

**Bridge Enterprise Board
Regular Meeting Minutes
Thursday, March 22, 2012**

PRESENT WERE: Gary Reiff, Vice Chairman, District 3
Trey Rogers, District 1
Heather Barry, District 4
Kathleen Gilliland, District 5
Kathy Connell, District 6
Douglas E. Aden, District 7
Leslie Gruen, District 9
Gilbert Ortiz, Sr., District 10

EXCUSED: Steve Parker, Chairman, District 8
Ed Peterson, District 2

ALSO PRESENT: Don Hunt, Executive Director
Gary Vansuch, Director of Process Improvement
Tim Harris, Chief Engineer
Heidi Bimmerle, Director of Admin & Human Resources
Debra Perkins-Smith, Director of Transportation Development
Laurie Freedle on behalf of Ben Stein, CFO
Casey Tighe, Audit Director
Stacey Stegman, Public Relations Director
Scott McDaniel, Staff Services Director
Herman Stockinger, Government Relations Director
Darrell Link, Office of Transportation Safety Director
Mike Cheroutes, HPTE Director
Mark Imhoff, Director, Division of Transit and Rail
Tony DeVito, Region 1, Transportation Director
Tom Wrona, Region 2 Transportation Director
Dave Eller, Region 3 Transportation Director
Johnny Olson, Region 4 Transportation Director
Kerrie Neet, Region 5 Transportation Director
Reza Akhavan, Region 6 Transportation Director
Harry Morrow, Chief Transportation Counsel
Doug Bennett, for FHWA Division Administrator
Vince Rogalski, STAC Chairman

AND: Other staff members, organization representatives,
the public

Vice Chairman Gary Reiff convened the meeting at 10:07 a.m. on March 22, 2012 in the Auditorium of CDOT Headquarters, Denver, CO

Audience Participation

The Vice Chair noted that no members of the Audience had signed up to address the Board of Directors.

Act on Consent Agenda

Vice Chairman Reiff stated that the first thing on the Agenda was action on the Consent Agenda. Director Aden moved for approval of the Consent Agenda. The motion was seconded by Director Connell. Vice Chairman Reiff asked if there was any discussion of the motion and hearing none he asked for those in favor to signify by stating Aye and asked for those opposed to state no. He stated that the motion had passed unanimously.

Allow the BE Working Committee Report to be submitted in writing for inclusion in the Official Minutes for March 21, 2012

CBE Board of Directors/Executive Director: Vice Chairman G. Reiff, Director D. Hunt, G. Ortiz, K. Gilliland, K. Connell, L. Gruen, H. Barry and D. Aden

CDOT Staff: T. Harris, S. McDaniel, B. Stein, L. Freedle, M. Krasny, K. Hruska, T. Devito, D. Eller, T. Wrona, J. Olson, K. Neet, R. Akhavan, H. Stockinger, H. Morrow, D. Perkins-Smith, M. Imhoff and T. Bircher

BE Program Manager: K. Szeliga, M. Klopfenstein, and J. Laipply

The meeting was led by Vice Chairman Gary Reiff and the following items were discussed.

1. Vice Chairman Reiff called the meeting to order.
2. L. Freedle presented the Proposed 10th Budget Supplement for FY 2012.
 - She noted there are two actions this month.
 - L. Freedle highlighted the Region 6 project, Pecos Street over I70 request for the pedestrian bridge long lead procurement.
 - No comments were noted.
3. B. Stein discussed the selection of an OCIP/ROCIP insurance broker.
 - B. Stein reported that Lockton was selected via an exhaustive procurement process.
 - B. Stein noted that Lockton was also used for the TREX program and the same team will be available for this contract.
 - The contract should be completed by the end of the month to begin various feasibility studies and writing of specifications.
4. B. Stein presented the Q2 FY2012 Bond Allocation Plan Update.
 - There are 73 bridges currently included within the bond program; a subset of 158 FASTER eligible bridges. The estimated cost to complete all 73 structures is approximately \$636M. The current bond program partially funds 23 structures and fully funds 50 structures.
 - There is a \$257M funding short-fall to complete all structures which would have to come from other funding (i.e., FASTER pay-go or future bond issuance).

- B. Stein noted that there was an estimated 4 to 5 month lag on cash payments (or disbursement of dollars) as compared to the earned value of work complete in the field projected by the program schedule.
 - The current bond program is still on schedule to meet the 85% spending requirement by December 2013. He believes this construction season will give a clearer picture of the payment lag that occurs.
 - Director Reiff asked when the next bond issuance is expected. B. Stein highlighted the encumbrance table (included within the commissioner booklets) which shows the current bond program will be fully committed by late Summer 2012, and other available funding (FASTER pay-go dollars) can fund projects through the Spring / Summer of 2013. Therefore, he would recommend the next bond issuance be no earlier than approximately one year from now which would be the Spring of 2013.
 - Both Director Reiff and B. Stein noted that the that investment bankers are recommending going to the bond markets now due to low / desirable interest rates. It was noted that interest rates had gone up 10-25 basis points in the recent past; suggesting that the cost of money will increase. B. Stein noted that he was reluctant on securing more bond dollars to soon as he would have the same spending requirements; 85% spent within 3 years of receipt.
 - Director Gruen asked if the market could be watched for triggers that indicate the need to bond earlier. B. Stein responded that this is being done.
 - Director Reiff asked if the size or the issuance cost would affect the timing. Ben responded he is planning for a bond in the \$200M to \$250M range.
5. S. McDaniel presented the UPRR programmatic agreement.
- S. McDaniel noted that a Programmatic Master Agreement has been executed with the UPRR. This agreement is for all CDOT projects and should greatly speed up the process for Task Orders with the UPRR.
 - S. McDaniel also wanted to thank T. Lang for all of her work on the agreement.
 - He noted that CDOT is also working with BNSF on an agreement as well.
6. S. McDaniel presented the draft of an Allowable Bridge Aesthetic Enhancement Policy document.
- He noted that there is currently no policy in place and presented a proposed guidance for BE projects. S. McDaniel highlighted the program goal of no more that 2% and project goal of no more than 5%.
 - Director Aden commented that he felt the 5% goal was high. T. Harris responded that this was a maximum amount for a project. S. McDaniel added that it is expected that most projects will be under the 2% goal.
 - Overall the Board did not take issue with proposed guidance and ability for BE to fund aesthetic enhancements.
7. S. McDaniel presented ABC Deployment Guidance Document.
- S. McDaniel informed the Commissioners that a policy is being drafted and will be presented to the Board that will outline guidance on when it is appropriate to use ABC Deployment for a bridge. He noted that ABC

encompasses more than roll-in bridge projects, for example, pre-fab elements are also considered ABC.

8. The meeting was adjourned.

Approval of the Regular Meeting Minutes for February 16, 2012

Resolution #BE-97

Approval of Regular Meeting Minutes for February 16, 2012

BE IT RESOLVED THAT, the Minutes for the February 16, 2012 meeting of the Bridge Enterprise Board of Directors are hereby approved by the Bridge Enterprise Board as published in the Agenda for the March 21 & 22, 2012 Meeting.

Discuss and Act on Resolution to Approve the 10th Budget Supplement

Laurie Freedle mentioned that the Supplement was provided in the Agenda for the meeting and had no changes. She declared that if there were no questions about the Supplement she would request approval.

Vice Chairman Reiff asked if anyone had any questions and if there was any discussion on the item and hearing none, Director Rogers motioned for the approval of the Budget Supplement and Director Gruen seconded the motion. He asked for those in favor to signify by stating Aye and asked for those opposed to state no. He stated that the motion had passed unanimously.

Resolution #BE-98

BE IT RESOLVED THAT, the 10th Supplement to the FY 2011-2012 Budget is hereby approved by the Bridge Enterprise Board.

Monthly Progress Report

Chief Engineer Tim Harris delivered the following report:

Program schedule updated for work complete through February 2012

- February Schedule Performance Index (SPI) = 0.85
- Reflects a 0.03 reduction from prior month(s)
 - November, January, December SPI = 0.88
- Over-performing projects
 - 13 projects with \$4.1M in combined earned value greater than planned
 - Projects contribute 0.04 to overall SPI calculation
- Projects impacted awaiting UPRR C&M agreement

- 2 projects with \$5.7M in combined lost earned value
- Reduces overall program SPI calculation by almost 0.05

Program SPI goal during execution SPI 0.90

BE Guidance Documents

- ABC Decision-Making Tool
- Bridge Aesthetic Enhancement Policy
- Refinement to CM/GC guidance document
- Development of long-lead procurement policy on CM/GC projects with CDOT OFMB and FHWA

One bridge went to Advertisement for construction

- Region 5
 - L-04-B: SH145 ML over Leopard Creek

- Eight (8) projects went to Construction
- No bridges completed during the period

There were charts displaying the following topics of information:

Program Financial Performance

Status FASTER Eligible Bridges

Status \$300M Bond Bridges

Status of 30 Most Deficient Bridges

Vice Chairman Reiff gave direction to Mr. Harris and stated that the key of the SPI numbers is the trend line and that in the coming month if the line is stabilized or trending further down that there would be a report on the action plan of bringing the line back up. Commissioner Aden asked how many bridges will be going into construction during the construction season and Mr. Harris answered that there would be 28 – 30 total bridges under construction during the upcoming season. Commissioner Rogers asked what the 3 worst bridges listed on the Most Deficient Bridges Chart were. Tim stated that 2 of them were in Pueblo and were waiting for approval of the Environmental Impact Statement. Vice Chair Reiff requested for the information to be confirmed and sent to the Commission later in the day.

Vice Chairman Reiff asked if there were any more matters to come before the Bridge Enterprise Board and hearing none he announced the adjournment of the meeting at 10:17 a.m.

Herman Stockinger, Secretary
Colorado Bridge Enterprise Board