

These are the minutes of the regular meeting of the Texas Transportation Commission, which was held on August 24, 2006, in Austin, Texas. The meeting opened at 9:02 a.m. with the following commissioners present:

Texas Transportation Commission:

Ric Williamson	Chair
Hope Andrade	Commissioner
Ted Houghton, Jr.	Commissioner

Commissioner John Johnson was not present.

Administrative Staff:

Michael W. Behrens, Executive Director
 Bob Jackson, Interim General Counsel
 Roger Polson, Executive Assistant to the Deputy Executive Director
 Dee Hernandez, Chief Minute Clerk

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

A public notice of this meeting containing all items on the proposed agenda was filed in the Office of the Secretary of State at 3:29 p.m. on August 16, 2006, as required by Chapter 551, of the Government Code, referred to as "The Open Meetings Act."

ITEM 1. Approval of Minutes of the July 27, 2006 regular meeting of the Texas Transportation Commission

Commissioner Houghton made a motion, seconded by Commissioner Andrade, and the commission approved the minutes of the July 27, 2006, regular meeting of the Texas Transportation Commission.

ITEM 3. AVIATION

a. Approve funding for airport improvement projects at various locations (MO)

Commissioner Andrade made a motion, seconded by Commissioner Houghton and the commission approved the following minute order presented by Aviation Division Director Dave Fulton:

110642
 AVN

The Texas Department of Transportation (department) is authorized under Transportation Code, Chapter 21 and Chapter 22, 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. Due to the interest on the part of the airport sponsors, the department recommends that the improvements be funded.

On Friday, July 21, 2006, a public hearing was held and 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 \$18,607,050.

Note: Exhibit A on file with minute order clerk.

The commission received comments from Representative Roy Blake, Jr.

b. Approve funding for Routine Airport Maintenance Program at various locations (MO)

Commissioner Houghton made a motion, seconded by Commissioner Andrade and the commission approved the following minute order presented by Aviation Division Director Dave Fulton:

110643
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 and to increase the annual maximum grant per eligible airport from \$30,000 to \$50,000 in state funds for Fiscal Year 2007.

A public hearing regarding the funding of the RAMP was held on July 21, 2006, and no comments were received.

IT IS THEREFORE ORDERED by the commission that the airports listed in Exhibit A be awarded grants in accordance with the 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 on file with minute order clerk.

c. Reappoint two members to the Aviation Advisory Committee (MO)

Commissioner Houghton made a motion, seconded by Commissioner Andrade and the commission approved the following minute order presented by Aviation Division Director Dave Fulton:

110644
AVN

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

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

The department's administrative rules governing advisory committees (Title 43, TAC, §§1.80-1.85) provide that committee members serve three-year terms.

The terms of two members expire on August 31, 2006, therefore, it is necessary for the commission to appoint two new members for terms to expire on August 31, 2009.

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

Joe Crawford

Abilene Aero

2850 Airport Blvd.

Abilene, Texas 79602

Greg Jones

76 Greenvine Cir.

The Woodlands, Texas 77382

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, 2006, expiring on August 31, 2009.

ITEM 4. PUBLIC TRANSPORTATION

a. Appoint four members to the Public Transportation Advisory Committee (MO)

Commissioner Houghton made a motion, seconded by Commissioner Andrade and the commission approved the following minute order presented by Public Transportation Division Director Eric Gleason:

110645
PTN

Four members of the Public Transportation Advisory Committee (committee) have terms that will expire September 30, 2006. The Texas Transportation Commission (commission) makes the following appointments:

Term expiring September 30, 2009:

Donna Halstead - Representing the General Public

Kari Hackett - Representing the General Public

Mark Maddy - Public Transportation User

Fred Gilliam - Public Transportation Provider

Transportation Code, §455.004, directs the commission to appoint an eleven-member committee to advise the commission on the needs and problems of the state's public transportation providers, including the methods for allocating state public transportation money; comment on rules or rule changes involving public transportation matters; advise the commission on the implementation of Transportation Code, Chapter 461; and perform other duties as determined by order of the commission.

Title 43, Texas Administrative Code, §1.84, administrative rules for the committee, includes a provision that members serve staggered three-year terms, unless removed sooner at the discretion of the commission.

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

b. Amend award of Federal §5316, Job Access/Reverse Commute Program funds for colonias projects (MO)

Commissioner Andrade made a motion, seconded by Commissioner Houghton and the commission approved the following minute order presented by Public Transportation Division Director Eric Gleason:

110646
PTN

The Texas Department of Transportation (department), through Section 3037 of the Transportation Equity Act for the 21st Century (TEA-21), received \$2,379,023 of FY 2004 Job Access and Reverse Commute funds for work force transportation in colonias located in 30 counties along and near the Texas-Mexico border.

The Texas Transportation Commission (commission), on February 24, 2005, in Minute Order 109971, expressed its intent to award Transportation Development Credits (TDCs) for vehicle purchases included in projects selected under this grant. Minute Order 109971 expressed the intent that TDCs awarded not exceed \$1,104,000 in value.

On February 3, 2006, the department published a Notice of Invitation for Texas Colonias Job Access and Reverse Commute Proposals in the *Texas Register*. The *Texas Register* notice outlined the process for a competitive award of funds.

On June 29, 2006, the commission adopted Minute Order 110571 awarding \$2,379,023 to various organizations. Subsequent to the passage of Minute Order 110571, department staff discovered an error in the calculation of the award to each agency.

To clarify the public record, the commission rescinds and withdraws Minute Order 110571, dated June 29, 2006.

Attached to this minute order is Exhibit A, which shows the allocated funds and the amount of TDCs for each project's qualifying expenses.

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 Minute Order 110571, dated June 29, 2006, is rescinded and withdrawn.

IT IS FURTHER ORDERED that the executive director or the director's designee is directed to proceed with the allocations as described in Exhibit A, submit the necessary state application to the Federal Transit Administration and enter into the necessary contracts in accordance with the priorities established in this minute order.

Note: Exhibit A on file with minute order 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 8 – Distribution of Motor Vehicles (MO)

New §8.87, Effect of Criminal Conduct of Applicants and Licensees on Licensure (Licenses, Generally)

Commissioner Houghton made a motion, seconded by Commissioner Andrade and the commission approved the following minute order presented by Motor Vehicle Division Director Brett Bray:

110647
OGC

The Texas Transportation Commission (commission) finds it necessary to propose new §8.87, relating to effect of criminal conduct of applicants and licensees on licensure, 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 at length verbatim in this minute order.

IT IS THEREFORE ORDERED by the commission that new §8.87 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 on file with minute order clerk.

(2) Chapter 9 – Contract Management (MO)
Repeal of §9.2 and New §9.2, Contract Claim Procedure, and New §9.6, Contract Claim Procedure for Comprehensive Development Agreement (General)

Commissioner Houghton made a motion, seconded by Commissioner Andrade and the commission approved the following minute order presented by Assistant Executive Director for Engineering Operations Amadeo Saenz:

110648
OGC

The Texas Transportation Commission (commission) finds it necessary to propose the repeal of §9.2 and simultaneously propose new §9.2 and §9.6, relating to contract claims, to be codified under Title 43, Texas Administrative Code, Part 1.

The preamble and the proposed repeal and new sections, attached to this minute order as Exhibits A - C, are incorporated by reference as though set forth at length verbatim in this minute order.

IT IS THEREFORE ORDERED by the commission that the repeal of §9.2 and new §9.2 and §9.6 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 through C on file with minute order clerk.

(3) Chapter 9 – Contract Management (MO)
Amendments to §9.10, Purpose, §9.11, Definitions, and §9.17, Award of Contract (Highway Improvement Contracts) (relating to the award of building maintenance contracts)

Commissioner Houghton made a motion, seconded by Commissioner Andrade and the commission approved the following minute order presented by Maintenance Division Director Zane Webb:

110649
OGC

The Texas Transportation Commission (commission) finds it necessary to propose amendments to §9.10, §9.11, and §9.17, relating to highway improvement contracts, 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 at length verbatim in this minute order.

IT IS THEREFORE ORDERED by the commission that the amendments to §9.10, §9.11, and §9.17 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 on file with minute order clerk.

b. Final Adoption

Chapter 15 – Transportation Planning and Programming (MO)

Amendments to §§15.70-15.76 (International Bridges)

Commissioner Houghton made a motion, seconded by Commissioner Andrade and the commission approved the following minute order presented by Transportation Planning and Programming Division Director Jim Randall:

110650
TPP

The Texas Transportation Commission (commission) finds it necessary to adopt amendments to §§15.70-15.76, relating to international bridges, 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 at length verbatim in this minute order.

IT IS THEREFORE ORDERED by the commission that the amendments to §§15.70-15.76 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 on file with minute order clerk.

ITEM 6. TRANSPORTATION PLANNING AND PROGRAMMING

a. Appointment of four members to the Bicycle Advisory Committee (MO)

Commissioner Houghton made a motion, seconded by Commissioner Andrade and the commission approved the following minute order presented by Transportation Planning and Programming Division Director Jim Randall:

110651
TPP

The Bicycle Advisory Committee (committee) provides the Texas Transportation Commission (commission) with insight from the perspective of bicyclists. The primary mission of the committee is to advise the commission on bicycle issues and to provide a forum for communication among the Texas Department of Transportation, bicyclists and the public. The committee functions under Title 43, Texas Administrative Code, §1.85, concerning advisory committees. In addition, Senate Bill 602, 79th Texas Legislature, Regular Session, 2005 tasks the committee with advising and making recommendations to the commission on the development of bicycle tourism trails in the state.

The commission desires to expand the committee to advise the commission on bicycle issues, the Safe Routes to School Program and bicycle tourism trails as required by Senate Bill 602, 79th Texas Legislature, Regular Session, 2005.

The commission makes the following appointments:

Terms expiring August 31, 2009

Robert C. (Bob) Gilbert	Houston
Kristy Hansen	Austin
Tracey E. McMillan	Austin
Sheila Holbrook-White	Austin

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

b. Jefferson County – Authorize CONSTRUCT authority for two bridge replacement projects on CR 257 over Mayhaw Bayou and South Fork Taylors Bayou, in Category 6, Structures Replacement and Rehabilitation Program, of the 2007 Statewide Preservation Program (MO)

Commissioner Andrade made a motion, seconded by Commissioner Houghton and the commission approved the following minute order presented by Transportation Planning and Programming Division Director Jim Randall:

110652
TPP

In JEFFERSON COUNTY (county), two bridges on COUNTY ROAD 257 need to be replaced.

The bridge located over South Fork Taylors Bayou is critically and structurally deficient and was recently closed due to accelerated deterioration after a recent flood. The southern most span has collapsed and the south approach has failed. The bridge is on a bus route and is essential for movement of local residents and industry traffic. The increased travel time due to the road closure detour is one hour. The county has expressed its desire for replacement of the bridge as soon as possible.

The bridge located over Mayhaw Bayou is structurally deficient and was recently inspected and has extensive damage and deterioration to the pilings, bent caps and beams. The bridge is load posted at 24,000 pounds. The current condition and load capacity of the bridge restricts truck traffic serving a petroleum reserve of strategic national significance in the area. The county has expressed its desire for replacement of the bridge as soon as possible.

To provide the citizens of the county with a safe and efficient transportation system, it is necessary to advance these two bridge replacement projects to CONSTRUCT authority.

IT IS THEREFORE ORDERED by the Texas Transportation Commission that the executive director is authorized to enter into any necessary agreements and to proceed in the most feasible and economical manner with these two bridge replacement projects, at a total estimated construction cost of \$1.1 million, to be authorized in CONSTRUCT authority in Category 6, Structures Replacement and Rehabilitation, of the 2007 Statewide Preservation Program.

ITEM 2. DISCUSSION ITEMS

a. Commission recommendations to the Texas Legislature regarding potential statutory changes that would improve the operation of the department

This discussion item was presented by Government and Business Enterprises Director Coby Chase.

b. Discuss status of identifying the next generation of comprehensive development agreements for toll road projects in Texas

This discussion item was presented by Assistant Executive Director for Engineering Operations Amadeo Saenz.

ITEM 7. TOLL ROAD PROJECTS

b. Various Counties – Approve a regional protocol with the North Texas Tollway Authority for the development, construction, operation and implementation of current and future toll projects in the Dallas/Fort Worth region (MO)

Commissioner Houghton made a motion, seconded by Commissioner Andrade and the commission approved the following minute order presented by Assistant Executive Director for Engineering Operations Amadeo Saenz:

110653
TTA

Transportation Code, §366.002 provides that one of the purposes of the creation of regional tollway authorities, such as the North Texas Tollway Authority (NTTA), is to reduce the burdens and demands on the limited money available to the Texas Transportation Commission (commission) and to increase the commission's effectiveness and efficiency.

Consistent with that purpose, various provisions of the Transportation Code authorize the Texas Department of Transportation (department) to enter into contracts with a regional tollway authority relating to the (1) improvement by the authority of segments of the state highway system, (2) authority's design, development, financing, construction, maintenance, repair or operation of department toll projects, (3) department's contribution to the costs of authority turnpike projects, and (4) joint study of the feasibility of turnpike projects or their acquisition, design, financing, construction, maintenance, repair, operation, extension or expansion.

On July 27, 2006, the commission adopted Minute Order 110609, under which the commission authorized the department to issue requests for qualifications to develop, design, construct, finance, maintain, and operate as toll projects segments of SH 190 and SH 121 in Dallas, Tarrant, and Johnson counties.

Department staff has negotiated a proposed TxDOT/NTTA Regional Protocol, attached as Exhibit A to this order, for the purpose of implementing a procedure to allocate and speed delivery of transportation projects identified in the regional transportation plan of the North Central Texas Council of Governments (NCTCOG).

The protocol (1) permits the department to proceed with comprehensive development agreement (CDA) procurements for various projects in the region and confirms that the NTTA would not submit a public sector alternative for those projects, (2) confirms the delivery of various projects in the region as NTTA projects, subject to regional toll revenue sharing, (3) commits the department and the NTTA, working with the Regional Transportation Council (RTC), to implement a procedure to determine appropriate financial plans, regional revenue sharing, and delivery methods for transportation projects in the region for recommendation to the commission, (4) commits the department and the NTTA to implement a procedure for allocating responsibility for conducting feasibility analyses for candidate toll roads in the NCTCOG regional plan, and to make joint recommendations on project delivery and timing to the RTC and the commission, and (5) provides that the NTTA will provide toll collection services, defined as back office, clearinghouse and customer services, for CDA projects for the first five years of revenue service.

Under the protocol, the department will proceed with its CDA procurements for SH 121 in Collin and Denton counties, SH 161 in Dallas County, I-635/I-35E in Dallas County, SH 121/SH 114/I-635 in Tarrant, Dallas and Denton counties, and SH 183/I-820/I-35W in Tarrant County. NTTA will proceed with project delivery for the Eastern Extension of the President George Bush Turnpike in Dallas County (SH 190), the Lewisville Lake Bridge in Denton County, and Southwest Parkway (SH 121) in Tarrant County.

The protocol recognizes the acknowledged benefit to the region of a financially strong department CDA program and a financially strong NTTA system of toll roads, and recognizes that project implementation decisions must be made so that maximum financial benefits can be realized for the region. The NTTA Board of Directors adopted the protocol at its August 10, 2006 special board meeting.

IT IS THEREFORE ORDERED by the commission that the proposed TxDOT/NTTA Regional Protocol, attached as Exhibit A to this order, is approved, and authorizes and directs the department to implement the provisions of the protocol, including the negotiation and execution of project development, revenue sharing, and other agreements contemplated under the protocol.

IT IS FURTHER ORDERED that this order supersedes and rescinds all previously adopted orders authorizing or directing a CDA delivery of SH 190 in Dallas County and SH 121 in Tarrant and Johnson counties, including the applicable provisions of Minute Order 110609.

Note: Exhibit A on file with minute order clerk.

The commission received comments from North Texas Tollway Association Vice Chairman Jack Miller.

The commission received comments regarding Items 7.a. and 7.b from the following individuals: North Central Texas Council of Governments Director of Transportation Michael Morris; Tarrant County Commissioner Glen Whitley; Dallas County Commissioner Maurine Dickey; City of Dallas Councilmember Linda Koop; Denton County Judge Mary Horn; Regional Transportation Council Chair Cynthia White; Collin County Commissioner Jack Hatchell; and City of Seagoville Mayor George Williams.

a. Report on public comments received from the Dallas/Fort Worth region concerning the Tier One Draft Environmental Impact Statement for the proposed Trans-Texas Corridor (the Oklahoma to Mexico/Gulf Coast Element) project

ITEM 2. DISCUSSION ITEMS

c. Discussion of funding requirements for medical transportation services

This discussion item was deferred.

d. Discuss potential revisions to rules to allow Light Emitting Diode signs in Texas under the Federal Highway Beautification Act

This discussion item was presented by Right of Way Division Director John Campbell.

The commission received comments from Scenic Texas Policy Director Margaret Lloyd; and Outdoor Advertising Association of Texas President Lee Vela.

ITEM 8. PASS THROUGH TOLLS

a. Authority to Negotiate Agreement

Val Verde County – Authorize the executive director to negotiate a pass-through toll agreement with Val Verde County to develop a relief route to US 277 around the city of Del Rio (MO)

Commissioner Andrade made a motion, seconded by Commissioner Houghton and the commission approved the following minute order presented by Assistant Executive Director for Engineering Operations Amadeo Saenz:

110654
FIN

On June 16, 2006 Val Verde County (county) submitted a proposal for a pass-through toll agreement. The county's proposal provided for the county to develop a relief route to US 277 around the city of Del Rio.

Section 222.104(b), Transportation Code, authorizes the Texas Department of Transportation (department) to enter into an agreement with a public or private entity that provides for the payment of pass-through tolls to the public or private entity as reimbursement for the construction, maintenance, or operation of a toll or non-toll facility on the state highway system by the public or private entity. A pass-through toll is a per-vehicle fee or a per-vehicle-mile fee that is determined by the number of vehicles using a facility.

The Texas Transportation Commission (commission) previously adopted rules, codified as 43 TAC §§5.51-5.59, that prescribe the policies and procedures governing the department's implementation of Section 222.104(b), Transportation Code.

Section 5.54 of the commission's rules provide that the commission may authorize the department's executive director or his designee to negotiate a pass-through toll agreement with a public entity after considering the following factors: (1) financial benefits to the state; (2) local public support for the projects; (3) whether the projects are in the department's Unified Transportation Program (UTP); (4) the extent to which the projects will relieve congestion on the state highway system; (5) the potential benefits to regional air quality that may be derived from the projects; (6) compatibility of the proposed projects with existing and planned facilities; and (7) the entity's experience in developing highway projects.

After considering factors described by §5.54, the commission determines that: (1) the proposal has the potential to provide significant financial benefits to the state, subject to the outcome of the negotiations with the county; (2) the county's proposal indicated broad support for the projects and did not identify any opposition; (3) none of the projects identified in the proposal are in the current UTP, therefore future funding sources should be identified; (4) the projects identified in the proposal demonstrate the potential to relieve congestion on the state highway system, and the extent of the relief to the system will be quantified and documented in consultation with the Middle Rio Grande Development Council (MRGDC); (5) potential benefits to regional air quality must be quantified and documented by MRGDC through the air quality conformity process in accordance with all state and federal regulations; (6) the projects are compatible with existing and planned transportation facilities; and (7) the county lacks significant experience developing highway projects, but has delegated responsibility to a program manager that has extensive experience in roadway conceptual planning, preliminary engineering, and design and construction support services for highway projects.

Before the projects in this proposal are planned, developed, or constructed using funds administered by the department, the projects: (1) must be included in the MRGDC Transportation Plan; (2) must be included in the department's UTP, thereby identifying committed funding for each project; (3) prior to construction, must be included in the MRGDC Transportation Improvement Program and the department's Statewide Transportation Improvement Program; and (4) will be subject to any and all applicable planning and environmental processes and approvals as mandated by state and federal regulations regarding such matters.

IT IS THEREFORE ORDERED that the executive director or his designee is authorized to negotiate a pass-through toll agreement with Val Verde County. If the negotiations are successful, the executive director shall submit to the commission a summary of the final terms of the agreement so that the commission may consider final approval under §5.56 of its rules.

The commission received comments from Val Verde County Commissioner Robert "Beau" Nettleton.

b. Authority to Execute Agreement

Bexar County - Authorize the executive director to execute a pass-through toll agreement with Bexar County for improvements to FM 3487 (Culebra Road) from I-410 to FM 471 and FM 2696 (Blanco Road) from Glade Crossing to W. Oak Estates (MO)

Commissioner Andrade made a motion, seconded by Commissioner Houghton and the commission approved the following minute order presented by Assistant Executive Director for Engineering Operations Amadeo Saenz:

110655
FIN

On April 15, 2005, Bexar County (county) submitted a proposal for a pass-through toll agreement. The county's proposal provided for the county to construct improvements to FM 3487 (Culebra Road) 3.2 miles from I-410 to FM 471 and FM 2696 (Blanco Road) 3.8 miles from Glade Crossing to W. Oak Estates.

In accordance with Section 222.104(b), Transportation Code, the Texas Transportation Commission (commission) granted preliminary approval on June 30, 2005 in Minute Order 110113 authorizing the Texas Department of Transportation (department) to enter into an agreement with a public or private entity that provides for the payment of pass-through tolls to the public or private entity as reimbursement for the construction, maintenance, or operation of a toll or non-toll facility on the state highway system by the public or private entity. A pass-through toll is a per vehicle fee or a per vehicle-mile fee that is determined by the number of vehicles using a facility.

The Texas Transportation Commission (commission) previously adopted rules, codified as 43 TAC §§5.51-5.59, that prescribe the policies and procedures governing the department's implementation of Section 222.104(b), Transportation Code.

Section 5.54 of the commission's rules provide that the commission may authorize the department's executive director or his designee to negotiate a pass-through toll agreement with a public entity after considering the following factors: (1) financial benefits to the state; (2) local public support for the projects; (3) whether the projects are in the department's Unified Transportation Program (UTP); (4) the extent to which the projects will relieve congestion on the state highway system; (5) the potential benefits to regional air quality that may be derived from the projects; (6) compatibility of the proposed projects with existing and planned facilities; and (7) the entity's experience in developing highway projects.

The department and Bexar County have agreed to a reimbursement through pass-through tolls of \$37,527,600 for the construction of the projects in their proposal. The per-vehicle-mile reimbursement rate will be \$0.10 per mile. The minimum amount to be reimbursed in any year with all projects open to traffic is \$3,752,760 and the maximum amount will be \$7,505,520. The agreement will expire once the total amount of the agreement has been reimbursed. The project will be authorized in Category 12, Strategic Priority, and will be reimbursed from Strategic Priority funds.

Before the projects in this proposal are planned, developed, or constructed using funds administered by the department, the projects: (1) must be included in the SABC-MPO Metropolitan Transportation Plan; (2) must be included in the department's UTP, thereby identifying committed funding for each project; (3) prior to construction, must be included in the SABC-MPO Transportation Improvement Program and the department's Statewide Transportation Improvement Program; and (4) will be subject to any and all applicable planning and environmental processes and approvals as mandated by state and federal regulations regarding such matters.

IT IS THEREFORE ORDERED that the executive director or his designee is authorized to execute a pass-through toll agreement with Bexar County in accordance with the negotiated terms and such other terms the department determines are necessary.

ITEM 9. FINANCE

a. Adoption of debt and derivative management policies (MO)

Commissioner Houghton made a motion, seconded by Commissioner Andrade and the commission approved the following minute order presented by Chief Financial Officer James Bass:

110656
FIN

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

To ensure that all financing programs undertaken by the commission and/or the Texas Department of Transportation (department) are completed in accordance with the highest standards of industry, law and government practice; and to confirm the intent of the commission and department to adhere to sound financial management practices, the commission has been presented a Debt Management Policy for consideration, attached as Exhibit A.

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

Pursuant to Chapter 1371, Texas Government Code, as amended, and other applicable Texas law, the commission is authorized to execute credit agreements including interest rate swap and other similar agreements. A proposed Derivative Management Policy has been developed and is attached to this order as Exhibit B.

The policy establishes responsibilities, objectives and guidelines for the use of interest rate swap and other similar products to efficiently and prudently manage the commission's asset/liability profile for each financing program.

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

Note: Exhibits A and B on file with minute order clerk.

b. Authorize the filing of an application with the Bond Review Board for approval of the issuance of obligations secured by revenue in the State Highway Fund for the purpose of financing costs of authorized projects (MO)

Commissioner Houghton made a motion, seconded by Commissioner Andrade and the commission approved the following minute order presented by Chief Financial Officer James Bass:

110657
FIN

Section 49-n, Article III, of the Texas Constitution (Constitutional Provision) provides that the Texas Legislature may authorize the Texas Transportation Commission (commission) to issue bonds and other public securities and enter into bond enhancement agreements that are payable from revenue deposited to the credit of the state highway fund to fund state highway improvement projects.

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

The Enabling Act provides that (i) the aggregate principal amount of such bonds and other public securities may not exceed \$3 billion, (ii) the commission may issue bonds or other public securities in an aggregate principal amount of not more than \$1 billion each year, (iii) \$600 million of the aggregate principal amount of such bonds or other public securities must be issued to fund safety projects that reduce accidents or correct or improve hazardous locations on the state highway system, and (iv) bonds and other public securities and credit agreements may not have a principal amount or terms that are expected to cause annual expenditures with respect thereto to exceed 10 percent of the amount deposited to the credit of the highway fund in the preceding year.

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

Pursuant to Minute Order No. 110472, dated March 30, 2006, the commission approved a "Master Resolution Establishing a Financing Program for Bonds, other Public Securities and Credit Agreements Secured by and Payable from Revenue Deposited to the Credit of the State Highway Fund" (Master Resolution) to establish a revenue financing program (Financing Program) to provide a financing structure to facilitate the commission's exercise of the powers and authority conferred by the Enabling Act and pursuant to which the commission is authorized to issue obligations (Senior Obligations), including bonds, notes and other public securities, and execute credit agreements and qualified hedge agreements, secured by and payable from a pledge of and lien on

revenues deposited to the credit of the highway fund, as provided by the Master Resolution, and further approved a first supplemental resolution to the Master Resolution which authorized the issuance of "Texas Transportation Commission State Highway Fund First Tier Revenue Bonds, Series 2006" (the "Outstanding Senior Obligations"), which were issued in the original aggregate principal amount of \$600 million.

The commission has determined it to be in the best interest of the state to issue additional Senior Obligations, as herein provided.

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

Pursuant to this authority, the board has adopted bond review rules, codified as 34 TAC §§181.1-181.12. Section 181.3 provides that a state agency that proposes to issue state securities shall apply for board approval by filing an application with the board and prescribes documentation required to be included with an application.

IT IS THEREFORE ORDERED by the commission that the Texas Department of Transportation (department) is authorized and directed to file with the board an application for approval of the issuance of additional Senior Obligations, in an aggregate principal amount not to exceed the remaining unissued balance of bonds and other public securities authorized to be issued pursuant to and in accordance with the terms of the Enabling Act, and any necessary ancillary documents, for the purpose of financing the costs of highway improvement projects.

IT IS FURTHER ORDERED by the commission that the department is directed to present for the commission's consideration at a future meeting one or more minute orders to approve the final documentation authorizing the issuance of such additional Senior Obligations, including any agreements related thereto.

c. Adoption of Legislative Appropriations Request for FY 2008 and FY 2009 (MO)

Commissioner Houghton made a motion, seconded by Commissioner Andrade and the commission approved the following minute order presented by Chief Financial Officer James Bass:

110658
FIN

The Government Code provides the statutory basis for each agency to submit a biennial request for legislative appropriations.

The funds shown below are necessary to effectively accomplish the mission, goals, objectives, and strategies of the Texas Department of Transportation's strategic planning and budget structure previously approved by the Governor's Office of Budget, Planning and Policy, and the Legislative Budget Board.

The Texas Transportation Commission supports the mission, goals, objectives, strategies and funding requirements outlined below.

TEXAS DEPARTMENT OF TRANSPORTATION LEGISLATIVE APPROPRIATIONS REQUEST FOR FISCAL YEARS 2008 - 2009		
A. GOAL: TRANSPORTATION PLANNING		
	2008	2009
Strategy A.1.1 PLAN/DESIGN/MANAGE	\$ 381,835,483	\$ 386,206,098
A.1.2 CONTRACTED PLANNING & DESIGN	557,961,815	576,741,677
A.1.3 RIGHT-OF-WAY ACQUISITION	574,633,926	586,891,996
A.1.4 RESEARCH	22,419,637	22,442,246
TOTAL, GOAL A:	\$1,536,850,861	\$1,572,282,017
B. GOAL: TRANSPORTATION CONSTRUCTION		
	2008	2009
Strategy B.1.1 HIGHWAY CONSTRUCTION	\$3,224,310,779	\$3,232,139,748 & UB*
B.1.2 AVIATION SERVICES	91,728,588	66,851,931 & UB*
TOTAL, GOAL B:	\$3,316,039,367	\$3,298,991,679
C. GOAL: MAINTENANCE AND PRESERVATION		
	2008	2009
Strategy C.1.1 CONTRACTED MAINTENANCE	\$2,361,370,280	\$2,304,244,520 & UB*
C.1.2 ROUTINE MAINTENANCE	582,458,462	584,342,891 & UB*
C.1.3 GULF WATERWAY	959,895	912,512 & UB*
C.1.4 FERRY SYSTEM	29,088,550	24,012,451
TOTAL, GOAL C:	\$2,973,877,187	\$2,913,512,374
D. GOAL: OPTIMIZE SERVICES AND SYSTEMS		
	2008	2009
Strategy D.1.1 PUBLIC TRANSPORTATION	\$ 85,255,552	\$ 88,566,748 & UB*
D.1.2 MEDICAL TRANSPORTATION	109,055,220	109,375,046 & UB*
D.1.3 REGISTRATION & TITLING	69,769,038	70,347,401
D.1.4 VEHICLE DEALER REGULATION	6,209,017	6,279,247
D.2.1 TRAFFIC SAFETY	34,224,443	34,264,436 & UB*
D.3.1 TRAVEL INFORMATION	19,195,024	19,357,492 & UB*
D.4.1 AUTO THEFT PREVENTION	15,050,000	15,050,000 & UB*
D.5.1 RAIL SAFETY	1,222,189	1,237,079
TOTAL, GOAL D:	\$ 339,980,483	\$ 344,477,449
E. GOAL: INDIRECT ADMINISTRATION		
	2008	2009
Strategy E.1.1 CENTRAL ADMINISTRATION	\$ 51,578,818	\$ 50,417,623
E.1.2 INFORMATION RESOURCES	38,322,421	38,052,738
E.1.3 OTHER SUPPORT SERVICES	39,263,804	51,099,444
E.1.4 REGIONAL ADMINISTRATION	70,065,001	75,688,436
TOTAL, GOAL E:	\$ 199,230,044	\$ 215,258,241
GRAND TOTAL: Texas Department of Transportation	\$8,365,977,942	\$ 8,344,521,760

*Within a biennium, some strategies are legislatively authorized to carry any unexpended balance (U.B.) forward from the first FY of the biennium to the second FY of the biennium.

IT IS THEREFORE ORDERED that the executive director is authorized to submit a Legislative Appropriations Request to the Legislative Budget Board and the Governor's Office of Budget, Planning and Policy in accordance with all prescribed guidelines in the amounts of \$8,365,977,942 in Fiscal Year 2008 and \$8,344,521,760 for Fiscal Year 2009.

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.

d. Adoption of the FY 2007 Operating Budget (MO)

Commissioner Houghton made a motion, seconded by Commissioner Andrade and the commission approved the following minute order presented by Chief Financial Officer James Bass:

The General Appropriations Act of the 79th Legislature, 2005 Regular Session, has appropriated funds for the operations of the Texas Department of Transportation (department) for Fiscal Year 2007.

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

110659
FIN

TEXAS DEPARTMENT OF TRANSPORTATION OPERATING BUDGET FOR FISCAL YEAR 2007		
A.	GOAL: TRANSPORTATION PLANNING	(Plan It)
Strategy A.1.1	PLAN/DESIGN/MANAGE	\$ 342,712,703
A.1.2	CONTRACTED PLANNING & DESIGN	375,658,667
A.1.3	RIGHT-OF-WAY ACQUISITION	451,084,667
A.1.3	RESEARCH	22,320,172
TOTAL, GOAL A:		\$ 1,191,776,209
B.	GOAL: TRANSPORTATION CONSTRUCTION	(Build It)
Strategy B.1.1	TRANSPORTATION CONSTRUCTION	\$ 3,025,897,591 & UB*
B.1.2	AVIATION SERVICES	62,149,686 & UB*
TOTAL, GOAL B:		\$ 3,088,047,277
C.	GOAL: MAINTENANCE AND PRESERVATION	(Maintain It)
Strategy C.1.1	CONTRACTED MAINTENANCE	\$ 2,104,937,479 & UB*
C.1.2	ROUTINE MAINTENANCE	523,011,833 & UB*
C.1.3	GULF WATERWAY	898,626 & UB*
C.1.4	FERRY SYSTEM	18,653,255
TOTAL, GOAL C:		\$ 2,647,501,193
D.	GOAL: OPTIMIZE SERVICES AND SYSTEMS	(Use It)
Strategy D.1.1	PUBLIC TRANSPORTATION	\$ 56,939,537 & UB*
D.1.2	MEDICAL TRANSPORTATION	94,685,817 & UB*
D.1.3	REGISTRATION & TITLING	66,260,700
D.1.4	VEHICLE DEALER REGULATION	5,756,614
D.2.1	TRAFFIC SAFETY	26,340,414 & UB*
D.3.1	TRAVEL INFORMATION	19,738,315 & UB*
D.4.1	AUTO THEFT PREVENTION	12,525,967 & UB*
D.5.1	RAIL SAFETY	1,158,750
TOTAL, GOAL D:		\$ 283,406,114
E.	GOAL: INDIRECT ADMINISTRATION	(Manage It)
Strategy E.1.1	CENTRAL ADMINISTRATION	\$ 35,070,255
E.1.2	INFORMATION RESOURCES	33,965,978
E.1.3	OTHER SUPPORT SERVICES	35,419,963
E.1.4	REGIONAL ADMINISTRATION	103,436,102
TOTAL, GOAL E:		\$ 207,892,298
GRAND TOTAL: Texas Department of Transportation		\$ 7,418,623,091

*Within a biennium, some strategies are legislatively authorized to carry any unexpended balance (U.B.) forward from the first FY of the biennium to the second FY of the biennium.

IT IS THEREFORE ORDERED by the Texas Transportation Commission that a cash operating budget of \$7,418,623,091 be authorized for the operations of the department for Fiscal Year 2007; and the executive director is hereby ordered to administer this cash operating budget in the most feasible and economical manner within the guidelines prescribed by the 79th Legislature, 2005 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 as may be necessary in the operations of the department.

e. Travis and Williamson Counties – Adoption of the annual operating budget, annual maintenance budget, and annual capital budget for the Central Texas Turnpike System (MO)

Commissioner Houghton made a motion, seconded by Commissioner Andrade and the commission approved the following minute order presented by Chief Financial Officer James Bass:

110660
FIN

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

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 at SH 195 to a southern terminus at US 183.

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

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 intersection of Loop 1 and SH 45.

The commission has previously issued \$2,199,993,781.80 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 and four supplemental indentures. The Indenture of Trust dated July 15, 2002 (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.

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 USDOT.

As it is currently projected that a portion of the 2002 Project may be completed in FY 2007, the commission has directed the department to prepare the annual operating, maintenance and capital budgets for the system for FY 2007. The department has completed these budgets 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 2007.

Note: Exhibit A on file with minute order clerk.

ITEM 10. STATE INFRASTRUCTURE BANK

a. Kerr County – City of Kerrville – Consider granting preliminary approval of an application from the City of Kerrville to borrow \$2.8 million from the State Infrastructure Bank to pay for roadway and drainage improvements to Holdsworth Drive from SH 16 to FM 783 (MO)

Commissioner Houghton made a motion, seconded by Commissioner Andrade and the commission approved the following minute order presented by Chief Financial Officer James Bass:

110661
FIN

Section 350 of the National Highway System Designation Act of 1995 (Public Law No. 104-59) authorizes states to establish a State Infrastructure Bank (SIB) for the purpose of making loans and providing other financial assistance to public and private entities. Transportation Code, Chapter 222, Subchapter D, created a SIB within the Texas Department of Transportation (department). The Texas Transportation Commission (commission) has adopted administrative rules implementing that subchapter and establishing eligibility criteria for an entity applying for financial assistance from the SIB. These rules are codified as Title 43, Texas Administrative Code, Chapter 6.

In accordance with 43 TAC §6.23, the City of Kerrville has submitted an application to borrow \$2.8 million to pay for roadway and drainage improvements and new construction of a four lane divided roadway to Holdsworth Drive from SH 16 to FM 783 in the city of Kerrville.

The project is not on the state highway system but is eligible for federal aid. The project is consistent with the Texas Transportation Plan and is included in the Statewide Transportation Improvement Program.

The city has represented that the loan will be secured by ad valorem taxes. The present and projected financial condition of the SIB is sufficient to cover this request.

On May 10, 2006, the Kerrville City Council passed a resolution authorizing submission of this application to the SIB. This resolution indicates the official written approval of the projects by the governing body of the city and demonstrates local public support.

The proposed project and loan conform with the purpose of the SIB and will expand the availability of funding for transportation projects and reduce direct state costs.

In accordance with 43 TAC §6.31, the department has reviewed and analyzed the application, finds the application to be in compliance with the requirements of 43 TAC, Chapter 6, and recommends that the commission grant preliminary approval of the application pursuant to 43 TAC §6.32.

NOW, THEREFORE, IT IS DETERMINED that the application for SIB financial assistance submitted by the city of Kerrville meets the requirements of 43 TAC §6.32(c)(1) and §6.32(c)(2), and in accordance with that section, the commission grants preliminary approval of the application to borrow \$2.8 million from the State Infrastructure Bank and directs the executive director to implement the actions authorized and required by that section.

b. Haskell County – City of Haskell – Grant final approval of an application from the City of Haskell to borrow \$500,000 from the State Infrastructure Bank to pay for water line adjustments on US 277 and US 380 (MO)

Commissioner Houghton made a motion, seconded by Commissioner Andrade and the commission approved the following minute order presented by Chief Financial Officer James Bass:

110662
FIN

On June 29, 2006, in Minute Order 110854, the Texas Transportation Commission (commission) granted preliminary approval of an application from the City of Haskell to borrow \$500,000 from the State Infrastructure Bank (SIB) to pay for water line adjustments on US 277 and US 380 in the city of Haskell.

Section 350 of the National Highway System Designation Act of 1995 (Public Law No. 104-59) authorizes states to establish a SIB to make loans and provide other financial assistance to public and private entities, encourage public and private investment in transportation facilities, expand the availability of funding for transportation projects, and reduce state costs.

Pursuant to this legislation, Transportation Code, Chapter 222, Subchapter D, created a SIB within the Texas Department of Transportation (department). The commission has adopted administrative rules implementing that subchapter and establishing eligibility criteria for an entity applying for financial assistance from the SIB. These rules are codified as 43, TAC, Chapter 6.

The provision of capital to the SIB will reduce the burdens and demands on the limited funds available to the commission and increase the effectiveness and efficiency of the department by allowing the SIB to provide financial assistance to eligible transportation projects.

43 TAC, §6.23 authorizes eligible entities to submit applications for financial assistance from the SIB and prescribes requirements for an application.

On March 27, 2006, the Haskell City Council passed a resolution authorizing submission of this application to the SIB. This resolution indicates the official written approval of the projects by the governing body of the city and demonstrates local public support. The city has represented that the loan will be secured by its tax revenues. This

indicates the applicant is likely to have sufficient revenue to assure repayment of the loan. The present and projected financial condition of the SIB is sufficient to cover this request.

The project is consistent with the Texas Transportation Plan and is included in the Statewide Transportation Improvement Program. The project would improve safety and efficiency of the state's transportation system. The proposed project and loan are in conformity with the purposes of the SIB and will expand the availability of funding for transportation projects and reduce direct state costs. All necessary social, economic, and environmental studies have been completed and no further coordination is required. The project will provide for all reasonable and feasible measures to avoid, minimize, or mitigate for adverse environmental impacts.

In accordance with 43 TAC §6.31, the department has reviewed and analyzed the application, finds the application to be in compliance with the requirements of 43 TAC, Chapter 6, and recommends that the commission grant final approval of the application pursuant to 43 TAC §6.32.

NOW, THEREFORE, IT IS DETERMINED that the application to borrow \$500,000 from the State Infrastructure Bank submitted by the City of Haskell is granted final approval by the commission. The loan will be repaid over a period of 25 years at 4.3 percent per annum. The executive director is directed and authorized to enter into this financial assistance agreement.

c. Shelby County – City of Center – Grant final approval of an application from the City of Center to borrow \$475,000 from the State Infrastructure Bank to pay for a water line relocation on SH 7 (MO)

Commissioner Houghton made a motion, seconded by Commissioner Andrade and the commission approved the following minute order presented by Chief Financial Officer James Bass:

110663
FIN

On July 27, 2006, in Minute Order 110618, the commission granted preliminary approval of an application from the City of Center to borrow \$475,000 from the State Infrastructure Bank (SIB) to pay for water line relocation and upgrade on SH 7 in Shelby County.

Section 350 of the National Highway System Designation Act of 1995 (Public Law No. 104-59) authorizes states to establish a SIB to make loans and provide other financial assistance to public and private entities, encourage public and private investment in transportation facilities, expand the availability of funding for transportation projects, and reduce state costs.

Pursuant to this legislation, Transportation Code, Chapter 222, Subchapter D, created a SIB within the Texas Department of Transportation (department). The commission has adopted administrative rules implementing that subchapter and establishing eligibility criteria for an entity applying for financial assistance from the SIB. These rules are codified as 43, TAC, Chapter 6.

The provision of capital to the SIB will reduce the burdens and demands on the limited funds available to the commission and increase the effectiveness and efficiency of the department by allowing the SIB to provide financial assistance to eligible transportation projects.

43 TAC, §6.23 authorizes eligible entities to submit applications for financial assistance from the SIB and prescribes requirements for an application.

On April 25, 2005, the City Council of Center passed a resolution authorizing submission of this application to the SIB. This resolution indicates the official written approval of the projects by the governing body of the city and demonstrates local public support. The city has represented that its utility revenue funds will secure the loan. This indicates the applicant is likely to have sufficient revenue to assure repayment of the loan. The present and projected financial condition of the SIB is sufficient to cover this request.

The project is consistent with the Texas Transportation Plan and is included in the Statewide Transportation Improvement Program. The project would improve safety and efficiency of the state's transportation system. The proposed project and loan are in conformity with the purposes of the SIB and will expand the availability of funding for transportation projects and reduce direct state costs. All necessary social, economic, and environmental studies have been completed and no further coordination is required. The project will provide for all reasonable and feasible measures to avoid, minimize, or mitigate for adverse environmental impacts.

In accordance with 43 TAC §6.31, the department has reviewed and analyzed the application, finds the application to be in compliance with the requirements of 43 TAC, Chapter 6, and recommends that the commission grant final approval of the application pursuant to 43 TAC §6.32.

NOW, THEREFORE, IT IS DETERMINED that the application to borrow \$475,000 from the State Infrastructure Bank submitted by the city of Center is granted final approval by the commission. The loan will be repaid over a period of ten years at 4 percent per annum. The executive director is directed and authorized to enter into this financial assistance agreement.

ITEM 11. CONTRACTS

a. Award or Reject Highway Improvement Contracts

(1) Highway Maintenance and Department Building Construction (see attached itemized list) (MO)

Commissioner Houghton made a motion, seconded by Commissioner Andrade and the commission approved the following minute order presented by Construction Division Director Thomas Bohuslav:

110664
CST

Pursuant to Transportation Code, Chapter 223, Subchapter A, and Title 43, Texas Administrative Code, Chapter 9, Subchapter B, the Texas Department of Transportation (department) solicited and received sealed competitive bid proposals for maintenance of the State Highway System, which were publicly opened and read on August 8 and 9, 2006.

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. In addition it is necessary to correct an incorrect award from the July 27, 2006 Texas Transportation Commission (commission) meeting as shown on Exhibit A.

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.

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

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

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

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

Note: Exhibit A on file with minute order clerk.

(2) Highway and Transportation Enhancement Building Construction (see attached itemized list) (MO)

Commissioner Houghton made a motion, seconded by Commissioner Andrade and the commission approved the following minute order rejecting Project No. SFT 1186-2-15 in Bastrop County; BR 96(278) in Brown County; SFT 155-4-43 in Goliad County; STP 2006(749) in Grayson County; SFT 1099-5-19 in Henderson County; CM 2005(813) in Jefferson County; STP 2002(137)TE in Parker County; C 2075-2-55 in Smith County; CL 902-48-662 in Tarrant County; and SFT 151-3-32 in Williamson County, as recommended by staff and presented by Construction Division Director Thomas Bohuslav:

110665
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 8 and 9, 2006 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.

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

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

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

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

Note: Exhibit A on file with minute order clerk.

b. Establish statewide annual participation goals for the Historically Underutilized Business Program (MO)

Commissioner Houghton made a motion, seconded by Commissioner Andrade and the commission approved the following minute order presented by Business Opportunity Program Section Director James Dossett:

110666
BOP

In accordance with Title 43, Texas Administrative Code, §9.54, the Texas Transportation Commission (commission) is establishing annual Historically Underutilized Business (HUB) goals of 26.1 percent for building construction contracts, 57.2 percent for special trade contracts, 20 percent for professional services contracts, 33 percent for other service contracts and 12.6 percent for commodity purchases.

The HUB program was developed by the Texas Department of Transportation (department), under authority of Transportation Code, §201.702, and intended to be consistent where practicable with both Government Code, Chapter 2161, and the department's Disadvantaged Business Enterprise (DBE) and Small Business Enterprise (SBE) programs. The annual goals represent participation in contracts and purchases by HUBs determined by a percentage of the total cost of all state and locally funded contracts, other than highway construction and highway maintenance contracts.

To maintain consistency with the state HUB Program requirements contained in Government Code, Chapter 2161, and under Texas Administrative Code, §9.54, the commission will establish an overall annual HUB participation goal. The commission will establish the goal making use of disparity studies, including the disparity study described in Government Code, §2161.002(c), or its replacement, as well as other relevant information. The department has used the disparity study described in Government Code, §2161.002(c), and other data to establish goals for its federal DBE program. Making use of this or other disparity studies for establishing its HUB goals satisfies the requirement in Transportation Code, §201.702(b), that the state goal approximates the federal requirements.

The commission established the annual HUB goals for Fiscal Year 2007 based on the availability of HUBs as determined in the disparity study described in Government Code, §2161.002(c).

IT IS THEREFORE ORDERED that the HUB goals stated in this order are effective from September 1, 2006 through August 31, 2007.

c. Establish statewide annual participation goals for the Small Business Enterprise Program (MO)

Commissioner Houghton made a motion, seconded by Commissioner Andrade and the commission approved the following minute order presented by Business Opportunity Program Section Director James Dossett:

110667
BOP

In accordance with Title 43, Texas Administrative Code, §9.55, the Texas Transportation Commission (commission) is establishing an annual Small Business Enterprise (SBE) goal of 23 percent. The Texas Department of Transportation (department), under its authority in Transportation Code, §201.702, to develop programs for disadvantaged businesses, chose to develop the Small Business Enterprise (SBE) Program to assist disadvantaged businesses in the specialized fields of highway construction and maintenance. The program is open to all small businesses that meet the required size limitation. The SBE Program was designed to mirror the Disadvantaged Business Enterprise (DBE) and Historically Underutilized Business (HUB) programs whenever practicable so that those members of the affected industry will not be confronted with different rules based on funding source.

Pursuant to Title 43, Texas Administrative Code, §9.55, the commission, in a procedure similar to that required by the federal DBE Program and roughly equivalent to the HUB goal setting procedures, will establish annual SBE goals based on the availability of SBE firms. The annual goals represent SBE participation in contracts and purchases determined by a percentage of the total cost of highway construction and highway maintenance projects funded with state and local funds.

To determine the availability of SBEs, the department compared the total amount contracted to small businesses in FY 2005 to the total amount awarded to prime contractors in FY 2005. This comparison indicated that 12 percent of the total amount was awarded to small businesses. This percentage does not include awards to material

suppliers due to the unavailability of data regarding suppliers. To further encourage the development of small businesses and to take into account the small businesses that furnish materials, the department added 11 percent to the SBE goal for a total of 23 percent.

IT IS THEREFORE ORDERED that the SBE goal of 23 percent is effective from September 1, 2006 through August 31, 2007.

ITEM 12. ROUTINE MINUTE ORDERS

Commissioner Houghton made a motion, seconded by Commissioner Andrade, and the commission approved the following minute orders presented by Executive Director Michael W. Behrens.

a. Donations to the Department

(1) Galveston County – Consider a donation from Tuscan Lakes Development, L.P. as part of the Landscape Cost Sharing Program for installation and maintenance on the right of way along SH 96 in League City (MO)

110668
OGC

This minute order considers a donation of \$194,000 from Tuscan Lakes Development, L.P. to the Texas Department of Transportation (department) to contribute to a landscape improvement project on department right of way along SH 96 in League City. The project is part of the Landscape Cost Sharing Program, which allows private businesses, civic organizations, and local governments an opportunity to support the aesthetic improvement of the state highway system.

The department has determined that acceptance of the 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 60th 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 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 commission may approve the acceptance of a donation, notwithstanding the foregoing proscriptions in the rules, if it 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 commission finds that the donation will further the department's responsibilities and that the donor is not a party to a contested case before the department and has not been a party to a contested case before the department during the last 30 days.

The commission also finds that the donor is not subject to department regulation or oversight, but they are a local affiliation of an organization that periodically makes donations to the department as a joint effort to keep Texas roadways clean. Nonetheless, the commission finds that this donation will not influence or reasonably appear to influence the department in the performance of its duties.

IT IS THEREFORE ORDERED by the commission that the donation of \$194,000 by Tuscan Lakes Development, L.P. is accepted. The executive director or the executive director's designee is authorized to execute all necessary documents under 43 TAC §1.504 to effect the acceptance of the donation.

(2) Grimes County – Consider a donation from Weiner Development Corporation to trim trees and remove underbrush at the business entrance on right of way along SH 6 (MO)

110669
OGC

This minute order considers a donation of \$825 from Weiner Development Corporation to the Texas Department of Transportation (department) to trim trees and remove underbrush from hackberry trees at the entrance of the business on department right of way along SH 6.

The department has determined that acceptance of the 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 60th 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 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 commission may approve the acceptance of a donation, notwithstanding the foregoing proscriptions in the rules, if it 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 commission finds that the donation will further the department's responsibilities and that the donor is not a party to a contested case before the department and has not been a party to a contested case before the department during the last 30 days.

The commission also finds that the donor is not subject to department regulation or oversight, but they are a local affiliation of an organization that periodically makes donations to the department as a joint effort to keep Texas roadways clean. Nonetheless, the commission finds that this donation will not influence or reasonably appear to influence the department in the performance of its duties.

IT IS THEREFORE ORDERED by the commission that the donation of \$825 by Weiner Development Corporation is accepted. The executive director or the executive director's designee is authorized to execute all necessary documents under 43 TAC §1.504 to effect the acceptance of the donation.

(3) Texas Turnpike Authority Division – Acknowledge a donation from the Florida Department of Transportation for a Texas Department of Transportation employee's travel expenses to attend and participate in a panel discussion regarding Public Private Partnerships and the Trans-Texas Corridor from August 13 -15, 2006 in Tampa, Florida (MO)

110670
OGC

This minute order acknowledges a donation of an estimated \$927.78 from the Florida Department of Transportation (FDOT) for a Texas Department of Transportation (department) employee's travel expenses to attend and participate in a panel discussion regarding Public Private Partnerships and the Trans-Texas Corridor from August 13 -15, 2006 in Tampa, Florida.

The department has determined that acceptance of the 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 60th 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 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 commission may approve the acceptance of a donation, notwithstanding the foregoing proscriptions in the rules, if it 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 commission finds that the donation will further the department's responsibilities and that the donor is not a party to a contested case before the department and has not been a party to a contested case before the department during the last 30 days.

The commission also finds that the donor is not subject to department regulation or oversight and is not interested in or likely to become interested in any contract, purchase, payment, or claim with or against the department. Members of the donor's organization may be interested in a contract, but, nonetheless, the commission finds that this donation will not influence or reasonably appear to influence the department in the performance of its duties.

IT IS THEREFORE ORDERED by the commission that the donation of an estimated \$927.78 by FDOT is acknowledged. The executive director or the executive director's designee is authorized to execute all necessary documents under 43 TAC §1.504 to effect the acknowledgment of the donation.

b. Eminent Domain Proceedings

Various Counties – noncontrolled and controlled access highways (see attached itemized list) (MO)

110671
ROW

The Texas Transportation Commission (commission) of the State of Texas (state) has found in order to promote the public safety, to facilitate the safety and movement of traffic and to preserve the financial investment of the public in its highways, public necessity requires the laying out, opening, constructing, reconstructing, maintaining, and operating of the following highways in the state as a part of the State Highway System (highway system).

The commission has found and determined that each of the following listed parcels of land, same being more particularly described in the exhibits attached hereto, and such additional lesser estates or property interests described thereon, are necessary or convenient for use for such purposes and it is necessary to acquire fee simple title to said land, as provided by Texas Transportation Code, Subchapter D, Chapter 203, Sections 203.051, 203.052, and 203.054, as a part of the highway system to be constructed, reconstructed, maintained and operated thereon.

The commission has found in order to promote the public safety, to facilitate the safety and movement of traffic, to preserve the financial investment of the public in its highways and reconstructing, maintaining, and operating of Controlled Access Highways in the state as a part of the highway system at such locations as are necessary throughout the state and has determined that each of the following listed parcels of land, described in those Exhibits designated, identified and listed by an alphabetical exhibit reference under "CONTROLLED ACCESS" and same being more particularly described in the exhibits attached hereto and such additional lesser estates or property interests described thereon, are necessary and suitable for use for such purposes and it is necessary to acquire fee simple title to said land, as provided by law, as a part of the highway system to be so constructed, reconstructed, maintained, and operated thereon and in the exercise of the police power of the state for the preservation of human life and safety, and under existing laws, the highway to be constructed on each such parcel of land is designated as a Controlled Access Highway, and on such parcels of land listed herein where there is remaining abutting private property, roads are to be built as a part of said highway whereby the right of ingress and egress to or from the remaining private property abutting on said highway is to be permitted and/or denied, as designated and set forth on each of the exhibits attached hereto.

The commission, through its duly authorized representatives, has attempted to negotiate with the owner(s) of the parcels of land described in the attached exhibits and has been unable to agree with such owner(s) as to the fair cash market value thereof and damages, if any, or after diligent search of available records, numerous inquiries, and actual visits to the location of said parcels of land has been unable to locate the owner(s) of same so as to enter into negotiations for the purchase of said parcels of land.

IT IS THEREFORE ORDERED that the executive director is hereby authorized and directed to transmit this request of the commission to the attorney general to file or cause to be filed against all owners, lienholders and any owners of any other interests in said parcels of land, proceedings in eminent domain to acquire in the name of and on behalf of the state, for said purposes, fee simple title to each such parcel of land as are more particularly described in each of the exhibits attached hereto and made a part hereof, and such additional lesser estates or property interests as are more fully described in each of said exhibits, save and excepting, oil, gas and sulphur, as provided by law, to wit:

NON-CONTROLLED ACCESS

<u>EXHIBIT</u>	<u>COUNTY</u>	<u>HIGHWAY</u>	<u>ROW CSJ NO.</u>	<u>PARCEL</u>
1	Delta	SH 24	0136-04-032	138
2	Delta	SH 24	0136-04-032	150
3	Delta	SH 24	0136-04-032	170
4	Delta	SH 24	0136-04-032	173
5	Grayson	FM 1417	0202-08-040	12
6	Grayson	FM 1417	0202-08-040	32
7	Burleson	FM 60	0648-03-053	10
8	Bowie	FM 559	1020-01-045	15
9	Bowie	FM 559	1020-01-045	40
10	Bowie	FM 559	1020-01-045	73
11	Nacogdoches	FM 225	1810-02-015	3 & 3TE
12	Nacogdoches	FM 225	1810-02-015	7
13	Williamson	RM 2338	2211-01-021	48
14	Williamson	RM 2338	2211-01-021	58
15	Williamson	RM 2338	2211-01-021	62
16	Williamson	RM 2338	2211-01-021	71
17	Williamson	RM 2338	2211-01-021	72
18	Williamson	RM 2338	2211-01-021	73
19	Williamson	RM 2338	2211-01-021	74
20	Williamson	RM 2338	2211-01-021	75
21	Williamson	RM 2338	2211-01-022	8
22	Grayson	FM 1417	2456-01-007	49
23	Harris	Gulf Bank Road	8003-12-008	130B
24	Harris	Gulf Bank Road	8003-12-008	153
25	Harris	Gulf Bank Road	8003-12-008	183A
26	Harris	Gulf Bank Road	8003-12-008	257
27	Harris	Hempstead Highway	8170-12-002	10

CONTROLLED ACCESS

EXHIBIT	COUNTY	HIGHWAY	ROW CSJ NO.	PARCEL
A	Bell	IH 35	0015-07-076	1E
B	Bell	IH 35	0015-07-076	4
C	Bell	IH 35	0015-07-076	5A
D	Bell	IH 35	0015-07-076	5B
E	Bell	IH 35	0015-07-076	10
F	Bell	IH 35	0015-07-076	47
G	Fort Bend	US 59	0047-12-124	1
H	Collin	US 75	0047-14-057	25
I	Baylor	US 277	0156-06-044	8
J	Baylor	US 277	0156-06-044	9
K	Baylor	US 277	0156-06-044	12
L	Baylor	US 277	0156-06-044	13
M	Polk	US 59	0177-01-090	1A
N	Montgomery	US 59	0177-05-100	11
O	Maverick	SH Loop 480	0299-14-021	1
P	Maverick	SH Loop 480	0299-14-021	2
Q	Maverick	SH Loop 480	0299-14-021	3
R	Travis	SH 130	0440-06-008	429
S	Travis	SH 130	0440-06-008	430
T	Travis	SH 130	0440-06-008	432
U	Travis	SH 130	0440-06-008	1102 AC
V	Travis	SH 130	0440-06-008	1448
W	Harris	IH 45	0500-03-510	1
X	Dallas	IH 635	2374-01-149	28
Y	Dallas	IH 635	2374-01-150	20
Z	Dallas	IH 635	2374-01-150	39
AA	Dallas	IH 635	2374-02-115	1
BB	Dallas	IH 635	2374-02-115	24
CC	Dallas	IH 635	2374-02-116	2
DD	Dallas	IH 635	2374-02-116	3
EE	Dallas	IH 635	2374-02-116	10
FF	Dallas	IH 635	2374-02-116	21
GG	Dallas	IH 635	2374-02-116	27
HH	Dallas	IH 635	2374-02-116	28

Note: Exhibits 1 through 27 and A through HH on file with minute order clerk.

c. Highway Designations

(1) Baylor County – Redesignate US 183, US 277, and US 283 along a new location and redesignate the former locations of US 183, US 277, and US 283 as business routes and a state spur (MO)

110672
TPP

In BAYLOR COUNTY (county) in the city of Seymour (city), county and city officials have requested the designation of US 183, US 277 and US 283 along a new location in and around the city. In order to facilitate the flow of traffic, promote public

safety, and maintain the continuity on the state highway system the former location of US 183, US 277 and US 283 will be redesignated as Business US 183-B (BU 183-B), Business US 277-C (BU 277-C) and Business US 283-B (BU 283-B) and State Spur 334. County and city officials have also requested that a new location be designated on the state highway system as BU 183-B, BU 277-C and BU 283-B.

Pursuant to Texas Transportation Code, §§201.103 and 221.001, the executive director has recommended US 183, US 277 and US 283 be designated along a new location in and around the city, the former location be redesignated as BU 183-B, BU 277-C and BU 283-B and State Spur 334 and a new location be designated as BU 183-B, BU 277-C and BU 283-B on the state highway system.

IT IS THEREFORE ORDERED by the Texas Transportation Commission that:

1. US 277 is designated on the state highway system along a new location from 1.2 miles southwest of the existing intersection of US 183 northward and eastward to the new intersection of US 183, a distance of approximately 1.5 miles.
2. US 183 concurrent with US 277 and US 283 is designated on the state highway system along a new location from the intersection of US 277 eastward and northward to the intersection of US 82, a distance of approximately 4.5 miles.
3. The former segment of US 277 is removed from the state highway system and returned to the county for control, jurisdiction and maintenance from 1.2 miles southwest of the existing intersection of US 183 northeastward to the intersection of US 183, a distance of approximately 1.2 miles.
4. A segment of the former location of US 183, US 277 and US 283 is redesignated as State Spur 334 from the new intersection of US 183 northward and eastward to the former location of US 183, US 277 and US 283 locally known as Main Street, a distance of approximately 0.8 mile.
5. BU 183-B concurrent with BU 277-C and BU 283-B is designated on the state highway system along a new location from the intersection of US 183 northward to the intersection of State Spur 334, a distance of approximately 0.2 mile.
6. A segment of the former location of US 183, US 277 and US 283 is redesignated as BU 183-B, BU 277-C and BU 283-B from the intersection of State Spur 334 northward and northeastward to the intersection of US 183, a distance of approximately 3.1 miles.

IT IS FURTHER ORDERED that upon approval by the commission, this minute order, along with all other pertinent information, be forwarded to the American Association of State Highway and Transportation Officials Special Committee on U.S. Route Numbering for their consideration.

(2) El Paso County - Designate a new location as Spur 601 on the state highway system from the intersection of US 54 eastward to the intersection of State Loop 375 (MO)

110673
TPP

In EL PASO COUNTY, in and around the city of El Paso (city), city officials have requested that a new state highway spur designation be added to the state highway system. In order to facilitate the flow of traffic, promote public safety, and maintain

continuity of the state highway system, the city has requested that the new location be designated as STATE SPUR 601.

Pursuant to Texas Transportation Code, §§201.103 and 221.001, the executive director has recommended that a new state spur location be designated on the state highway system as State Spur 601.

IT IS THEREFORE ORDERED by the Texas Transportation Commission that State Spur 601 is designated on the state highway system in and around the city of El Paso from the intersection of US 54 eastward to the intersection of State Loop 375, a distance of approximately 7.4 miles.

(3) Red River County – Redesignate US 82 over an existing location of SH 37 and along a new location and redesignate the former location of US 82 as Business US 82-J (MO)

110674
TPP

In RED RIVER COUNTY (county) in and around the city of Clarksville (city), city and county officials have requested that US 82 be designated in and around the city. In order to facilitate the flow of traffic, promote public safety, and maintain the continuity on the state highway system the former location of US 82 will be redesignated as Business US 82-J (BU 82-J).

Pursuant to Texas Transportation Code, §§201.103 and 221.001, the executive director has recommended that US 82 be designated around the northern section of the city and that the former location of US 82 be redesignated as BU 82-J.

IT IS THEREFORE ORDERED by the Texas Transportation Commission that:

1. US 82 is concurrently designated on the state highway system along an existing segment of SH 37 from the intersection of SH 37 northward and eastward to the intersection of Business State Highway 37-C, a distance of approximately 1.7 miles.
2. US 82 is designated on the state highway system along a new location from the intersection of Business State Highway 37-C eastward and southeastward to approximately 0.4 mile east of the intersection of FM 1159, a distance of approximately 1.6 miles.
3. A segment of the former location of US 82 is redesignated on the state highway system as BU 82-J from the intersection of SH 37 eastward to the intersection of Business State Highway 37-C, a distance of approximately 0.4 mile.
4. A segment of the former location of US 82 is redesignated on the state highway system as BU 82-J. BU 82-J and Business State Highway 37-C will be concurrently designated from the intersection of Business State Highway 37-C eastward to the intersection of Business State Highway 37-C, a distance of approximately 0.9 mile.
5. A segment of the former location of US 82 is redesignated on the state highway system as BU 82-J from the intersection of Business State Highway 37-C eastward to approximately 0.4 mile east of the intersection of FM 1159, a distance of approximately 0.9 mile.

IT IS FURTHER ORDERED that upon approval by the commission, this minute order, along with all other pertinent information, be forwarded to the American Association of State Highway and Transportation Officials Special Committee on U.S. Route Numbering for their consideration.

d. Load Zones & Postings

Various Counties – Revise load restrictions on the state highway system:

(1) Roadways (MO)

110675
CST

The Texas Transportation Commission (commission) under provision of Texas Transportation Code §621.102, may set the maximum gross weight of a vehicle and its load, maximum gross weight of a combination of vehicles and loads, maximum axle load, or maximum wheel load that may be moved over a state highway or a farm or ranch road if the commission finds that heavier maximum weight would rapidly deteriorate or destroy the road.

Pursuant to §621.102, a maximum weight or load may not exceed the maximum set by statute for that weight or load. This section does not apply to a vehicle delivering groceries, farm products, or liquefied petroleum gas.

An engineering and traffic investigation has been made on the state highway system to determine and fix the maximum loads to be transported or moved on, over or upon the roads of the highway system.

It has been determined from this investigation that the loads on certain sections of roads of the state highway system should be restricted or previous restrictions should be revised or removed.

IT IS THEREFORE ORDERED by the commission that the maximum load limits which may be transported or moved on, over or upon the roads described in Exhibit A be fixed, revised, or removed for the month of August 2006, as set forth therein, superseding any portion of a previous action in conflict. The executive director shall proceed with the erection, revision or removal of signs as appropriate, making the removal of this load limitation effective and operative.

Note: Exhibit A on file with minute order clerk.

(2) Bridges (MO)

110676
BRG

The Texas Transportation Commission (commission) under provision of V.T.C.A., Transportation Code, §621.102, may set the maximum gross weight of a vehicle and its load, maximum gross weight of a combination of vehicles and loads, maximum axle load, or maximum wheel load that may be moved over a state highway or a farm or ranch road if the commission finds that heavier maximum weight would rapidly deteriorate or destroy the road or a bridge along the road.

Pursuant to §621.102, a maximum weight or load may not exceed the maximum set by statute for that weight or load. This section does not apply to a vehicle delivering groceries, farm products, or liquefied petroleum gas.

An engineering and traffic investigation has been made to determine and fix the maximum loads that may be moved over the state highway system.

It has been determined from this investigation that the loads on certain bridges of the state highway system should be restricted or previous restrictions should be revised or removed.

IT IS THEREFORE ORDERED by the commission that the maximum load limits which may be moved over the bridges described in Exhibits A and B be placed, revised, or removed as set forth therein, superseding any portion of previous action in conflict. The executive director shall proceed with the erection, revision or removal of signs as appropriate, making the placement, revision, or removal of these load limitations effective and operative.

Note: Exhibit A on file with minute order clerk.

e. Right of Way Dispositions and Donations

(1) Blanco County – US 281, old alignment, north of Miller Creek, south of Johnson City – Consider the sale of surplus right of way (MO)

110677
ROW

In BLANCO COUNTY, on US 281, the State of Texas (state) acquired certain land needed for state highway purposes by instrument recorded in Volume 47, Page 141, Deed Records of Blanco County, Texas.

A portion of the land (surplus land), 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 surplus land.

William Michelson and Jennifer Michelson are the abutting landowners and have requested that the surplus land be sold to them for \$9,849.

The commission finds \$9,849 to be a fair and reasonable value for the state's rights, title and interest in the surplus land.

NOW, THEREFORE, the commission finds that the surplus land is no longer needed for a state highway purpose and that the value of the surplus land is less than \$10,000. The executive director is authorized to execute a proper instrument conveying all of the state's rights, title and interest in the surplus land to William Michelson and Jennifer Michelson for \$9,849; 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 on file with minute order clerk.

(2) Dallas and Tarrant Counties – SH 114 at SH 121 in Irving and Grapevine – Consider the exchange of easements (MO)

110678
ROW

In Irving and Grapevine, DALLAS AND TARRANT COUNTIES, on STATE HIGHWAY 114, the State of Texas (state) acquired an easement interest in certain land needed for highway drainage purposes by instrument recorded in Volume 80236, Page 0989, Deed Records of Dallas County, Texas, the same instrument also being recorded in Volume 7030, Page 1515, Deed Records of Tarrant County, Texas.

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

In accordance with V.T.C.A., Transportation Code, Chapter 202, Subchapter B, the Texas Transportation Commission (commission) may recommend the exchange of a surplus easement as partial or full consideration for other land needed by the state for highway purposes.

The cities of Dallas and Fort Worth (owners) have conveyed to the state an easement interest in land needed for highway drainage purposes (new easement), described in Exhibit B. The owners are also the owners of the fee underlying the surplus easement. The owners have requested that the surplus easement be released to owners in exchange for the new easement.

It is the opinion of the commission that it is proper and correct that the state release its interest in the surplus easement to owners in exchange and as full consideration for the new easement to the state, since the values of the surplus and new easements are the same.

NOW, THEREFORE, the commission finds that the surplus easement is no longer needed for a state highway purpose and recommends, subject to approval by the attorney general, that the Governor of Texas execute a proper instrument releasing the state's rights and interest in the surplus easement to owners in exchange and as full consideration for the conveyance of the new easement to the state.

Note: Exhibits A and B on file with minute order clerk.

(3) Fort Bend County – FM 1093 east of FM 723 – Consider the sale of two surplus right of way easements (MO)

110679
ROW

In FORT BEND COUNTY, on FARM TO MARKET ROAD 1093, the State of Texas (state) acquired an easement interest in certain land for highway drainage purposes by instruments recorded in Volume 285, Page 286, and Volume 285, Page 289, Deed Records of Fort Bend County, Texas.

The easements (surplus easements), described in Exhibit A, are 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 surplus easements.

Terrabrook Cinco Ranch Southwest, L.P., owner of the fee underlying the surplus easements, has requested that the surplus easements be sold for \$38,286.

The commission finds \$38,286 to be a fair and reasonable value of the state's rights and interest in the surplus easements.

NOW, THEREFORE, the commission finds that the surplus easements are no longer needed for a state highway purpose and recommends, subject to approval of the attorney general, that the Governor of Texas execute a proper instrument releasing the state's rights and interest in the surplus easements to Terrabrook Cinco Ranch Southwest, L.P., for \$38,286.

Note: Exhibit A on file with minute order clerk.

(4) Johnson County – Park Road 21 at County Road 1226 – Consider the sale of surplus right of way (MO)

110680
ROW

In JOHNSON COUNTY, on PARK ROAD 21, the State of Texas (state) acquired certain land for a state highway purpose by instruments recorded in Volume 356, Page 398; Volume 357, Page 248; and Volume 525, Page 754, Deed Records of Johnson County, Texas.

A portion of the land (surplus land), 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 surplus land to the abutting landowner.

William D. Ratliff, III is the abutting landowner and has requested that the state sell the surplus land to him for \$2,700.

The commission finds \$2,700 to be a fair and reasonable value of the state's rights, title and interest in the surplus land.

NOW, THEREFORE, the commission finds that the surplus land is no longer needed for a state highway purpose and that the value of the surplus land is less than \$10,000 and authorizes the executive director to execute a proper instrument conveying all of the state's rights, title and interest in the surplus land to William D. Ratliff, III for \$2,700; 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 on file with minute order clerk.

(5) Live Oak County – FM 799 at US 59 east of George West – Consider the exchange of right of way (MO)

110681
ROW

In LIVE OAK COUNTY, on FARM TO MARKET ROAD 799, the State of Texas (state) acquired certain land for a state highway purpose by instruments recorded in Volume 176, Pages 247 and 503, Deed Records of Live Oak County, Texas.

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

In accordance with V.T.C.A., Transportation Code, Chapter 202, Subchapter B, the Texas Transportation Commission (commission) may recommend the exchange of surplus land as whole or partial consideration for other land needed for a state highway purpose.

A deed for land needed for a state highway purpose (new land), described in Exhibit B, has been executed by Live Oak County (county). The county has requested that the surplus land be conveyed to the county. The state will pay the \$36,568 cash difference between the value of the new land and that of the surplus land.

It is the opinion of the commission that it is proper and correct that the state convey the surplus land to the county in exchange and as partial consideration for the conveyance of the new land to the state and the state's cash payment of \$36,568 to the county.

NOW, THEREFORE, the commission finds that the surplus land is no longer needed for a state highway purpose and recommends, subject to approval by the attorney general, that the Governor of Texas execute a proper instrument conveying all of the state's rights, title and interest in the surplus land to the county in exchange and as partial consideration for the conveyance of the new land to the state and the state's cash payment of \$36,568 to the county; 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: Exhibits A and B on file with minute order clerk.

(6) Tarrant County – FM 1709 at Kimball Avenue in Southlake – Consider the exchange of drainage easements (MO)

110682
ROW

In the city of Southlake, TARRANT COUNTY, on FARM TO MARKET ROAD 1709, the State of Texas (state) acquired an easement interest in certain land for highway drainage purposes by instrument recorded in Volume 2569, Page 503, Deed Records of Tarrant County, Texas.

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

W2001 Wal Real Estate Limited Partnership (owner), the underlying fee owner, has executed an instrument conveying to the state an easement interest in land needed for the realignment and reconstruction of a new drainage facility (new easement), described in Exhibit B.

In accordance with V.T.C.A., Transportation Code, Chapter 202, Subchapter B, the commission may recommend the release of surplus easements and the exchange of surplus easements as partial or full consideration for other land needed by the state for highway purposes.

It is the opinion of the commission that once the title to the new easement is acceptable to the department, the surplus easement will no longer be needed for a state highway purpose and will be surplus. It would then be proper and correct that the state convey its rights and interest in the surplus easement to owner in exchange and as full consideration for the conveyance of the new easement to the state.

IT IS THEREFORE ORDERED by the commission that the executive director is authorized to tender the following proposal to owner:

Provided that the title to the new easement is acceptable to the department, then the commission will recommend the conveyance of the surplus easement in accordance with Transportation Code, Chapter 202, Subchapter B.

FURTHER, in consideration of the foregoing premises and in accordance with Transportation Code, Chapter 202, Subchapter B, the commission hereby finds if and when owner satisfactorily complies with the conditions of this minute order, the surplus easement is no longer needed for a state highway purpose and recommends, subject to approval by the attorney general, that the Governor of Texas execute a proper instrument conveying all of the state's rights and interest in the surplus easement to owner in exchange and as full consideration for the conveyance of the new easement to the state.

Note: Exhibits A and B on file with minute order clerk.

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

110683
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 limit on one segment of the state highway system, previously established by the commission by minute order and listed in Exhibit C, is no longer necessary or has been incorporated by the city which has the authority to set the speed limit on this section of the highway.

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

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

Note: Exhibits A through C on file with minute order clerk.

ITEM 13. Executive Session Pursuant to Government Code, Chapter 551

a. Section 551.071 - Consultation with and advice from legal counsel

b. Section 551.072 - Discussion of real property purchase, exchange, lease, donations

c. Section 551.074 - Discuss the evaluation, designation, reassignment, and duties of department personnel, including district engineers, division directors, and office directors.

The commission did not meet in executive session.

OPEN COMMENT PERIOD - The commission did not receive comments.

Commissioner Houghton made a motion, seconded by Commissioner Andrade and the commissioners approved adjourning the meeting.

The regular meeting of the Texas Transportation Commission adjourned at 2:42 p.m.

APPROVED:

Ric Williamson, Chair
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 August 24, 2006, in Austin, Texas.

Dee Hernandez, Chief Minute Clerk
Texas Department of Transportation