

Resolution #BE-145

Regular Meeting Minutes for October 17, 2013

Approved by the Bridge Enterprise Board of Directors on November 21, 2013

BE IT RESOLVED THAT, the minutes for the October 17, 2013, meeting of the Bridge Enterprise Board of Directors are hereby approved by the Bridge Enterprise Board.

**Bridge Enterprise Board
Regular Meeting Minutes
Thursday, October 17, 2013**

PRESENT WERE: Doug Aden, Chairman, District 7
Shannon Gifford, District 1
Gary Reiff, District 3
Ed Peterson, Vice Chairman, District 2
Heather Barry, District 4
Kathy Gilliland, District 5
Kathy Connell, District 6
Sidny Zink, District 8
Les Gruen, District 9
Bill Thiebaut, District 10
Steve Hofmeister, District 11

ALSO PRESENT: Don Hunt, Executive Director
Gary Vansuch, Director of Process Improvement
Heidi Humphreys, Director of Admin & Human Resources
Debra Perkins-Smith, Director of Division of Transportation Development
Scott Richrath, Chief Financial Officer
Mike Cheroutes, Director of HPTE
Scott McDaniel, Director, Staff Services
Herman Stockinger, Director of Policy and Government Relations
Amy Ford, Director, Public Relations
Barb Gold, Director, Division of Audit
Tony DeVito, Region 1 Transportation Director
Tom Wrona, Region 2 Transportation Director
Dave Eller, Region 3 Transportation Director
Myron Hora, Acting 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

Chairman Aden convened the meeting at 1:55 p.m. in the CDOT Headquarters building at 4201 E. Arkansas Avenue, Denver, CO.

Audience Participation

The Chairman noted that no members of the audience had signed up to address the Board of Directors.

Act on Consent Agenda

Chairman Aden stated that the next thing on the Agenda was action on the Consent Agenda. Director Gruen moved for approval of the Consent Agenda. The motion was seconded by Director Connell. Upon vote of the Board, the motion passed unanimously.

Approval of the Regular Meeting Minutes for September 18, 2013

Resolution #BE-143

Approval of Regular Meeting Minutes for September 19, 2013.

BE IT RESOLVED THAT, the Minutes for the September 19, 2013, meeting of the Bridge Enterprise Board of Directors are hereby approved by the Bridge Enterprise Board as published in the Agenda for the October 16 & 17, 2013, meeting of the Bridge Enterprise Board of Directors.

Discuss and Act on Resolution to Approve the 4th Budget Supplement for FY2014

Scott Richrath stated that this request for State Highway 14 in the Poudre Canyon was pulled from the agenda last month because the physical impact of the flooding to this area was not yet known, nor was the financial impact to Fort Collins. This is the only request on the table for this month, submitted on the contingency of local readiness to move forward. As of October 16, 2013, Fort Collins stated that they are ready to move forward with their local share. He sought approval for a supplemental request for \$12.1 million for State Highway 14.

Chairman Aden entertained a motion to approve the 4th Supplement to the Budget. Director Gilliland moved to approve the motion, and Director Connell seconded the motion. Upon vote of the Commission, the resolution passed unanimously.

Resolution #BE-144

BE IT RESOLVED THAT, the 4th Budget Supplement for FY'14 is hereby approved by the Bridge Enterprise Board.

Quarterly Bond Program Update

Scott Richrath stated that the Bond Program is a \$300 million program with a target of spending \$255 million of that in a three year period. That target will not be met, but it will be close. There has been acceleration in expenditure in the last few months. He stated that he anticipates about \$14 million per month in bond spending over the final few months of the three year period, bringing the total to approximately \$240 million.

Chairman Aden asked about potential legal problems with the spend-down requirement. Ken Szeliga stated that counsel was comfortable with the fact that

Bridge Enterprise has done everything possible to spend the money and that all the money should be encumbered by December of 2013, which will ensure compliance.

Scott Richrath stated that in approximately 18 months, the Bond Program will face a deficit of about \$88million. He asked if the Board wanted a workshop at a future meeting to discuss possible future bonding. Chairman Aden stated that a workshop would be helpful. Chairman Aden also asked how the I-70 viaduct fit into the financial plan. Scott Richrath stated that the forecasts for the I-70 viaduct have some variability in two specific areas. The first is that the scheduled performance index is set at .9, and the forecasts typically assume a 1.00 scheduled performance index. As the Enterprise lags by 10% or so, they will not expend the cash that is forecasted. The second potential lag is that they have been historically running under budget. There has been a return to budget on each project as they close that project of another 10%. There is flexibility that will make the forecasts look less deficit-driven. The I-70 viaduct is clearly the factor that drives an entirely different discussion on bonding and on funding capacity from the pay as you go program.

Director Hunt stated that Mike and Ben are working on an overall funding plan for the viaduct project. This was a first round of looking at more aggressive tolling structures, including toll express lanes and other sources of revenue to do this project, in order to lighten a little of the load on the Bridge Enterprise.

Director Hunt also stated that there was an appeal filed on the Bridge Enterprise lawsuit. Kathy Young stated that time frame to resolve that appeal would be at least year, possibly two years.

Chairman Aden requested to stay apprised of any material changes in cash projections. He also stated that moving forward with the discussions about the I-70 viaduct will help provide context when the legal questions are resolved.

Prioritization Plan Comparison

Josh Laipply stated that last month they were requested to examine the currently programmed bridges and how they would rank in the prioritization plan for Bridge Enterprise. Of the 26 that are currently in design, six have a lower prioritization score. They maintain that these six continue to be a good investment. There are 17 others that have not been programmed because they are not a good investment. This demonstrated that the prioritization plan is working.

Monthly Progress Report

Scott McDaniel provided the Monthly Progress Report.

- The Program Schedule SPI has decreased by .2 points. The drop is attributed to both over-performing and under-performing projects. The over-performing projects decreased from a .05 benefit to a .04 benefit. The underperforming projects also lost a few points.
 - There are 12 over-performing projects with an earned value of \$13.5 million.
 - There is one underperforming non-railroad project with a combined loss earned value of \$10.8 million.
 - There are a high number underperforming railroad projects. They are diligently working to improve the relationships with the railroads.

- SPI peaked at .95
- Major Achievements
 - Completed the fourth quarter for the Quarterly Report
 - Flood Recovery
 - Immediately after the floods, staff members were looking at damage and which bridges were Bridge Enterprise eligible.
 - This includes the Poudre River Bridge, which continues to be eligible.
 - Went to AD with a bridge in Region 2: the 1-25 business route over Salt Creek, north of Walsenburg. This a very old structure and is due for a replacement.
 - The I-25 over the draw in El Paso County is also going to construction in Region 2. This is not funded by Bridge Enterprise, but it is a Bridge Enterprise eligible project. It was not funded by Bridge Enterprise because it was a design built project and funded by BR funds.
 - Two bridges were completed in Region 1.
 - The first was the Pecos Street Bridge over 1-70. It is open and fully functional with roundabouts on both sides.
 - The second is a Sheridan Bridge over a railroad at 1-76.
- Total program financial performance did not significantly change from last month. As was heard in the Bond Program update, they are a little behind but gaining ground as they go.
- There are still 178 FASTER eligible bridges, which is no change from last month. Two went into design and one was completed since the last update.
- He provided a list of the 30 most deficient bridges.

Adjournment

Chairman Aden asked if there were any more matters to come before the Bridge Enterprise Board and hearing none, Chairman Aden announced the adjournment of the meeting.

Herman J. Stockinger III
 Herman Stockinger, Secretary
 Colorado Bridge Enterprise Board

1-29-15
 Date