

Resolution #BE - 25

Approval of March 2010 Minutes

Approved by the Bridge Enterprise Board of Directors on: April 15, 2010

BE IT HEREBY RESOLVED, The Bridge Enterprise Board of Director's Regular Meeting Minutes for March 18, 2010 are hereby approved.

Bridge Enterprise Board of Directors
Meeting Minutes
March 18, 2010

Vice Chairman, Les Gruen convened the meeting at 11:01 a.m. in the auditorium of the headquarters building of the Colorado Department of Transportation in Denver, Colorado.

PRESENT WERE: Les Gruen, Vice Chairman, District 9
Jeanne Erickson, District 2
Gary Reiff, District 3
Heather Barry, District 4
Bill Kaufman, District 5
George Krawzoff, District 6
Doug Aden, District 7
Gilbert Ortiz, Sr., District 9
Stacey Stegman, Secretary

ABSENT: Kimbra L. Killin, Chairwoman, District 11
Steve Parker, District 8

ALSO PRESENT: Russ George, Executive Director
Peggy Catlin, Deputy Executive Director
Pam Hutton, Chief Engineer
Casey Tighe, Audit Director
Heather Copp, Chief Financial Officer
Jennifer Finch, Transportation Development Director
Rick Gabel, Staff Services Director
Tim Harris, Region 2 Transportation Director
Weldon Allen, Region 3 Transportation Director
Bob Garcia, Region 4 Transportation Director
Richard Reynolds, Region 5 Transportation Director
Reza Akhavan, Region 6 Transportation Director
Harry Morrow, Chief Transportation Counsel

Karla Petty, Federal Highway Administration

AND: Vince Rogalski, Statewide Transportation Advisory Committee (STAC) Chairman

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

One audiotape of the meeting was made and supporting documents are filed in the Bridge Enterprise Board office.

The Bridge Enterprise Board of Directors meeting was called to order at 11:37 a.m., March 18, 2010 by Vice Chairman, Les Gruen.

BE Working Committee Report

Director Gary Reiff delivered the following report:

The March 17, 2010 workshop began with a review of the notes from the previous workshop of February 17, 2010 and the minutes of the March 5, 2010, Sub-Committee Meeting.

Chief Engineer Pam Hutton then explained the “Modified Bridge Enterprise Program Manager Approach” which was discussed in the Sub-Committee Meeting and endorsed by the Committee. A short write-up of this approach, which is a change from the original direction, was provided for the Sub-Committee Meeting. The modified approach has evolved as the Bridge Enterprise has progressed through its early months and consultants have conducted research and evaluations. This item was thoroughly discussed at the Workshop. Some key factors to this approach include:

- The Bridge Enterprise is pursuing debt financing separately from a Bridge Enterprise Program Manager (BEPM) using separate consultants.
- The core staff for long term management recommended by consultants LS Gallegos (LSG) is of a size (5 people) that might best be staffed initially by BEPM and then transitioned to BE staff with the BEPM in a support role.
- Innovative contracting approaches can still be employed including design-build and bundling of projects. Note: Some of this has already occurred with two contracts of bundled projects in Region 2.
- Providing flexibility along the way and affording the most opportunity for a wide range of firms to participate.
- Cost effectiveness providing more dollars for construction verses management.

Next on the agenda, Matt McDole of LSG indicated that no comments had been received on the Task Order No. 1 Deliverables which incidentally provide the background for the modified approach. Therefore these documents were finalized. Matt then reported that under Task Order No. 2 the Request for Qualifications (RFQ) for the BEPM has been developed and advertised and reported on the procurement schedule.

Heather Copp briefed the group on the Resolution for Reimbursement and Budget Supplement that are on the agenda for action. Heather gave a briefing on the status of BE financing and distributed a budget and tracking report that she developed. This is the first such written report which now is planned to be provided at each monthly workshop.

The last item discussed was the potential for a BE Sub-Committee Meeting the week of April 5, 2010.

Meeting Minutes

Vice Chairman Gruen asked for consideration of the February 18, 2010 Bridge Enterprise meeting minutes. Director Aden moved for adoption of the meeting minutes. Director Krawzoff seconded the motion and on a vote by the Board of Directors, the minutes were unanimously adopted.

Resolution Number BE - 22-A

BE IT HEREBY RESOLVED, The Bridge Enterprise Board of Director's Regular Meeting Minutes for February 18, 2010 are hereby approved.

Discuss and Act on Resolution for Reimbursement

Heather Copp spoke to the Board of Directors mentioning that Director Reiff had gone over the reimbursement resolution and she mentioned that CDOT is trying to reserve the right to spend dollars now and then later use bond proceeds to reimburse the agency at a later time for the first issuance that is being anticipated. Heather then asked for approval of the resolution. Vice Chairman Gruen asked for a motion and Director Reiff moved for adoption of the resolution and the motion was seconded by Director Barry and on a vote by the Board of Directors, the resolution was unanimously adopted.

Resolution BE-23 **Bond Proceeds**

WHEREAS, pursuant to SB09-108 and C.R.S. 43-4-805(2)(a)(I) the Statewide Bridge Enterprise was created as a government-owned business within the Colorado Department of Transportation (CDOT); and

WHEREAS, the business purpose of the Bridge Enterprise is to complete designated bridge projects that involve the financing, repair, reconstruction, and replacement of bridges designated as structurally deficient, functionally obsolete or rated as poor by CDOT; and

WHEREAS, the Bridge Enterprise is authorized, under C.R.S. 43-4-805(2)(b)(II) to issue revenue bonds; and

WHEREAS, the Bridge Enterprise would like to begin the bonding process to be ready to take advantage of favorable market conditions and advance the bridge program; and

WHEREAS, the Bridge Enterprise Board approved the Bridge Enterprise staff to take the necessary steps to prepare for a bonding program including but not limited to, hiring bond attorneys, disclosure attorneys, investment bankers, and rating agencies.

WHEREAS, the Bridge Enterprise presently intends, and reasonably expects, to issue bonds, or enter into other agreements, with respect to up to \$65 million in principal amount of obligations that qualify as "build America" or "tax exempt" obligations to finance capital expenditures on designated bridge projects; and

WHEREAS, the Bridge Enterprise may initially pay for such capital expenditures from sources other than proceeds of obligations, with the expectation that the amount paid will be reimbursed from proceeds of obligations; and

NOW THEREFORE BE IT RESOLVED, that this resolution is being adopted as an "official intent" under Treasury Regulation section 1.150-2 to permit the Bridge Enterprise to reimburse itself from proceeds of obligations for capital expenditures initially paid no earlier than 60 days before the date hereof from other sources, provided that such obligations are issued and the reimbursement is made (a) not later than 18 months after the later of (i) the date the first expenditure for which reimbursement is sought was paid or (ii) the date the project on which the capital expenditure is made is placed in service or abandoned; and (b) in all events no more than three years after the date the first capital expenditure for which reimbursement is sought was paid.

Discuss and Act on Budget Supplement

Heather Copp addressed the Board in regarding the Budget Supplement for the Bridge Enterprise. Heather declared that the budget contains one item that CDOT is budgeting \$3.2M to a Region 2 project that has three structures that will be included in the one project and she asked for approval of the resolution. Vice Chairman Gruen asked for a motion and Director Erickson moved for adoption of the resolution, the motion was seconded by Director Ortiz and on a vote by the Board of Directors, the resolution was unanimously adopted.

Resolution Number BE -24

BE IT HEREBY RESOLVED, that the 4th Supplement to the 2009-2010 Budget be approved by the Bridge Enterprise Board.

Progress Report

Chief Engineer Pam Hutton addressed the Directors and spoke about what a blessing it is to have wonderful individuals to work with including consulting staff and she introduced Matt McDole from LS Gallegos to give the progress report.

Matt McDole began by stating that along with him was Dave Stevenson a member of the team and that Dave was from Hartwig Consultants. Matt continued and said that the Directors had heard from Director Reiff that the consulting team had completed Task Order #1 and he mentioned that this order included: the informational summary and issues memorandum which the Directors had reviewed, compilation of the input from stakeholders who were surveyed, research from similar projects in other states, and the team developed program and policy issues for review by CDOT and the Bridge Enterprise. Matt mentioned that also included was a preliminary schedule for selecting a Bridge Enterprise Program Manager. Matt declared that the group has developed the request for qualifications working with staff for the Bridge Enterprise Program Manager that was advertised on March 10, 2010. Matt declared that the question period deadline had ended on March 17, 2010 and there were a few questions which the team would work with staff to answer by March 19, 2010 and this would put them right on schedule and it doesn't appear that there needs to be any addendums to the document. Matt confirmed that the Statements of Qualification will be due on March 31, 2010 and that they would be evaluated to develop a short list of candidates to give a request for proposals for the candidates to submit their proposals. Matt continued they were leading towards having a Bridge Enterprise Program Manager by August 1, 2010. Matt reported that in the meantime, the team has

been developing the request for proposals and there is a very rough draft that the team is reviewing internally and getting ready to work on the document with CDOT staff and that they continue to support the Bridge Enterprise program by tracking projects and trying to see that projects are moved out to the field as early as possible. He mentioned that that progress is happening and is indicated by some of the projects that the Directors have approved so far and the ones being approved during this meeting. In conclusion, Matt confirmed that the team needs to have the information on the status of projects so that the team can provide the information to contestants in the request for proposals document.

There being no further questions or business to be brought in front of the Bridge Enterprise Board of Directors, Vice Chairman Gruen adjourned the meeting at 11:45 a.m. on March 18, 2010.

A handwritten signature in black ink, appearing to read "Stacey Stegman", written over a horizontal line.

Stacey Stegman, Secretary
Statewide Bridge Enterprise