

Resolution #BE-31

BE IT HEREBY RESOLVED, The Bridge Enterprise Board of Director's Regular Meeting Minutes for May 20, 2010 are hereby approved.

Approved by the Bridge Enterprise Board of Directors on : June 17, 2010

**Bridge Enterprise Board
Regular Meeting Minutes
Thursday, May 20, 2010**

- PRESENT WERE: . Kim Killin, Chairwoman, District 11
Leslie Gruen, Vice Chairman, District 9
Trey Rogers, District 1
Jeanne Erickson, District 2
Heather Barry, District 4
Bill Kaufman, District 5
George Krawzoff, District 6
Douglas E. Aden, District 7
Steven Parker, District 8
Gilbert Ortiz, Sr., District 10
Stacey Stegman, Secretary
- ABSENT: Gary M. Reiff, District 3
- ALSO PRESENT: Russ George, 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
Herman Stockinger, Government Relations Director
Tony DeVito, Region 1 Transportation Director
Tim Harris, Region 2 Transportation Director
Reza Akhavan, Region 6 Transportation Director
Harry Morrow, Chief Transportation Counsel
Doug Bennett, acting FHWA Division Administrator
- 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.

Chairwoman Kim Killin convened the meeting at 11:45 a.m. May 20, 2010 in the auditorium of the headquarters building of the Colorado Department of Transportation in Denver, Colorado.

BE Working Committee Report

Director Parker delivered the following report:
He said that at the workshop on Wednesday, May 19 the focus was on financial items related to the Bridge Enterprise and the agenda was pursued to address these high priority items first.

He mentioned that Heather Copp started the meeting with an explanation of the 7th supplement to the FY2010 Budget which will be presented at the May 20, 2010 Board Meeting for approval. He reported that Heather also handed out a monthly report showing BE Revenues and Expenditures thru April 30, 2010 and explained the financial analysis done by the financial advisors, Stifel Nicolaus. She went thru four funding scenarios and the associated bonding assumptions. He reported that Heather explained that only Scenario #4 met the objective of completing construction on the original list of 128 "poor" bridges by the end of the next STIP period, in 2017 and even this required the infusion of \$15 million per year from the ongoing federal/state bridge funds.

Director Parker continued and said that as many factors are involved, it was acknowledged that more refinement is necessary for long term funding scenarios and that action is needed on short term funding and the possibility of private placement of bonds or a short term bank loan were discussed. He mentioned that Steve Bell of Stifel Nicolaus spoke at the workshop mentioning the advantages of a bank loan which include simplicity and low cost as no bond ratings, underwriting or disclosure documents are required and that it is anticipated that very favorable rates will be obtained and this would also be the fastest way to make funds available. He reported that the pursuit of a bank loan is the recommendation of the staff and financial advisors with the ability to go to revenue bonds if necessary and that staff will present a resolution to this effect for approval at today's meeting with this early debt program not to exceed \$40 million. Director Parker declared that staff will also present for approval a companion resolution authorizing the Bridge Enterprise Director to make final decisions related to this debt placement.

In conclusion, Director Parker mentioned that Matt McDole of LS Gallegos provided a brief consultant's report which included the status of the procurement of the Bridge Enterprise Program Manager and Support Services Consultant.

Meeting Minutes

Chairwoman Killin pointed out that the meeting minutes from April 15, 2010 were located on page 114. Director Aden moved for approval of the Minutes, Director Kaufman seconded the motion and with no discussion on a vote of the Board of Directors the minutes were unanimously adopted.

Resolution #BE-27

BE IT HEREBY RESOLVED, The Bridge Enterprise Board of Director's Regular Meeting Minutes for April 15, 2010 are hereby approved.

Discuss and Act on Approval to move forward with near term bonding program

Heather Copp spoke in regards to the proposed resolution and said it would allow staff to take the necessary steps to issue debt for the Bridge Enterprise program not to exceed \$40M based on the discussion at the workshop on Wednesday, May 19, 2010.

Director Rogers moved for approval of the Resolution and Director Gruen seconded the motion. On a vote of the Board of Directors the following Resolution was unanimously approved.

Resolution #BE-28

Near term bonding

WHEREAS, the Colorado Bridge Enterprise was created pursuant to C.R.S.43-4-805 as an enterprise for purposes of section 20 of article X of the Colorado Constitution and as a government-owned business within the Colorado Department of Transportation with authority to issue revenue bonds provided it receives less than ten percent of annual revenues in grants from state and local governments combined; and

WHEREAS, the Colorado Bridge Enterprise has investigated and will continue to investigate options for financing the design, repair, reconstruction and replacement of designated bridges consistent with its business purpose; and

WHEREAS, the Bridge Enterprise Board wishes to exercise its authority to issue debt to finance the design, repair, reconstruction, and replacement of designated bridges; and

NOW THEREFORE BE IT RESOLVED, the Bridge Enterprise Board of Directors hereby authorizes the Bridge Enterprise staff to take the necessary

steps to issue debt for the bridge enterprise program not to exceed \$40 million.

Delegation of authority to Executive Director Russ George for near term bonding program

Heather Copp spoke in regards to the proposed resolution and said it details the ability to delegate authority to the Executive Director to the Bridge Enterprise, Russ George and authorized him to fix interest rates, look at short term loans and revenue bonds and establish the date of sale. She said that passing the resolution would alleviate the Bridge Enterprise from having a series of meetings to approve those kinds of items, as mentioned in the discussion at the workshop on Wednesday, May 19, 2010.

Director Kaufman moved for approval of the Resolution and Director Aden seconded the motion. On a vote of the Board of Directors the following Resolution was unanimously approved.

Resolution #BE-29

Delegation of authority

WHEREAS, the Colorado Bridge Enterprise was created pursuant to C.R.S. 43-4-805 as an enterprise for purposes of section 20 of article X of the Colorado Constitution and as a government-owned business within the Colorado Department of Transportation with authority to issue revenue bonds provided it receives less than ten percent of annual revenues in grants from state and local governments combined; and

WHEREAS, the Colorado Bridge Enterprise has investigated and will continue to investigate options for financing the design, repair, reconstruction and replacement of designated bridges consistent with its business purpose; and

WHEREAS, the Colorado Bridge Enterprise has authority to enter into all contracts and agreements necessary to carry out its powers and duties; and

WHEREAS, pursuant to C.R.S. 43-4-805(2)(a), the Bridge Enterprise Director shall oversee the discharge of all responsibilities of the Colorado Bridge Enterprise and shall serve at the pleasure of the Bridge Enterprise Board of Directors; and

WHEREAS, the Bridge Enterprise Board of Directors wishes to remove any uncertainty regarding the authority of the Bridge Enterprise Director to execute agreements and contracts on behalf of the Colorado Bridge Enterprise for the purpose of obtaining financing for the design, repair, reconstruction and replacement of designated bridges.

NOW THEREFORE BE IT RESOLVED, the Bridge Enterprise Board of Directors hereby expressly delegates to the Bridge Enterprise Director authority to execute contracts and enter agreements regarding all matters necessary or advantageous to obtain financing for the design, repair, reconstruction and replacement of designated bridges including, but not limited to, the following:

1. The Bridge Enterprise Director is authorized to execute any and all documents necessary to secure a short-term loan or loans with one or more commercial banks at a rate or rates and upon terms deemed most advantageous by the Bridge Enterprise Director for purposes of advancing the design, repair, reconstruction and replacement of designated bridges.
2. The Bridge Enterprise Director, if he deems it most advantageous to the Colorado Bridge Enterprise, is authorized and shall issue revenue bonds on behalf of the Colorado Bridge Enterprise pursuant to a certificate executed by the Bridge Enterprise Director, a trust indenture between the Bridge Enterprise Director and any commercial bank or trust company having full trust powers, or any other instrument issued by the Bridge Enterprise Director.
3. Any revenue bonds shall be signed on behalf of the Colorado Bridge Enterprise by the Bridge Enterprise Director.
4. The Bridge Enterprise Director is authorized to engage the services of such commercial banks, consultants, financial advisors, underwriters, bond insurers, letter of credit banks, rating agencies, agents or other persons whose services may be deemed necessary or advantageous in connection with securing a short-term loan or loans and/or revenue bonds.
5. The Bridge Enterprise Director shall have power to fix the interest rate and terms of any short-term loan or loans or revenue bonds, to establish the date of sale of revenue bonds, to receive bids or proposals, to award and sell revenue bonds, and to take all other action necessary to secure a short-term loan or loans or sell and deliver revenue bonds.

Discuss and Act on Budget Supplement

Ben Stein addressed the Board of Directors and said the budget supplement was very short and made the following disclosures:

- The most critical item listed was a change from what is shown in the May 10, 2010 budget memo and that now that a bank loan is being pursued, the price for a Fairness Opinion on a private placement could be removed in the amount of \$14,500.

Ben mentioned that the following items were included:

- REGION 1
 Bridge # F-14-B
 \$2,600,000 - Fund the replacement of this Bridge Enterprise structure located west of Idaho Springs on the I-70 frontage road at Exit 239 (eastbound), crossing over Clear Creek. Construction advertisement is scheduled for May 2010.

- REGION 2
 Bridge # J-15-B
 \$500,000 - Transfer of Federal-aid funds from Regional Bridge Program to fund the design for replacement of this Bridge Enterprise structure located on SH 9 over Currant Creek. Advertisement for construction is scheduled for May 2011.

- REGION 3
 Bridge # G-11-F
 \$70,000 - Utilities - Transfer Federal-aid funds from Regional Bridge Program to fund utility work for replacement of this Bridge Enterprise structure located on US 24 & UPRR: Leadville. The Union Pacific Railroad (UPRR) will install crossing pads for the temporary detour at Leadville and remove overhead communication lines.

 \$5,500,000 - Construction - The region's allocation of FY 2010 Bridge Enterprise funds is \$3.1 million. Region 3 will repay the Bridge Enterprise any project award amount exceeding the \$3.1 million from its FY 2011 Bridge Enterprise allocation. The anticipated ad date for this project is 7/15/2010.

Director Krawzoff moved for approval of the Seventh Budget Supplement and Director Erickson seconded the motion. On a vote of the Board of Directors the following Resolution was unanimously approved.

Chairwoman Killin noted that the budget and what it included was a result of the diligent work by the staff first and the members of the Transportation Commission and Bridge Enterprise over the last couple of weeks which had been very busy.

Resolution #BE-30

BE IT HEREBY RESOLVED, that the Seventh Supplement to the Fiscal Year 2009-2010 Budget is approved by The Bridge Enterprise Board of Directors.

Progress Report

Pam Hutton introduced Matt McDole to deliver the progress report for the Bridge Enterprise. Mr. McDole spoke to the Commission acknowledging that he was the only thing standing between them and lunch for the second day in a row and that being so, he would try to brief. Matt reported that the biggest thing on the agenda this month was in the financial area described by Director Parker earlier in the Working Committee Report. He said that with the approval of the Seventh Budget Supplement, 13 of the 20 bridges on the FY'10 list that have construction are approved and that they have moved to ad or will move to ad very soon. He said that all of the bridges have approved design money and are moving ahead. Matt said that staff was also pressing ahead with procurement of the Bridge Enterprise Program Manager and Support Services Consultant. He reported that the proposals would be due on Tuesday, May 25, 2010 and the staff evaluation committee would then evaluate the proposals, the oral interviews are planned for June 13, 2010 and the staff would report to the Board of Directors on the results of the evaluation at the June 17, 2010 meeting. Matt said that if all goes as planned the consultant would be on board by August 1, 2010. In discussion of other activities, Matt reported that LS Gallegos is wrapping up the second task order including organizational charts demonstrating staffing, task order three would be beginning which involves continued support of the Bridge Enterprise Program Manager Procurement process to include facilitation of their transition into the program. He reported that LS Gallegos would be working with the Regions on furthering the development of the Bridge Enterprise Program to get FY '10, '11, and '12 in shape to move ahead quickly emphasizing the advancement of projects as quickly as possible. LS Gallegos is trying to help shift the paradigm from a place where the Regions have been constrained by financial allocations and move to a situation where projects are pushed quickly ahead adding that the sooner bridges are under construction, the lower the cost will be.

Adjournment

There being no further items to discuss, Chairwoman Killin adjourned the meeting at 11:59 a.m.



Stacey Stegman, Secretary
Colorado Bridge Enterprise