

Central Texas Turnpike System 2002 Project*

Monthly Activity Report

Period Ending
February 29, 2004

SH 130 Utility Relocations - Clearing the Path

Addressing the placement, relocation, and/or adjustment of utilities is an integral part of preparations for roadway construction. The process involves consideration of existing facilities as well as future utility infrastructure to be located in the right of way. Utilities encompass a range of service providers affected by the SH 130 route—water and wastewater lines, power lines, telephone, cable, fuel pipelines, and fiber optic lines.

Each utility owner is contacted and presented with a preliminary plan for needed adjustments. Discussion includes the form of the Adjustment Agreement. In an “Owner-Managed” agreement, the utility owner has the responsibility for adjustment of its facilities to accommodate the developer’s construction schedule. Responsibilities include adjustment design, preparation of cost estimates, and management of the adjustment activity. The “Developer-Managed” agreement assigns these responsibilities to the SH 130 Project Developer, Lone Star Infrastructure (LSI).

In coordination with the Turnpike Team staff, a document referred to as a “Utility Adjustment Assembly” is prepared jointly by the utility owner and LSI. The assembly

incorporates the utility adjustment agreements (i.e., specific actions to be taken), design plans for the adjustment(s), cost estimates, and right of way maps). TxDOT approves the assemblies prior to their execution.



Subsurface utility work identifying crossings on SH 130



Electric transmission lines spanning SH 130 proposed ROW

Careful coordination and ongoing monitoring are necessary to assure that the utility adjustment process meets the needs of owners, their customers, and the Project. In situations involving major regional service providers, such as SBC or the City of Austin, coordination involves working not only with utility owners but also with state regulatory authorities.

Utility adjustment activities for SH 130—assessment, design, costing, approval, and execution—are proceeding rapidly. LSI is working with all 52 utility owners in the area, focusing on adjustments, such as those for large regional providers, that are most crucial to the SH 130 construction schedule.

Comparable activities are underway for the SH 45N/Loop 1 project, with expected completion by the fall of 2004 (See Table 2).



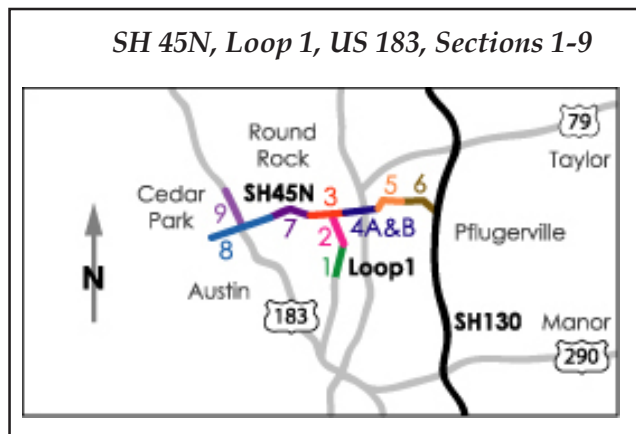
*This report is for the Central Texas Turnpike System (2002 Project). For more complete information on the CTTS-2002 Project, refer to the Official Statement or the latest quarterly report (www.texasollways.com). Information is also available from the State Information Depository and the Nationally Recognized 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

Wet weather in February slowed construction across the program. Zachry Construction Corp./Gilbert Texas Construction continues with underground utilities, drilled shafts and toll building construction for Sections 1 & 2 (Loop 1) and with sub-structure construction, pre-stress concrete beams and structural steel erection in Section 3 (SH 45N / Loop 1 interchange). The first bridge slab construction in Section 3 is scheduled for March. Archer Western Contractors continues construction of Section 4 (SH 45N / IH 35 interchange) with underground utilities, drilled shafts, footings, columns and cap work east and west of IH 35, along with setting pre-stress concrete beams. The setting of structural steel beams is scheduled for March. Granite Construction Co. and J.D. Abrams, L.P. continue



construction in Phase 1 of Section 7 on earthwork and bridges at the east end of the Section. Austin Bridge & Road, L.P., the contractor for Section 8 (RM 620 & U.S. 183), continues working on utility relocation items, mass excavation, drilled shafts and bridge sub-structure. Zachry Construction Corporation began construction of Section 9 (RM 620 & U.S. 183 north of Section 8) in February with clearing of the right of way and plans to begin construction on Section 5 (A.W. Grimes Blvd. east to Donnell Dr.) in May 2004. Section 6, from east of Section 5 to SH 130, is scheduled for March letting.

Table 1 shows the construction schedule for SH 45N/Loop 1. Table 2 provides a summary of utility adjustment activities.

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	5/04	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

Environmental

Emergency consultation with the U.S. Fish and Wildlife Service (USFWS) for additional take of the endangered Bone Cave harvestman during June and July 2003 concluded on February 27, 2004, when USFWS issued its emergency biological opinion. Originally, FHWA and TxDOT were credited with preserving a total of eight endangered species caves on 205 acres of dedicated land to compensate for one endangered species cave within the right of way and for five endangered species caves within 500 feet of the Project. FHWA and TxDOT partnered with the Williamson County Karst Foundation (WCKF) to acquire and manage five of the preserved caves on 175 acres of land in the Williamson County

Regional Park. This partnership enabled FHWA/TxDOT to avoid additional mitigation costs when Williamson County officials, on behalf of the transportation agencies, agreed to purchase a conservation easement on an additional 12-acre parcel in Georgetown, Texas, home to the endangered harvestman. This easement will be purchased with funds already deposited with the WCKF for impacts known prior to construction. USFWS has concluded that impacts of construction of SH 45 North will not jeopardize the continued existence of the Bone Cave harvestman. No construction time was lost during the emergency consultation process.

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 \$329,533,111 (does not include Section 9 costs) have been made since the Series 2002 Obligations were issued in August 2002. This represents 30% of the total SH 45N and Loop 1 estimated project costs. Currently, expenditures are related to all sections in the 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), the SH 45N (Section 7) project, and the SH 45N/U.S. 183 interchange (Section 8) project.



SH 45N Overpass at FM 1325

Design and Right of Way Acquisition

All parcels are available for construction for the SH 45N/Loop 1 elements of the 2002 Project. Right of way costs were under the original estimated cost. Design is complete.

SH 130 Project Status

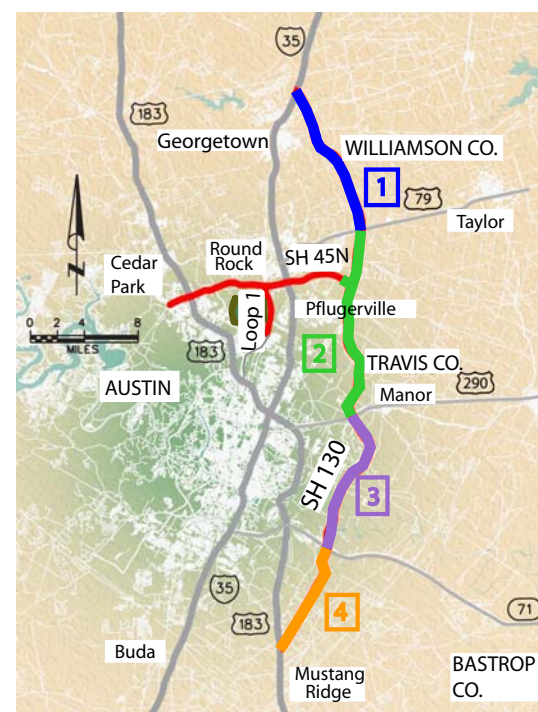
Environmental

On February 25, 2004, the Federal Highway Administration (FHWA) approved the Segment 3 (U.S. 290 to SH 71) Re-evaluation report of the Final Environmental Impact Statement (FEIS). The FHWA found that the design changes discussed in the re-evaluation did not rise to a level of significance beyond what was disclosed in the FEIS and the Record of Decision. Additional properties needed due to minor design changes that were not addressed in the FEIS are now cleared for acquisition. FHWA approved re-evaluation reports for Segment 1 and Segment 2 on October 28, 2003, and May 2, 2003, respectively. Development of the Segment 4 re-evaluation is in progress.

Resource agency submittals during February: to the Texas Historical Commission (THC), a Section 9 archeological pre-survey report and an archeological testing report for Site 41WM1010 along Brushy Creek; to the U.S. Army Corps of Engineers (Corps), Section 6 and 9 detailed design (pre-construction submittals) and a permit modification request for Sections 2, 5, 6, 8, and 9. The pre-construction submittals are required prior to commencing construction in any section. The permit modification request was made to accommodate minor impacts revealed during detailed design. Minor design revisions, requiring the permit modification request, are necessary to accommodate energy dissipaters and other “low-flow” culvert designs which serve to maintain stream dynamics and to prevent erosion.

In February eight new Environmental Site Assessments (ESA's) were submitted by LSI to the Turnpike Team environmental staff for review. Seven ESA's were approved by the Turnpike Team for inclusion in acquisition packages. An ESA is submitted with the acquisition package for every parcel. Acquisition of a parcel cannot proceed until the ESA is approved.

SH 130 Segments 1 through 4



Construction

Significant progress was made in February despite higher than normal rainfall. Work in Segments 1 & 2 increased as new work areas opened up for construction. In February, the total number of Sections with significant activity increased to 6 of the 10 Sections. Significant progress was made in Segment 1 and 2 utility relocations. Several utility packages were released with work to be performed in advance of the original schedule – relocation of fiber optics along IH-35, waterline relocations at FM 972, and various county road crossings.

Section 1 Phase I embankment work on IH-35 is nearing completion with sub-base and base courses being installed. The ramp construction between SH 195 and FM 972 should be completed in the coming months. The Developer also continues stormsewer construction in Section 1. A new 10' x 7' concrete box culvert is being installed on the southbound frontage road of IH-35 near SH 195. Abutment drilled shafts were installed at the



10' x 7' stormwater control culvert

Berry and Dry Berry Creek headers. Stormsewer construction also continues in other areas of Sections 1, 7, and 8. Embankment construction is underway in Sections 7 and 8, and the Developer has started right of way preparations in Section 9

Bridge construction continues in Sections 1 and 6. The Dry Berry Creek bridge demolition has been completed.



Column face aesthetics at the SH 45 direct connector

Columns are being placed on the Dry Berry Creek Bridge. The new interchange with SH 45N has seen major progress. Drilled shafts and footings are nearly complete for bridges 51 and 52. Columns are going up, displaying a new form liner finish that simulates the appearance of Ashlar stone.

Work continued in Segment 3, Section 12 at the Texas Industries (TXI) material site off FM 973, although heavy rains slowed mud removal and pit reshaping activities. Vegetation clearing was completed on the west side of the north pit. A pit to the east of the site's north pit is being developed as a borrow source for Segment 3. Grading the large windrows of overburden at the TXI site will facilitate access for construction equipment used to remove and reconsolidate the overburden piles for embankment construction.

A geotechnical analysis on the middle pit recommends removal of all soils in the roadway embankment area to a point three feet above a measured water table. Groundwater monitoring wells are in operation throughout the middle pit for this purpose.

Section 12, Released For Construction (RFC) plans have been distributed. Embankment construction at TXI may commence in the next few weeks if negotiations on right of way acquisition are resolved. In other areas, Section 14 grading and drainage plans have been commented on, and Section 11 grading and drainage plans are expected to be available for review soon.

Geotechnical

Subsurface exploration, sampling, and draft reports for bridge structures are approximately 94 percent complete. The review process for bridge reports by the LSI Design Quality Assurance Firm (DQAF) and the Turnpike Team is approximately 60 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 the 15 sections along SH 130. The first of these reports is expected in March.

Pavement design reports present the results of field investigations, laboratory testing, and pavement thickness designs. Field exploration and sampling activities are approximately 92 percent complete. The Turnpike Team has completed initial pavement report reviews for a special investigation along one segment of FM 685, as well as for Sections 1, 2, 3, 5, 6, 7, 8, 9, 11 and 12. Comment resolution meetings have been held and report revisions are being made to reflect the comments.

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. Revisions are in progress to address review comments.

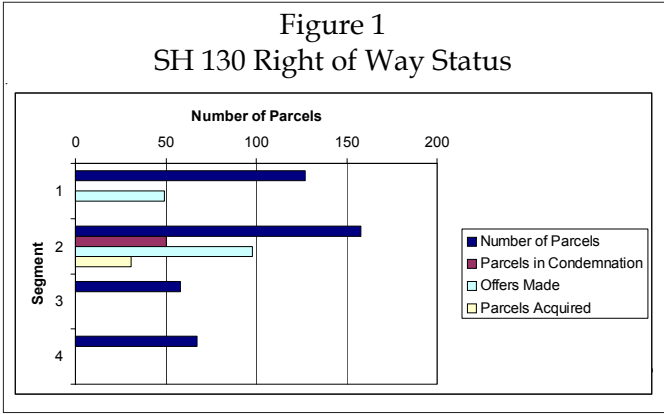
Right of Way

Segment 1 (127 parcels) - All of the 127 ROW surveys have been initiated and 104 have been completed. Appraisals are complete for 77 parcels, 5 appraisals are in review, and 33 are in progress. Sixty-five acquisition packages have been approved by TxDOT and 49 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; 131 are complete. Appraisals are complete for 104 parcels, 5 appraisals are in review, and 41 are in progress. Of the 107 acquisition packages completed, TxDOT has approved 101. Ninety-eight offers have been made. Closing is complete on 31 parcels and a Notice of Deposit is complete for 4 parcels. Nine PUA's are in effect. Fifty 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 630 acres are available for construction (36 parcels).



Roadway Design

As of the end of February, grading and drainage plans on a total of eight sections have been issued as Released For Construction (RFC). This represents a total of approximately 26 miles of the project. These sections include the major interchanges of SH 195, IH 35, SH 29, U.S. 79 and SH 45N. Activities for the month of February include: received Sections 4 and 14 grading and drainage plans for review and comment, and received Segment 3 ultimate schematics for final review and comment.

During the upcoming month, LSI will continue to advance the design of SH 130, including the preparation of grading and drainage plans for the remaining seven sections of the Project. In addition, LSI is continuing to make progress on the design of the final roadway plans for all sections of the Project. During March, it is anticipated that LSI will RFC Sections 3 and 4 grading and drainage plans, and Segment 3 ultimate schematics will be certified by the DQAF. The RFC of Sections 3 and 4 grading and drainage plans would bring the total length of project available for construction to over 33 miles out of a total of 49 miles.

SH 130 Design Completion	
Segment 1 -	66%
Segment 2 -	78%
Segment 3 -	67%
Segment 4 -	49%

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	Plans Certified
Segment 1	34	29	13	4	1
Segment 2	43	39	28	9	1
Segment 3	20	20	10	0	0
Segment 4	22	18	0	0	0
Total	119	106	51	13	2

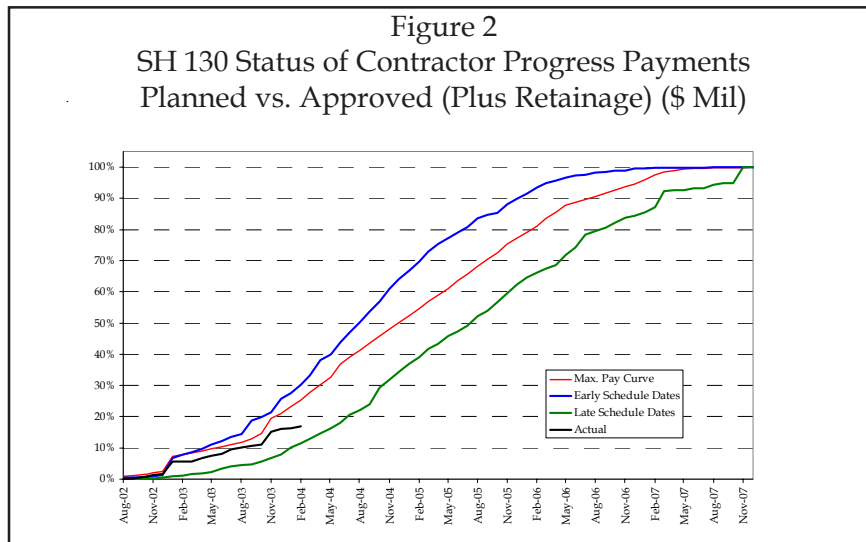
Utilities

As of February 29, 2004, approvals have been finalized on 14 utility adjustment assemblies which total 50 adjustments. Two assemblies (19 adjustments) are in internal review. Six assemblies (46 adjustments) are in TxDOT/LSI review. Following is a summary of February approvals.

Utility	# of Adjustments	Section
Mansville WSC	5	7/8
Yellow Rose Communicaton	1	5
McLeod	2	1
MCI Communications	1	5
Jonah Water	13	3/4/5

Contract Financial Status

Progress payments in the amount of \$6,919,844 were approved in February. The total amount approved for payment to date reached \$165,662,969, which represents 17% of the current total contract price. At this stage, expenditures are primarily related to mobilization, performance and payment bonds, insurance, design services, environmental activities, and right-of-way services. The maximum payment curve was established by the Developer (LSI) at the proposal submission. The current maximum payment curve is shown in Figure 2 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 39 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 current financial status of the SH 130 Project as of February 29, 2004.

Schedule

At the end of February, 421 calendar days have elapsed since the second notice-to-proceed (NTP2). This represents nearly 31 percent of the 1,360 days allowed to achieve substantial completion of Segment 2 (the first Segment to be completed) and approximately 24 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

Work continued on preparation of the SH 130 Quarterly Newsletter, to be published in March. Presentations describing the SH 130 Project were made to several neighborhood associations and community groups. Formal presentations of commemorative groundbreaking shovels were made to local elected bodies, including the cities of Hutto and Manor. 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 February 29, 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)	\$ 165,662,969
Amount Remaining	\$ 807,115,032
Percent Dollars Expended	17%
Percent Time Expended	24%

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