

Transportation Commission of Colorado
Regular Meeting Minutes
December 18, 2014

Chairman Ed Peterson convened the meeting at 10:40 a.m. in the auditorium of the headquarters building in Denver, Colorado.

PRESENT WERE: Ed Peterson, Chairman, District 2
Kathy Connell, Vice Chairman, District 6
Shannon Gifford, District 1
Gary Reiff, District 3
Kathy Gilliland, District 5
Doug Aden, Chairman, District 7
Sidny Zink, District 8
Les Gruen, District 9
Bill Thiebaut, District 10
Steven Hofmeister, District 11

EXCUSED: Heather Barry, District 4

ALSO PRESENT: Don Hunt, Executive Director
Scot Cuthbertson, Deputy Executive Director
Debra Perkins-Smith, Director of Division of Transportation
Josh Laipply, Chief Engineer
Heidi Humphreys, Director of Admin & Human Resources
Amy Ford, Communications Director
Scott McDaniel, Staff Services Director
Scott Richrath, CFO
Herman Stockinger, Government Relations Director
Mike Cheroutes, Director of HPTE
Mark Imhoff, Director of Division of Transit and Rail
Ryan Rice, Director of the Operations Division
Darrell Lingk, Transportation Safety Director
Kyle Lester, Director of the Maintenance Division
Tony DeVito, Region 1 Transportation Director
Karen Rowe, Region 2 Transportation Director
Dave Eller, Region 3 Transportation Director
Johnny Olson, Region 4 Transportation Director
Kerrie Neet, Region 5 Transportation Director
Kathy Young, Chief Transportation Counsel
John Cater, FHWA
Vince Rogalski, Statewide Transportation Advisory Committee (STAC)

AND: Other staff members, organization representatives, the public and the news media

An electronic recording of the meeting was made and filed with supporting documents in the Transportation Commission office.

Audience Participation

Chairman Peterson stated that the Commission received three letters during the week. The first was from Jan Dowker, Chair of the North Front Range MPO, in support of the I-25 Crossroads project. The second letter was from the mayors of Windsor and Loveland that also support the project. The third was from Steve Kinney regarding the I-70E program.

Karen Hammer from Hammer Law stated that the Commission should have received four letters because she also sent one the previous day.

Herman Stockinger clarified that three letters were received from individuals who were unable to attend for public comment and wanted to express that to the Commission. The letter received from Hammer Law was emailed to the Commission upon receipt from Ms. Hammer per her request.

Chairman Peterson stated that the Commission received that email.

Karen Hammer stated that she was in front of the Commission to discuss some of the things that are in that letter to follow up on HPTE's Board meeting on December 17, 2014. She stated that she has raised concerns numerous times before about TABOR for the HPTE Board and the Transportation Commission. She stated that first she wanted to say that neither her client Cliff Smedley nor herself, although she rarely speaks about her personal beliefs, is a fan of TABOR. They are fans of highway transportation. But the reality is that everyone has to live within the law. It is important that these issues be taken seriously. She stated that because she has raised these issues in the past and raised them again today, she would have expected in the normal course of public entity that wants to make a decision based on rational rather than arbitrary conclusions, that there would have been a discussion and an analysis. There was a reference to TABOR during the meeting yesterday, one from herself, one from Ms. Young and one from a lawyer from Kutak, as well as Commissioner Reiff. But no one explained why the numbers do not add up the way that she sees them. She stated that is very important if they are giving a full and timely notice. Surely the Commission would want to have a discussion about something that would be good news. She does not understand why there has not been discussion about the details of why TABOR is not a problem. She stated that she is always glad to be wrong if she is wrong, and she could not think of better news. But that is the news as it is.

She stated that she got her information from a memo from Ben Stein, one of the last things he did before he departed. He wrote a memo on June 18, 2014, just as HPTE and the Transportation Commission were considering the last \$1 million loan. In that memo, he characterized how much revenue HPTE had. She stated that she did not go out and try to calculate numbers on her own. It is very clear that in the fiscal year estimated revenues that it says Total Revenues \$1.5 million. They were proposing getting a "bump-up" based on getting another million from the Transportation Commission. That's close to 50%, and it is not even about some thin margin that might be a rounding error or something. She stated that what she wants to know is, and she does not understand why it was not discussed yesterday, if these concerns are taken seriously, what numbers are the Commission talking about that the Commission sees as revenue. She sees that there carry-forwards of a certain amount,

but those are not considered revenue. Certainly, Mr. Stein did not consider them revenue in his official capacity. She stated that she is assuming the Commission has access to the same information she has, unless the Commission has something she doesn't know about. She stated that she does not want the Commission to think that she is making specious arguments, but the reality is that TABOR defines when an organization has tripped the enterprise status wire. FASTER has a reference to that, but FASTER is only legislation. It cannot do more or contradict TABOR. TABOR has clearly been interpreted by the General Assembly and by the Colorado Supreme Court most importantly as defining what a grant is.

Chairman Peterson stated that her time had expired but that the Commission had received her letter. He stated that the Commission would take those comments under consideration in due course. He thanked her for her comments. Ms. Hammer requested more time, and Chairman Peterson denied the request.

Individual Commissioner Comments

Commissioner Aden stated that he had the opportunity to attend the ribbon cutting of the new interchange, or the reconstruction of the interchange, at Eagle along I-70, along with Dave Eller, John Cater and Scot Cuthbertson. It was very nice affair. This is a project that is an example of local partnerships with CDOT as one of the elected officials from Eagle said at the time that they went all in on this project. On an \$18 million project, the town of Eagle put in \$4.5 million, depleting their entire capital construction fund down to \$100,000 in order to make this project happen. It is a great project with a new pedestrian overpass over the highway. Through the use of roundabouts and widening of the bridge they eliminated a really bad safety hazards. At peak periods, traffic had backed up well out onto the interstate with through traffic going by at 75 miles per hour. It was a very dangerous situation. This is a great project and another great example of partnerships with federal money, state money and local money. He thanked everyone who made that happen.

Commissioner Theibaut stated that he wanted to remind everyone that during the discussions the previous day regarding I-25 and Cimarron that in the packet of materials Karen Rowe, Region 2 Director, indicated that in one of the projects on US 50W in Pueblo County, that the bid came in below the engineer's estimate. He stated that he forgot to bring it up the previous day but that is good news in the world where the Commission has been hearing about cost overruns. He stated that it can still be done, and he congratulated the group in Region 2. He stated that he wanted to wish Happy Holidays to all the hard working employees in Region 2 and throughout the state. He stated that he never quit being amazed at the good work that is being done and the extent of the work that is being done.

Commissioner Zink stated that in Durango on December 1, 2014, there was an open house to share with the community a resolution of a long standing issue that everyone in the community was relieved and happy to see. There had been issues for a long time over the layout of a new project connecting the interchange of Highway 550 and 160, which is a key corridor in that area. There had been issues among property owners, and everyone was happy to report that those seem to have been resolved, which is a big opportunity for a major step forward. The open house was hosted by Regional Transportation Director Kerrie Neet, who had her staff in attendance. It was also a great opportunity for the community to meet and talk with

key CDOT people who are not always recognized in the community. It was very, very positive. There was good *Durango Herald* front page coverage.

Commissioner Gilliland wished everyone a safe and happy holiday. She congratulated Commissioner Zink on being nominated Citizen of the Year in her area. She then invited anyone who is interested in joining the introduction of Bustang in the Stock Show Parade on January 8 to participate. If anyone would like to ride in the bus, they are invited. She stated that she was very impressed during her tour of the bus. It is very nice. The legroom is great. It should be a great ride, and the color is going to stand out. People will know when these buses roll down the road. She stated that she was very impressed with that. The only requirement to join the parade as the big kick off for Bustang is that anyone on the bus must wear Western-wear. But anyone that wants to participate should let Amy Ford know. She will be coordinating that.

Commissioner Connell stated that she drove from Steamboat Springs the previous day and that there are cars coming in and out of both tunnels. One of the tunnels has three lanes working. This project is done. There has not been a chance to have a celebration because much-needed snow came on Sunday. That celebration will be in spring or in early summer. It is thrilling. She stated that she is so proud of CDOT staff led by Tony and everyone. There has been a lot going on in that corridor for a few years. There are other projects going on there right now. One is a bridge that is going over to Mt. Evans that has had some issues. The amount of time and work that staff has done has been phenomenal. If you will be driving that, and she has driven both sides, there are three or four signs each direction saying "Holiday Shopping Next Exit." CDOT has really come through to help out those merchants. She offered a public thank you to all the partners of Idaho Springs in that area because there is a lot going on in that area with other projects. But it is very exciting to go into the winter with that completed. She wished everyone Happy Holidays and safe driving. She asked that everyone check their tires to make sure that no one had bald tires to make drives safer.

Chairman Peterson wished everyone happy and safe holidays and asked people to drive safely. He stated that he and Tony DeVito had the opportunity to address a group of Kiwanis in Arvada. He thanked Tony for providing information and slides. He stated that the nice thing about that meeting was that several young folks emailed him after that meeting talking about the Statewide Transportation Plan that is up on CDOT's website now. He stated that those plans are for the young people. He stated that he really appreciated those young individuals' interest in transportation and in the Department.

Executive Director's Report

Executive Director Hunt stated that he would like to recognize everyone who was involved in the Transportation Summit that was held in November right after the end of the Commission meeting. Several Commissioners were able to attend. He asked what the final attendance was.

Herman Stockinger stated that it was around 450 people.

Executive Director Hunt thanked Herman Stockinger, Tom Lorz, Amy Ford and the Government Relations staff for all their work in making the Summit a success. He

received nothing but compliments on the quality and the content of that Summit. He stated that he hoped they could find a way to keep that in place as the Department goes forward each year.

He stated that CDOT appeared at the Joint Budget Committee (JBC), which was the first interaction with the new General Assembly. He stated that there was one comment he wanted to make about last year's JBC meeting and this year's. He stated that last he had mentioned that he hoped CDOT was able to keep its Senate Bill 228 money. All five members implied that it would be nearly impossible to lose the Senate Bill 228 money. This year the new JBC was told that it looked like CDOT would get \$100 million out of the five year \$1 billion because of the TABOR cap. He stated that he did not think the JBC had any particular answers to the problem, which was also discussed the previous day. Commissioner Aden is making rounds with legislators. It is a great time to be interacting with legislators for everyone in the audience who is trying to support transportation and support the Commissioners. He stated that it will be a hard road this year. It looks like there might be a better chance in 2016 of trying to modify TABOR in some way. That is not very good news, but it is necessary to continue working with the General Assembly to build off the great advocates the Department has in order to get more of the General Assembly to understand the importance of transportation and economic development in Colorado.

He wished everyone Happy Holidays. Do not text and drive. He stated that it was likely that everyone person would have the opportunity for about a dozen accidents before Christmas Day with everyone driving around like crazy. Do not exacerbate that by having cell phones on.

Chief Engineer's Report

Josh Laipply stated that he would cede his time to Kyle Lester for an update, but before that he felt obligated to repeat some of the comments stated by the Commissioners. He stated that the staff can do a good job of telling the Commission where projects are over budget and behind schedule and that those projects can become the focus. He stated that he really appreciated the comments about the projects that have gone really well. I stated that two of those projects were CMGC projects: the Twin Tunnels and the Eagle Interchange. There is a venue where that mitigates CDOT's risks and builds partnerships with the communities.

Kyle Lester stated that he wanted to provide a quick update on some of the significant efforts on the I-70 Mountain Corridor. He thanked all the RTDs in the room. The efforts on the maintenance side of the house are unprecedented. People are generally accepting of moving staff around, but moving around equipment becomes a very sensitive subject in maintenance.

There are four focus areas that the Division had really focused on: reducing revisit times, snow plows circling around to revisit that spot on the highway; reducing down time of equipment; proper material usage; and command and control of the corridor and the joint operating area identified from C-470 into Dotsero. Some of the strategies that have been deployed in here are the twenty person crew. They developed a twenty person crew from all over the state. In previous years, they had reached out to the adjacent patrols, but the problem with that strategy is the adjacent patrols are also getting hit with snow at the same time. So they began to

reach further out to the Eastern Plains and Western Slopes and brought people in from all over. CDOT houses these people on a seven day rotation. They looked at increasing staffing, but the problem in this area is that they are not getting the applicants. The applicant pool is very small with one or two people per position. Then these applicants are not passing some of the DOT physical requirements that are needed. They began to look at the alternative strategy of bringing people in from all over the state on a seven day rotation. There are some unique benefits to this strategy. There is cross training and breaking down the organizational boundaries. People are bringing experience from other patrols and taking home experience from the I-70 Corridor and deploying them in their home unit.

On the hiring side, they are working with HR and Heidi's group to do focused hiring events including veteran hiring events and reaching out to the military. They have done a number of those, on average about two each week over the last month. They are reaching out to the military installations and ramped up effort on the media through Amy's group to get the word out on hiring.

He stated that the big key piece that he is very proud of is reducing downtime on equipment, the Division's second strategy. Traditionally, there would be about 20 snow plows down at any one point across the Corridor. To attack this, they did a few different things. First they identified older trucks, midrange trucks and single axle trucks and cycled out 16 of those. Those were moved out to other regions and replaced with tandem plow trucks that are newer and have more capacity on the corridor. That is the piece that he stated earlier is the very sensitive issue in maintenance, touching certain pieces of equipment. He stated this is where he wanted to thank the RTDs for their help in making that happen. The other things they are doing to decrease downtime is to surge mechanics. They brought in CDOT mechanics into the area focused only on keeping that equipment up and running. They are also looking to their vendors to put field mechanics up in the corridor through contracting to help the Department keep the equipment up and running.

The third element they are focusing in on is proper material usage through first MDSS, the Maintenance Division Support System that helps them identify what proper treatment recommendations are for the highway, and then focusing on getting the supply of products from vendors to keep products in stock piles and keeping tanks full throughout the winter. Last is providing training and trying to get better direction to crews about when to apply products and the application rates, when to start application of products during the storm.

The fourth thing that they are really focusing on is centralized communication, command and control in the Corridor. They identified the Tunnel as the main operations center. There were some challenges there with focusing communications into the site, so there was a complete redesign of the Tunnel Operations Center that is ongoing now. It is about halfway complete. It was necessary to identify properly trained personnel to be dispatchers, how the workflow happens behind the scenes as calls come in, and what their roles and responsibilities are. There is also a maintenance manager and an operations manager on there during peak times, Friday through Monday on twelve hour shifts. Then other point people are identified during the off peak times. They put heavy focus into partnering with local, county and state law enforcement agencies in the area, trying to get the message out there, understanding how they can better help each other and trying to get the focus into

communicating into the operations center so that everyone has a common operating picture and situational awareness on the Corridor with events.

Commissioner Aden commended everyone involved. He knows that this has been a key initiative, and there has been great work from Don Hunt, Scot Cuthbertson, Kyle Lester, Ryan Rice. He stated that this is a huge improvement from the way that CDOT has historically approached this Corridor. It used to be in a reactive mode, which was always too late and left a mess. This will really help make that as efficient as possible in very difficult circumstances at times. He thanked everyone for their work.

Executive Director echoed Commissioner Aden's commendations. This has been one of the most difficult projects that they have worked on at CDOT because it clashes so much into culture and history and the way that CDOT delivers service. He commended everyone that Commissioner Aden named as well as the Regional Directors. He stated that it is hard to give up a relatively new tandem truck and get a relatively old midrange in return to operate in the particular patrol. That is a tough one. They are just beginning and ready to learn a lot in order to sustain this through the entire winter season into April. It will be a challenge. He thanked everyone for the way they have pitched in on this.

Chairman Peterson echoed those comments. This is the new CDOT. When the way services have been delivered in the past is examined and then look at the innovative policies, techniques and cooperation that has been demonstrated through this program, it is phenomenal. He thanked everyone, including RTDs, but especially the drivers and the people who are out there doing the public's bidding and making sure it is possible to maintain safe and accessible roadways. He stated that he is in awe, and thanked everyone again for their extremely good work.

High Performance Transportation Enterprise (HPTE) Director's Report

Mike Cheroutes stated that the HPTE Board met on December 17, 2014. They spent a good deal of time discussing the loan transaction that is part of the Commission's agenda later on that Scott Richrath will be presenting. They discussed and will consider in January 2015 the implementation of a 10 year operating budget plan, which he stated will lay out very clearly the self-sustaining nature of the enterprise as an enterprise, which will provide for the repayment for loans from the Commission over the last several years. He stated that it should be a very informative session for those who are concerned about that. He mentioned that by way of preview.

He stated that they are nearing the end of the legislative audit process. They will see preliminary findings in January from the audit team that was hired. He does not expect any surprises there but stated that they would know for sure in January.

He stated that wanted to call the Commission's attention to a piece of legislation that is likely to pop up this legislative session that deals with new requirements for temporary license plates. For years, the paper versions of these that people stick in their back window have been the subject of fraud and lots of mischief. It also creates the result that on toll roads that operate by license plate photo, like E-470 for example, they are virtually unreadable. The loss from that kind of problem amounts in E-470's case to approximately \$8 million per year in lost revenue from people who

should legitimately be paying tolls. This has obvious implications. The legislation as drafted will require rigid, temporary plates of some material and will require that they be put in the license plate holders on automobiles and will, therefore, be readable. It is a project that is being worked on between HPTE, the Department of Revenue, E-470, the State Patrol to try to get some reconciliation of that problem.

On December 19, 2014, there will be a presentation at the Denver Chamber of Commerce, which has made private investment in infrastructure one of its top priorities for the coming year. They are asking HPTE to come in and introduce that subject. He stated that he is looking forward to that.

FHWA Division Administrator Report

John Cater stated that he wanted to start by discussing the Super Circular, which had told the Commission about previously. That is a federal government wide standard, uniform set of procedures for federal grant and financial assistance programs. It rolls all of the other circulars into one place and one site where all the information can be found. This will provide better consistency across government. The implementation date for that is December 26. The implications for that at CDOT mean a few things are going to change as far as federal programs. Some of them are relatively minor. It will be necessary to add a CFDI to the project field. The threshold of single audits for sub-recipients like cities and MPOs will go up to \$750,000 from \$500,000. The biggest change that will impact CDOT is the requirement that establishes a period of performance. This award or grant is good for a fixed period of time. At the beginning of the project, both a start date and end date will be set. The project is eligible for reimbursements during that time frame. Once that period is established, there will be 90 days after that to submit all incurred costs and then another year to close out the project. Those are hard deadlines that CDOT has not had in the past. This is something the Department will have to adjust to in the future, and this will apply to all new projects beginning on December 26 and any significant modifications to existing projects that happen after that date. They have had several meetings with CDOT financial staff and others already. They will continue to have those meetings and are still in the process of fine tuning all the guidance. Again, this will be government-wide including not only FHWA and CDOT but all government agencies like the DOD and HUD. It applies to everyone. The Department should be able to work through it, and it is not expected to be particularly onerous. With CDOT's work on changing financial procedures, the Department is probably in a far better position than most DOTs are for this. This is something that CDOT will be able to handle much more readily than others.

He stated that he wanted to reiterate a few things that had already been mentioned. He stated that he was very pleased with the results of the Eagle interchange project and the ribbon cutting that took place there. That is a real success story for the innovative techniques that have been brought forward. That project used both roundabouts and CMGC. Roundabouts are not particularly new to that part of the state, but several people stated that traffic was backing up severely down I-70 and down the ramps. The moment that the roundabouts were opened, even under construction, the backups on the ramps and the highway went away. This was a place that used the right tool at the right time. Again, these are not the solution everywhere, but this was a great place to utilize that. They also used CMGC, which got great reports from the locals as well. Getting the contractor involved early on

meant that the contractor had an opportunity to work with local businesses to minimize the impact on those businesses. This was handled better than it might have been under standard contracting procedures. This is not what should be done everywhere, but there is a time and a place where it works well.

The Twin Tunnels is another CMGC project that came in on time and on budget. He congratulated the folks involved in that project. He also credited the Commission for stepping up and doing that project and taking advantage of the infrastructure that was already there and building on the success from last year. That was great to see.

Act on Consent Agenda

Chairman Peterson entertained a motion to approve the Consent Agenda. Commissioner Gruen moved to approve the Consent Agenda, and Commissioner Connell seconded the motion. Upon vote of the Commission, the resolution passed unanimously.

Resolution #TC-3211

BE IT HEREBY RESOLVED, that the Transportation Commission's Regular Meeting Minutes for November 20, 2014, are approved as published in the official agenda of the December 17 & 18, 2014, meeting.

Resolution #TC-3212

Resolution #TC-3212

Resolution to Approve the Abandonment of SH 33 BRIDGE #E-17 AH Project # and Project Code 20343 to the City and County of Denver

Approved by the Transportation Commission on December 18, 2014

WHEREAS, on May 24, 2001, the Transportation Commission adopted Resolution Number TC-954 to abandon State Highway 33 ("SH 33") from Colfax Avenue to Colorado Boulevard, with the exception of bridge structures E-17-AH, F-16-NW, F-16-MV and F-16-NY, to the City and County of Denver ("City");

WHEREAS, said Resolution Number TC-954 states that Bridge #E-17-AH will be retained by the Department of Transportation until the bridge is reconstructed, and upon completion of construction ownership will be transferred to the City;

WHEREAS, CDOT has proposed to replace Bridge #E-17-AH with a concrete box culvert or new bridge, repair the structure to meet the satisfaction of the City, or pay the City to repair/replace the structure on a schedule as determined by the City;

WHEREAS, the City has agreed to accept ownership of Bridge #E-17-AH in its "as is" condition in exchange for a specific dollar amount to be paid by CDOT to the City on the date of the transfer of ownership of the bridge structure;

WHEREAS, the City has proposed to take ownership of Bridge #E-17-AH as depicted in Exhibit A which is attached hereto, in exchange for a payment of \$2,000,000.00 from CDOT from CBR Funds;

WHEREAS, \$2,000,000.00 is anticipated to be less than the amount CDOT reasonably expects to expend to maintain, preserve, or improve Bridge #E-17-AH over the next 20 years;

WHEREAS, Colorado Revised Statutes (CRS) 43-2-106 (1) (b) further provides that any county or municipality receiving a payment from CDOT as a result of CRS 43-2-106 (1) (a) shall credit the payment to a special fund to be used only for transportation-related expenditures;

WHEREAS, the Parties desire to enter into an Intergovernmental Agreement (IGA) and agree upon the conditions of the abandonment of Bridge #E-17-AH by the State and acceptance by the City pursuant to the terms and conditions of the IGA;

WHEREAS, the governing body of the City shall adopt a resolution agreeing to the State's abandonment of Bridge #E-17-AH and agreeing that said bridge structure no longer serves the ongoing purposes of the State Highway system; committing the City to assume ownership of said bridge structure in the "as is" condition;

WHEREAS, within 90 days of the official notification of such abandonment by the Transportation Commission, the City shall execute a resolution or ordinance accepting the abandoned bridge structure into their city street system;

WHEREAS, within 90 days of the date of execution of the City Resolution or Ordinance accepting the abandoned bridge structure, CDOT will execute a quitclaim deed that will include a reversion provision stating that if the property that is the subject of the quitclaim deed is not used for transportation purposes, title to such property will automatically revert back to CDOT;

WHEREAS, concurrent with the execution of the quitclaim deed, CDOT will provide payment of \$2,000,000.00 to the City, and that shall constitute the total consideration from the State to the City related to the abandonment and transfer of the bridge structure;

WHEREAS, the Transportation Commission is authorized pursuant to Colorado Revised Statutes (C.R.S) 43-2-106 to make determinations regarding abandonment of State Highways(s) to affected county(ies) or municipality(ies);

WHEREAS, the Transportation Commission has determined Bridge #E-17-AH is no longer needed for the state highway purposes;

NOW THEREFORE BE IT RESOLVED, pursuant to the provisions of the CRS 43-2-106, the Department of Transportation be given authority to declare that Bridge #E-17-AH abandoned, as shown in Exhibit A.

Herman J. Stockinger III
Herman Stockinger, Secretary
Transportation Commission of Colorado

1-12-15
Date

Resolution #TC-3213

Resolution #TC-3213

Addition to Fiscal Year 2015 over \$50,000 project list approval

Approved by the Transportation Commission on: December 18, 2014

WHEREAS, under Senate Bill 98-148, public projects supervised by the Colorado Department of Transportation (CDOT) are exempt from the requirements of the "Construction Bidding for Public Projects Act;" and

WHEREAS, Section 24-92-109, Colorado Revised Statutes, as amended, requires CDOT to prepare cost estimates for projects to be undertaken by CDOT maintenance crews that exceed \$50 thousand, but are less than or equal to \$150 thousand for submission to the Transportation Commission for review and approval; and

WHEREAS, CDOT staff have prepared a cost estimate for this project to be done in Fiscal Year 2015 as detailed in the memorandum entitled; Addition to FY 15 over \$50,000.00 project list dated November 13, 2014; and

WHEREAS, the funding for this project is contained in the Fiscal Year 2015 Budget.

NOW THEREFORE BE IT RESOLVED, the Transportation Commission has reviewed the cost estimate, as contained in the official agenda, and approves CDOT Maintenance Forces undertaking the project therein.

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Region 2 - Pueblo				
Highway	Begin MP	End MP	Type	Estimate
231A	0.75	N/A	Place Culvert Pipe	\$ 65,000.00
Total - Pueblo				\$ 65,000.00
Statewide Total				\$ 65,000.00

Sufficient funds exist within the appropriate MPA's to pursue this project. The project is in accordance with the directive and all other requirements.

Herman J. Stockinger III
Herman Stockinger, Secretary
Transportation Commission of Colorado

1-12-15
Date

Discuss and Act on the 6th Supplement to the FY2015 Budget

Scott Richrath stated that the budget supplement this month includes the projects that were reviewed the previous day during workshops. He stated that he would walk through the projects individually because there were several moving parts. Last month staff came before the Commission with a recommendation about how to put to use approximately \$45 million of surplus contingency funds and federal redistribution money. In light of the RAMP project cost discussion, that was pulled off the table last month. Before the Commission is a different proposal this month that takes essentially the corporate level contingency (approximately \$40 million) and

moves it to a programmatic level contingency, that being RAMP, for \$40 million. That is the first element and is consistent with the discussion from the previous day regarding RAMP project costs.

Two other pieces that were before the Commission in November that were “casualties” of the RAMP project cost discussion are before the Commission again. One is a request for \$2 million for Workforce of the Future, which several Commissioners have been working closely with Heidi Humphreys on. The second from Region one is a request for \$2 million to begin work on I-70 westbound Floyd Hill, the empire end.

Moving to Region 2, and the most significant discussion from the workshops, there is a request for \$19.55 million for the I-25/Cimarron Expressway, a RAMP project. It has multiple components of funding. There is a statement included that the Commission can choose to remove. It currently states that “Any project savings will revert first to the RAMP program.”

In Region 3, there is a request for \$6.6 million for State Highway 9. This was also discussed thoroughly in the workshops.

In Region 4, there is a request to move a public-private partnership project from red to green, which gives staff the authority to move forward budgeting that project when it is ready. There is now scope, schedule and budget for that project, all in line with the initial approval.

The other items are informational, and two of them are movement from Package 2 to Package 3 of the I-70 Peak Period Shoulder Lanes. Staff did not believe these required approval because these do not constitute a change in the overall scope or schedule. There is a final informational item from Region 5. Affirmation from the Commission would be helpful. There are sometimes opportunities to bring RAMP projects together with non-RAMP projects, as staff has done in this case. It is a surface treatment. Staff believes that if both projects maintain their original scope, schedules and budgets that it is unnecessary for the Commission to approve this according to PD703. The Commission does not have to adopt formally combining two projects into one, giving the Department some efficiencies on mobilization and economies of scale. Staff anticipates there could be a few more of these that combine RAMP and non-RAMP projects. The projects will maintain separate accounting. He stated that he would be interested in hearing feedback from the Commission.

Commissioner Connell stated that she is very comfortable with the approach of including the combining of projects as an information item. It can be pulled or brought up if the Commission has specific questions.

Commissioner Gilliland stated that she is also supportive. It is not necessary to bring it before the Commission. If there are efficiencies by combining projects and staff can move that forward, they should have the wherewithal and the flexibility to do that.

Chairman Peterson stated that staff had the consensus of the Commission

Scott Richrath stated that he wanted to point out that staff brought commission a reconciliation of the contingency in making this recommendation of \$40 million. They would then be targeting a closing contingency of \$46 million. Commission previously

requested a contingency of \$40 million. If everything goes to plan and the Department continues to spend down at the rate of \$25 million per year, although Commission has not been spending at that rate in past years, and including other factors like state exposure on the Flood Program, staff projects a \$46 million contingency rather than a \$40 million contingency. Staff discussed the March/April timeframe where Commission approves the FY16 budget before it is submitted to the Governor for signature may be the appropriate time to reassess how RAMP project costs are going and perhaps discuss other funding needs.

Chairman Peterson entertained a motion to approve the 6th Supplement to the FY15 Budget. Commissioner Connell moved approval of the resolution as amended with the three additional projects and the language on Cimarron, and Commissioner Aden seconded the motion. Upon vote of the Commission, the resolution passed unanimously.

Resolution #TC-3214

BE IT SO RESOLVED, That the Sixth Supplement to the Fiscal Year 2014-2015 Budget as amended be approved by the Commission.

Discuss and Act on the Resolution for the SIB Interest Rate

Scott Richrath stated that twice a year the Commission decides whether or not readjust the interest rate by which loans are made to local agencies and others applying for State Infrastructure Bank loans. Interest rates had been trending upward slightly over the past year and a half, and over recent months, they have begun to trend back downward. There was a Federal Reserve meeting that indicated that things are status quo from the Federal Reserve point of view. They do not look to ease on rates until mid to late 2015. In working with Stifel Nicolaus CDOT's financial advisor they discussed whether to keep rates at 2.75% even though that was slightly higher than ten year treasuries or to recommend to the Commission to reduce it to 2.5%. They agreed that 2.75% was not necessary and that 2.5% was a better place to land for the next six months. Staff recommendation is for the Commission to formally adopt a 2.5% rate. However, there is an alternative to keep it at 2.75% if that is what the Commission prefers.

Chairman Peterson entertained a motion to approve the resolution. Commissioner Aden moved to approve the resolution setting the SIB rate at 2.5%, and Commissioner Gifford seconded the motion. Upon vote of the Commission, the resolution passed unanimously.

Resolution #TC-3215

Resolution #TC-3215

Resolution to Approve SIB Rate

Approved by the Transportation Commission on December 18, 2014

WHEREAS, the Colorado State Infrastructure Bank is a transportation investment bank with the ability to make loans to public and private entities for the formation of public transportation projects within the state; and

WHEREAS, the General Assembly has passed Legislation (§ 43-1-113.5, C.R.S.) that established the transportation infrastructure revolving fund and required that the fund include a highway account, a transit account, an aviation account and a rail account; and

WHEREAS, the Transportation Commission has adopted rules, pursuant to § 43-1-113.5(3) C.R.S., regarding the eligibility requirements, disbursement of funds, interest rates, and repayments of loans from the bank; and

WHEREAS, pursuant to 2CCR 605-1, Rule V, the Transportation Commission is required to set the bank's interest rate no later than December 31, of each year for loans originating during the ensuing months of January; February; March; April; May; June of the second half of fiscal year 2015; and

WHEREAS, based on current market conditions, the Department has recommended an interest rate of two and one half percent (2.5%) on all loans originating in the second half of the State fiscal year 2015; and

NOW THEREFORE BE IT RESOLVED, the Transportation Commission authorizes the Department, under the guidance and direction of the Chief Financial Officer, under the terms and provisions set forth in the adopted rules, to assess an interest rate of two and one half percent (2.5%) on all bank loans originating in the second half of fiscal year 2015.



Herman Stockinger, Secretary
Transportation Commission of Colorado



Date

Discuss and Act on the Resolution for the Intra-Agency Agreement between CDOT and HPTE for Peak Period Shoulder Lanes

Scott Richrath stated that this is a two party agreement between the High Performance Transportation Enterprise and the Transportation Commission. The HPTE Board unanimously adopted this for approval on December 17, 2014. There was discussion on the agreement during public workshop. He stated that he wanted to publicly recognize all the people who put in a significant amount of time to get this agreement completed. When staff brought this before Commission in November that there would be a closing date on December 19, 2014, pending approval of both the HPTE Board and the Commission. It was a very heavy lift to get there, but staff is confident that it will happen thanks to a lot of work by a lot of people. He stated that he personally wanted to thank the Attorney General's office for representing CDOT.

Kathy Young and Jordan Chase did a tremendous job getting this to the finish line. Mike Cheroutes had great leadership spearheading this on behalf of HPTE. Josh Benninghoff and Bryan Stelmack were the financial advisors who worked so hard. He asked Josh Benninghoff to introduce others who had helped with the process.

Josh Benninghoff stated that he was a financial advisor to CDOT with Stifel Nicolaus. The Inter Agency Agreement and Loan package before the Commission is the product of a competitive process led by Mike Cheroutes and his office. He thanked Mike and his team for leading that. He acknowledged two representatives from the Bank of America in attendance at the meeting: Brent Riley and Simon Wirecki. They and their teams have been strong partners to CDOT and HPTE in working through a number of issues that have cropped up as Scott Richrath described over the past month. The IAA and the Loan Agreement are better for it.

Commissioner Reiff stated that he had questions for counsel and asked Kathy Young to come to the microphone. He asked Kathy Young from the Attorney General's office if she was required to give any opinions to Bank of America with respect to this loan.

Kathy Young stated that there will be an Attorney General opinion.

Commissioner Reiff asked if those were also on behalf of the Department of Transportation in addition to HPTE, and Kathy Young stated that they were. Commissioner Reiff asked if that was an enforceability opinion, and Kathy Young stated that it was. Commissioner Reiff asked in the course of reviewing the enforceability opinion if Kathy Young had had an opportunity to review the TABOR issues that were raised earlier in the meeting by Ms. Karen Hammer, and Kathy Young stated that she had reviewed those. Commissioner Reiff asked if in her opinion there were any concerns with the IAA or the loan agreement. Kathy Young stated that there are none at all. She echoed what she had shared the previous day to the HPTE Board. They received Ms. Hammer's letter and took it seriously. As an extra exercise, they had CDOT's budget staff and HPTE's budget staff run the numbers assuming that the loan was a grant for last year. They strongly do not believe that the loan was a grant, but even running it as a grant, HPTE still maintained its enterprise status. Commissioner Reiff stated that in her capacity from the Attorney General's office Kathy Young has appeared before the Commission and other boards and asked if it was her impression that boards customarily and regularly rely on the advice of the Attorney General's office with respect to matters of the status of the agencies before them, such as whether they are enterprises and whether loans comply with TABOR. Kathy Young stated that those boards do rely on the Attorney General's office for that.

Scott Richrath stated that as the Chief Financial Officer he respectfully recommended approval of the Inter Agency Agreement.

Chairman Peterson entertained a motion to pass the resolution approving the Inter Agency Agreement. Commissioner Reiff moved to approve the resolution, and Commissioner Gifford seconded the motion. Upon vote of the Commission, the resolution passed unanimously.

Resolution #TC-3216

Resolution Number #TC-3216

A Resolution of the Colorado State Transportation Commission Approving the Intra-Agency Agreement between the Colorado Department of Transportation and the Colorado High Performance Transportation Enterprise for the I-70 Peak Period Shoulder Lanes Project

Approved by the Transportation Commission on December 18, 2014

WHEREAS the Colorado State Transportation Commission ("Transportation Commission") is responsible, pursuant to Section 43-1-106(8), C.R.S., for formulating the general policy with respect to the management, construction and maintenance of public highways and other transportation systems in the State; and

WHEREAS the Transportation Commission promulgates and adopts all budgets for the Colorado Department of Transportation ("CDOT") and state transportation programs; and

WHEREAS the General Assembly created the Colorado High Performance Transportation Enterprise ("HPTE"), pursuant to Section 43-4-806, C.R.S., as a government-owned business within CDOT to pursue innovative means of more efficiently financing important surface transportation projects that will improve the safety, capacity, and accessibility of the surface transportation system; and

WHEREAS HPTE is specifically authorized, pursuant to Section 43-4-806(c)(I), C.R.S., to impose user fees on the travelling public for the privilege of using surface transportation infrastructure; and

WHEREAS HPTE, in partnership with CDOT, is working to complete, implement and operate a transportation infrastructure project in the I-70 Mountain Corridor along a 13 mile segment of eastbound I-70 within CDOT's existing right-of-way that is known as the I-70 Peak Period Shoulder Lanes Project ("I-70 PPSL Project"); and

WHEREAS the I-70 PPSL Project consists of widening an existing shoulder that will operate as a tolled express lane during peak travel period; and

WHEREAS the Transportation Commission supports the I-70 PPSL Project and recognizes the benefits it provides to the State, which include, but are not limited to, improving travel times, enhancing recent improvements made to the Veterans Memorial Tunnels, and providing travelers with a choice of a new travel lane; and

WHEREAS HPTE will enter into a loan agreement with Banc of America Preferred Funding Corporation ("I-70 PPSL Loan Agreement") pursuant to which HPTE will borrow money to fund the payment of the lawful expenses and costs of planning, designing, engineering, acquisition, installation or construction of the I-70 PPSL Project and other lawful expenses and costs related thereto ("I-70 PPSL Loan"); and

WHEREAS in connection with the I-70 PPSL Loan, HPTE will pledge to Banc of America Preferred Funding Corporation the user-fee revenues collected by HPTE from the I-70 PPSL Project as further detailed in the I-70 PPSL Loan Agreement; and

WHEREAS in order to finalize the I-70 PPSL Loan Agreement, HPTE has requested that CDOT enter into an Intra-Agency Agreement with HPTE for the I-70 PPSL Project (“Intra-Agency Agreement”) pursuant to which HPTE can request a transfer of money from the Transportation Commission from the state highway fund to assist HPTE in fulfilling its payment obligations under the I-70 PPSL Loan Agreement and in operating and maintaining the I-70 PPSL Project in the event the user-fee revenues are insufficient or projected to be insufficient to satisfy such obligations; and

WHEREAS pursuant to Section 43-4-806(4), C.R.S., the Transportation Commission may authorize the transfer of money from the state highway fund to HPTE to defray expenses of HPTE and, notwithstanding any state fiscal rule or generally accepted accounting principle that could otherwise be interpreted to require a contrary conclusion, such a transfer constitutes a loan from the Transportation Commission to HPTE and shall not be considered a grant for purposes of section 20(2)(d) of article X of the state constitution; and

WHEREAS any financial support that CDOT provides HPTE under the Intra-Agency Agreement shall be in the form of a loan from the Transportation Commission to HPTE pursuant to Section 43-4-806(4), C.R.S.; and

WHEREAS the Transportation Commission may, in its sole and absolute discretion, but is not obligated to, provide loans to HPTE under the Intra-Agency Agreement; and

WHEREAS the Transportation Commission recognizes and respects the legal principle that it cannot bind future Transportation Commissions with respect to budgetary and policy decisions, recognizes it cannot agree, in advance, to allocate and transfer state highway funds for a loan to HPTE and agrees that any decision as to whether or not to allocate and transfer such funds for such purposes shall be made by the Transportation Commission, in its sole discretion, in the year in which the HPTE request occurs; and

WHEREAS in the event the Transportation Commission elects, in its sole and absolute discretion, to make a loan to HPTE to satisfy any of the payment obligations under the I-70 PPSL Loan Agreement, CDOT can, but is not required to, fund such a loan using Federal-aid highway funds to assist HPTE in fulfilling its payment obligations under the I-70 PPSL Loan Agreement, but CDOT may not use Federal-aid highway funds to satisfy any expenses related to the operations and maintenance of the I-70 PPSL Project.

NOW THEREFORE BE IT RESOLVED, the Transportation Commission hereby approves and authorizes CDOT to enter into the Intra-Agency Agreement with HPTE in substantially the form presented to the Transportation Commission and authorizes the CDOT Executive Director or his delegee to execute the Intra-Agency Agreement with such changes therein and additions thereto, not inconsistent with this Resolution, as are approved by the CDOT Executive Director or his delegee (whose signature thereon shall constitute conclusive evidence of such approval); and

BE IT FURTHER RESOLVED, the Transportation Commission approves and authorizes appending to the Intra-Agency Agreement the I-70 PPSL Loan Agreement approved by the HPTE Board of Directors with such changes therein and additions thereto, not inconsistent with this Resolution, as are approved by the CDOT

Executive Director or his delegee, which changes can include an increase or decrease in (i) the initial interest rate charged so long as the initial interest rate does not exceed 3%, provided that such rate may increase under certain circumstance as provided in the I-70 PPSL Loan Agreement; and (ii) the principal amount being borrowed so long as such principal amount does not exceed \$25 million; and

BE IT FURTHER RESOLVED, the Transportation Commission hereby authorizes the CDOT Executive Director, the CDOT Chief Financial Officer, or any other officer of CDOT to execute and deliver such certificates and other documents and take such other actions as may be necessary or convenient to the accomplishment of the purposes of this Resolution, including, without limitation, the delivery of all closing certificates and other documents required to be delivered by the provisions of the I-70 PPSL Loan Agreement.

Herman F. Stockinger III
Herman Stockinger, Secretary
Transportation Commission of Colorado

1-12-15
Date

C-470 Express Lanes Project Financing Update

Mike Cheroutes stated that as an extra step in the transparency policy they wanted to review the status of recent recommendations from the HPTE Board on the financing alternative that they believe should be pursued to complete the C-470 project. The material included in the agenda item shows the last available estimate of funding sources that are available to complete this project. The Commission should note that there is a \$100 million challenge with respect to borrowings against revenues of this facility. Independent cost estimations are being done on the project, so there will be more details on that shortly. The HPTE Board tried to set forth both the arguments for and against moving forward with this project as a potential private investment asset. For the reasons set forth in the material, largely the magnitude of the project, the decision of the HPTE was to recommend pursuit of this on a public finance basis. They wanted to ensure that recommendation was presented to the Commission without asking for any specific action. This is so that people will know the basis on which they will be proceeding.

Commissioner Reiff clarified that this will be a public bond or finance and that it will be a public maintenance and operation. There will be no third party contractor as part of the bid process to operate and maintain the program. Mike Cheroutes agreed that was accurate.

Executive Director Hunt stated that on the \$100 million supported by toll revenue it lists TIFIA and PABs. He asked if PABs was correct. Mike Cheroutes stated that was not correct. It would be tax exempt, revenue supported bonding. Mike Cheroutes stated that if they did use an O&M contract that Commissioner Reiff mentioned that the situation may be different, but that is not the current intent.

Acknowledgement

Commissioner Zink stated that she wanted to add an acknowledgement to her earlier comments about the 550/160 interchange revision. It was thanks primarily to the efforts of community members and the other parties involved, including the property

owners and the Southern Indian Tribe Growth Fund, who really spearheaded this effort to come up with a compromise plan that was finally accepted by the property owners of primary importance.

Commissioner Peterson stated that he wanted to acknowledge his fellow colleagues and commissioners of the Colorado Transportation Commission for a year of innovation, dedication and support. He also acknowledged the staff and all the people who continue to put the effort forth to ensure everyone gets from Point A to Point B safely, effectively and efficiently, sometimes operating under extreme conditions. This past year there was a tremendous challenge with the floods, and as an organization, CDOT stepped up and went far above and beyond what was expected in order to provide access to several mountain communities and continue the operation in the state. He stated it has been his distinct privilege and pleasure to work with his fellow commissioners as chair this past year and moving into 2015. He wished everyone a happy and healthy holiday season. He asked everyone to drive safely and not to text and drive. He wished everyone a healthy, happy and prosperous new year.

Other Matters

Chairman Peterson stated that there were no other matters to come before the Commission.

Adjournment

Chairman Peterson announced that the meeting was adjourned at 11:32a.m.

Colorado Transportation Commission – Master Calendar 2015

January 1st Holiday – New Year’s Day
January 19th Holiday – Martin Luther King Day
January 21st – Workshops/Committee Meetings
January 22nd – Regular Commission Meeting

February 16th Holiday – President’s Day
February 18th – Workshops/Committee Meetings
February 19th – Regular Commission Meeting

March 18th – Workshops/Committee Meetings
March 19th – Regular Commission Meeting

April 15th – Workshops/Committee Meetings
April 16th – Regular Commission Meeting

May 20th – Workshops/Committee Meetings
May 21st – Regular Commission Meeting
May 25th Holiday – Memorial Day

June 17th – Workshops/Committee Meetings
June 18th – Regular Commission Meeting

July 3rd Holiday – Independence Day (Observed)
July 15th – Workshops/Committee Meetings
July 16th – Regular Commission Meeting

August 19th – Workshops/Committee Meetings
August 20th – Regular Commission Meeting

September 7th Holiday – Labor Day
September 16th – Workshops/Committee Meetings
September 17th – Regular Commission Meeting

October 12th Holiday – Columbus Day
October 14th – Workshops/Committee Meetings
October 15th – Regular Commission Meeting

November 11th Holiday – Verteran’s Day
November 18th – Workshops/Committee Meetings
November 19th – Regular Commission Meeting
November 26th Holiday – Thanksgiving Day

December 16th – Workshops/Committee Meetings
December 17th – Regular Commission Meeting
December 25th Holiday – Christmas Day

BE IT HEREBY RESOLVED that the 2015 Master Calendar of the Transportation Commission of Colorado is hereby approved as contained in the Official Agenda of January 21 & 22, 2015.