

TEXAS DEPARTMENT OF TRANSPORTATION  
COMMISSION MEETING

Wednesday, May 4, 2005  
Commission Room  
Dewitt Greer Building  
125 East 11th Street  
Austin, Texas 78701-2483

COMMISSION MEMBERS:

Ric Williamson, Chairman  
Robert L. Nichols  
Ted Houghton, Jr.  
Hope Andrade

STAFF:

Michael W. Behrens, Executive Director  
Steve Simmons, Deputy Executive Director  
Richard Monroe, General Counsel  
Dee Hernandez, Chief Minute Clerk

I N D E X

AGENDA ITEM	PAGE
<b>CONVENE MEETING</b>	3
Approve the readoption of the Master Resolution and Supplemental Resolutions and other related documents establishing and relating to the financing of the Texas Mobility Fund Revenue Financing Program, and approve the filing of an amended application with the Bond Review Board for approval of the issuance of obligations secured by the Texas Mobility Fund for the purpose of financing costs of authorized transportation projects (MO)	3
<b>ADJOURN</b>	15

P R O C E E D I N G S

1  
2 MR. WILLIAMSON: Good morning. It is 11:04  
3 a.m. and I call the May 4, 2005, meeting of the Texas  
4 Transportation Commission to order. Please note for the  
5 record that public notice of this meeting, containing the  
6 item on the agenda, was filed with the Office of Secretary  
7 of State at 4:06 p.m. on April 26, 2005.

8 Let me remind everyone that if you wish to  
9 address the Commission on today's agenda item, please  
10 complete a yellow speaker's card that you may locate at  
11 the registration table out in the lobby. Also, we won't  
12 go through an elaborate procedure, but if you would take a  
13 moment to turn off your pager and cell phone or put them  
14 on silent mode, so that we won't be disrupted by that  
15 irritant.

16 Mike?

17 MR. BEHRENS: Thank you, Chairman. We have one  
18 agenda item for this meeting this morning, and that will  
19 be concerning the issuance of bonds through our Texas  
20 Mobility Fund program. I will ask James Bass to come  
21 forward and present.

22 Oh, John Munoz, I am sorry. John?

23 MR. MUNOZ: For the record, my name is John  
24 Munoz. I am the deputy director of the Finance Division.  
25 This minute order authorizes the establishment of the

1 Texas Mobility Fund financing program through the  
2 readoption of the Master Resolution, Supplemental  
3 Resolutions and other documents governing and relating to  
4 the issuance of obligations for authorized purposes of the  
5 Texas Mobility Fund.

6 This minute order re-approves those documents  
7 and authorizes the Department to execute necessary  
8 ancillary documents and take necessary steps to effect  
9 implementation of the Texas Mobility Fund revenue  
10 financing program, including authorization to execute and  
11 deliver obligations for authorized purposes of the Texas  
12 Mobility Fund. This minute order also authorizes the  
13 filing of an application with the Bond Review Board to  
14 approve the issuance of Texas Mobility Fund bonds and  
15 other obligations in an amount not to exceed \$4 million.

16 Staff recommends your approval. And I will be  
17 glad to answer any questions you may have.

18 MR. WILLIAMSON: Members, you have heard the  
19 information presented. Do we have questions for John?

20 MR. HOUGHTON: This restores the construction  
21 projects that were previously delayed?

22 MR. WILLIAMSON: Amadeo?

23 MR. SAENZ: Good morning, Commissioners. For  
24 the record, I'm Amadeo Saenz, assistant executive director  
25 for Engineering Operations. This action that you take

1 today and then of course, the action that will happen  
2 tomorrow by the Bond Review Board, if we are able to go  
3 out and issue the bonds, then we will be able to go back  
4 and catch up the project.

5 So our plan probably will be that we delayed  
6 projects in April, and we delayed projects in May. In  
7 June, we may be able to catch up with the portion of the  
8 April projects, or all of the April projects. That maybe  
9 in July we'll be able to include also the May projects  
10 that were delayed. And of course, August, we'll have a  
11 normal letting.

12 MR. WILLIAMSON: So the answer to the question  
13 is, all the projects will be restored. But inevitably  
14 when you delay your project letting by 60 or 90 days, you  
15 delay your project beginning and your project conclusion.

16 MR. SAENZ: Yes, sir.

17 MR. WILLIAMSON: So we'll be 60 to 90 days  
18 behind where we would have been otherwise, but with the  
19 same number of projects that we anticipated over the next  
20 however many years this lasts.

21 MR. SAENZ: Yes, sir.

22 MR. WILLIAMSON: Does that answer your  
23 question, Ted?

24 MR. HOUGHTON: That answers my question.

25 MR. WILLIAMSON: Any more for Amadeo, Ted?

1 MR. HOUGHTON: No.

2 MR. WILLIAMSON: Hope? A question for Amadeo?

3 (No response.)

4 MR. WILLIAMSON: Questions for any member of  
5 the staff or John?

6 (No response.)

7 MR. WILLIAMSON: Comments?

8 MR. HOUGHTON: What was the original bond  
9 authorization that we are now amending? What was the  
10 amount of it?

11 MR. MUNOZ: The amount was an amount not to  
12 exceed \$1 billion.

13 MR. HOUGHTON: And now it is \$4 million?

14 MR. MUNOZ: \$4 billion.

15 MR. HOUGHTON: \$4 billion.

16 MR. MUNOZ: Yes.

17 MR. HOUGHTON: That last, the previous was \$1  
18 billion?

19 MR. MUNOZ: Yes, sir.

20 MR. HOUGHTON: Thank you.

21 MR. WILLIAMSON: I am going to have a comment,  
22 but I am keeping it open. Any other comments? Any other  
23 questions?

24 MR. NICHOLS: Well, the comment that I was  
25 going to make was that -- it was not just a question, it

1 is just a comment -- is that if this is approved, which I  
2 certainly hope it is, by the Bond Review Board, that it  
3 will answer the vision that was seen by the Legislature  
4 and the Governor when they approved the Texas Mobility  
5 Fund four years ago, and funded it two years ago, in that  
6 it will be an incredible injection of infrastructure  
7 rapidly put to work throughout the state to help relieve  
8 congestion, which a lot of communities have worked and  
9 pushed for.

10 And by locking in 4 billion, or up to 4  
11 billion, it sends a strong message out to the people of  
12 the state that the intention is to get the job done. It  
13 is very positive.

14 MR. WILLIAMSON: Amadeo, are you still here?  
15 If I may speak to him a moment.

16 If the Department moves forward with issuing  
17 the entire -- or asking the Bond Review Board to issue the  
18 entire 4 billion, and the entire 4 billion is issued, and  
19 if the Department allocates its unallocated Fund 6 cash  
20 and other sources of cash that might be available to it,  
21 and if the eight metro areas fully meet their local  
22 leverage projections as reflected in our strategic plan,  
23 over the next ten years approximately how many dollars  
24 total will be invested in capacity expansion in our state?

25 MR. SAENZ: Over the next ten years,

1 we just -- for the record, I am Amadeo Saenz again. We  
2 just adopted last November, you all adopted or you all  
3 approved the Unified Transportation Program for 2005.

4 And that was the first program that  
5 incorporated the leverage effect of being able to use the  
6 new tools of 3588. We were able to use \$6 billion of Fund  
7 6 money, leverage it with an additional 4 or \$5 billion of  
8 money coming in from other sources; mobility funds, tolls,  
9 to be able to let about \$12 billion worth of projects over  
10 that ten-year period, and mobility projects only.

11 MR. WILLIAMSON: So this would be projects that  
12 mostly if not completely would expand capacity or improve  
13 throughput?

14 MR. SAENZ: Yes, sir.

15 MR. WILLIAMSON: And how much, how does that  
16 compare to the last ten years, would you estimate?

17 MR. SAENZ: Over the last ten years, we have  
18 been able to do about 5- to \$6 billion over that ten-year  
19 period.

20 MR. WILLIAMSON: For capacity?

21 MR. SAENZ: Yes, sir.

22 MR. WILLIAMSON: So we are going to better than  
23 double in the next ten years what we have done in the last  
24 ten years?

25 MR. SAENZ: Yes, sir. And part of the program,

1 the eight metro MPOs were still working on some of the,  
2 what I would call, the rollover effect. Of being able to  
3 now incorporate some of these projects and then take  
4 advantage of better numbers to determine how much more  
5 they could leverage from tolls that are generated from  
6 those projects.

7 I would expect that over that same ten-year  
8 period, those numbers are going to increase. We'll be  
9 able to see a lot of that, as we go through this year's  
10 cycle of the STP.

11 MR. WILLIAMSON: You brought up the matter of  
12 tolls. We have recently received a letter from one of the  
13 Bond Review Board members asking us to clarify our  
14 position on communities adopting toll projects to access  
15 the mobility fund.

16 We have responded to that letter, and it is a  
17 matter of record now. But just for the record of this  
18 meeting, did this Commission, or did any of its employees,  
19 ever tell a local official the only way that you can  
20 access mobility funds is to have a toll road?

21 MR. SAENZ: To my knowledge, sir, no.

22 MR. WILLIAMSON: It was always the past habit  
23 of the relationship between local government and state  
24 government was the more you generate locally, the more the  
25 State will be willing to invest in your local plan?

1 MR. SAENZ: Yes. And of course, the strategic  
2 plan that the Commission adopted for the use of the  
3 Mobility Fund put in their guiding principles that we  
4 wanted to be able to leverage that Mobility Fund through  
5 other sources of money, be it local money, be it through  
6 public transportation projects, or be it through tolling.

7 Because that will allow you to bring in an additional  
8 funding source on future projects.

9 MR. WILLIAMSON: So just so we are clear to the  
10 citizens of, example, Cameron County, when this statewide  
11 official presumes that the strategic direction we took  
12 here somehow forced communities into doing things that  
13 they didn't want to do.

14 The citizens of Cameron County know that, for  
15 20 years, they couldn't find the money at the local level  
16 to access any share of mobility funds or strategic  
17 priority funds until House Bill 3588 was passed. And the  
18 Mobility Fund strategic plan adopted -- for the first time  
19 put them on the same-level playing field as the more cash-  
20 wealthy communities in the State.

21 MR. SAENZ: That is correct.

22 MR. WILLIAMSON: And every community was given  
23 the opportunity to leverage their projects any way they  
24 chose, including the use of commuter rail proposals?

25 MR. SAENZ: That is included in our strategic

1 plan and that was very well communicated to all the  
2 communities out there.

3 MR. WILLIAMSON: Thank you, Mr. Saenz.

4 Any other questions for Mr. Saenz, members?

5 MR. NICHOLS: Just for clarification on the  
6 record. When you use dollars referring to expansion  
7 money, as I understand it, the way we do the categories,  
8 it normally is strictly construction dollars?

9 MR. SAENZ: That is correct.

10 MR. NICHOLS: In addition to that, there are  
11 other dollars that are spent for expansion related to  
12 right of way acquisition and planning.

13 MR. SAENZ: Yes. We track those separate. We  
14 keep a percentage of it.

15 MR. NICHOLS: Somebody reading this record, I  
16 just want to make sure they understand that there are  
17 other dollars.

18 MR. SAENZ: Those are just construction dollars  
19 that I just mentioned. Yes, sir.

20 MR. WILLIAMSON: Okay. Members, you have heard  
21 the information, you have heard John's proposal.

22 John, did you say you had a recommendation? I  
23 missed that. Or did you make that recommendation?

24 MR. MUNOZ: Yes. The staff recommends your  
25 approval.

1 MR. WILLIAMSON: Oh, excuse me. We do have a  
2 witness. Hang on a second, John.

3 Ron Whitlock. Ron?

4 MR. WHITLOCK: Good morning, Chairman.

5 MR. WILLIAMSON: How are you?

6 MR. WHITLOCK: I am fine.

7 MR. WILLIAMSON: Good to see you.

8 MR. WHITLOCK: Ron Whitlock with Valley  
9 Newsline, which is on the worldwide web as a webcast, and  
10 also on KRGV television on a Sunday morning. We have  
11 visited with all of the Commission other than new  
12 Commissioners Andrade and Commissioner Houghton, Houghton  
13 from the Border and Andrade from San Antonio.  
14 Informationally, I will just tell you what we have had on  
15 our webcast and television program, so you have the  
16 information.

17 If you would like to review that information  
18 and then contact us for an interview, we are going to be  
19 talking to Chairman Williamson at the end of this meeting.  
20 And if you want to join us at that time, we'll be more  
21 than happy to do that or at a later time, if you would  
22 rather your staff look at the information.

23 The information is this. President Fox's  
24 Secretary of Foreign Affairs Derbez on the program two  
25 weeks ago, called the Valley the cornerstone of business

1 between Mexico and Texas, the United States. He is very  
2 concerned about the Valley infrastructure being completed,  
3 especially realizing, as he admitted, that Mexico City  
4 seems to know very little about the Valley.

5 On our side, Austin and Washington, D.C.,  
6 sometimes knows very little about the economic dynamics of  
7 South Texas and the Valley. So Secretary Derbez,  
8 Lieutenant Governor Dewhurst and Governor Perry were on  
9 that program talking about this issue.

10 Both the Lieutenant Governor and the Governor  
11 on the program were talking about desiring for the issue  
12 before you today to get taken care of and completed, which  
13 hopefully, it will occur on the part of some people. Some  
14 people want it one way; some do not.

15 Additionally, finally, the House Speaker from  
16 Tamaulipas, Amira Gricelda Gomez Tueme and the Secretary  
17 General Enrique Garza Tamez both commented that they see  
18 it as very important that I-69 and the infrastructure on  
19 this side, and the two bridges, Anzalduas and Progreso, be  
20 opened so the highway infrastructure to -- let this --  
21 flow through can occur.

22 If I have any questions, or if you want to  
23 respond now to this, we are taping in an hour. Or if you  
24 want to join us with the Chairman later, we will tape you  
25 on whenever you want to do that. The question will be,

1 does the Commission continue to see the Valley as  
2 important to get I-69 completed for the reasons that  
3 Mexico is seeing, and the Governor is continuing to push  
4 for.

5 And all of you has commented on that the Valley  
6 is critically important to get completed. It is obvious  
7 by the constructions going on along the highways in South  
8 Texas, even though it is the last remaining area without  
9 an interstate highway system completed. Thank you,  
10 Chairman.

11 MR. WILLIAMSON: Thank you, sir.

12 Now John, you had a recommendation?

13 MR. MUNOZ: Yes. Staff recommends your  
14 approval of this minute order.

15 MR. WILLIAMSON: Members, you heard the  
16 recommendation.

17 MR. NICHOLS: I so move.

18 MR. HOUGHTON: And I second.

19 MR. WILLIAMSON: I have a motion and a second.  
20 All those in favor of the motion will signify by saying  
21 aye.

22 (Chorus of ayes.)

23 MR. WILLIAMSON: All opposed, no.

24 (No response.)

25 MR. WILLIAMSON: The motion carries.

1 MR. MUNOZ: Thank you.

2 MR. WILLIAMSON: Thank you. Thank you,  
3 members. And there being no other business to come before  
4 the Commission, I will entertain the most privileged  
5 motion.

6 MR. HOUGHTON: So moved.

7 MR. ANDRADE: Second.

8 MR. WILLIAMSON: I have a motion and a second.

9 All those in favor of the motion to adjourn, will signify  
10 by saying aye.

11 (Chorus of ayes.)

12 MR. WILLIAMSON: All opposed, no.

13 (No response.)

14 MR. WILLIAMSON: The motion carries. Please  
15 note for the record that it is 11:20 a.m. and this meeting  
16 stands adjourned.

17 (Whereupon, the meeting was concluded.)

C E R T I F I C A T E

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22

MEETING OF: Texas Transportation Commission  
LOCATION: Austin, Texas  
DATE: May 4, 2005

I do hereby certify that the foregoing pages,  
numbers 1 through 16 inclusive, are the true, accurate,  
and complete transcript prepared from the verbal recording  
made by electronic recording by Penny Bynum before the  
Texas Department of Transportation.

\_\_\_\_\_  
(Transcriber) 5/03/2005  
(Date)

On the Record Reporting, Inc.  
3307 Northland, Suite 315  
Austin, Texas 78731