

Central Texas Turnpike System 2002 Project*

Monthly Activity Report

Period Ending
January 31, 2004

SH 45N/Loop 1 - Watch it Happen



From Ben White to U.S. 290, IH 35 has seen its fair share of roadway construction over the past few years. Now IH 35 is undergoing further changes in Round Rock with construction of the proposed SH 45N/IH 35 Interchange. The new interchange is one of three major interchanges being built as part of the SH 45N and Loop 1 elements of the Central Texas Turnpike 2002 Project (2002 Project). In the 11 months since construction began, significant progress has been made toward opening the SH 45N and Loop 1 elements of the 2002 Project to traffic by the end of 2007.

Most of the construction activity to date on the Loop 1 and SH 45N elements has occurred in Sections 1, 2, 3 and 4 (see map on page 2). The first two sections consist of a six-lane divided roadway with frontage roads for a 3-mile stretch

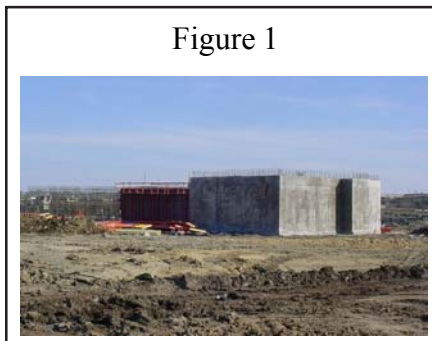


Figure 1

extending existing Loop 1 from Parmer Lane to SH 45N. Section 3 is a multi-level interchange at SH 45N and the Loop 1 extension. Section 4 is the \$100 million, multi-level exchange for SH 45N at IH 35. The contractors for Sections 1 through 3, performing on a compressed work schedule, have begun placing the foundation basement and constructing the mechanically-stabilized earth walls for the toll plaza building located to the south of the SH 45N/Loop 1 interchange (see Figure 1). Many of the columns and support structures, including beams, have already been constructed (see Figure 2). Section 4 construction is slightly ahead of schedule, and, if the designated incentive date is reached, the contractor will receive a "no excuse bonus" in the amount of \$1.7 million. Sufficient funds are available



Figure 2

from the proceeds of the Series 2002 Obligations to accommodate such a bonus. Construction activities in Section 4 can be seen from the IH 35 interchange west toward McNeil Road (see Figure 3).

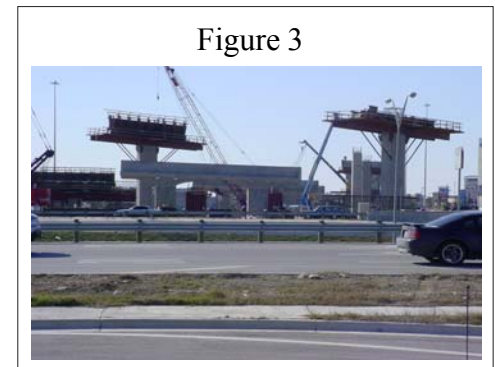


Figure 3

Sections 5 and 6 are located to the east of IH 35 and extend SH 45N from Section 4 to the future SH 130. This 3-mile portion of the project includes a tolling facility and a four-lane roadway with limited frontage roads.

(cont'd on page 2)



*This report is for the Central Texas Turnpike Project (2002 Project). For more complete information on the CTP-2002 Project, refer to the Official Statement or the latest quarterly report (www.texas tollways.com). Information is also available from the State Information Depository and the Nationally Recognized Municipal Securities Information Repositories. No financial decision should be made based solely upon this report. TxDOT Austin District Public Information Office: 512-832-7060.

SH 45N/Loop 1 Project Status

The SH 45N/Loop 1 element of the 2002 Project consists of eight sections. Section 9 is included in this report because it is an integral component of the CTPP; however, Section 9 is not part of the 2002 Project and is not being funded from proceeds of the Series 2002 Obligations.

Project Construction and Schedule

Zachry Construction Corp./Gilbert Texas Construction continues with mass excavation, underground utilities, drilled shafts and toll building construction in the first phases of construction for Sections 1 & 2 (Loop 1). The company also continues with sub-structure construction, pre-stressed concrete beam and structural steel erection in Section 3 (SH 45N/Loop 1 interchange). Archer-Western Contractors continues construction of Section 4 (SH 45N/ IH 35 interchange) with underground utilities, drilled shafts, footings, columns and cap work both east and west of IH 35 and plans to erect pre-stressed concrete beams in February. Granite Construction Co. and J. D. Abrams, L.P. continue construction in Phase 1 of Section 7 and have started construction of earthwork, retaining walls and bridges on the east end of the project. Austin Bridge & Road, L.P., the contractor for Section 8 (FM 620 & U.S. 183) continues working on utility relocation, mass excavation, drilled shafts and concrete footings. Zachry Construction Corporation is scheduled to begin construction of Section 9 (U.S. 183 - north of Section 8) in February 2004 and on Section 5 - a \$37.6 million project from A.W. Grimes Blvd. east to Donnell Dr. - in April 2004.

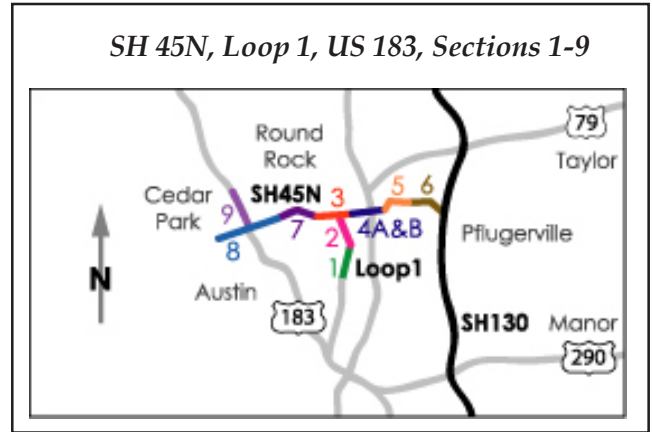


Table 1
SH 45N/Loop 1 Construction Status

| Section | Under Construction | Bid Open | Project Award | Construction Start | Construction Finish |
|---------|--------------------|----------|---------------|--------------------|---------------------|
| 1 & 2 | Yes | 6/03 | 6/03 | 8/03 | 1/07 |
| 3 | Yes | 10/02 | 1/03 | 2/03 | 9/06 |
| 4A & 4B | Yes | 5/03 | 5/03 | 7/03 | 1/07 |
| 5 | No | 1/04 | 1/04 | 4/04 | 4/06 |
| 6 | No | 3/04 | N/A | 6/04 | 9/07 |
| 7 | Yes | 8/03 | 8/03 | 11/03 | 9/06 |
| 8 | Yes | 9/03 | 9/03 | 12/03 | 7/07 |
| 9 | No | 11/03 | 11/03 | 2/04 | 5/06 |

("SH 45N/Loop 1 - Watch it Happen" cont'd from page 1)

The construction contract for Section 5 was awarded in January. Section 6 is scheduled to let in March 2004 with construction scheduled to begin in June 2004.

Sections 7 and 8 extend east from Ridgeline Blvd. (just west of U.S. 183 at FM 620) to the western terminus of Section 3. With Sections 3, 4, 5 and 6, Sections 7 and 8 complete the 13-mile SH 45N corridor. The contractors for Section 7 are on schedule to meet the September 2006 completion date. Section 8 includes the multi-level interchange at SH 45N and U.S. 183. The contractor for Section 8 has begun constructing the drilled shaft foundations for the westbound and northbound direct connector ramps of the interchange at SH 45N and U.S. 183.

Section 9 extends north along U.S. 183 and is scheduled to begin construction in February 2004. While not a part of the 2002 Project, Section 9 is a critical part of the overall system.

The Loop 1 and SH 45N elements of the 2002 Project are currently 25% complete after just 11 months of construction and are on target to meet the scheduled open-to-traffic dates of September and December 2007. From Cedar Park to Round Rock, construction of the nine roadway sections that comprise the Loop 1 and SH 45N elements will bring much-needed relief to Austin's overcrowded road network.

Design and Right of Way Acquisition

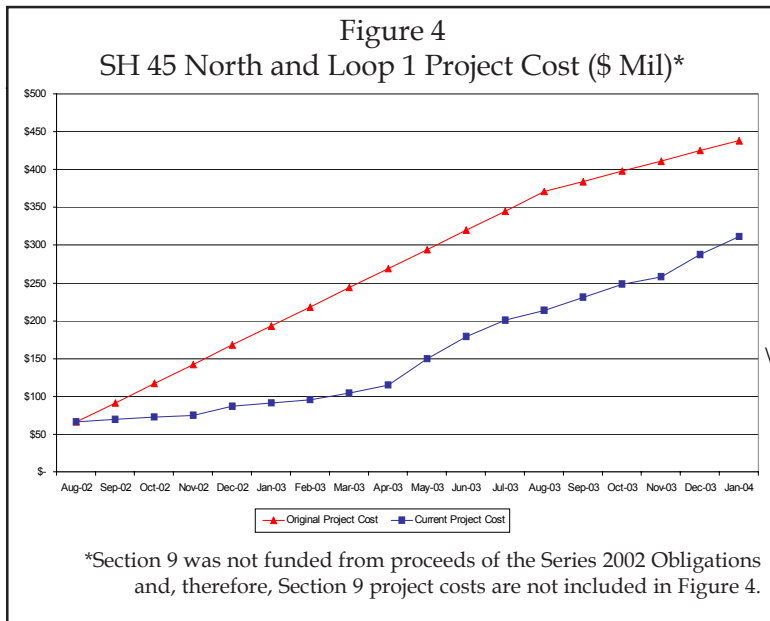
These activities are complete for the SH 45N/Loop 1 elements of the 2002 Project. Right of way costs were under the original estimated cost. Table 2 summarizes the status of SH 45N/Loop 1 utility adjustment activities.

Table 2
SH 45N/Loop 1 Utility Adjustments

| Section | Required Adjustments | Adjustments Complete | Completion Date |
|---------|----------------------|----------------------|-----------------|
| 1 & 2 | 10 | 6 | July '04 |
| 3 | 10 | 10 | Complete |
| 4 | 11 | 11 | Complete |
| 5 | 7 | 1 | April '04 |
| 6 | 2 | 0 | April '04 |
| 7 | 5 | 5 | Complete |
| 8 | 7 | 0 | October '04 |
| 9 | 3 | 1 | March '04 |

Contract Financial Status

Payments in the amount of \$311,108,279 (does not include Section 9 costs) have been made since the Series 2002 Obligations were issued in August 2002. This represents 28% of the total SH 45N and Loop 1 estimated project costs. Currently, expenditures are related to all sections in the final design, right of way acquisition and utility adjustment stages. Expenditures related to construction are incurred by the SH 45N/Loop 1 Interchange project (Section 3), IH-35/SH 45N Interchange (Section 4), Loop 1 extension project (Sections 1 and 2), and the SH 45N (Section 7) project. See Figure 4 for project costs.



Environmental

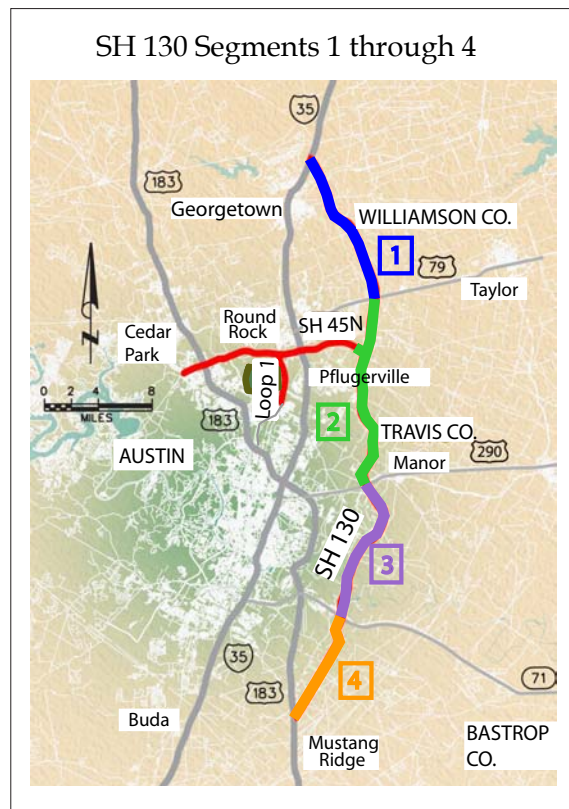
All environmental clearances have been obtained for Sections 1 through 9. The Section 9 Water Pollution Abatement Plan (WPAP) was approved in late December. During January, consultation involving the discovery of caves in Section 3 continued with the U.S. Fish and Wildlife Service (USFWS). Discussions continued through the month between TxDOT representatives and USFWS personnel regarding mitigation for the additional incidental take of endangered species that occurred in June and July, 2003. As consultation progresses, mitigation strategies will be determined. No construction time has been lost.

SH 130 Project Status

Construction

In Segments 1 (Sections 1-4) and 2 (Sections 5-10), plans for eight of the 10 Sections have been released, with the latest release being Section 9. Possession and Use Agreements were concluded on several key parcels, including major cut and fill areas in Sections 7 and 9. Construction, right of way, and environmental staff have been touring these parcels to identify appropriate runoff control needs for clearing operations.

Preparation of right of way continues in Sections 7 and 8. Headers at Berry and Dry Berry Creeks in Section 1 are nearing completion. In Section 1, embankment preparation continues in the median area and along the frontage roads. Ramp construction continues northbound between SH 195 and FM 972, and LSI, the Developer, has completed bores under the roadway for installation of stormwater lines. In Section 5, excavation of Channel Creek continues near U.S. 79. The excavated material is being used to construct a new northbound header on the south side of the U.S. 79 interchange. Header banks are also being completed in Section 7. Construction of stormwater facilities has begun in Section 7 near Pflugerville with installation of concrete pipe and drainage swales. LSI continues to install and monitor stormwater pollution prevention devices.



Bridge construction is well under way in Sections 1 and 6. The Dry Berry Creek Bridge is being partially demolished

(cont'd. on page 4)

*(cont'd from page 3)***SH 130 Construction**

to allow for widening of the structure. Crews have been working on the breakback and installing the drilled shafts and columns to support the new superstructure. Construction activities on the interchange with SH 45 have begun near the intersection of Wilke Lane and FM 685. Crews have been installing the drilled shafts and footings for two major direct connector structures in the area.

Mud removal and reshaping work at the Texas Industries (TXI) site near FM 973 (Segment 3) continued through January and were completed in the north pit (see Figure 5). Preparations were initiated in an area east of the north pit for use as a borrow source for embankment construction. Grading of overburden in the previously mined areas of the site will facilitate access for large



*Figure 5
Mud Removal in the North Pit near FM 973*

construction equipment. A geotechnical report assessing suitability of unconsolidated piles of overburden in the middle pit was reviewed by the developer's Design Quality Assurance Firm (DQAF). The report recommended removal of all soils within the roadway embankment area to a point 3 feet above a measured water table. Groundwater monitoring wells are in place. DQAF comments on the report recommendations are in review. Section 12 Released for Construction Plans have been distributed and embankment construction is expected to begin in February.

Geotechnical

Subsurface exploration, sampling, and draft reports for bridge structures for SH 130 are approximately 90 percent complete. The review process for bridge reports by LSI, the DQAF, and the Turnpike Team is approximately 52 percent complete. Subsurface exploration and sampling

continues for retaining walls, sign structures, bridge class culverts, and toll buildings. Reports will be issued for each of SH 130's 15 sections. Upon completion of the field elevation surveys, these section reports, as completed, will be submitted to the DQAF as part of the formal review process.

Pavement design reports present the results of field investigations, laboratory testing, and pavement thickness designs. The Turnpike Team has completed initial pavement report reviews for a special investigation along one segment of FM 685, and for Sections 1, 2, 3, 5, 6, 7, 8, 9, 11 and 12. These reports are being finalized.

Geotechnical materials reports address material suitability, potential settlements, slope stability, and related technical issues. The Turnpike Team has reviewed geotechnical materials reports for Segments 1, 2, and 3, and revisions are in progress to address review comments. A special investigative report for one area of the TXI quarry area has been finalized.

Environmental

Archeologists, with oversight from a board-certified mortician, exhumed remains from a grave discovered near the crossing of SH 130 and Moore Road in southeast Travis County. The gravesite is estimated to date from the late 1800's. Two families have come forward indicating that the remains may be that of an ancestor. DNA testing is being conducted. If a DNA match is made, the remains will be reinterred at a cemetery of the family's choice. If no match is made, the remains will be reinterred at a cemetery approved by the Texas Attorney General's office. The gravesite was identified in preliminary surveys and reinterment does not impact the project schedule or contract costs. The project received Texas Historical Commission concurrence that several recently identified structures are not historic structures. The Construction Monitoring Plan (CMP) was finalized in January, setting out the construction monitoring protocol for environmental compliance. An environmental "walk-thru" for parcels 182-186 (south of Gregg Manor Road, Section 9) was conducted. The environmental "walk-thru" brings together environmental and construction expertise to identify and discuss issues associated with a particular parcel(s). Efforts to minimize impacts to the environment during construction are formalized during the environmental walk-thru. Fourteen Environmental Site Assessments (ESAs) were submitted in January. Eighteen ESAs were approved in January. There are 52 ESAs in the review/comment stage. Completion of the ESA process for land acquisition is on schedule.

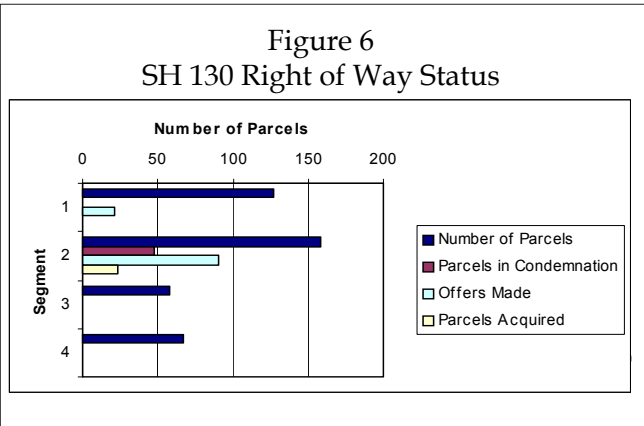
Right of Way

Segment 1 (127 parcels) - All of the 127 ROW surveys have been initiated and 84 have been completed. Appraisals are complete for 69 parcels, 7 appraisals are in review, and 35 are in progress. Forty-seven acquisition packages have been submitted to TxDOT and twenty-one offers have been made. Two Possession and Use Agreements (PUA) were obtained.

Segment 2 (158 parcels) - ROW surveys are in progress for all 158 parcels; 116 are complete. Appraisals are complete for 104 parcels, 1 appraisal is in review, and 35 are in progress. Of the 107 acquisition packages completed, TxDOT has approved 99. Ninety offers have been made. Closing is complete on 23 parcels and a Notice of Deposit is complete for 3 parcels. Twenty three PUA's were obtained. Forty-eight parcels are in condemnation.

Segments 3 and 4 - For all of the 58 parcels in Segment 3 and 67 parcels in Segment 4, ROW surveys have been initiated and 4 (Segment 3) are complete.

A total of 550 acres are available for construction (36 parcels).



Roadway Design

At the end of January, grading and drainage plans for eight Sections had been issued as released for construction (RFC), representing approximately 26 miles of the project. These sections include the major

| SH 130 Design Completion | |
|--------------------------|-------|
| Segment 1 | - 64% |
| Segment 2 | - 74% |
| Segment 3 | - 64% |
| Segment 4 | - 47% |

interchanges of SH 195/IH-35, SH 29, U.S 79 and SH 45N. Additional work in January included: notice of design change

(NDC) review for Sections 1, 2, 5, 7 and 8; completion and signing of FEMA applications for Tributary to Gilleland Creek at Blue Bluff and for Elm Creek at FM 969; and review and comment on the level of service (LOS) report for Segment 3. LSI continues to make progress on the completion of final roadway plans for all sections of the project. During February, LSI is expected to submit the Section 14 grading and drainage plans for review and comment. The RFC Section 3 grading and drainage plan is also expected in February. With the RFC of the Section 3 grading and drainage plan, the total length of project design that has been released for construction covers 29 miles of the project's 49-mile length for Segments 1 through 4.

Bridge Design

Table 3 presents a summary of bridge design work. Design is progressing on all bridges and is on schedule.

Table 3 - SH 130 Bridge Plan Review Status

| | Number of Bridges | Prelim. Layout Review Complete | Geometric Review Complete | 100% Plans Review Complete |
|-----------|-------------------|--------------------------------|---------------------------|----------------------------|
| Segment 1 | 34 | 29 | 11 | 2 |
| Segment 2 | 43 | 39 | 26 | 6 |
| Segment 3 | 20 | 20 | 10 | 0 |
| Segment 4 | 22 | 18 | 0 | 0 |
| Total | 119 | 106 | 47 | 8 |

Utilities

Through January 31, 2004, approvals have been finalized on 10 utility adjustment assemblies which total 33 adjustments. Six assemblies (46 adjustments) are in TxDOT/LSI review. Following is a summary of January approvals.

| Utility | # of Adjustments | Section |
|--------------------|------------------|---------|
| AT&T | 1 | 2 |
| Jonah Water | 5 | 2 |
| Chisholm Trail WSC | 5 | 1 |
| Manville WSC | 5 | 7/8 |
| LCRA | 1 | 8 |

Contract Financial Status

Progress payments in the amount of \$3,449,992 were approved in January. The total amount approved for payment to date reached \$158,743,125 which represents 16.3% of the current total contract price. Expenditures have been primarily related to mobilization, performance and payment bonds, insurance, design services, environmental activities, and right of way services. The maximum payment curve, established by the Developer (LSI), is shown in Figure 7 in comparison to the actual approved draw request amounts.

Contract Changes

LSI continues to evaluate potential cost, schedule, and maintenance impacts associated with TxDOT issued Request for Change Proposals (RCP) and two pending Value Engineering Proposals. A total of 35 RCP's have been issued for pricing to date. Final negotiations have occurred for 27 of the RCP's. Change Order Request Nos. 2, 3, and 4 have been prepared by LSI and submitted to TxDOT for execution. Change Order No. 1, in the amount of a \$13,543,576 credit and no time adjustment, was executed in July 2003. Table 4 summarizes the financial status of the SH 130 Project as of January 31, 2004.

Schedule

At the end of January, 392 calendar days have elapsed since the second notice-to-proceed (NTP2). This represents nearly 29 percent of the 1,360 days allowed to achieve substantial completion of Segment 2 (the first Segment to be completed) and approximately 22 percent of the 1,784 days allowed to achieve substantial completion of Segment 4 (the last to be completed). Evaluation of critical path activities this month indicates that the Project is on schedule.

Public Outreach

The public outreach staff began work on the next SH 130 quarterly newsletter, reviewing story ideas and initiating story research. Contact information for SH 130 construction site staff was compiled for inclusion in a package to be distributed to area emergency response personnel. Public outreach staff continue to work with construction and safety staff to review and assure timely posting of traffic advisories. Other activities include ongoing website updates and responding to public requests for information.

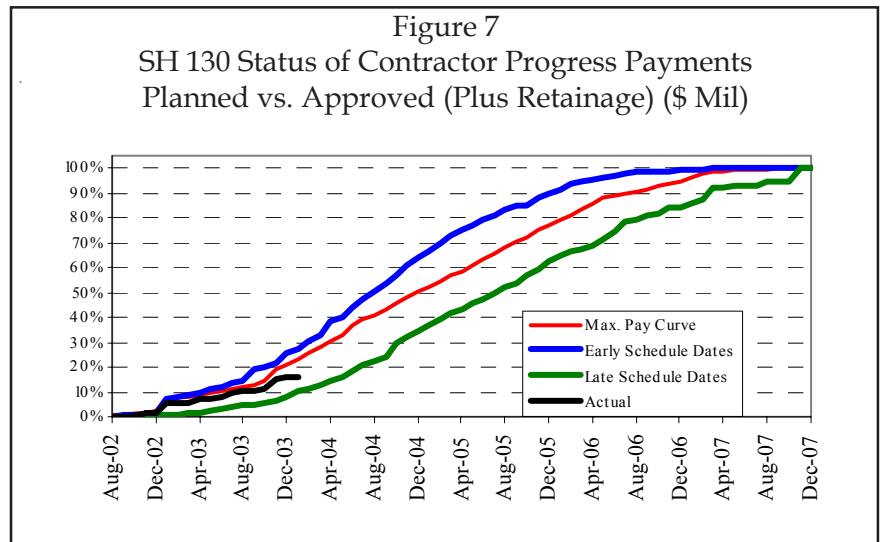


Table 4
SH 130 Contract Status – As of January 31, 2004

| | |
|--|-----------------|
| Original Contract Amount (NTP2 & NTP5) | \$1,306,554,920 |
| Authorized Amount (NTP1, NTP2 & NTP5) | \$ 986,321,577 |
| Authorized Changes | \$ (13,543,576) |
| Current Authorized Contract Amount | \$ 972,778,001 |
| Approved Payments (Plus Retainage) | \$ 158,743,125 |
| Amount Remaining | \$ 814,034,876 |
| Percent Dollars Expended | 16.3% |
| Percent Time Expended | 21.9% |

Turnpike Team

2002 Project Bond Oversight
 General Engineering Consultant: **PBS&J**

SH 130
 Program Manager: **HDR Engineering, Inc.**
 Developer: **Lone Star Infrastructure**

SH 45N & Loop 1
 Construction Manager: **PBS&J**
 Construction Contractors:
 Sections 1&2: **Zachry/Gilbert Constructors**
 Section 3: **Zachry/Gilbert Constructors**
 Section 4A&4B: **Archer-Western Constructors, Ltd.**
 Section 5: **Zachry Construction Corporation**
 Section 7: **Granite Construction & J.D. Abrams, L.P.**
 Section 8: **Austin Bridge & Road, L.P.**
 Section 9: **Zachry Construction Corporation**