

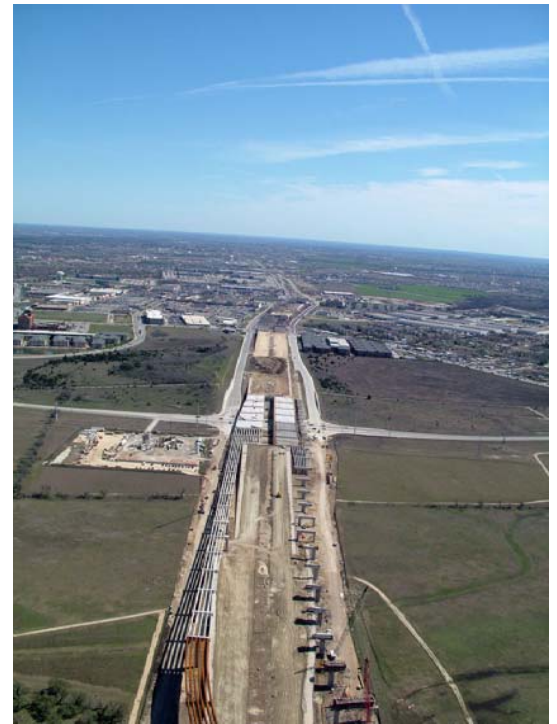
Central Texas Turnpike System 2002 Project*

Monthly Activity Report

Period Ending
March 31, 2004

SH 45N Section 6 Contract Awarded

The 2002 Project experienced another major milestone in the month of March – the letting of the last contract for the SH 45 North component. The SH 45 North Section 6 project was let on March 10, 2004. The low bid of \$35,698,552 was 18.5% below the engineer's estimate. This low bid was submitted by Austin, Bridge & Road, L.P., which is also the contractor for the SH 45 North Section 8 project. During the past thirteen months, the traditional projects had six projects under active construction with payments ranging from 6% to 52% of the contract amount. All right of way parcels for the SH 45 North and Loop 1 elements are available for construction, and utility relocations for these elements are ahead of schedule for completion. Section 6 is scheduled for completion in April 2006 (see Table 1). Currently, the 2002 Project is on schedule for completion on or before December 2007.



SH 45N looking east toward
IH 35 Interchange

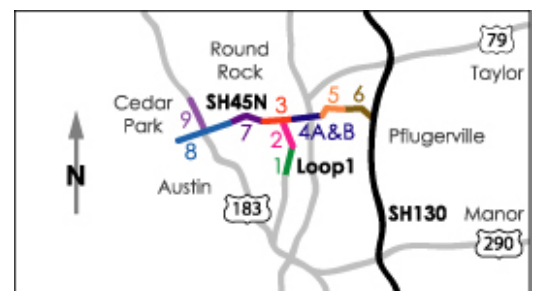
SH 45N/Loop 1 Project Status

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 part of the CTTS; 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 underground utilities, bridge sub-structure 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). Archer Western Contractors

SH 45N, Loop 1, US 183, Sections 1-9



(cont'd on page 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.

Project Construction and Schedule (cont'd from page 1)

continues construction of Section 4 (SH 45N/IH 35 interchange), both east and west of IH 35, with underground utilities, bridge sub-structure, pre-stress concrete beams and structural steel erection. The first bridge slab construction is scheduled for mid-April. Granite Construction Co. and J.D. Abrams, L.P. continue Phase 1 construction of Section 7 (from Parmer Lane to Section 3) with earthwork, retaining walls and bridges at the east end of the section. Austin Bridge & Road, L.P., the contractor for Section 8, continues working on utility relocation items, mass excavation, drilled shafts and bridge sub-structure. Zachry Construction Corporation continues with Phase 1 construction of Section 9 (U.S. 183 at RM 620 north of Section 8) with plans to begin construction on Section 5 (from east of County Road 170 to High Country Blvd.) in May 2004. Austin Bridge & Road, L.P. is scheduled to begin construction of Section 6 (from High Country Blvd. to west of SH 130) in May 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	5/04	4/06
6	No	3/04	3/04	5/04	4/06
7	Yes	8/03	8/03	11/03	9/06
8	Yes	9/03	9/03	12/03	7/07
9	Yes	11/03	11/03	2/04	5/06

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

Table 2
SH 45N/Loop 1 Utility Adjustments

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

Environmental

All environmental clearances for Sections 1 through 9 have been obtained.

Section 9 Karst Features - Two caves known to support the Tooth Cave ground beetle, an endangered cave-adapted arthropod, were located early in the planning process in the Section 9 right of way. Jug Cave is a small, low-quality cave sandwiched between existing U.S. 183 and a parking lot. The design of Section 9 required the complete take, or collapse, of Jug Cave. Jug Cave and its associated sinkholes were collapsed in mid-March. Mitigation for this taking entails management of the 106-acre Discovery Well Preserve. Preserve management includes surveys of cave and surface biota, fire ant control and entrance gating to avoid damage to the cave by unauthorized visitors.

Another cave, Big Oak Cave, is larger and more pristine, due largely to the dense canopy of trees on the tract of private land where the cave is located. During early consultation with the U.S. Fish and Wildlife Service (USFWS), TxDOT committed to splitting the travel lanes of Section 9 to allow Big Oak Cave's surface drainage basin and associated vegetation to remain within the median. The cave will remain undisturbed and will be subject to biological studies over the next ten years. Additional protection measures include gating the cave's entrances and implementing a fire ant control program.

Section 7 Groundwater - An underground conduit and cave system were encountered during trenching for utilities in Section 7 on March 2. Coordinating with Texas Commission on Environmental Quality (TCEQ) representatives, project staff devised a plan creating a French drain to carry the conduit flow beneath the pipeline, while the cavernous portion of the system was collapsed and backfilled to support the overlying highway installation. Verbal approval of the plan was granted March 17, and work implementing the plan began March 26. The construction schedule is not affected by implementation of this plan.

Avian Protection - The nesting season for the golden-cheeked warbler and other protected migratory birds began on March 1. To minimize disturbance during the nesting season, clearing of the woody vegetation was completed prior to this date in areas where the endangered golden-cheeked warbler was known to nest in previous years.

(Cont'd on page 3)

Environmental (cont'd from page 2)

Contractors throughout the remainder of the traditional projects were also encouraged to clear wooded areas prior to the beginning of March to comply with the Migratory Bird Treaty Act (MBTA). Trees slated for removal between March 1 and August 15 must be surveyed by a project biologist for active birds nests. Migratory bird nest surveys were conducted on Sections 1 and 7 during the month of March. Activities in compliance with the MBTA and the Endangered Species Act (ESA) have not affected the project construction schedule.

Contract Financial Status

Payments in the amount of \$350,835,266 (does not include Section 9 costs) have been made since the Series 2002 Obligations were issued in August 2002. This represents 34% 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.

Design and Right of Way Acquisition

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

SH 130 Project Status

Construction

Work activity in Segments 1 and 2 continues to increase as right of way parcels are being obtained. The total number of Sections with significant activity remained steady at 6 of 10; however, activity within the Sections increased dramatically.

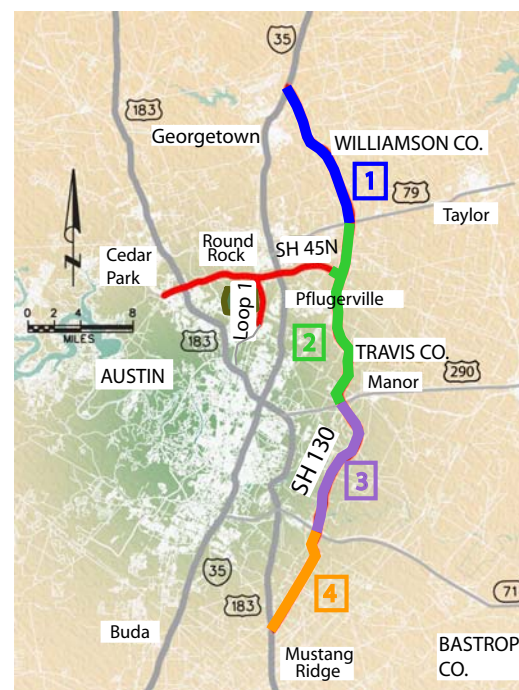
The IH 35 corridor north of Georgetown remains the primary focus for work activity in Segment 1. The newly constructed northbound IH 35 ramps northbound between SH 195 and FM 972 are ready to be paved and should be opened to traffic in April. The Berry and Dry Berry Creek bridge substructures are near completion and beams are scheduled to be placed in mid- to late-April. Crews have also been casting inlets and junction boxes for storm sewer lines being installed along the IH 35 corridor. The Water Pollution Abatement Plan was approved by the TCEQ for another borrow site near the SH 130 alignment and the San Gabriel River. Clearing and installation of environmental controls is scheduled for April.



SH 130/SH 45N Interchange

work continued and the south header at Pflugerville Lane is near completion in Section 7. Earthwork began in Section 9 between Gregg Manor and Parmer Lane.

SH 130 Segments 1 through 4



The U.S. Army Corps of Engineers (USACE) approval of Section 6 and 9 detailed designs (pre-construction submittals) and a permit modification request for Sections 2, 5, 6, 8, and 9 (See Environmental Section) allow embankment operations to proceed near stream crossings in the approved Sections. Installation of drilled shafts has started at Wilbarger Creek between Pflugerville Lane and Pecan Street, just east of Pflugerville. Column construction on Bridge 51 has been completed and placement of column caps continues near Wilke Lane and FM 685 for the SH 45N intersection. Embankment

(Cont'd on page 4)

Construction (cont'd from page 3)

Adverse weather conditions in March continued to slow mud removal and pit reshaping work in Section 12 at the Texas Industries (TXI) material site, off FM 973. Most of the windrows in the three pits have been reshaped to maximum slopes of 4:1. In addition to weather, right of



SH 130 Earthwork in Section 5

way negotiations have been delayed and LSI has ceased dewatering and reclamation efforts for the time being. Surface water had been removed by either pumping or mixing with overburden to produce a slurry that was excavated and hauled off the proposed right of way. Recent rains, however, have recreated many of the ponds that once existed. If the new water infiltrates too far into the surface soils another removal effort will be required.

Groundwater monitoring wells continue to operate in the middle pit pursuant to recommendations from the geotechnical contactor that soils within the roadway embankment area be removed to a point three feet above a measured water level.

Section 12, released for construction (RFC) plans have been distributed. In other areas, Section 14 grading and drainage plans have been commented on and Section 11 grading and drainage plans are anticipated soon. Critical path scheduling indicates bridge girder construction may begin at any time (early start date), while erosion control and other earthwork activities in Segment 3 will commence in May.

Environmental

Environmental staff are monitoring two active raptor nests near the SH 130 right of way in Segment 2. One is a red-tailed hawk nest, approximately 200 feet outside the right of way. The other is a great horned owl nest, approximately 100 feet outside the right of way. Both species and their nests are protected by the federal MBTA. No active construction is occurring within the general vicinity of the two nests. Chicks from both nests should be fledged (mid-May to early-June) prior to the initiation of construction adjacent to the nests. The construction schedule will not need to be altered.

Resource agency approvals during March included USACE approval of a Section 6 and Section 9 detailed design (pre-construction submittals) and a permit modification request for Sections 2, 5, 6, 8, and 9. The permit modification request was made to accommodate minor impacts revealed during detailed design. These minor impacts are necessary to accommodate energy dissipaters and culvert designs which serve to maintain stream dynamics and to prevent erosion. In addition, concurrence for archeological sites 41WM1012 (parcel 35 portion of the site) along the San Gabriel River and 41WM1010 along Brushy Creek was received from the Texas Historical Commission (THC). The FEIS right of way in parcels 407 and 146 also received THC concurrence that no additional testing is required.

Environmental “walk-thru’s” were conducted for 16 parcels. An environmental walk-thru brings together the environmental and construction groups to identify and discuss environmental issues associated with a particular parcel.

Twelve environmental site assessments (ESA’s) were submitted in March. Eight ESA’s were approved in March. A Phase II ESA was initiated for one parcel in March and is on-going. When the original ESA (Phase I) produces evidence of a potential or prior contamination, a Phase II ESA will usually be conducted.

Geotechnical

Subsurface exploration, sampling, and draft reports for bridge structures are approximately 95% complete along the SH 130 route. The formal review process for bridge reports by the LSI Design Quality Assurance Firm (DQAF) and the Turnpike Team is approximately 66% complete. Subsurface exploration and sampling continues for retaining walls, sign structures, bridge class culverts, and toll buildings. Field exploration and sampling activities are approximately 92% complete. The Turnpike Team has completed review of the initial pavement report for a special investigation along one segment of FM 685 and for Sections 1, 2, 3, 5, 6, 7, 8, 9, 11 and 12. Comment resolution meetings have been held and report revisions are being incorporated. The Turnpike Team has also reviewed geotechnical materials reports for Segments 1, 2, and 3. The reports address material suitability, slope stability and related technical issues.

Right of Way

Right of way activities for SH 130 as of March 31, 2004 are summarized in Tables 3 and 4. A total of 972 acres are available for construction.

Roadway Design

As of March 31, grading and drainage plans on eight Sections have been issued as Released For Construction (RFC), representing 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. Design activities for the month of March include receipt for review and comment of the Section 10 grading and drainage plans and the final level of service reports for Segments 1, 2 and 3.

In April, LSI will continue to advance the design of SH 130, including preparation of grading and drainage plans for the remaining seven Sections of the project. Additionally, LSI is continuing work on design of the final roadway plans for all sections of the project. It is anticipated that, during April, LSI will RFC Sections 3

Segment*	Acquisition Packages Approved	Offers Made	Parcels Acquired	Possession and Use Agreements Obtained	Parcels in Condemnation
1 (127)	80	68	2	4	15
2 (160)	107	102	49	16	45
3 (62)	0	0	0	1	0
4 (65)	0	0	0	0	0
Total	187	170	51	21	60

*No. of parcels in parentheses. Segments 1-4 (414 parcels)

Segment	Surveys Initiated	Surveys Complete	Appraisals Complete	Appraisals In Progress
1	127	116	93	32
2	160	147	116	37
3	62	8	0	0
4	65	6	0	0
Total	414	277	209	69

and 4 grading and drainage plans and submit for review and comment Section 11 grading and drainage plans. 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 the total 49 miles. In addition, the DQAF is expected to certify Segment 3 Ultimate Schematics.

Bridge Design

Table 5 presents a summary of bridge design work. Design is progressing on all bridges and is on schedule. Early start of construction for portions of 16 bridges has been approved.

Table 5 - 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	17	5	1
Segment 2	43	39	29	13	3
Segment 3	20	20	10	0	0
Segment 4	22	18	0	0	0
Total	119	106	56	18	4

and drainage plans would bring the total length of project available for construction to over 33 miles out of the total 49 miles. In addition, the DQAF is expected to certify Segment 3 Ultimate Schematics.

Utilities

As of March 31, 2004, approvals have been finalized on 16 utility adjustment assemblies (19% of the estimated 84 needed) which total 99 adjustments. Six assemblies (16 adjustments) are in TxDOT/LSI review. The utility adjustment process is on schedule. Following is a summary of March approvals.

Utility	# of Adjustments	Section
Verizon	18	2, 3
Manville Water Supply Co.	31	6, 9

Schedule

At the end of March, 452 calendar days have elapsed since the second notice-to-proceed (NTP2). This represents approximately 33% of the 1,360 days allowed to achieve substantial completion of Segment 2 (the first Segment to be completed) and approximately 25% 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.

Contract Financial Status

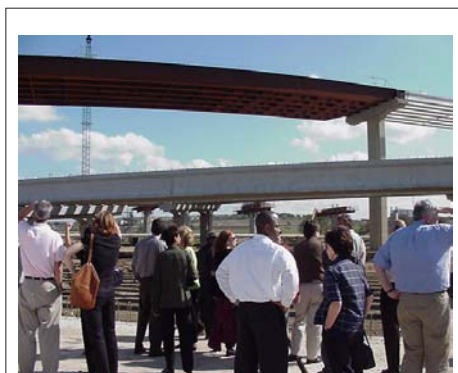
Progress payments in the amount of \$4,636,288 were approved in March. The total amount approved for payment to date reached \$170,299,257 which represents 17.5% of the current total contract price. At this stage, expenditures are primarily related to mobilization, performance and payment bonds, insurance, design services, environmental activities, right of way services, and construction. The maximum payment curve was established by the Developer (LSI) at the proposal submission. The current maximum payment curve is shown in Figure 1 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 41 RCP's have been issued for pricing to date. Final negotiations have occurred for 30 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 6 summarizes the current financial status of the SH 130 Project as of March 31, 2004.

Public Outreach SH 45N/Loop 1 and SH 130

Public outreach staff prepared and distributed an Emergency Response Package to area law enforcement, fire, and EMS agencies. The package contains detailed section maps for the SH 130 and SH 45N/Loop 1 projects and contact information for construction management key personnel. During March, the Turnpike Team made presentations to and conducted Project tours for two groups of dignitaries visiting Austin to learn about the 2002 Project - representatives of the FHWA/TIFIA* team and representatives of the Western Association of State Highway Transportation



FHWA Representatives tour construction site - SH 45N at Loop 1

Figure 1
SH 130 Status of Contractor Progress Payments
Planned vs. Approved (Plus Retainage) (\$ Mil)

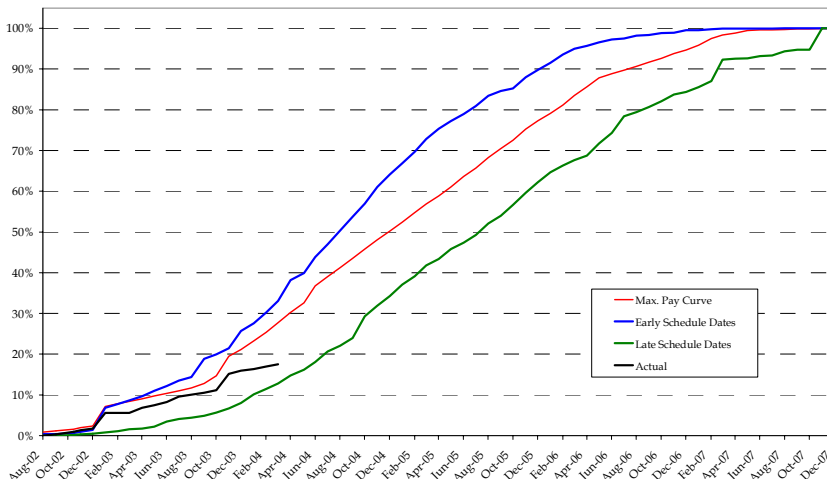


Table 6
SH 130 Contract Status - March 31, 2004

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)	\$ 170,299,257
Amount Remaining	\$ 802,478,744
Percent Dollars Expended	17.5%
Percent Time Expended	25%

Officials (WASHTO). The SH 130 Quarterly Newsletter was printed and distributed and LSI staff continue to arrange presentations to local community groups. Other activities include ongoing website updates and responding to public requests for information.

*Federal Highway Administration/Transportation Infrastructure Finance and Innovation Act.

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 6: Austin Bridge & Road, L.P.

Section 7: Granite Construction & J.D. Abrams, L.P.

Section 8: Austin Bridge & Road, L.P.

Section 9: Zachry Construction Corporation