

STATE OF COLORADO

DEPARTMENT OF TRANSPORTATION



DATE: February 20, 2014
TO: Transportation Commission
FROM: Johnny Olson, Incident Commander
Scott Richrath, Chief Financial Officer
SUBJECT: Flood Response and Recovery Update

Purpose

This workshop outlines CDOT's transition from Emergency Response to Emergency Recovery. Staff will detail next steps in recovery and begin to project financial impacts to CDOT's annual budget.

Action Requested

The presentation is for information and discussion only.

Background

In September 2013, Colorado experience one of the most devastating natural disasters in its history. Intense rainfall and subsequent flooding led to 27 state highway road closures. CDOT, Federal Highway Administration (FHWA), Federal Emergency Management Agency (FEMA), the National Guard, contractors and consultants, and many other state and local agencies responded and by Thanksgiving all state highways had been re-opened.

But the Emergency Response phase is only the first and smaller of two phases of restoring Colorado's transportation infrastructure. This workshop will look ahead to three or more years of permanent recovery, with a focus on impacts to the department's construction program and the finances that support it.

Details

Spring Runoff Roadway Concerns

CDOT and its partners took every step necessary to re-open all roads by the December 1, 2013 target date established by Governor Hickenlooper and Executive Director Hunt. The expeditious opening of those roads in many cases precluded the department from fully reconstructing highways and bridges. Permanent recovery will address those concerns. US 36, US 34 through the Big Thompson Canyon, US 34 east of Interstate 25, and State Highway 7 all represent potential spring thaw runoff concerns as winter snow begins to melt. CDOT will monitor those corridors closely.

Construction Contracts and Payment Process

Among the sixty-nine purchase orders and contracts precipitated by the flood, 39 represent Emergency Response construction contracts. Of those, 97% have received some level of payment as justified by documentation submitted with contractors' invoices. As of early February, nearly \$40 million of more than \$50 million budgeted had been paid out to

"Taking Care To Get You There"

contractors and CDOT continues to make payments as adequate documentation is submitted to and approved by project engineers.

Transitioning to Recovery including Financial Implications

Damage Assessment Reports including Risk and Resiliency analysis have thus far driven 29 CDOT permanent recovery projects and more than 80 local agency projects that are now moving forward through pre-construction phases. The Program of Projects (PoP) developed December 1, 2013, tallies \$450 million of total response and recovery costs among both CDOT and local agencies. While Presidential and Gubernatorial disaster declarations provided special expedient processes for response, recovery will closely resemble typical CDOT project delivery.

Emergency Response efforts will mostly be covered by Federal reimbursement at 100% of submitted eligible expenses. Emergency Recovery reimbursement rates will vary, with no match required for the Federal Land Access Program and CDOT's typical match of approximately 20% required on other state highways. Local agencies will manage their projects, with CDOT providing oversight and administration with FHWA.

FHWA recently distributed \$110 million to CDOT, adding to its prior distribution of \$30 million and more than covering the CDOT costs of response. This restores much of the Transportation Commission Contingency used to date for response efforts, as reconciled in the monthly Budget Supplement.

The March 1, 2014 scheduled draft of the PoP will allow staff to present best estimates of CDOT costs resulting from the flood, thereby allowing the Transportation Commission to begin budgeting for non-reimbursed expenses in FY2014, FY2015, and beyond.

Next Steps

- March, 2014 – Staff presentation on Emergency Recovery progress within Program Management
- March, 2014 – Staff delivers FY2014 and FY2015 revenue and expense projections related to response and recovery
- June, 2014 – 1st FY2015 Budget Supplement to “true up” the FY2015 budget to account for recovery

Flood Response and Recovery Update

Transportation Commission

February 20, 2014

Johnny Olson, Incident Commander

Scott Richrath, CFO



Status of Emergency Response Projects

- All temporary roadways open to traffic
- Surpassed Governor's December 1st goal



Roadway	2013 Date Opened
US 36 East	October 1
SH119 Boulder Canyon	October 7
US 36 North St. Vrain	November 4
SH 72 Coal Creek Canyon	November 11
US 34 Big Thompson Canyon	November 21
SH7 South St. Vrain	November 26

Summary of Presentation

- Spring Runoff Roadway Concerns
- Status of Emergency Response Construction Contracts
- Moving from Response to Recovery
- Program of Projects (PoP) Funding Estimates
- Federal Match Requirements
- Opportunities and Innovations

Spring Runoff Roadway Concerns



US 36

US 34 Canyon

US 34 East

SH 7



SEPTEMBER 30, 2013



NOVEMBER 26, 2013

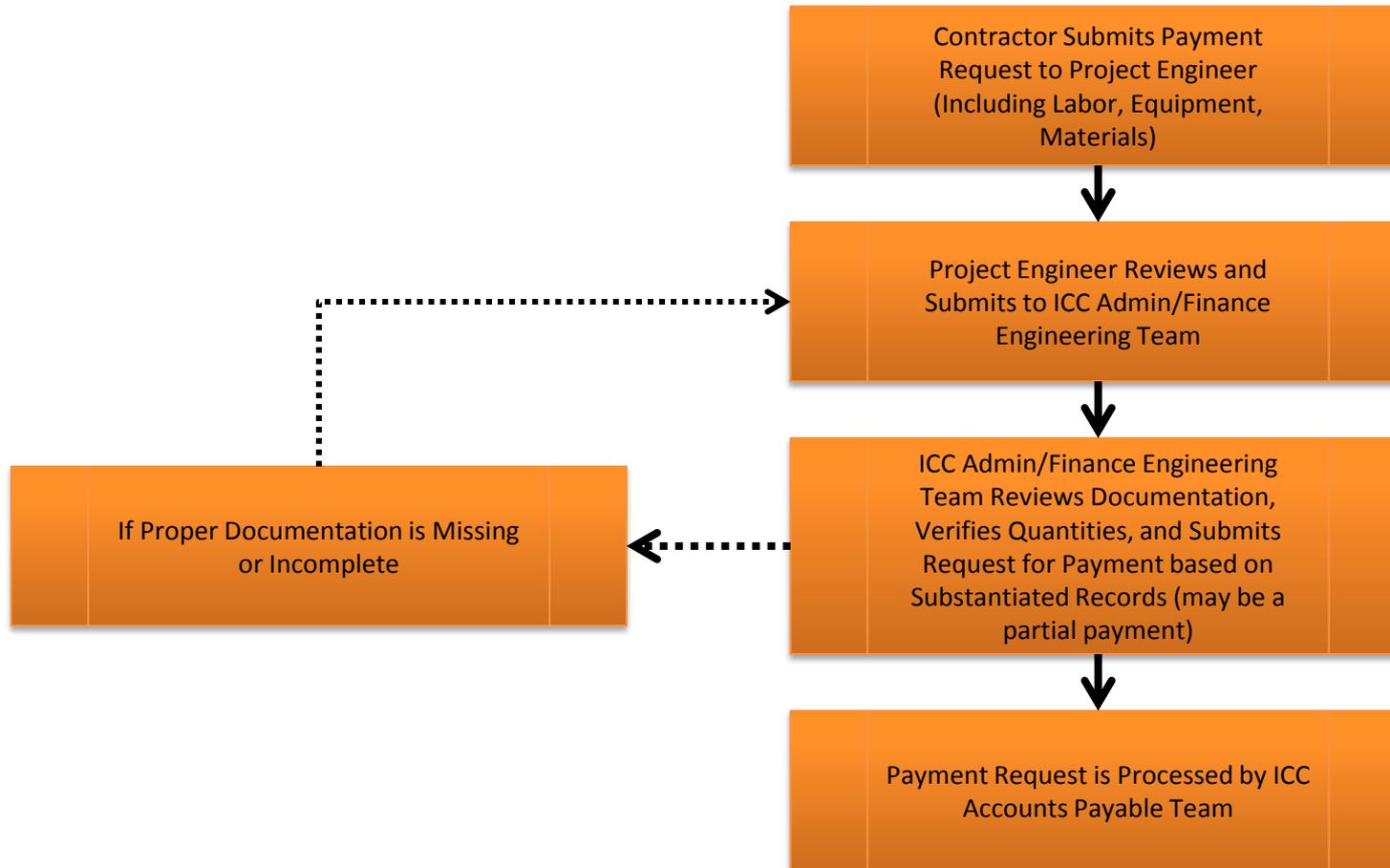
Construction Contracts



- **39** Emergency Response Construction Contracts
- **97%** have received some level of justifiable payment
- **\$39.5 million** paid out to date
- Utilizing Force Account analysis - time intensive and difficult for contractors and CDOT staff
 - Time + materials + equipment
 - Payment usually takes 180 days
- **Goal:** All Emergency Contracts paid/closed by March 1, 2013
- Potential outstanding claims or disputes - minimal to date



CDOT ER Contractor Payment Process



Recovery Phase – Moving to Permanent Repairs



Total Permanent Projects

Identified to date

- CDOT – 29 projects
- Local Agencies– 83+ projects



Damage Assessment Reports

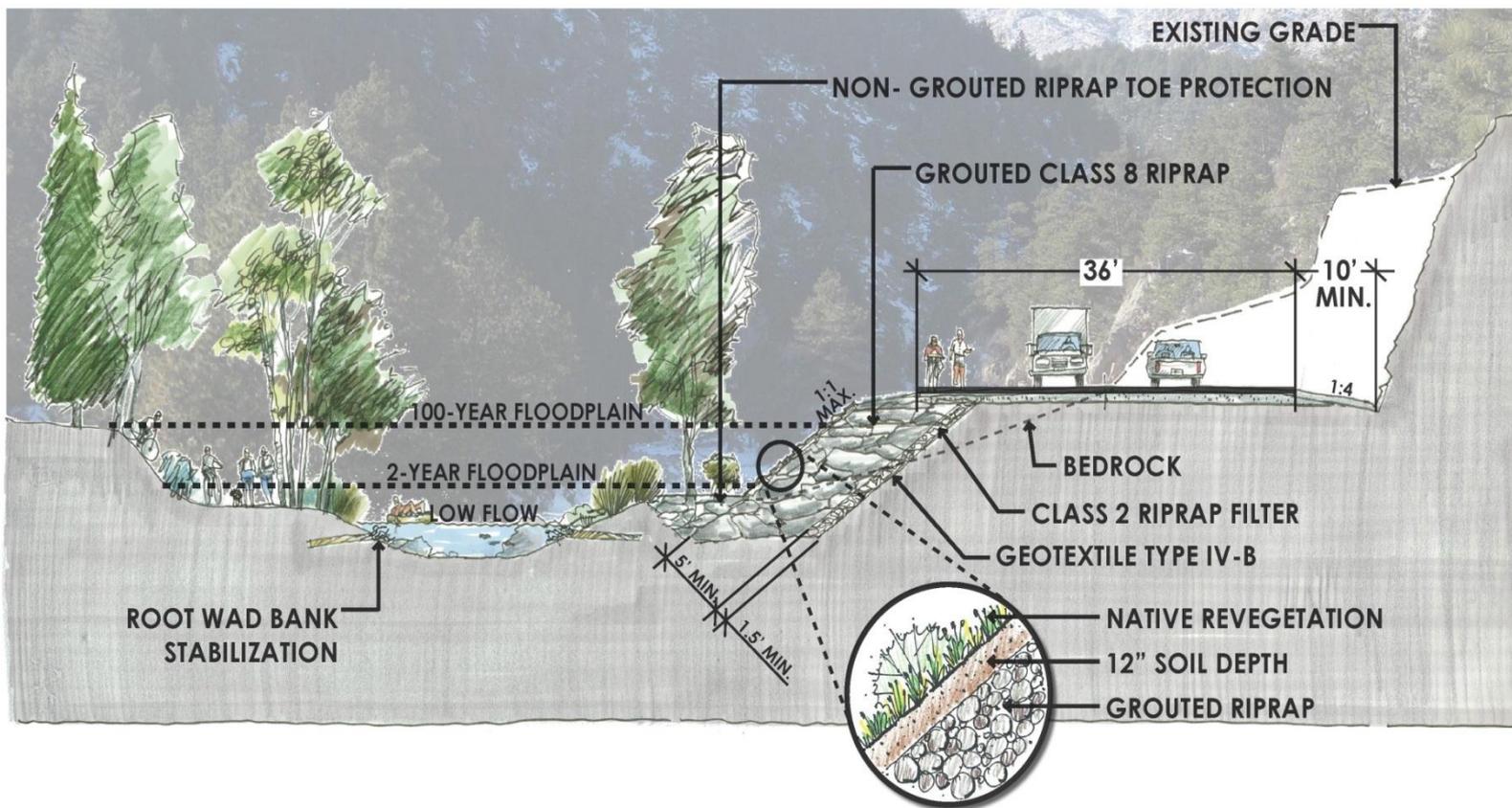
Damage Assessment Reporting (DAR)

- Process for assessing damage and conceptually scoping repairs for FHWA approval. All recovery projects will fall into one of the following categories
 1. Repairs to restore facilities to pre-disaster conditions including upgrades to current safety standards
 2. Repair facilities to current design standards
 3. Improvements to facilities to make more resistant to future events and/or betterments
- **Risk and Resiliency analysis** (cost/benefit evaluation) only occurs with proposed resiliency improvements or betterments
- **DDIR – FHWA Form 1547** – project financial documentation for FHWA approval and expenditure of funds



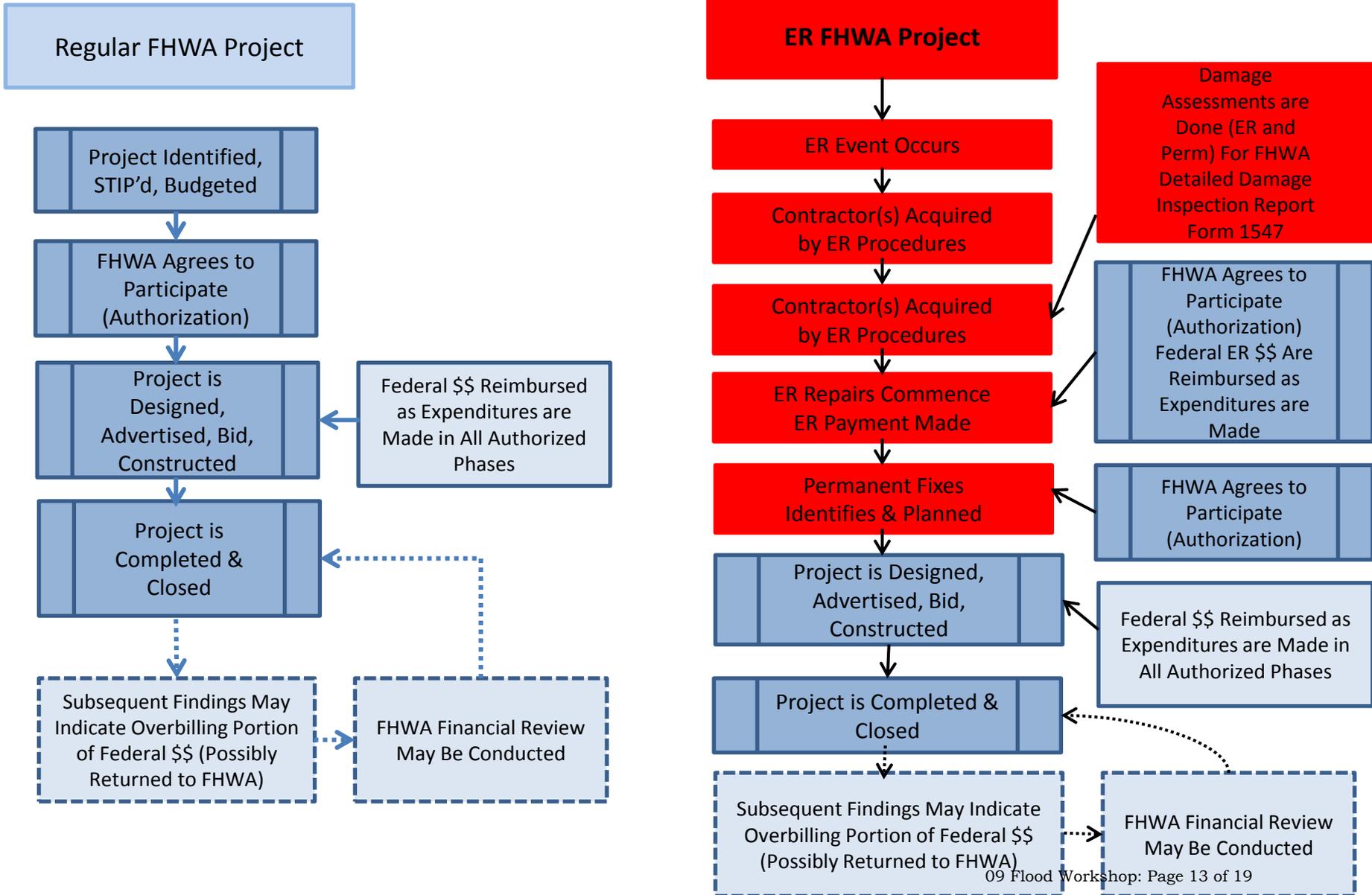
Resiliency Example for US36

PROPOSED REPAIR TYPICAL SECTION



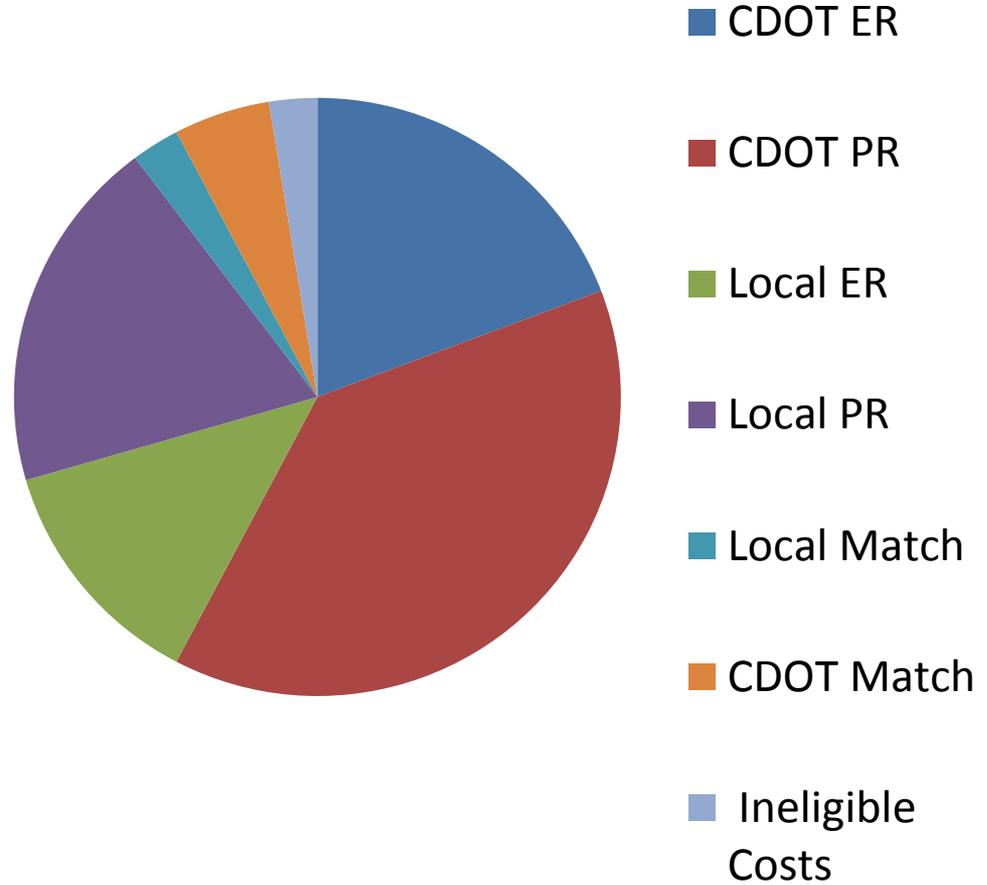
Financial Discussion

FHWA/CDOT Project Process



Estimated Program Distribution

- Final POP developed by March 11, 2014 and will refine the numbers to give a more realistic total cost for flood emergency response and recovery
- Total Flood Program will include:
 - FHWA Emergency Response \$\$
 - FEMA Emergency Response \$\$
 - CDOT match
 - Local match
 - Cost Ineligible for reimbursement
- Match requirements
 - Emergency Projects (ER) at 100%
 - Permanent Projects (PR) varies -typically 80/20



Federal Match Requirements (Permanent Projects)



- “Fluid” discussion

- No match required for permanent project repairs approved by the Federal Land Access Program (FLAP). Includes:
 - US 34 canyon
 - US 36 canyon
 - SH 7
 - SH119
 - SH 72 (Peak-to-Peak detour)
 - CR 43 (detour route for US 34)

Match Requirements Cont.

- FHWA requires 80/20 match for all other state and local permanent road repairs
- SB14-121 Assistance to Local Governments after a Disaster Emergency (Lambert/Young)
 - Gubernatorial determination of the percentage that state and local governments will contribute funds to cover the non-federal share of (FEMA only).
 - Governor shall notify the JBC of the source and amount of state moneys that will be contributed to cover non-federal costs.
 - Bill introduced. Assigned to Local Governments Committee. Hearing not yet scheduled.

Innovative Opportunities and Process Improvements

Partnerships and Collaboration

- Central Federal Lands
- Colorado Water Conservation Board (DNR)
- Federal Highway Administration
- Office of Emergency Management
- Federal Emergency Management Agency
- Local Agencies

More Process Improvement

- ICC GIS Platform

 - <http://54.235.124.74/map.php>

 - User Name: cdot
 - Password: cdot

- Data Management/Document Control

 - Essential for audit purposes and reimbursement from FEMA and FHWA

Questions?