Resolution #TC-3190

BE IT HEREBY RESOLVED, that the Transportation Commission's Regular Meeting Minutes for August 21, 2014, are approved as published in the official agenda of the September 17 & 18, 2014, meeting.

Transportation Commission of Colorado
Regular Meeting Minutes
August 21, 2014

Chairman Ed Peterson convened the meeting at 10:28am in the auditorium of the headquarters building in Denver, Colorado.

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

ALSO PRESENT: Don Hunt, Executive Director
Scot Cuthbertson, Deputy Executive Director
Debra Perkins-Smith, Director of Division of Transportation
Josh Laipply, Chief Engineer
Heidi Humphreys, Director of Admin & Human Resources
Barb Gold, Audit Director
Amy Ford, Public Relations Director
Scott McDaniel, Staff Services Director
Scott 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 the Operations Division
Kyle Lester, Maintenance Division
Tony DeVito, Region 1 Transportation Director
Karen Rowe, Region 2 Transportation Director
Dave Eller, Region 3 Transportation Director
Johnny Olson, 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 and the news media

An electronic recording of the meeting was made and filed with supporting documents in the Transportation Commission office.

Audience Participation

Chairman Peterson stated that there were no audience members who wanted to comment.

Individual Commissioner Comments

Commissioner Aden stated that it was good to be back. He stated that on August 15, 2014, he went with Don Hunt, Dave Eller and Joe Elsen to Glenwood Springs. They made a presentation to a Rotary Club about the Grand Avenue Bridge project. The Commission will get a presentation about that bridge next month.

Commissioner Thiebaut congratulated to Karen Rowe on her appointment as Region 2 Director. He stated that he has been working with her since her appointment. He congratulated Josh Laipply on his new position as Chief Engineer and thanked Josh for his time. He congratulated Richard Zamora on his appointment as the new Program Management Director. He stated that he was looking forward to working with all of them. He acknowledged that there will be a groundbreaking for 1-25 at Ilex in either September or October. He stated that everyone in Pueblo is excited about that and that he hoped the Governor's Office will schedule him to be there as that date becomes firm. He stated that everyone is invited to attend.

Commissioner Reiff stated he along with Commissioner Gifford, Chairman Peterson and Executive Director Hunt met with the DRCOG Executive Committee as part of a quarterly update. This has been started in the last six months. He stated that is incredibly helpful to have senior level discussions with DRCOG. It has helped immeasurably on multiple fronts. He thanked all the Commissioners who joined the RTD board for dinner on August 20. It is incredibly important to keep that communications open in those types of settings. A lot has been accomplished, and all the Commissioners have been helpful in that.

Commissioner Zink stated that on August 15, 2014, there was the Grand Opening of the continuous flow intersection in Durango. That is one of the busiest intersections on the Western Slope with over 36,000 cars each day during tourist season, which Colorado is in the height of right now. Thankfully, there was very positive front page press coverage in the *Durango Herald* to offset some of the interesting letters to the editor, which is normal during a construction project that is disruptive to the locals who drive through those intersections every day. She stated that John Cater came down representing the Federal Highway Administration. Scot Cuthbertson, the Deputy Executive Director, and Heidi Humphreys were there to represent Headquarters. There were speakers from Region 5, including RTD Kerrie Neet and the two most involved engineers Michael McVaugh and Tommy Humphries. They did a great job of explaining the accomplishments, and they were both very excited and proud of it. It was great to hear from them. The Durango City Transit Director Amber Blake was also there. Again, it was a perfect Friday morning in Southwest Colorado. It could not have been more beautiful. If anyone is able to get down there, take the opportunity to drive through the intersection.

Commissioner Gilliland stated that in the north they have been doing project work and setting priorities for the RPP money that has gone out. RPP is always an interesting discussion, and it seems like the conversation is longer when you have a

little more money than when you don't have any. She stated that she had a discussion with Senator Bennett about I-25, emphasizing the need for long term funding for transportation. Mayor Cecil Gutierrez of Loveland invited the Commission to visit one afternoon. He was sitting in a building that overlooks I-25 in the Loveland-Ft. Collins area. He was talking to a CEO for a company that was considering locating there. He said that as he was talking about all the wonderful amenities in Northern Colorado, there was sea of cars that was a parking lot on I-25. As everyone continues to say that there are multiple issues up north, he wants to invite the Commission one afternoon. He would like to host a get together so that Commission can see what is really happening on I-25 North. She stated that she wanted to pass along the mayor's invitation for the Commission to consider.

Vice Chairman Connell stated that she had been traveling the scenic roads of Northwest Colorado attending annual county commissioner's meetings. She stated that she has been to Craig, Rangely and Steamboat. She stated that people are very pleased with the attention and the services of staff. It is really nice to see that people are very supportive of CDOT. She stated that she and Commissioner Zink attended Club 20 after the July Commission meeting. It looked like they might have problems supporting a few issues, but Herman Stockinger and Kurt Morrison gave excellent presentations. So the meeting ended up going very well. She thanked the staff who completed the maintenance work on I-70 on the right hand lane coming out of the tunnel.

Chairman Peterson also thanked the Commissioners who attended meetings with DRCOG. It is important that the Commission continue to enhance those relationships. The Commission had a lovely dinner hosted by the Board of Directors of RTD. There were some very good discussions around the great cooperation between CDOT and RTD, which has increased over the years and has evolved to a point where things are happening for the community, the region and the state as a whole.

Executive Director's Report

Executive Director Don Hunt stated that *Business Insider* has named Colorado the #1 performing economy in all of the fifty states for the last twelve months with the addition of 66,000 jobs and a 3.8% growth in state GDP. We should all be proud of that. As there is an accelerating economy, there is also a tightening construction market. This is having an effect on the pricing of projects as was discussed in workshops yesterday. The Commission made it very clear that CDOT needs to redouble efforts to not only put out projects in a logical, predictable way for industry to provide the best pricing but also ensure that industry is being as efficient as they can to provide those services. There is a great economy, but that brings new challenges, especially as CDOT implements the RAMP partnership program and those projects over the next 24 months.

There is great news that the Colorado Court of Appeals affirmed the lower court decision that CDOT can continue to collect FASTER fees and invest them in an enterprise, the Bridge Enterprise. Staff is hopeful that there will not be a challenge to the Colorado Supreme Court. But even if there is the I-70 viaduct schedule has been developed in such a way that if the Supreme Court does take the case and make a decision, it would hopefully fit fairly well next year with any decision to move forward

on the viaduct. They are hopeful that the case will move through the court system. It is a bit of a cloud hanging over a very important project on the I-70.

He congratulated Karen Rowe and Richard Zamora. He stated that they are great additions to the Senior Management Team. He stated that he may have the best Senior Management Team in all the DOTs around the country.

Chairman Peterson concurred with the Executive Director. CDOT has an incredibly talented senior staff.

Chief Engineer's Report

Josh Laipply also congratulated Karen Rowe and Richard Zamora. He stated that they have a great team and that he is blessed to have such a talented team to work with.

A key milestone on the I-70 Viaduct is that the Supplemental Draft EIS was signed earlier in August. This is one of many milestones that have to be completed, but it is important to recognize that one. The ENR awarded the I-70 Pecos Street Bridge Roll In project as the best project for transportation out of the states of Kansas, Nebraska, the Dakotas, Colorado and Wyoming.

High Performance Transportation Enterprise (HPTE) Director's Report

Michael Cheroutes stated that the HPTE Board met in regular open session on August 20, 2014. There was a report from HPTE's lawyer about the pending lawsuit against the board, which seems to be going well but slowly. There was a very good report from Plenary, who is now in operational control of the I-25 HOT lanes. They are required to provide a quarterly report, which covered the last quarter of the prior fiscal year. The report seemed to be upbeat. Customer satisfaction seemed to be staying high. HPTE is working well with them as a good partner.

They discussed several projects that are ongoing. They will do their best to help on the Peak Period Shoulder Lane project. That is a difficult subject, but they will try to be as helpful as possible. HPTE is getting very close on C-470 to making a recommendation to the Commission as to how they should proceed with that. They are getting good analysis from consultants that will be helpful with that decision. For I-25 North Commissioner Gilliland expressed the view that a lot of people are expressing. HPTE will continue to cooperate with that project however they can.

There is not much to report on the I-70E project. They have been maintaining a full bore public outreach schedule on that. Commissioner Gifford has been going out of her way to assist with that. She has met with individual council members in Denver, individual neighbor groups. They are making some headway in at least explaining what public-private partnerships are.

FHWA Division Administrator Report

John Cater stated that there were a few things he wanted to make the Commission aware of. First, the Office of Management and Budget has been working for several years on revamping the federal grant process, for lack of a better term, making it

more accountable, uniform and standardized across all federal agencies. As part of that they rolled out the super circular several months ago. That will standardize how things are done across the government. In Federal Highways, they have understood projects not as grants but as reimbursable. They money does not come up front. Departments do the projects and then get reimbursed. But FHWA is going to be forced into a new mold. The US Department of Transportation is working on the response and the procedures, which will look much more like FTA and FAA than they have in the past. There may still be some individuality, but they are under a process to have more standardization across government with more consistent processes. They are not sure exactly what that will look like, but there will likely be changes over time to how business is done. It will likely be advantageous to have larger projects rather than lots of small ones, trying to get that uniformity. Again, there are no guarantees about exactly what it will look like, but this a heads up that things are changing.

Another thing is that there have been increases in highway construction costs. There has not been broad analysis across the county, but anecdotally there are many markets where this is occurring. In looking for common themes, the economy in Colorado is very strong. In other places like the Dakotas it is due to the oil industry. There is not a great handle on the situation, as far as national trends, but there is a cause for concern. With everything else going on, the last thing the Department needs a major jump in construction costs. They are looking at that nationally and will hopefully have some news of things that can be done soon.

The final thing was already mentioned by Commissioner Zink: the continuous flow intersection in Durango. He stated that he went down for the ribbon cutting, and the intersection is a tremendous improvement for CDOT and for Colorado. It is something that CDOT can be proud of. It is a model for elsewhere around the state. It is not only something that can be used on Western Slope or on certain types of areas. It can be used on the Front Range, Northwest Colorado, Southeast Colorado or anywhere else. It is a great concept. It expands CDOT's toolbox, providing another option. It is no longer build an intersection or build an interchange; there are things in between that can be done that are cost effective at certain times. He offered his compliments to Region 5. In addition to the intersection itself, they made a lot of pedestrian and safety improvement for bicyclists and others. Some things are out there nationally that have not been done in Colorado before, so this had several firsts. It was the first time there are bike signals and special features to improve bicycle and pedestrian safety, things that come directly from the Federal Highway EDC effort and other efforts as well. He recommends driving on it if anyone is in Durango, and it offers lots of options to other parts of the state.

STAC Report

Vince Rogalski stated that the STAC meeting in July was canceled. STAC met in regular session on August 15, 2014. There was an update from Kurt Morrison on the federal and state legislation. Herman Stockinger updated STAC on further information about Senate Bill 228. One of the questions was about how the 10% transit money would be used. There was some concern about what kind of projects would be included in that package. Another comment recommended that 228 funding be used to finish the 7th Pot projects. There was a discussion on CMAQ and the alternative fuels program. That became a little controversial as there were members

of STAC who wanted to be on the committee that would decide how the CMAQ funds are spent. The Colorado Energy Office, the Regional Air Quality Council and the Department of Local Affairs are all contributing to doing something with alternative fuels. The concern was that the criteria for each those may be conflicting with the other. They wanted to know what the match amounts were. It seemed like there should be more coordination between the funding mechanisms to do that. They were excited that alternative fuels are going forward, but they also recommended that electric recharge be a part of the plan. It would not be that much of an add-on to get that going, along with Compressed Natural Gas.

There was an update on cash management, but the conversation was not long.

They mentioned STAC rules, responsibilities and regulations. There was not a lot of discussion on the topic because the idea of a retreat, similar to what the Commission did, was introduce. There was very positive feedback, so a STAC retreat will take place on September 11, 2014.

There was an update on the Statewide Plan. STAC is concerned about when the plan is coming before STAC so they can work at coordination between the regional plans and how that is going to fit into the state plan. They were given an update on Module 2 on the website and how that is going.

There was an update from Tracey MacDonald on how the state transit plan is going and how that will be integrated into the Statewide Plan.

Act on Consent Agenda

Chairman Peterson entertained a motion to approve the Consent Agenda. Commission Aden moved to approve the agenda, and Commissioner Barry seconded the motion. Upon vote of the Commission, the Consent Agenda passed unanimously.

Resolution #TC-3180

BE IT HEREBY RESOLVED, that the Transportation Commission's Regular Meeting Minutes for July 17, 2014, are approved as published in the official agenda of the August 20 & 21, 2014, meeting.

Resolution #TC-3181

Resolution # TC-3181

Repeal of Policy Directives 81.0 "Drug and Alcohol Policy" and 82.0 "Implementation of FTA Regulations for a Drug and Alcohol Free Workplace"

WHEREAS, Policy Directive 81.0 and Policy Directive 82.0 were adopted by the Transportation Commission on June 19, 2003 and May 23, 2013 respectively;

WHEREAS, both Directives concern the Department's commitment to maintain a drug and alcohol free workplace in adherence to requirements under federal and state law; and

WHEREAS, as a result of recent changes in state law regarding the legalization of marijuana, the Department undertook a wholesale review of its existing Policies and Procedural Directives governing drug and alcohol testing; and

WHEREAS, as part of the initiative to reduce the number of departmental Directives, one Procedural Directive has been developed to replace two Policy Directives (81.0 and 82.0) and four Procedural Directives (81.1, 81.2, 83.1 and 82.1); and

WHEREAS, Policy Directive 82.0 was adopted by the Commission in order to comply with a specific finding by the Federal Transit Administration as a stopgap measure until a comprehensive Procedural Directive could be finalized that met both Federal Transit Administration and Federal Highway Administration requirements; and

WHEREAS, both Policy Directive 81.0 and 82.0 are no longer necessary given the consolidated Procedural Directive 81.1.

NOW THEREFORE BE IT RESOLVED, the Commission herein repeals 81.0 "Drug and Alcohol Policy" and 82.0 "Implementation of FTA Regulations for a Drug and Alcohol Free Workplace" as being no longer necessary given the consolidation of all relevant documents into Procedural Directive 81.1.

Herman F. Stockinger III
Transportation Secretary

8-22-14
Date

Resolution #TC-3182

Resolution # TC-3182

Adoption of Policy Directive 1607.0 "Rail Corridor Preservation Policy"

WHEREAS, pursuant to § 43-1-106(8)(a), C.R.S., the Colorado Transportation Commission is charged with formulating general policy with respect to the management, construction, and maintenance of public highways and other transportation systems in the state; and

WHEREAS, the Transportation Commission approved Policy Directive 1607.0 on June 30, 2000; and

WHEREAS, the Rail Corridor Preservation Policy Directive provides identifying criteria to be used in defining passenger and/or freight rail corridors of State interest and describes passenger and/or freight rail activities in which CDOT may engage; and

WHEREAS, as part of the Department's initiative to update older Policies and Procedural Directives, the Division of Transit and Rail ("DTR") and the Division of Transportation Development ("DTD") have collaborated to update Policy Directive 1607.0; and

WHEREAS, the revisions to the Policy Directive, while minor, reflect the ongoing commitment of the Department to work with external public and private stakeholders and execute a transparent process based on defined criteria for abandonment or preservation; and

WHEREAS, Policy Directive 1607.0 provides value to both Department staff and external partners regarding rail preservation for the implementation of the State Freight and Passenger Rail Plan and guidance for the Statewide Long Range Transportation Plan.

NOW THEREFORE BE IT RESOLVED, the Commission herein approves updated Policy Directive 1607.0 "Rail Corridor Preservation Policy"

Norman F. Stickney III
Transportation Secretary

8-22-14
Date

Resolution #TC-3183

Resolution # TC-3183

Adoption of Policy Directive 1605.0 "Interregional Express Bus Service (IX Service) Program"

WHEREAS, pursuant to § 43-1-106(8)(a), C.R.S., the Colorado Transportation Commission is charged with formulating general policy with respect to the management, construction, and maintenance of public highways and other transportation systems in the state; and

WHEREAS, in 2009, the General Assembly passed Senate Bill 2009-094, codified at § 43-1-117.5, C.R.S., which created the Division of Transit & Rail; and

WHEREAS, the legislation set forth the powers and duties of the Division under the Executive Director, including the operation of interregional transit service and establishing schedules and fares; and

WHEREAS, at its January 2014 meeting, the Transportation Commission passed Resolution #TC-3133 approving the Implementation of the Interregional Express Bus program (the "IX Program") within the Division of Transit and Rail ; and

WHEREAS, Resolution # TC-3133 further included a provision to monitor the success of the program for three years of operation, and give the Transportation Commission the option at that time to continue service, modify service or cancel service; and

WHEREAS, the Program's governance model has been based on DTR administering the program, the Transit &Intermodal Committee providing oversight, and the Transportation Commission retaining ultimate control of critical business decisions; and

WHEREAS; Policy Directive 1605.0 defines the roles and responsibilities of the Program's implementation and provides transparency and accountability for internal processes and external information.

NOW THEREFORE BE IT RESOLVED, the Commission herein approves Policy Directive 1605.0 "Interregional Express Bus Service ("IX Program)"

Herman F. Stockinger III
Transportation Secretary

3-22-14
Date

Resolution #TC-3184

Resolution #TC-3184

Approving Implementation of the Interregional Express Bus

Approved by the Transportation Commission on August 21, 2014

1-WHEREAS the CDOT mission is to "provide the best multi modal transportation system for Colorado"; and

2- WHEREAS, the Colorado Legislature created the Division of Transit & Rail in 2009 (Senate Bill 09-094) vesting in CDOT the authority to develop, operate and integrate transit service into the statewide transportation system, and to establish and modify fares and schedules for transit services provided directly by the state or contracted for by the state; and

3- WHEREAS the FASTER legislation (Senate Bill 09-108, Section 43-4-206) provides ten million dollars per year for statewide transit including the maintenance, operation, or administration of transit-related projects; and

4- WHEREAS transit service connectivity is lacking due to service gaps exist between local transit systems; and

5- WHEREAS the I-25 and I-70 corridors carry high volumes of travelers and experience high levels of congestion, and therefore have significant transit demands; and

6- WHEREAS the Transportation Commission directed the development of an interregional express bus plan in December, 2012; and

7- WHEREAS the development of an interregional express bus plan included stakeholder outreach.

8- WHEREAS, upon approval by the Transportation Commission, CDOT is prepared to begin interregional express bus service in FY 2015 after it contracts with an operator and obtains fleet vehicles.

9-WHEREAS, the Transportation Commission approved TC Resolution #3133 on January 24, 2014, and more advantageous contracting terms have been identified.

NOW THEREFORE BE IT RESOLVED, the Transportation Commission hereby approves that CDOT shall provide interregional express bus service, through a contract with a private operator, and approves that service will be initiated in the following areas:

- I-25 corridor between Colorado Springs and Denver, and Fort Collins and Denver.
- The I-70 corridor between Glenwood springs and Denver.

BE IT FURTHER RESOLVED that an initial FY 2014 Start-Up Fund of $10.9 Million shall be established from the following sources:

- $5.5 Million of unallocated and/or withdrawn FASTER Statewide Transit funds.
- $4.9 Million of unallocated SB 1 funds dedicated to transit.
- $0.5M from Miscellaneous Sales; proceeds from the sale of the FREX buses (a SB 1 grant).

BE IT FURTHER RESOLVED that $3.0 Million per year be allocated, beginning in FY 2015, from the FASTER Statewide Transit funds to be used (along with fare revenues) for the operations, maintenance and capital needs associated with the interregional express bus program.

BE IT FURTHER RESOLVED that the FY 2014 Start-Up Fund be used to:

- Purchase of 13 Over-the-Road Coaches (buses); estimated at $7.8 Million.
- Design and construct needed Park-and-Ride improvements; estimated at $1.0 Million.
- Procure miscellaneous capital (if needed); $250,000.
- Fund other start-up operating costs (communications plan, branding, compliance engineer, miscellaneous); estimated at $280,000.
- Establish the IX Reserve (contingency) Fund from the remainder of the Start-Up Fund; estimated at $1.57 Million; under Transportation Commission control.

BE IT FURTHER RESOLVED that a private entity to operate the IX service and maintain the bus fleet be solicited and procured with the following terms:

- Request a waiver from the State Purchasing Director to increase the State standard from five years to ten years.
- If the waiver is granted, contract for a term of three (3) years with seven (7) one-year options;
- If the waiver is not granted, contract for a term of three (3) years with two (2) one-year options.
- Funded through the FASTER Statewide Transit allocation (above).

BE IT FURTHER RESOLVED to monitor performance and success for three years of operation, and give the Transportation Commission the option at that time to continue service, modify service or cancel service.

Herman J. Stockinger III — 8-26-14

Herman Stockinger, Secretary — Date
Transportation Commission of Colorado

Resolution #TC-3185

Resolution #TC-3185

Addition to Fiscal Year 2015 over $50,000 project list approval

Approved by the Transportation Commission on: August 21, 2014

WHEREAS, under Senate Bill 98-148, public projects supervised by the Colorado Department of Transportation (CDOT) are exempt from the requirements of the "Construction Bidding for Public Projects Act;" and

WHEREAS, Section 24-92-109, Colorado Revised Statutes, as amended, requires CDOT to prepare cost estimates for projects to be undertaken by CDOT maintenance crews that exceed $50 thousand, but are less than or equal to $150 thousand for submission to the Transportation Commission for review and approval; and

WHEREAS, CDOT staff have prepared cost estimates for this projects to be done in Fiscal Year 2015 as detailed in the memorandum entitled; Addition to FY 15 over $50,000.00 project list dated July 24, 2014; and

WHEREAS, the funding for these projects are contained in the Fiscal Year 2015 Budget.

NOW THEREFORE BE IT RESOLVED, the Transportation Commission has reviewed the cost estimate, as contained in the official agenda, and approves CDOT Maintenance Forces undertaking the project therein.

Region 4 - Greeley				
Highway	Begin MP	End MP	Type	Estimate
86	16.025	N/A	Structure repair G-18-BN	$ 100,000.00
		Total - Greeley		**$ 100,000.00**
		Statewide Total		**$ 100,000.00**

Sufficient funds exist within the appropriate MPA's to pursue these projects. The projects are in accordance with the directive and all other requirements.

Herman Stockinger, Secretary
Transportation Commission of Colorado

8-26-14
Date

Discuss and Act on the Resolution to Approve the Adoption of PD 703

Scott Richrath stated that staff has walked the Commission through PD 703 and how the staff set budgets for both projects and for the annual budget. If the Commission has considered the information, he asked for last minute staff request to change the use of the word "model" to "metric" to get the Commission out of the business of analyzing probabilistic deterioration curves for girders and expansion joints and into the business of setting statewide objectives for the metrics for various the assets.

Chairman Peterson entertained a motion to approve the resolution to adopt PD 703. Commissioner Reiff moved for the approval of the resolution with the substitution to each place it occurs of the word "metric" for the word "model." Commissioner Hofmeister seconded the motion. Chairman Peterson asked for discussion.

Commissioner Reiff thanked Scott for the iterative process that was underway for this document from start to finish was an exceptional model. There was a lot of focus on staff's part, and Commission comments were taken into consideration along the way. The give and take created an excellent final product.

Upon vote of the Commission, the resolution passed unanimously.

Chairman Peterson echoed Commissioner Reiff's thoughts. This was very, very well done. He thanked everyone for their long and hard work on this issue.

Resolution #TC-3186

Resolution # TC-3186

Adoption of Policy Directive 703.0 "Annual Budget, Project Budgeting and Cash Management Principles"

WHEREAS, pursuant to § 43-1-106(8)(h), C.R.S., the Colorado Transportation Commission ("Commission") has the authority to promulgate and adopt all Colorado transportation programs and associated budgets, including prioritizing projects for the construction, reconstruction, repair, and maintenance of the state highway system; and

WHEREAS, Policy Directive 703.0 "Transportation Commission Budget Policy" was approved by the Commission on February 17, 2011; and

WHEREAS, Policy Directive 703.0 is intended to establish one document that provides guidance to the Department as to what budgetary items require Transportation Commission approval; and

WHEREAS, the Department seeks to maximize the flow of funds to construction and maintenance projects and, in doing so, apply effective and efficient cash management strategies; and

WHEREAS, the Transportation Commission ("Commission") recognizes financial risk as a necessary element in maximizing the flow of funds to projects; and

WHEREAS, the Commission, with Department recommendation, will annually reevaluate substantive risk as associated with overall financial risk; and

WHEREAS, the Commission will annually approve Appendices B, C and D, (collectively known as the "Matrix") attached to Policy Directive 703.0, which align the level of Department and Commission governance to the level of risk; and

NOW THEREFORE BE IT RESOLVED, the Commission herein approves Policy Directive 703.0 "Transportation Commission Budget Policy."

Herman F Stockinger III
Transportation Secretary

8-22-14
Date

Discuss and Act on the 2nd Supplement to the FY2015 Budget

Chairman Peterson stated that he would pull for separate discussion the topic of the I-70 EB PPSL Construction Package 2. That will be voted on separately. He asked Scott to continue the presentation for the remaining items in the supplement.

Scott Richrath stated that to allow time for the item that was pulled he would entertain questions on any of the other projects but forego a presentation. The Commission had no questions on the other projects.

Chairman Peterson entertained a motion to approve the Budget Supplement except the funding for the Peak Period Shoulder Lanes. Commissioner Connell moved to approve the resolution, and Commissioner Gilliland seconded the motion. Upon vote of the Commission, the resolution passed unanimously.

Resolution #TC-3187

B BE IT RESOLVED, That the Second Supplement to the Fiscal Year 2014-2015 Budget be approved by the Commission, excluding the $16,348,000 I-70 EB PPSL Construction Package 2.

Discuss and Act on the Resolution to Approve the Funding Request for Peak Period Should Lanes

Scott Richrath stated that there is a $16.348 million modification to project cost for the I-70 Eastbound Peak Period Should Lane Construction Package 2 of a Construction Management General Contractor (CMGC) contract. The request is made up of several different funding sources, and the long and short of the request is that it would result in a net increase in the RAMP operations pool with a backfill of that increase from the HPTE pool, should that become necessary. The pivotal question becomes the borrowing capacity of a commercial loan on toll revenues, right now estimated to be by Ernst and Young between $25 million and $30 million. Should that number come in at $30 million the Commission would not need the backfill from HPTE. Should it come in at $25 million, the backfill would be necessary. There was a lot of discussion during workshops beyond the numbers, so rather than further presentation, he stated that he would give the Commission an opportunity to raise any concerns or questions they may have.

Chairman Peterson stated that the topic had been discussed fairly thoroughly the previous day. He entertained any questions for not only Scott Richrath but also for the Chief Engineer and the Region 1 RTD.

Commissioner Aden stated that he would support the request but with some reservation. The topic has been discussed at length. Beyond just this request, the bigger issue that this raises is does CDOT have in place the proper organizational structure and the proper people in place as the department moves forward to try to manage large, complex CMGC and Design Build projects. This is an important project, and he would like to move it forward. As CDOT moves more and more to large, complex projects and accelerated delivery methods, from his perspective as a Commissioner, this is one of the issues that needs to be evaluated. Scott mentioned

that this is very dependent on finding someone to loan CDOT $30 million. Hopefully, that will happen. If it does not happen, the Commission will have to reevaluate where that shortfall comes from. That probably includes an alternative of stopping the project or taking future Region 1 funds from RPP and FASTER Safety for however many years in advance it takes because in no way would he support taking any shortfall out of any other statewide pools, if it comes to that, but he hopes it does not.

Commissioner Connell stated that she will support this but with great reservations. CDOT is facing a time of increased bid costs. There are other programs the Commission to look at in the future with how this will be dealt with. A different way has to be found to be able to be prepared for this increase. She stated that she does not believe this is a blip. She does not believe this is going away. So many of the things that have already been cost-estimated are inaccurate. This is a vital project to take place. There is still a good ratio of the cost to value of this project. The idea of saving money, the 20%, on the set up and the contractor is really important. The public wants this and is ready for this. CDOT has to find a way. In no means does this mean that every time this happens with future projects can the Commission continue dealing this way. She stated that she personally feels a bit backed into a corner, but this is something that is important to do. As small as it seems, the savings and efficiency of the well-run Westbound Tunnel of $7 million is something great that can be applied to that. With those comments she stated that she will be supporting this request.

Commissioner Gruen stated that he respects the opinion of his Commission colleagues who have already spoken, and he further agrees that this is a critical project. However, he stated that he is not going to be able to support voting in favor of the request. He stated that he has served on boards and commissions for 25 years. Over that period, there have been several decisions that he has made that he looks back on and wonders why he made that decision. He stated that this is one of those decisions that if he voted yes, he believes he would look back and have that same trepidation. He stated that he understands the importance but is concerned with the process that has evolved, and that is the reason behind his forthcoming vote.

Commissioner Gilliland stated that she will be voting in support of this request but agreed with her fellow Commissioners that have mentioned some of the issues like the concerns about the request coming forward at this point in time. She also stated that the efficiencies stand out and that the revenue that is predicted will offset some of the cost. That helps make it a little more palatable. She stated that she does have concerns about whether CDOT will be able to get the loan for it and will be able to move forward. It is a very important corridor, and everyone wants to see something happen there. Everyone knows that it is necessary to make what changes can be made because the avenues are limited. The Commission needs to do it with due consideration, but she stated that she will support this.

Chairman Peterson entertained a motion to approve the request. Commissioner Aden moved to approve the Budget Supplement item $16,348,000 for the I-70 EB PPSL Construction Package 2. Commissioner Connell seconded the motion. Chairman Peterson requested a roll call vote.

Commissioner Shannon Gifford – AYE
Commissioner Gary Reiff – PASS
Commissioner Heather Barry – AYE
Commissioner Kathy Gilliland – AYE
Commissioner Doug Aden – AYE
Commissioner Sidny Zink – AYE
Commissioner Les Gruen – NO
Commissioner Bill Thiebaut – NO
Commissioner Steven Hofmeister – NO
Vice Chairman Kathy Connell – AYE
Chairman Ed Peterson – AYE

Commissioner Reiff requested permission from the Chairman to explain his vote prior to giving it. Chairman Peterson allowed the explanation. He stated that he believes that CDOT needs to finish this project. He stated that he is concerned with the signal that would be sent precedentially if the Commission does not make it clear that they unanimously have concerns with where the project is and how it got there. The concern is that while CDOT has a wonderful staff and is a wonderful organization, the Commission believes that it needs to bring in additional resources to the organization to help it through something that is no longer a Design-Bid-Build process but is a Design-Bid and CMGC process. That is in no way to denigrate or to cast aspersion at the quality of the individuals CDOT has. He stated that he is also concerned that he does not want this to be an urban rural split because he does not believe that this is an urban rural split. He stated that he thinks this is a uniform view of the Commission that every person here believes this is an important project but that every person here also believes it is necessary to reevaluate systemically how the Department operates on these large projects. Again, this is not to cast aspersions anywhere but to evaluate the resources that they need to bring into the project. He stated that with this in mind, he votes no.

Chairman Peterson thanked Commissioner Reiff for his comments. He stated that before getting the results of the vote he would take moment of privilege. He stated that Commissioner Reiff very accurately and very eloquently expressed the results of the discussions that the Commission has had around the issue. It is the consensus of the Commission as represented by Commissioner Reiff that that is where the Commission is. These are not easy decisions to make by any stretch of the imagination. He stated that as CDOT moves forward in this market and these conditions, he fears that they will be faced with several other very similar decisions to make that will not be easy. While this is a laudable and necessary project, it is necessary to take a look at exactly how operations around this particular form of delivery are handled.

Chairman Peterson requested the results of the vote. Secretary Herman Stockinger stated that the motion passes 7-4.

Chairman Peterson thanked the Commission for the thoughtful engagement around the topic, for the discussion and for the comments.

Resolution #TC-3188

BE IT RESOLVED, That the Commission approves the request for the $16,348,000 I-70 EB PPSL Construction Package 2.

Discuss and Act on the Resolution to Repeal PD 1000.0

Scott Richrath stated that by adopting PD 703 two actions ago, the Commission made this policy directive obsolete as it is now rolled into PD 703. It is simply with regard to incorporating not only statute on the requirement to bid out maintenance projects above a certain amount but also the Commission's policy to bring that amount below when it is down to $50,000. Staff is required to come to the Commission with anything above $50,000. This asks for permission to repeal this Policy Directive as it is now a part of Policy Directive 703.

Chairman Peterson entertained a motion to repeal PD 1000.0. Commissioner Connell moved to approve the resolution, and Commissioner Gifford seconded the resolution. Upon vote of the Commission, the resolution passed unanimously.

Resolution #TC-3189

Resolution # TC-3189

Repeal of Policy Directive 1000.0 "Maintenance Work Requiring State Highway Commission Action"

WHEREAS, pursuant to § 43-1-106(8)(a), C.R.S., the Colorado Transportation Commission is charged with formulating general policy with respect to the management, construction, and maintenance of public highways and other transportation systems in the state; and

WHEREAS, the Transportation Commission (then known as the State Highway Commission) approved Policy Directive 1000.0 on December 15, 1977; and

WHEREAS, as part of the Department's initiative to repeal and consolidate Policy Directives, the Office of Financial Management and Budget has consolidated Policy Directive 1000.00 into Policy Directive 703.0; and

WHEREAS, Policy Directive 703.0 will be included in the August 21, 2014 agenda for Transportation Commission review and approval; and

WHEREAS, Policy Directive 703.0 includes the same dollar limitation and details set forth in Policy Directive 1000.0 which are consistent with § 24-92-109(1), C.R.S.; and

WHEREAS, Policy Directive 1000.0 should be repealed as it is unnecessary as a stand-alone Directive, but continues to be of value consolidated into Policy Directive 703.0

NOW THEREFORE BE IT RESOLVED, the Commission herein repeals Policy Directive 1000.0 "Maintenance Work Requiring State Highway Commission Action."

Herman F. Stockinger II
Transportation Secretary

8-22-14
Date

Acknowledgements

Executive Director Hunt stated that Deputy Director Cuthbertson would join him. There are three great recognitions for CDOT. Two are individual awards, and one is for the entire department. He stated that the first award was presented during WASHTO, and he asked the Deputy Director to present that award.

Scot Cuthbertson stated that every year WASHTO presents several awards for outstanding achievement from among the 18 states that make up the association. One of these is presented to an individual who makes outstanding contributions to a state's highway development program. This year's award when to Region 4 Director Johnny Olson for "his dedication and his diligence and tireless leadership as the Incident Commander during the devastating flooding of September 2013." He congratulated Johnny and all the CDOT employees, along with CDOTs partners in

the public, private and military sectors who came together to respond effectively to those floods last year.

Johnny Olson stated that this award should go to everyone. Everyone is this room to everyone. He stated that he will not always be that aggressive, but that he was grateful for the award.

Executive Director Hunt congratulated Johnny and stated that it was great to be in Albuquerque as he received that award.

The next one is for America's Transportation Awards, a program conducted by AASHTO that begins in each of the regional transportation associations, like WASHTO. He stated he would again let the Deputy Director explain the award.

Deputy Director Cuthbertson stated that during the WASHTO annual meeting it was also announced that CDOT's response to the historic floods of last year had won the Quality of Life-Community Development category for projects ranging from $26 million to $199 million. We competed as one of 29 nominated projects from 15 of the 18 WASHTO states. But the best may yet to come. If the flood response scores high enough, CDOT could be one of the top ten scores in the category in the nation. CDOT will have the opportunity to compete for the Grand Prize and the People's Choice award.

Executive Director stated that is was an incredible number of months. He stated that he remembers most walking down US 36 a few days after the floods with the guard first arriving. He had promised only days before that all the roads would be open by December 1st and was not sure that was a going to happen. He thanked all the CDOT folks and CDOT's construction partners. Everyone helped open the roads on time.

Executive Director Hunt stated that there is a third, well-deserved recognition for the ongoing project along US 36, the Boulder Turnpike. This is one is very important because it is for a relatively new part of CDOT. It is a national leadership award by the National Council for Public-Private Partnerships during its national P3 Connect Event. That award was given to Mike Cheroutes, the Director of our High Performance Transportation Enterprise. New concepts like P3 are implemented through hard work that involves changing mindsets and encouraging new ways of doing business. He congratulated Mike, his team and everyone from CDOT who has helped bring the public and private sectors together to get this project done successfully.

Mike Cheroutes stated that the appreciated the acknowledgement very much but that it pales in comparison to the previous acknowledgements. He stated that he is not presumptuous enough to believe that this is an individual award. He stated that this takes a whole lot of effort and courage from a whole lot of people from HPTE staff and Board to the Executive Director and all CDOT staff who also helped.

Chairman Peterson stated that he always amazed and delighted and the expertise, professionalism and dedication that this organization demonstrates on a regular basis. He stated that each Commissioner is fortunate to be part of the organization. He congratulated Mike Cheroutes, Johnny Olson and everyone who worked on those projects, both the floods and fires. He thanked everyone for their efforts.

Executive Director Hunt stated that CDOT's ability to receive these awards has been helped greatly by John Cater and the Federal Highway Administration, who has been with CDOT every step of the way and a great working partnership as two to three years of flood recovery work begins. He thanked John Cater for all his service.

Other Matters

Chairman Peterson stated that there were no other matters to come before the Commission.

Adjournment

Chairman Peterson announced that the meeting was adjourned at 11:25am.

Herman J. Stockinger III
Herman Stockinger, Secretary
Transportation Commission of Colorado

9-30-14
Date