

Resolution #BE-149

Regular Meeting Minutes for December 19, 2013

Approved by the Bridge Enterprise Board of Directors on January 16, 2014

BE IT RESOLVED THAT, the minutes for the December 19, 2013, meeting of the Bridge Enterprise Board of Directors are hereby approved by the Bridge Enterprise Board.

**Bridge Enterprise Board
Regular Meeting Minutes
Thursday, December 19, 2013**

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

ALSO PRESENT: Don Hunt, Executive Director
Scot Cuthbertson, Chief Operating Officer
Gary Vansuch, Director of Process Improvement
Debra Perkins-Smith, Director of Division of Transportation
Tim Harris, Chief Engineer
Heidi Humphreys, Director of Admin & Human Resources
Barbara Gold, Audit Director
Amy Ford, Public Relations Director
Scott McDaniel, Director of Staff Services
Soctt Richrath, CFO
Herman Stockinger, Director of Policy and Government Relations
Mike Cheroutes, Director of HPTE
Mark Imhoff, Director of Division of Transit and Rail
Ryan Rice, Director of Operations Division
Darrell Lingk, Director of Office of Transportation Safety
Tony DeVito, Region 1 Transportation Director
Tom Wrona, Region 2 Transportation Director
Dave Eller, Region 3 Transportation Director
Johnny Olson, Region 4 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 11:45 a.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 Connell moved for approval of the Consent Agenda. The motion was seconded by Director Gilliland. Upon vote of the Board, the motion passed unanimously.

Resolution #BE-147

Approval of Regular Meeting Minutes for November, 2013.

BE IT SO RESOLVED THAT, the Minutes for the November 21, 2013, meeting of the Bridge Enterprise Board of Directors are hereby approved by the Bridge Enterprise Board as published in the Agenda for the December 18 & 19, 2013, meeting of the Bridge Enterprise Board of Directors.

Discuss and Act on Resolution to Approve the 5th Budget Supplement for FY2014

Scott Richrath stated that there is only one structure this month in Region 3 for \$10 million. This is a rehabilitation rather than a replacement.

Chairman Aden entertained a motion to approve the 5th Budget Supplement. Director Peterson moved to approve the resolution, and Commissioner Gilliland seconded the motion. Upon vote of the Board, the resolution passed unanimously.

Resolution #BE-148

BE IT SO RESOLVED THAT, the 5th Budget Supplement for FY'2014 is hereby approved by the Bridge Enterprise Board.

Bond Program Update

Scott Richrath stated that December 15, 2013, marked the three year anniversary for bond issuance. There was a target of 85% of expenditure of the \$300 million proceeds. Within that target, there was a dollar expenditure and a number of structure target. Bridge Enterprise far exceeded the number of

structure target in the bond program. Over 90 bridges were addressed, and the target was less than 70. Bridge Enterprise fell slightly short on the dollar expenditure, but legal counsel stated the legal commitment was met. As of today, there has been \$242 million in bond expenditure, and the target had been \$255 million.

Ben Stein stated that there are no legal ramifications even though they fell short of the dollar expenditure target. There are no notices or automatic penalties. The legal issue is that if the target is not met and the IRS audits the program, it is necessary to document why the goal was not met. The IRS wants to determine if the department borrowed excessively to arbitrage tax-free money. Bridge Enterprise has documentation to show why it borrowed the original amount, why the plan was to spend the money and what prevented that money from being spent. The most significant issue is several bridges that we delayed for legitimate reasons, including the US 6 Bridge Complex in downtown. These could have been completed 18 months ago, but these were held up to package with bridges that will be done on the Commission budget. This will create a more efficient and larger project. This project alone accounts for a majority of the difference. This program has only been audited once, and it came through with flying colors.

Scott Richrath stated that as the three years of bond issuance is wrapped up, Bridge Enterprise will begin to take on a different complexion. There is an existing ten year plan for the bond issuance program, but this will be parsed to specifically look at the next three years. Minor and major rehabilitation will be examined, especially under the new asset management program.

Discuss I-70 Viaduct Funding Alternative

Executive Director Hunt stated it is necessary to discuss project funding before discussing project procurement. He asked if it would be possible to discuss funding in the January meeting.

Scott Richrath stated that it is possible to bring broader information to the Board in January than was distributed in December. They will address the impact of bonding on the Bridge Enterprise program and the flexibility that may be affected. He will present different funding options at that time. He will also present that rehabilitation and preventative maintenance options will be examined more than has been in the past, rather than automatically replacing the structure.

Ben Stein stated that he will have a memo to address the questions that were brought up by the Commission in the Wednesday workshop, and that it will be disseminated soon, including supporting documents. The public policy is a much broader issue that will be addressed as well.

Completion of the 2013 Annual Bridge Enterprise Report as Required by FASTER Legislation

Tim Harris stated that there is annual report to the legislature about Bridge Enterprise. It is due January 15, 2014, and it will be posted to the website on January 14, 2015. It was distributed to the Commission for comment, which can be sent to Bridge Enterprise by January 6, 2014.

Monthly Progress Report

Tim Harris stated that the SPI dropped to .90, which is still at the goal level. There were some underperforming projects, including a large one that finally got into construction. This should mean the number will change in the near future.

He stated that the reporting has been one of the large projects of the last month. Two bridges in Adams County went into construction. Two bridges were completed in Region 1 and Region 3.

Financially, the bond expenditures were up by \$21 million in the previous month. FASTER eligible bridges were discussed in the JBC in relation to how the statewide system is improving. Nineteen bridges have been completed in the last six months, most of which were funded with bond dollars.

He presented information on the thirty most deficient bridges.

Chairman Aden congratulated everyone on a successful year.

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 at 12:05pm.

Herman, J. Stockinger III

Herman Stockinger, Secretary
Colorado Bridge Enterprise Board

1-29-15

Date