

Resolution #BE-159

Regular Meeting Minutes for May 15, 2014

Approved by the Bridge Enterprise Board of Directors on June 19, 2014

BE IT RESOLVED THAT, the minutes for the May 15, 2014, meeting of the Bridge Enterprise Board of Directors are hereby approved by the Bridge Enterprise Board.

**Bridge Enterprise Board
Regular Meeting Minutes
Thursday, May 15, 2014**

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, Deputy Executive Director
Gary Vansuch, Director of Process Improvement
Debra Perkins-Smith, Director of Division of Transportation
Scott McDaniel, Acting Chief Engineer
Heidi Humphreys, Director of Admin & Human Resources
Amy Ford, Public Relations Director
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
David Gordon, Aviation Director
Ryan Rice, Director of the Operations Division
Darrell Lingk, Director of the Office of Transportation Safety
Tony DeVito, Region 1 Transportation Director
Karen Rowe, Region 2
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.

Chairman Aden convened the meeting at 10:55a.m. in the CDOT Headquarters building at 4201 E. Arkansas Avenue, Denver, CO.

Audience Participation

The Chairman stated that no members of the audience wished 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 Reiff. Upon vote of the Board, the motion passed unanimously.

Resolution #BE-158

Approval of Regular Meeting Minutes for April 17, 2014.

BE IT SO RESOLVED THAT, the Minutes for the April 2014, meeting of the Bridge Enterprise Board of Directors are hereby approved by the Bridge Enterprise Board as published in the Agenda for the May 14 & 15, 2014, meeting of the Bridge Enterprise Board of Directors.

May 2014 On-System Poor List and Prioritization Scoring Update

Scott McDaniel stated that the On-System Poor List is the list that guides which projects the Bridge Enterprise works on. Historically, this list was updated annually. At the high point of the Bridge Enterprise program, it was updated quarterly but has recently been scaled to semi-annually. So the list is updated every six months. The prioritization list was provided in the printed materials. The highlighted bridges are the highest priorities in the state. The prioritization process is done on a statewide basis rather than a regional one. Bridge Enterprise will start with the highest priority bridges.

Monthly Progress Report

Scott McDaniel stated that there was a slight decrease in the SPI from .91 in March to .90 in April. There were three overperforming projects with a combined earned value of \$5.6 million. This increased the program by .01. There are 12 underperforming projects with a combined lost earned value of \$24.6 million. That impacted the SPI. There were two non-railroad projects of those underperforming projects that contributed .01 loss. Major achievements include adding bridges to the program, which brings the program to 180 bridges.

A bridge completed in Region 2 is the 100th bridge completed in the Bridge Enterprise program. There was one bridge to Ad in Region 2.

The total program performance shows that there is less and less movement as the program winds down.

Fifty-two bridges have been completed in the Bond Program. And there was no change in the 30 most deficient bridges.

DBE participation is at 16.2%, which exceeds the 13.3% goal.

CBE 100th Completed Bridge Presentation

Scott McDaniel stated that this is a great day for the Bridge Enterprise because there are 100 bridges completed and functional today. That is a huge accomplishment for the program based on the timeline it occurred in. He thanked all the employees from the regions and the Bridge Enterprise team. This is a tribute to program management.

He stated that 37 bridges were completed in Region 1. The biggest highlight from Region 1 was the Pecos Bridge over I-70, the CMGC project that CDOT has gotten national acclaim for. There were also a number of other successes in Region 1, including the Peoria Street Bridge over I-76, the Santa Fe Bridge over Dad Clark Gulch, and the US 6 Bridge over State Highway 95. The entire US 6 project has been a great success so far for the Bridge Enterprise program. Another significant bridge funded largely through the bond program was the Santa Fe Bridge over I-25.

He stated that there were 38 bridges completed in Region 2. Some notable bridges were three Rocky Ford bridges that were innovative slide-in bridges with very little impact to the community. Other bridges included box and tube culverts.

He stated that there were 10 bridges completed in Region 3. Notable ones include the I-70 service road over the Colorado River in Eagle County, US 6 over Eagle River, and the challenging US 24 Bridge over the Union Pacific Railroad, and lastly the US 40 Bridge over the East Fork of the Elk River.

He stated that there were 10 bridges completed in Region 4. Notable ones include the I-25 service road over the Little Thompson River that survived the flood due to the design of the bridge, State Highway 14 over Coal Bank Creek, State Highway 66 over the St. Vrain River that also withstood the flood, and the US 34 over the North Fork of the Republican.

He stated that there were five bridges completed in Region 5. Notable ones include US 160 over the Animas River, State Highway 145 over Leopard Creek, US 550 over Bear Creek that has a beautiful pedestrian overlook built into it, State Highway 62 over the Uncompahgre River, and US 550 over Mineral Creek.

He stated that Bridge Enterprise has had an impact all across the state. Thirty six of Colorado's 64 counties had work done, which means 56% of the state benefitted from Bridge Enterprise. Over one million square feet of new deck area was completed. The replacement of 93 bridges and rehabilitation of seven bridges brings Bridge Enterprise to 100 bridges completed. Of the 100, 19 were delivered by innovative design and construction processes.

He stated that in only five years, 100 bridges were completed, which averages to 20 bridges each year. The first bond bridge was completed in 2011.

The 100th bridge completed is the US 350 over the Purgatoire River. This is a testimony of the accomplishments of the FASTER legislation and the Bridge Enterprise program.

He thanked the Bridge Enterprise Board for their support and guidance that has made the program what it is today.

Chairman Aden congratulated everyone in the program. He stated that finishing 50 bridges in two years shows how effective the program was once it was ramped up. This was a great service to the public.

Condition of Colorado's Bridges and Federal Reauthorization

Josh Laipply stated that there have been several conversations about the solvency of the Highway Trust Fund. The purpose of this presentation is to outline what came out recently in reports to Congress through the American Road and Transportation Builders Association. They sent a press release to Congress titled "A Collapse of Federal Support for Highway and Bridge Investment Draws Near." *The Wall Street Journal* did an article, and Anthony Foxx did a report at the White House in support of the GROW AMERICA Act, a \$302 billion reinvestment scheme that Congress has yet to vote on.

Within that report, they laid out the percent of federal funding for annual road and bridge projects. Colorado is in a higher category of federal funding because 64% of our investment in roads and bridges comes from federal dollars, although some of the data is as old as 2012.

In FY'2014, Bridge Enterprise makes up \$91.6 million of the total \$163.2 million of the Bridge Investment program. More than half of Bridge Investment money is state money, but the rest of that is federalized funds.

He stated that nationally Colorado is in the top ten states for lowest percentage of bridges that are structurally deficient. The worst ten states in structurally deficient condition take an average of 64% of funds from the federal government. The best ten take an average of 53% from the federal government. States that are investing more of their own dollars into the transportation system tend to be ranked better. This was based on the previous ten years of data, so it did not include some of the FASTER legislation. Since then there has been a reduction of percentage of federal funding as investment in our transportation system, which is a good thing.

That report named the ten most-traveled structurally deficient bridges in each state. This is a testament to prioritization planning because of the ten worst bridges in Colorado, eight have already been committed to a construction phase.

He stated that one of the most significant parts of the draft PD14 for Bridge Enterprise is the requirement that 90% of the bridges be not structurally deficient. Colorado is currently at 94% not structurally deficient. This measure is also in MAP-21. The more important part is to "Meet the bridge goals in the Risk-Based Asset

Management Plan.” Table 4.1 discusses risks and the goals for the Bridge Enterprise program, and this is the investment strategy for the bridge program. The first two measures are tied directly to the structurally deficient bridge deck area. The second bridges that are scour critical. The next is percentage of bridge crossings over the interstate that are under 14’6” for clearance and under 16’6” for clearance, which goes directly to mobility. Also for mobility are bridges for load restrictions and other bridges posted for load. The last two are preventative maintenance.

He stated that all this information ties to bridge the conditioning models. Based on probabilities and the investment scheme that we have right now, the projection is that Colorado can stay above 90% not structurally deficient if CDOT continues to invest wisely, follows the risk-based asset management plan and continues to receive the federal funding that makes up almost half of bridge investments. Federal funding is a critical piece to CDOT’s investment strategy and keeping the bridges in good condition.

Director Hofmeister asked why the Pecos Street Bridge is classified as “Rural Minor Arterial.” Josh Laipply stated that this was a mistake on the part of ARTBA. He stated that was not the only error in the report, but the information was not provided by CDOT.

Director Peterson asked about the ranking of the states. Josh Laipply stated that a higher number in rank was better and that the lower percentage was better. Executive Director Hunt stated that Colorado is tied for seventh place in the nation to clarify Colorado’s national rank. Josh Laipply stated that in 2010 Colorado was 91.3% not structurally deficient and in 2014 Colorado is at 94.1% not structurally deficient. There has been a three percentage point increase.

Executive Director Hunt stated that the presentations today are a testament to having an Asset Management program and having bridges as one of the asset management categories. One hundred bridges have been completed in four years, and there has been a marked improvement in the “Not Structurally Deficient” category. This is because the bridges have been managed as a statewide asset, and the worst bridges get the work they need. He stated that Josh is bringing a stronger management to asset category by looking at annual and preventative maintenance to prolong the life of the bridges. He thanked Josh for his work.

Director Connell stated that this again shows the importance of the statewide approach for all assets.

Q3 FY’2014 CBE Bond Program Update

Scott Richrath stated that in response to the preventative maintenance that was discussed previously that the preventative maintenance is necessary because it keeps the deterioration curve from going downhill fast. It keeps Colorado above the 90% line until at least 2040.

He then stated that the Bond Program was a \$300 million, and three year anniversary recently passed. He stated that he is open to feedback on whether or not the Commission wants to continue to get updates as the last bit is spent down and how often those updates should happen. It is projected that much of the work of that

\$300 million will be completed over the next few months. Although sometimes the invoicing lags, so the cash balance will be presented when the bond program and "Pay as You Go" FASTER receipts coming through the door are added. \$39.5 million is program budgets expected to be expended by the end of calendar year 2015, which include Arapahoe over Cherry Creek and US 6 Design Build.

Director Reiff asked if the \$19.5 million and the \$5.7 million listed in the presentation are totals saved on these projects or saved from other projects and transferred to the US 6 and Arapahoe projects. Scott Richrath stated that those totals were saved from other projects and transferred to the US 6 and the Arapahoe projects.

Scott Richrath stated that they would begin to discuss the cash balance. The good news is that although new structures are not being programmed while a decision on the Viaduct is in process, there are enough structures in the pipeline that those will continue to move through design into construction to continue spending down that cash balance in 2016. The cash balance bottoms out in Q3 of 2016, and the trajectory on cash begins to go upward. However, that trajectory is dependent upon the decisions regarding the I-70 Viaduct. During Q1 of 2016, significant dollars could be spent on that project. There are two options that could keep the cash balance from rising again in 2016: spending on the I-70 Viaduct or continuing to structurally deficient structures. Either way, CDOT will continue to spend down dollars.

He then showed a slide that demonstrated the cash balance available to spend on structures that become structurally deficient after the scenario that Macquarie offered as an option for the I-70 Viaduct.

2015 Draft Bridge Enterprise Budget

Scott Richrath stated that the budget at its highest level is part of the overall CDOT budget that the Transportation Commission already approved and that was sent downtown to the Legislature to be included in the Long Bill. That was a higher level. This budget provides more details. He stated that out of \$114 million that \$111 actually going into projects. There is only \$3 million worth of administrative costs for the program. That is the good news.

He also stated that \$323,800 is bond counsel. There are two items that drive that cost. The first is the appeal, and not entirely knowing what that will happen with that or if that money will come from Bridge Enterprise is an expenditure. The second is whether or not Bridge Enterprise finances the Viaduct and does any legal activity on that in the coming year. It was necessary to have money set aside for that possibility.

Chairman Aden asked if the Board would take action on this budget in July. Scott Richrath stated that was an option but that the 2015 Budget had already been formally adopted at a level less granular than the one presented. He stated that the intent was to provide updates, especially when there were changes from one area to another. It was also necessary to let the Board know about the Bond Counsel.

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 11:35a.m.

Norm J. Stock III
Herman Stockinger, Secretary
Colorado Bridge Enterprise Board

1-29-15
Date

