

Resolution # BE - 44

Regular Meeting Minutes for October 20, 2010

Approved by the Bridge Enterprise Board of Directors on: November 18, 2010

BE IT RESOLVED, that the Minutes for the October 20, 2010 meeting of the Bridge Enterprise Board of Directors are hereby approved by the Bridge Enterprise Board.

**Bridge Enterprise Board
Regular Meeting Minutes
Thursday, October 21, 2010**

PRESENT WERE: Leslie Gruen, Chairman, District 9
Steven Parker, Vice Chairman, District 8
Trey Rogers, District 1
Jeanne Erickson, District 2
Gary M. Reiff, District 3
Douglas E. Aden, District 7
Gilbert Ortiz, Sr., District 10
Kim Killin, Chairwoman, District 11

Herman Stockinger, Secretary

ABSENT: Bill Kaufman, District 5
George Krawzoff, District 6
Heather Barry, District 4

ALSO PRESENT: Executive Director, Russ George
Pam Hutton, Chief Engineer
Jennifer Finch, Transportation Development Director
Heidi Bimmerle, Director, Human Resources & Administration
Herman Stockinger, Government Relations Director
Casey Tighe, representing Audit Division
Rick Gabel, Staff Services Director
Ben Stein, CFO
Tony DeVito, Region 1 Transportation Director
Tim Harris, Region 2 Transportation Director
Dave Eller, Region 3 Transportation Director

Johnny Olson, Region 4 Transportation Director
Richard Reynolds, Region 5 Transportation Director
Reza Akhavan, Region 6 Transportation Director
Harry Morrow, Chief Transportation Counsel
John Cater, FHWA Division Administrator
Vince Rogalski, Statewide Transportation Advisory
Committee (STAC) Chairman
Dave Wieder, Maintenance and Operations Branch Manager
David Gordon, Director, Aeronautics Division

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.

Chairman Les Gruen convened the meeting at 11:13 a.m. on October 21, 2010
in the auditorium of the headquarters building of the Colorado Department of
Transportation in Denver, Colorado.

BE Working Committee Report

Director Gary Reiff delivered the following report on the Bridge Enterprise
Working Committee:

- At the BE Workshop, Chairman Gruen reported that there were no
comments to either the September 15, 2010 BE Workshop meeting notes
or the October 8, 2010 Sub-committee meeting minutes.
- Ken Szeliga provided an update on the BEPM transition status. The
transition with LS Gallegos continues on an as needed basis with AECOM
beginning the weekly progress meetings on Friday October 22nd. There
was a question from the Board on how much time LS Gallegos is
spending on the program and what they are doing. Matt McDole
responded that they are contracted through December 2010 and will be
providing transition help on an as needed basis. Pam Hutton responded
that Matt assisted with working with a Region to ensure that a bridge
would go to AD by year end.
- Ben Stein presented an update on the Transfer of Assets to BE with 2
bridges (F-11-AC and F-11-AB) and recognition of their combined TABOR
impact of approximately \$1.37 million.

- Ben then reported on the Proposed Fourth Budget Supplement:
 - A \$20,000 Operating Expense is required for BE.
 - Region 3 requested \$150,000 for ROW
 - Federal Bridge funds are to be transferred to BE for FY 2011 Construction Projects in the amount of \$6,126,289.

- Matt McDole presented the FY 2011 Work Plan; no changes to the FY 2011 design and limited changes to the construction plan. One bridge (N-17-N) had a reduction in construction cost; Bridge E-16-GQ was removed from the list; and Bridge J-15-B was added.

- Ken Szeliga noted that contingent upon a favorable November election, the FY 2011 work plan list would be expanded to include all bridges funded via future bond program.

- Ben Stein discussed the Bond Financial Plan status:
 - Project par amount \$200 - \$300 million
 - They are preparing to have the bond ready for ratings presentation in San Francisco November 4th and 5th.
 - They would like to go to the bond market in the first or second week in December.
 - Going for AA rating taxable Build America Bonds (BABs)
 - The goal is to always have the first annual debt service payment available at the beginning of the year.

- Julian Mellini of Stifel Nicolaus gave a presentation on “Rates, Ratings and Debt Capacity for the 2010 Bonds”. He discussed the A versus AA, Debt Service Impact, Additional Bond Tests and the Impact of Federal Funds.
- Ben discussed addressing a Moral Obligation Form, Inspection and Maintenance Form and Resolutions to approve transaction form at the next meeting.
- The board asked for a Breakdown of where the money is spent by the bridges and which are pay as you go. It was suggested that the Commissioners be represented for the Ratings presentation.
- Ken Szeliga provided a brief overview of the Bond Program Financial Plan which highlighted the financial liability associated with the 74 bridges included with the FY 2011 work plan. The total estimated costs (un-escalated) is approximately \$535 million, escalated approximately \$590 million. The bulk of the work would be completed in approximately 3.5

years; from January 2011 through June 2014. The report is still in draft form going through final review.

- Ken Szeliga presented the performance metrics that CBE is suggesting we follow to show the progress of the program.
- A monthly financial update for the period ending September 30th 2010 was also distributed by Marina Krasny.
- The next sub-committee meeting will be held on Wed, November 10th 3:30 to 5:00.

Discuss and Act on the Regular Meeting Minutes for September 16, 2010

Chairman Gruen asked for a motion for approval of the Minutes and the motion was made by Director Aden. The motion was seconded by Director Parker. On a vote of the Board of Directors, the minutes were unanimously approved.

Resolution # BE - 41

Regular Meeting Minutes for September 16, 2010

BE IT RESOLVED, that the Minutes for the September 16, 2010 meeting of the Bridge Enterprise Board of Directors are hereby approved by the Bridge Enterprise Board.

Discuss and Act on a Resolution for the Transfer of Assets from CDOT

Ben Stein mentioned that the Resolution was a mirror Resolution to the one the members of the Bridge Enterprise Board approved when they were convened as the Transportation Commission earlier in the day. Ben requested approval of the Resolution.

Chairman Gruen asked for a motion for approval of the Resolution and the motion was made by Director Killin. The motion was seconded by Director Parker. On a vote of the Board of Directors, the following Resolution was unanimously approved.

Resolution #BE-42

Assets Transfer - TABOR Impact

WHEREAS, in order to utilize Bridge Enterprise funding for financing, repair, reconstruction and replacement of bridges designated as structurally deficient or functionally obsolete and rated as poor by CDOT, the ownership of the bridge structures must be transferred by CDOT to the Bridge Enterprise; and

WHEREAS, pursuant to Resolution BE-34, dated July 22, 2010, the Bridge Enterprise Board accepted the transfer of certain bridge structures contingent upon final review of CDOT financial records to assure the structures carried no value; and

WHEREAS, two of the bridge structures identified within Resolution BE-34 carry substantial value and must be treated and accounted for under TABOR as having such value for purposes of transfer from CDOT to the Bridge Enterprise.

NOW THEREFORE BE IT RESOLVED, the Bridge Enterprise Board accepts the transfer of the following bridge structures identified in Resolution BE-34 with their associated values as shown herein.

F-11-AC	I 70 ML EBND over US 6, RR. Eagle River	\$683,692
F-11-AB	I 70 ML WBND over US 6, RR. Eagle River	\$683,880

Discuss and Act on 4th Budget Supplement to FY 2011 Budget

Ben Stein addressed the Board and mentioned that the Budget Supplement presented for approval had no walk on items and that it had not changed from the document that was included in the mailing earlier in the month. Ben requested approval of the Budget Supplement.

Chairman Gruen asked for a motion for approval of the 4th Budget Supplement and the motion was made by Director Ortiz. The motion was seconded by Director Erickson. On a vote of the Board of Directors, the budget supplement was unanimously approved.

Resolution # BE -43

Approval of the 4th Budget Supplement to FY 2011 Budget

BE IT RESOLVED, that the Fourth Supplement to the Fiscal year 2010-2011 Budget is approved by the Bridge Enterprise Board.

Progress Report

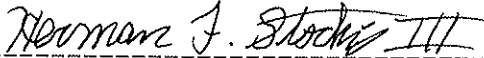
Pam presented a PowerPoint which illustrated the progress of bridges by Region and the status of the bridges that were among the worst ratings in the program. She confirmed that 70 of 128 bridges had been worked on in some fashion and that within 90 days of receiving bond funds that the plan is to be touching 96 of the bridges.

The PowerPoint Pam was presenting included photos and details of construction progress of bridges in many Regions and illustrated that the different construction methods being used were very innovative.

Director Aden mentioned that the Financial Plan and Bonding had been discussed and that if it all goes as planned then, a large amount of money will be available. He said that he wondered where CDOT was in thinking of how to approach the rest of the bridges and questioned if the process would be a traditional design-bid-build process or if there would be more packaging and design build types of approaches. Director Aden requested a briefing for the Board on his question. Pam confirmed that at the next Bridge Enterprise meeting she would give an update on the plans and she confirmed that many of the innovative methods being used on current projects would continue on the upcoming projects.

Adjournment

Chairman Les Gruen called for adjournment of the meeting of the Bridge Enterprise Board of Directors at 11:32 a.m.



Herman Stockinger, Secretary
Colorado Bridge Enterprise