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1700 N. Congress Avenue, Suite 220
Austin, Texas 78701
P: 512-936-6701/800-544-2042
F: 512-936-6776

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for rural Texans.*



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Executive Director

Feb. 25, 2011

To: All Disaster Recovery Interested Parties

Ref: TDRA disaster recovery efforts for Hurricanes Dolly and Ike

Disaster recovery (DR) efforts for non-housing activities related to Hurricanes Dolly/Ike, as you know, are under the purview of the Texas Department of Rural Affairs (TDRA). While all federally funded recovery efforts have typically been challenging to implement, there have been additional hurdles for these two hurricanes to overcome due to the imposition of a conciliation agreement and the development and pending approval of an Analysis of Impediments (AI).

I am pleased to report that substantial progress is being made and 100% of all round 1 funding representing \$660,830,696 has been awarded. Once awarded the next steps of developing environmental reviews, engineering and construction awards takes place and the following is a progress report on those activities as of February 23rd:

- TDRA has certified 438 Environmental Review Records for 1612 sites.
- TDRA has accepted 384 Bid Packages at 100% for 1334 sites.
- The grantees in the program have awarded construction contracts for 229 bid packages (892 sites) totaling \$67.4 Million. This is 40% of the anticipated number of sites for Round 1.
- Construction is complete on 114 sites or 5% of the anticipated sites for Round 1.

Round 2 funding consisting of \$712,348,430 will begin in earnest as soon as HUD approves the AI mentioned above.

Irrespective of the conciliation agreement or any of the other challenges that impede the speed by which DR funds are distributed, TDRA disaster recovery efforts need improvement and that is the real purpose of this letter. The decision has been made to downsize the number of TDRA DR FTEs and move the DR efforts in a new way. TDRA engaged the services of a Project Management Company (PMC) in 2009 and that company is the HNTB Corporation. HNTB has been deeply embedded in Dolly/Ike DR activities with TDRA from the beginning and has proven their value by their ability to overcome challenges, react quickly to changing events, provide necessary resources and manage for success.

The process for transitioning the responsibilities for DR activities to HNTB started on Feb. 7 and will be complete on March 1. TDRA will keep 10 DR FTEs to provide financial controls, quality assurance and oversight of the HNTB contract and for intergovernmental relations with all TDRA grantees. HNTB has hired at least 15 current TDRA DR staff to retain vital DR institutional knowledge and many grantees will continue to work with the same DR staff that they are familiar with. I am also happy to report that some TDRA staff have found employment with TDHCA and will continue to work on DR activities there.

When TDRA originally created its DR Division there was one goal in mind -- get disaster recovery activities started and then finished as quickly as possible. It was becoming increasingly evident as time progressed and by working closely with HNTB management that HNTB more closely shared my vision to get DR activities finished as quickly as possible. While it is no reflection on the dedication and hard work that the TDRA DR employees provided up to now, it became evident that HNTB was better positioned with the expertise, experience, resources and commitment to get the job done quicker than the time line we could project with state employees.

As we move forward you will see a renewed effort by TDRA through HNTB's management to provide the oversight, technical assistance and contract management to help every grantee successfully implement their DR grants. Full contact information will be provided in future communications but for now if anyone wishes to contact HNTB you may do so through Tom Wendorf at twendorf@hntb.com or Nancy Beward at nbeward@hntb.com. They can also be contacted at 512-691-2249. All correspondence that normally would be sent to the TDRA DR program should be sent to 301 Congress Avenue, Suite 600, Austin, Texas 78701.

Questions about these changes or any other matter from the TDRA perspective should be addressed to me at 512-936-6704 or at charlie.stone@tdra.texas.gov or to Steve Swango at steven.swango@tdra.texas.gov . If I may be of any assistance please do not hesitate to contact me.

Respectfully yours,

A handwritten signature in blue ink that reads "Charles S. Stone". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Charles S. (Charlie) Stone
Executive Director