

**Bridge Enterprise Board
Regular Meeting Minutes
Thursday, April 16, 2015**

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, District 7
Les Gruen, District 9
Bill Thiebaut, District 10
Steven Hofmeister, District 11

EXCUSED: Sidney Zink, District 8

ALSO PRESENT: Shailen Bhatt, Executive Director
Scot Cuthbertson, Deputy Executive Director
Gary Vansuch, Director of Process Improvement
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, Communications Director
Scott McDaniel, Staff Services Director
Maria Sobota, Acting CFO
Herman Stockinger, Government Relations Director
Mike Cheroutes, Director of HPTE
Mark Imhoff, Director, Division of Transit and Rail
Kyle Lester, Director, Division of Highway Maintenance
Ryan Rice, Director of the Operations Division
Darrell Lingk, Transportation Safety Director
Tony DeVito, Region 1 Transportation Director
Karen Rowe, Region 2 Transportation Director
Dave Eller, Region 3 Transportation Director
Kerrie Neet, Region 5 Transportation Director
Kathy Young, Chief Transportation Counsel
Vince Rogalski, STAC Chairman

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 Peterson convened the meeting at 10:14a.m. in the CDOT Headquarters building at 4201 E. Arkansas Avenue, Denver, CO.

Audience Participation

Chairman Peterson stated that no members of the audience wished to address the Board of Directors.

Act on Consent Agenda

Chairman Peterson entertained a motion to approve the Consent Agenda. Director Connell moved to approve the resolution, and Director Barry seconded the motion. Upon vote of the Board the resolution passed unanimously.

Resolution #BE-15-4-1

Approval of Regular Meeting Minutes for March 19, 2015.

BE IT SO RESOLVED THAT, the Minutes for the March 19, 2015, meeting of the Bridge Enterprise Board of Directors are hereby approved by the Bridge Enterprise Board as published in the Agenda for the April 15 & 16, 2015, meeting of the Bridge Enterprise Board of Directors.

Discuss and Act on the 8th Bridge Enterprise Budget Supplement

Maria Sobota requested the Commission's approval for the 8th Bridge Enterprise Supplement for Fiscal Year 2015.

Hearing none, Chairman Peterson entertained a motion to approve the 8th Bridge Enterprise Supplement for FY 2015. Director Reiff moved for approval, and Director Gruen seconded the motion. Upon vote of the Board, the resolution passed unanimously.

Resolution #BE-15-4-2

BE IT SO RESOLVED THAT, the 8th Budget Supplement for FY2015 is hereby approved by the Bridge Enterprise Board.

Discuss and Act on the Acceptance of Re-appropriated Federal Funds to Bridge Enterprise

Maria Sobota stated that this was request to the Board to accept the Transportation Commission's allocation of \$15 million in eligible federal funds. This is the second half of the conversation from the Transportation Commission meeting.

Chairman Peterson entertained a motion to approve the acceptance of re-appropriated federal funds to Bridge Enterprise. Director Connell moved for approval, and Director Barry seconded the motion. Upon vote of the Board, the resolution passed unanimously.

Resolution #BE-15-4-3

Resolution #BE-15-4-3

The FY 2015-2016 Program Budget and Acceptance of the transfer of eligible federal funds from CDOT to Colorado Bridge Enterprise for the purpose of advancing the business purpose of the Colorado Bridge Enterprise

Approved by the Colorado Bridge Enterprise Board on April 16, 2015

WHEREAS, the Colorado Bridge Enterprise is charged with the reconstruction, rehabilitation, and replacement of Designated Bridges, as defined in C.R.S. 43-4-803 (10), on the state’s transportation system; and

WHEREAS, the Colorado Bridge Enterprise promulgates and adopts an annual budget; and

WHEREAS, the Colorado General Assembly created the Colorado Bridge Enterprise in C.R.S. 43-4-805 as a government-owned business within CDOT for the business purpose of financing, repairing, reconstructing, and replacing Designated Bridges, defined in C.R.S. 43-4-803(10) as those bridges identified as structurally deficient or functionally obsolete and rated poor; and

WHEREAS, the Colorado General Assembly declared and provided that the Colorado Bridge Enterprise shall constitute an “enterprise” for purposes of TABOR, section 20 of article X of the Colorado Constitution, so long as it retains the authority to issue revenue bonds and receives less than ten percent of its total revenue in grants from all Colorado State and local governments combined; and

WHEREAS, the Colorado General Assembly has excluded federal funds, regardless of whether such federal funds pass through the state or any local government prior to receipt by an enterprise from the definition of “grants” pursuant to C.R.S. 24-77-102(7); and

WHEREAS, CDOT receives federal bridge funds from the US Department of Transportation for purposes of repairing, reconstruction, and replacing bridges; and

WHEREAS, the Colorado Bridge Enterprise has accepted previous authorized transfers of federal bridge funds from CDOT for the purposes of advancing the business purposes of the Colorado Bridge Enterprise.

NOW THEREFORE BE IT RESOLVED, The Colorado Bridge Enterprise Board approves the Fiscal Year 2015-2016 budget and accepts the allocation and transferring of fifteen millions dollars (\$15,000,000) of eligible federal funds for purposes of advancing the financing, repair, reconstruction and replacement of designated bridges by the Colorado Bridge Enterprise.

Herman F. Stockinger III
Herman Stockinger, Secretary
Bridge Enterprise Board of Directors

4-21-15
Date

Discuss the FY2016 Budget

Maria Sobota stated that this is not a request for any action at today’s meeting. This will be brought before the Board for approval next month. This is the informational item only to determine if the Board has any questions regarding the detailed budget that supports the overall amount going forward in 2016-2017. The documents

included are a description of the items that will be funded in 2016-2017, and it is a balanced budget.

Monthly Progress Report

Scott McDaniel asked if there were any questions about the monthly progress report included in the packet.

Director Reiff asked if there had been any progress on the \$45 million worth of projects that continue to be delayed by railroad issues. Scott McDaniel stated that on a project level, staff struggles to get the projects in place and the necessary agreements are done. But there has been headway on the programmatic level with both railroads, which will help in the future. The chief engineer has been meeting with Union Pacific Railroad on a number of issues that will also help gain some ground. It seems as though the biggest struggle is that we are still caught up on the project level getting those agreements in place and through the process. There is a lot of hope for the programmatic agreements that are being put into place. They should have them in place in the next six months, which will help a lot moving forward. But there will not be a lot of progress until that happens.

Josh Laipply stated that as Scott McDaniel mentioned, he and Johnny and Olson have been going to quarterly meetings with Union Pacific. Timely enough, UP executive management are coming to meet with Executive Director Bhatt and the chief engineer on April 16, 2015. Their real estate acquisition and planning capacity lead out of Omaha are coming out to start going over some of the environmental studies happening on US 85 to try to coordinate those efforts. One of the fundamental issues and one of the obstacles in dealing with UP is that their business model is never aligned with CDOT's even though the two ought to be. They are moving a lot of commerce through Colorado, and that is also a goal of CDOT's. It should obviously be better coordinated. However, each institution has some individual interests. UP is in a competitive market, so they try to keep things close to the vest. Having them come out between May and June to sit down with the team at CDOT and start talking about where some crossings could potentially be eliminated to gain the railroads capacity. They may start seeing the skin in the game that they have with CDOT in the Department's planning effort to increase their rail and commerce capacity as well as benefit CDOT from a safety perspective. There are lots of entrances on US 85, but it would be safer if some of those could be eliminated and frontage road improvements could be done. They are starting to have that conversation now. With that conversation, they have also talked about funding a person that sits at UP's headquarters in Omaha to help the Department's process. It is typically not on the engineering side that they get hung out; it is typically on the land acquisition side. That would be someone with legal expertise who could help with the process. There is not a promise that that will happen in the next six months, but it is something to strive for. He thinks they can get there and knock this out. CDOT will hopefully be one of the first states to have a more comprehensive approach with both railroads.

Executive Director Bhatt stated that Josh Laipply has done a great job of setting up something that works with both railroads to cooperate. That is the way they run their business. The conversation will continue and the goal is to create enough incentive that the railroads want the projects to move forward at the same time.

Commissioner Aden stated that he wanted to comment on the interview that he participated in regarding the legislative audit looking into the FASTER program. He stated that he thinks it is going to be interesting. There seemed to be a real difference in terms of what the Transportation Commission's role ought to be in oversight of Bridge Enterprise and FASTER Safety revenues. It will be interesting to see what the outcome of that audit report is in terms of their perception of what the policy level oversight is versus at least some of the auditors seeming to suggest that the Commission ought to be way down in the weeds and the details of individual projects. He did not know how soon the report would come out.

Commissioner Peterson stated that it will be a very interesting discussion and that it was a very interesting hour of his interview. He was trying to understand how to be effective, efficient and good stewards of taxpayer dollars, as opposed to being inefficient, working way down at a level that Commission does not have the expertise to do. They may not embrace all the recommendations as openly or enthusiastically as HPTE did.

Adjournment

Chairman Peterson asked if there were any more matters to come before the Bridge Enterprise Board. Hearing none, Chairman Peterson announced the adjournment of the meeting at 10:25a.m.