

TEXAS TRANSPORTATION COMMISSION

SMITH County

MINUTE ORDER

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TYLER District

In accordance with Title 43 Texas Administrative Code, Section 6.23, the Duck Creek Water Supply Corporation (corporation) has submitted an application for a loan from the State Infrastructure Bank (SIB). The loan will pay for utility adjustments made necessary by the expansion of US 69 from a two-lane to a four-lane divided highway from the Sabine River to north of FM 1804.

On June 27, 2005, the corporation passed a resolution authorizing submission of an application to the SIB. This resolution indicates the official written approval of the project by the governing body of the corporation.

The corporation has represented that the loan will be secured by its utility systems 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 US 69 project is listed in the 2004-2006 Statewide Transportation Improvement Program and is consistent with the Texas Transportation Plan. The project will improve safety and efficiency of the state's transportation system.

Section 350 of the National Highway System Designation Act of 1995 (Public Law No. 104-59) authorizes states to establish a SIB for the purpose of making loans and providing other financial assistance to public and private entities, to 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 result in the reduction of burdens and demands on the limited funds available to the Texas Transportation Commission (commission) and an increase in the effectiveness and efficiency of the department by allowing the SIB to provide financial assistance to eligible transportation projects.

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

NOW, THEREFORE, IT IS DETERMINED that the application for SIB financial assistance submitted by the Duck Creek Water Supply Corporation 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 \$583,000 from the State Infrastructure Bank, and directs the executive director to implement the actions authorized and required by that section.

Submitted and reviewed by:

JAMES M. BASS

Chief Financial Officer

Recommended by:

M.W. Behrens

Executive Director

110238 SEP 29 05

Minute Date
Number Passed