin, Commissioner Vandergriff, Commissioner Lewis, and Commissioner Ryan (a vote of 5 - 0).

115136  
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 - V. 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 - 52, 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>
Chambers	SH 99	M	3510-10-017	1301
Chambers	SH 99	N	3510-10-017	1304
Chambers	SH 99	K	3510-10-017	1305
Dallas	IH 635	B	2374-01-151	91
Dallas	IH 635	E	2374-01-189	1
Dallas	IH 635	D	2374-01-189	2
Dallas	IH 635	G	2374-01-189	3
Dallas	H 635	F	2374-01-189	9
Dallas	IH 635	H	2374-01-189	11
Galveston	IH 45	J	0500-04-123	131
Galveston	IH 45	A	0500-04-136	317
Galveston	IH 45	I	0500-04-136	326,326AC
Harris	IH 610	C	0271-16-141	106
Hood	US 377	R	0080-11-002	9
Hood	US 377	S	0080-11-002	10
Hood	US 377	T	0080-11-002	11A
Hood	US 377	U	0080-11-002	11B
Hood	US 377	V	0080-11-002	12
Johnson	US 377	O	0080-12-002	2
Johnson	US 377	P	0080-12-002	4
Johnson	US 377	Q	0080-12-002	7
Wharton	US 59	L	0089-07-153	28

**NON-CONTROLLED ACCESS**

<u>COUNTY</u>	<u>HIGHWAY</u>	<u>EXHIBIT</u>	<u>ROW CSJ NO.</u>	<u>PARCEL</u>
Crane	US 385	24	0229-03-038	7
Ellis	US 77	9	0048-03-082	17
Ellis	US 77	10	0048-03-082	18

**NON-CONTROLLED ACCESS (continued)**

<u>COUNTY</u>	<u>HIGHWAY</u>	<u>EXHIBIT</u>	<u>ROW CSJ NO.</u>	<u>PARCEL</u>
Fannin	SH 78	17	0279-02-046	3
Fort Bend	SH 36	50	0188-02-039	39
Fort Bend	SH 36	49	0188-02-039	78
Gregg	FM 2206	31	2073-01-012	28
Gregg	FM 2206	37	2073-01-013	8
Gregg	FM 2206	38	2073-01-013	13
Harris	SH 146	6	0389-05-095	100
Harris	SH 146	12	0389-05-095	104
Harris	SH 146	13	0389-05-095	107
Harris	SH 146	39	0389-05-095	108
Harris	SH 146	30	0389-05-095	109
Harris	SH 146	40	0389-05-095	110
Harris	SH 146	5	0389-05-095	138
Harris	FM 2100	47	1062-04-059	312
Harris	FM 2100	42	1062-04-059	317
Harris	FM 2100	7	1062-04-059	318
Harris	FM 2100	43	1062-04-059	320
Harris	FM 2100	4	1062-04-059	324
Harris	FM 2100	1	1062-04-059	325
Harris	FM 2100	8	1062-04-059	327
Harris	FM 2100	2	1062-04-059	329
Harris	FM 2100	3	1062-04-059	334
Harris	FM 2100	44	1062-04-060	218
Harris	SH 99	41	3187-01-012	1C
Hopkins	SH 11	22	0083-02-054	13C
Johnson	US 377	52	0080-12-002	8
Lubbock	FM 179	11	0880-04-034	12
Lubbock	FM 179	26	0880-04-034	13
Lubbock	FM 179	33	0880-04-034	16
Lubbock	FM 179	16	0880-04-034	19
Lubbock	FM 179	18	0880-04-034	20
Lubbock	FM 179	25	0880-04-034	28
Lubbock	FM 179	23	0880-04-034	31
Nueces	US 181	14	0101-06-109	208
Nueces	US 181	15	0101-06-109	228
Randall	SL 335	48	0904-11-060	16
Taylor	US 83/84	21	0034-01-132	1
Taylor	US 83/84	29	0034-01-132	2
Taylor	US 83/84	28	0034-01-132	3
Taylor	US 83/84	27	0034-01-132	6
Taylor	US 83/84	20	0034-01-132	7
Taylor	US 83/84	35	0034-01-132	8

**NON-CONTROLLED ACCESS (continued)**

<u>COUNTY</u>	<u>HIGHWAY</u>	<u>EXHIBIT</u>	<u>ROW CSJ NO.</u>	<u>PARCEL</u>
Taylor	US 83/84	34	0034-01-132	9
Taylor	US 83/84	36	0034-01-132	10
Taylor	US 83/84	19	0034-01-132	11
Upton	US 385	32	0229-04-058	20,20E
Wharton	US 59	51	0089-07-153	25
Wharton	US 59	46	0089-07-153	26
Wharton	US 59	45	0089-07-153	27

Note: Exhibits A - V and 1 - 52 are on file with the commission chief clerk.

**ITEM 11. Routine Minute Orders and Reports**

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

**a. Donations to the Department**

**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)**

115137  
CSD

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.

**b. Real Estate Dispositions**

**(1) Burleson County - SH 36 southeast of Somerville - Consider the quitclaim of land quitclaimed to the state in error (MO)**

115138  
ROW

In BURLESON COUNTY, on STATE HIGHWAY 36, certain land was acquired by the state of Texas by deed recorded in Volume 808, Page 113, Official Public Records of Burleson County, Texas.

The land (Tract 1), described in Exhibit A, was not intended to be acquired by the state and is not needed for a state highway purpose.

In accordance with V.T.C.A., Transportation Code, Chapter 202, Subchapter B, the Texas Transportation Commission (commission) may recommend the quitclaim of an interest in real property not intended to be acquired and not needed for a highway purpose.

Madhu Sanghavi and Aruna Sanghavi are the intended grantees and have requested that Tract 1 be quitclaimed to them.

IT IS THEREFORE ORDERED by the commission that Tract 1 was not intended to be acquired and is not needed for a state highway purpose. The commission recommends, subject to approval by the attorney general, that the governor of Texas execute a proper instrument quitclaiming the state's right, title, and interest in Tract 1 to Madhu Sanghavi and Aruna Sanghavi.

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

**(2) Collin County - SH 5, known as Greenville Avenue in Allen - Consider a removal from the system, transfer of control, jurisdiction, and maintenance, and transfer of right of way to the City of Allen (MO)**

115139  
ROW

In Allen, COLLIN COUNTY, on STATE HIGHWAY 5, the state of Texas acquired certain land for highway purposes by various instruments recorded in the Deed Records of Collin County, Texas.

Pursuant to Texas Transportation Code, §§201.103 and 221.001, the executive director has recommended, as shown on Exhibit A, that SH 5 be removed from the state highway system, a distance of 1.1 miles, from FM 2786 south to Exchange Parkway, and that jurisdiction, control, and maintenance be transferred to the City of Allen (city).

A portion of the land (Tract 1), RCSJ 0047-09-035, described in Exhibit B, is no longer needed for a state highway purpose.

In accordance with Texas Transportation Code, Chapter 202, Subchapter B, the Texas Transportation Commission (commission) may waive payment for real property transferred to a governmental entity if the governmental entity assumes jurisdiction, control, and maintenance of right of way for public road purposes.

The city has agreed to assume jurisdiction, control, and maintenance and has requested that

Tract 1 be transferred to the city.

IT IS THEREFORE ORDERED by the commission that SH 5 is removed from the state highway system, a distance of 1.1 miles, from FM 2786 south to Exchange Parkway, and jurisdiction, control, and maintenance are transferred to the city.

FURTHER, IT IS 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 transferring Tract 1 to the City of Allen, 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 real property.

FURTHER, if Tract 1 ceases to be used for public road purposes, the real property shall immediately and automatically revert to this state.

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

**(3) Collin County - US 75, southeast corner at Eldorado Parkway in McKinney - Consider the sale of right of way by sealed bid (MO)**

115140  
ROW

In McKinney, COLLIN COUNTY, on US HIGHWAY 75, the state of Texas acquired certain land for highway purposes by instruments recorded in Volume 2246, Page 364, and Volume 603, Page 59, Deed Records of Collin County, Texas.

A portion of the land (Tract 3), RCSJ 0047-06-125, described in Exhibit A, is no longer needed for a state highway purpose.

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

Tract 3 was advertised for sale, and Devender Aerrabolu, submitted a bid of \$1,100,000, the only acceptable bid.

The commission finds \$1,100,000 to be a fair and reasonable value of the state's right, title, and interest in Tract 3.

IT IS THEREFORE ORDERED by the commission that Tract 3 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 3 to Devender Aerrabolu for \$1,100,000; 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.

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

**(4) Moore County - US 87, west of Klein Avenue in Dumas - Consider the sale of the former maintenance site in Dumas by sealed bid (MO)**

115141  
ROW

In Dumas, MOORE COUNTY, on US HIGHWAY 87, the state of Texas acquired certain land for highway purposes by instruments recorded in Volume 74, Page 14, and Volume 123, Page 380, Deed Records of Moore County, Texas. A portion of the land (Tract 1), RCSJ 0425-02-035, described in Exhibit A, is no longer needed for a state highway purpose.

In accordance with V.T.C.A., Transportation Code, Chapter 202, Subchapter B, the Texas Transportation Commission (commission) may recommend the 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 Billy R. Watson submitted a bid of \$72,888, the only bid received.

The commission finds \$72,888 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 Billy R. Watson for \$72,888; 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.

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

**(5) San Patricio County - US 181 at County Road 908 - Consider the sale of right of way to an abutting landowner (MO)**

115142  
ROW

In SAN PATRICIO COUNTY, on US 181, the state of Texas acquired certain land for highway purposes by instrument recorded in Volume 497, Page 400, Deed Records of San Patricio County, Texas.

Portions of the land (Tracts 1 and 2), RCSJ 0101-03-090, described in Exhibit A, are 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.

Bobby Nedbalek is an abutting landowner and has requested to purchase Tracts 1 and 2 for \$69,000.

The commission finds \$69,000 to be a fair and reasonable value of the state's right, title, and interest in Tracts 1 and 2.

IT IS THEREFORE ORDERED by the commission that Tracts 1 and 2 are no longer needed for a state highway purpose. The commission recommends, subject to approval by the attorney general, that the governor of Texas execute a proper instrument conveying all of the state's right, title, and interest in Tracts 1 and 2 to Bobby Nedbalek for \$69,000; 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.

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

(6) Tarrant County - I-30 at Photo Street in Fort Worth - Consider the sale of right of way to the abutting landowner (MO)

115143  
ROW

In Fort Worth, TARRANT COUNTY, on INTERSTATE 30, the state of Texas acquired certain land for highway purposes by instruments recorded in Volume 7520, Page 2214; Volume 7821, Page 332; and Volume 7821, Page 1310, Deed Records of Tarrant County, Texas.

A portion of the land (Tract 15-05), RCSJ 1068-01-212, 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.

St Clair Newbern III is the abutting landowner and has requested to purchase Tract 15-05 for \$67,099.

The commission finds \$67,099 to be a fair and reasonable value of the state's right, title, and interest in Tract 15-05.

IT IS THEREFORE ORDERED by the commission that Tract 15-05 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 15-05 to St Clair Newbern III for \$67,099; 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.

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

(7) Taylor County - SL 322, southeast corner at SH 36 in Abilene - Consider the transfer of right of way to the City of Abilene (MO)

115144  
ROW

In Abilene, TAYLOR COUNTY, on STATE LOOP 322, the state of Texas acquired certain land for highway purposes by instrument recorded in Volume 802,

Page 447, Deed Records of Taylor County, Texas.

A portion of the land (Tract 3), RCSJ 2398-01-052, described in Exhibit A, is no longer needed for a state highway purpose.

In accordance with V.T.C.A., Transportation Code, Chapter 202, Subchapter B, the Texas Transportation Commission (commission) may recommend the transfer of highway right of way to a governmental entity that assumes jurisdiction, control, and maintenance of the right of way for public road purposes.

The City of Abilene (city) has agreed to assume jurisdiction, control, and maintenance and has requested that Tract 3 be transferred to the city.

IT IS THEREFORE ORDERED by the commission that Tract 3 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 transferring all of the state's right, title, and interest in Tract 3 to the City of Abilene, Texas; 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.

FURTHER, if Tract 3 ceases to be used for public road purposes, it shall immediately and automatically revert to the state.

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

### **c. Reports**

#### **(1) Compliance Division report**

Note: Confidential report to commission.

#### **(2) Letting allocation status report**

Quarterly status report on the FY 2017 letting allocation, the actual allocation utilized through the current month, proposed remaining highway maintenance and construction contract letting for the fiscal year (Report)

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

#### **(3) Quarterly report on FY 2017 State Highway Fund 6 cash status (Report)**

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

#### **(4) Texas Department of Transportation Annual Financial Report (with Independent Auditor's Report) for the Fiscal Year Ended August 31, 2017 (Report)**

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

### **d. Finance**

#### **(1) Quarterly investment report (MO)**

115145  
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 under its control, and to designate one or more officers or employees of the Texas Department of Transportation (department) as investment officer to be responsible for the investment of funds consistent with the investment policy.

In Minute Order 108970, dated July 25, 2002, the commission approved and adopted a written investment policy and investment strategy applicable to funds of the commission 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. Pursuant to Government Code §2256.005(e) and Section 20 of the investment policy, the investment policy and investment strategies of the commission have been reviewed and revised annually by minute order since 2003. In Minute Order 114360, dated August 27, 2015, the commission approved and adopted a written investment policy that added an investment strategy applicable to funds in the prepaid TxTag custodial account under the Master Lockbox and Custodial Account Agreement by and between the Bank of New York Mellon Trust Company, N.A., as custodian, and the department. In Minute Order 114706, dated August 25, 2016, the commission approved and adopted a written investment policy that added an investment strategy applicable to funds related to obligations issued for the IH 35E Project under a Trust Agreement by and between Amegy Bank, a Division of ZB, National Association, as trustee, and the department.

The commission has designated the department's chief financial officer and the director, Project Finance, Debt & Strategic Contracts Division as investment officers. The chief financial officer is primarily responsible for the execution of investment strategy and activities on a daily basis. However, in his/her absence, the director, Project Finance, Debt & Strategic Contracts Division, or a designee of any of the investment officers (as evidenced in a delegation memorandum) shall perform these duties and responsibilities.

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

Section 9.0 of the investment policy requires the investment officer to prepare and submit to each member of the commission and the executive director of the department an investment report on no less than a quarterly basis. The report must be prepared in accordance with the requirements of that section, including containing sufficient information to provide for a comprehensive review of investment activity and

current investment instruments and performance for the reporting period. A quarterly investment report for the department for the period ending November 30, 2017, attached as Exhibit A, has been prepared in accordance with Government Code §2256.023 and Section 9.0 of the investment policy.

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

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

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

115146  
FIN

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

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

Under Section 712 of the indenture, the commission covenants to prepare, or cause to be prepared, no more than 120 days after the last day of each fiscal year, a financial report of the results of operations of the system for such fiscal year. The financial report is required to be certified by a certified public accountant and to contain an audited balance sheet, an audited statement of operations, and an audited statement of cash flows for such fiscal year. Audited financial statements, contained in the attached Exhibit A, have been prepared for the fiscal year ended August 31, 2017.

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

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

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

115147  
FIN

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

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

Under Section 712 of the indenture, the commission covenants to prepare, or cause to be prepared, no more than 120 days after the last day of each fiscal year, a financial report of the results of operations of the system for such fiscal year. The financial report is required to be certified by a certified public accountant and to contain an audited balance sheet, an audited statement of operations, and an audited statement of cash flows for such fiscal year. Audited financial statements, contained in the attached Exhibit A, have been prepared for the fiscal year ended August 31, 2017.

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

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

**(4) Travis and Williamson Counties - Consider the acceptance of the report of Actual Traffic and Revenue for the Central Texas Turnpike System (MO)**

115148  
TOD

Transportation Code, Chapter 228 and other applicable law authorizes the Texas Transportation Commission (commission) to issue toll 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 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 additional 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 annual operating, maintenance and capital budgets for the system for the ensuing fiscal year and provide copies of such budgets to the Trustee and the U.S. Department of Transportation.

Section 501(c) of the indenture covenants that for the first five full years of operation of the system, the commission will provide to the trustee a report showing the traffic and revenue of the system for the previous quarter.

Pursuant to Minute Order 111081, dated September 27, 2007, the system was declared substantially complete as defined within the indenture.

Section 501(c) of the indenture covenants that at the conclusion of the five year period, the commission may discontinue such reports if the revenues for the previous two years have been sufficient to meet the rate covenant. The revenues for the previous two years have been sufficient to meet the rate covenant; however, the commission has not exercised its option to discontinue the reports.

A report of actual traffic and revenue, attached as Exhibit A, has been prepared consistent with the reports previously filed pursuant to Section 501(c) of the indenture.

IT IS THEREFORE ORDERED by the commission that the report of actual traffic and revenue attached as Exhibit A is accepted.

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

**e. Transportation Planning**

**(1) Various Counties - Consider concurrence with the Regional Transportation Council of the North Central Texas Council of Governments' funding of construction and other project development costs of projects to be advanced through the use of payments received from the North Texas Tollway Authority in accordance with the SH 121 Toll Project Agreement (MO)**

115149  
TPP

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

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

The department has created subaccounts in the state highway fund to hold the payments received from the North Texas Tollway Authority (NTTA) for the right to develop, finance, design, construct, operate, and maintain the SH 121 toll project from Business SH 121 in Denton County to US 75 in Collin County (SH 121 payments).

Pursuant to Transportation Code, §228.012, the SH 121 payments may be used to pay the costs of a transportation project, highway project, or air-quality project within a region in which any part of the SH 121 toll project is located. Money must be allocated to projects authorized by Transportation Code, §228.0055 or §228.006, as applicable. An air-quality project is a project or program of the department or another governmental entity that the Texas Transportation Commission (commission) determines will mitigate or prevent air pollution caused by the construction, maintenance, or use of public roads.

In Minute Order 110727, dated October 26, 2006, the commission approved, and authorized the department's executive director to enter into, a memorandum of understanding (MOU) with the Regional Transportation Council (RTC), the transportation policy council of the North Central Texas Council of Governments (NCTCOG), a federally designated MPO, concerning the administration, sharing, and

use of surplus toll revenue and CDA concession payments in the region served by the NCTCOG. The SH 121 toll project is located in the region served by the NCTCOG.

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

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

The department has established a work program to account for and track projects and project costs in the NCTCOG Metropolitan Planning Area (MPA) boundary funded with the SH 121 payments. In previous minute orders, the commission concurred with certain projects identified by the RTC to be funded with those payments, and approved the placement of those projects in the work program. The RTC, through an extensive public involvement process, has identified additional project costs in the NCTCOG MPA boundary to be funded with the SH 121 payments, as shown in Exhibit A. The RTC has also identified changes to the list of previously-approved projects, which are shown in Exhibit B. A summary of funds associated with the SH 121 work program is set forth in Exhibit C, which is included for informational purposes only.

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

IT IS FURTHER ORDERED that, unless otherwise approved by the commission, all direct costs associated with the projects for which federal and state funds have not been allocated shall be charged to this work program, including the costs of right of way acquisition, preliminary engineering, and construction engineering. The costs of department staff incurred in the development, procurement, and construction of on-system projects to be funded from the SH 121 payments subaccounts will not themselves be funded from the SH 121 payments subaccounts. Funds from the SH 121

payments subaccounts that were used to reimburse the costs of department staff will be returned to the subaccounts without interest at least quarterly.

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

**(2) Various Counties - Consider the approval of the Fiscal Year 2017 Annual Report on the Economically Disadvantaged Counties Program (MO)**

115150  
TPP

Section 222.053(a), Transportation Code, defines an “economically disadvantaged county” as a county that has, in comparison to other counties in the state: (1) below average per capita taxable property value; (2) below average per capita income; and (3) above average unemployment.

Section 222.053(c) directs the Texas Transportation Commission (commission), when evaluating a proposal for a highway project in a political subdivision that consists of all or a portion of an economically disadvantaged county, to adjust the minimum local matching funds requirement after evaluating the political subdivision's effort and ability to meet the requirement.

Section 222.053(e) further directs the commission to report annually to the governor, the lieutenant governor, and the speaker of the house of representatives on the use of matching funds and local incentives and the ability of the commission to ensure that political subdivisions located in economically disadvantaged counties have equal ability to compete for highway funding with political subdivisions in counties that are not economically disadvantaged.

The Texas Department of Transportation has completed the Fiscal Year 2017 Annual Report on the Economically Disadvantaged Counties Program, which is attached as Exhibit A.

IT IS THEREFORE ORDERED that the Fiscal Year 2017 Annual Report on the Economically Disadvantaged Counties Program, as shown in Exhibit A, is approved by the commission and shall be presented to the governor, the lieutenant governor, and the speaker of the house of representatives as required by Section 222.053(e), Transportation Code.

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

**f. Speed Zones**

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

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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 12. Executive Session Pursuant to Government Code, Chapter 551**  
**Section 551.071 - Consultation with and advice from legal counsel regarding any item on this agenda, pending or contemplated litigation, or other legal matters.**

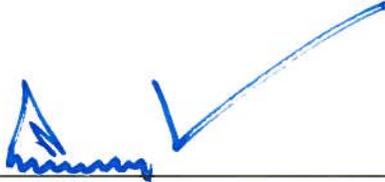
The commission did not meet in executive session.

**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 from private citizen Don Dixon.

Commissioner Ryan motioned adjournment and Commissioner Vandergriff seconded the motion. The commission voted 5 - 0 to adjourn. The regular meeting of the Texas Transportation Commission was adjourned at 12:26 p.m.

APPROVED by the Texas Transportation Commission on February 22, 2018:



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J. Bruce Bugg, Jr., Chairman  
Texas Transportation Commission

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I hereby certify that the above and foregoing pages constitute the full, true, and correct record of all proceedings and official records of the Texas Transportation Commission at its regular meeting on January 25, 2018, in Austin, Texas.



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Robin Carter, Commission Chief Clerk  
Texas Department of Transportation