



MEMORANDUM

TO: THE TRANSPORTATION COMMISSION
FROM: JEFF SUDMEIER, CDOT CHIEF FINANCIAL OFFICER
JOSH LAIPPLY, CDOT CHIEF ENGINEER
JANE FISHER, DIRECTOR, PROGRAM MANAGEMENT OFFICE (PMO)
DATE: AUGUST 15, 2019
SUBJECT: MONTHLY CASH AND PROGRAM MANAGEMENT INFORMATION UPDATE

Purpose

To provide an update on cash and program management, including forecasts of monthly revenues, expenditures, and cash balances in Fund 400, the State Highway Fund.

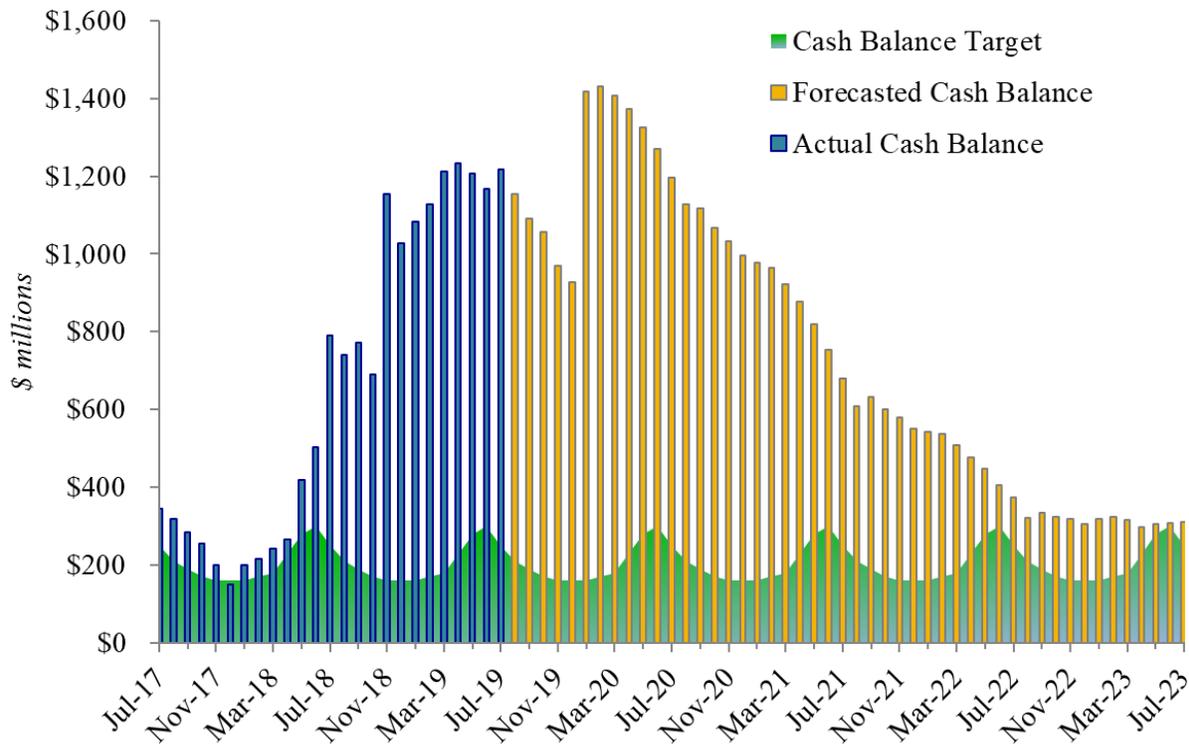
Action

No action requested or required.

Background

Figure 1 below depicts the forecast of the closing Fund 400 cash balance in each month, as compared to the targeted minimum cash balance for that month (green shaded area). The targeted minimum cash balances reflect the Transportation Commission’s directive (Policy Directive #703) to limit the risk of a cash overdraft at the end of a month to, at most, a probability of 1/1,000 (1 month of 1,000 months ending with a cash overdraft).

Figure 1 – Fund 400 Cash Forecast



The projected closing cash balance in July 2019 (some final figures were unavailable at the time of writing on August 7th) was \$1.10 billion; \$968 million above that month's cash balance target of \$250 million. The large cash balance results from the additional revenues listed below.

Cash Revenues

The forecast of revenues and capital proceeds in 2018 and onward includes:

Senate Bill 09-228: \$79 million in June 2018.

Senate Bill 17-267: \$425 million in November 2018, \$500 million in January 2020, and then \$0 thereafter.

Senate Bill 18-001: \$346.5 million in July 2018, and \$105 million in July 2019.

Senate Bill 19-262: \$60 million in August 2019.

Cash balances will be drawn down closer to the target balances over the course of fiscal years 2020, 2021, 2022, and 2023 as projects funded with SB 18-001, SB 17-267, SB 19-262 progress through construction.

July's closing cash balance is \$118 million higher than the June forecast of that balance, largely due to an additional \$105 million released in July from year 2 funding of SB 18-001.

The forecast does not include \$500 million of revenues in each of FY21 and FY22 from SB 17-267 capital proceeds. The portions of projects that are to be funded from these sources are also excluded from this forecast. Revenues and expenditures for these sources will be added to the forecast once specific projects are identified.

Cash Payments to Construction Contractors

The current forecast of payments to construction contractors under state contracts (grants paid out under inter-government agreements for construction are accounted for elsewhere in the expenditure forecast) from Fund 400 is shown in Figure 2 below.

Figure 2 – Forecasted Payments - Existing and New Construction Contracts

<i>\$ millions</i>	<i>CY 2017 (actual)</i>	<i>CY 2018 (actual)</i>	<i>CY 2019 (forecast)</i>	<i>CY 2020 (forecast)</i>	<i>CY 2021 (forecast)</i>	<i>CY 2022 (forecast)</i>	<i>CY 2023 (forecast)</i>
Expenditures	\$642	\$578	\$777	\$932	\$910	\$612	\$260

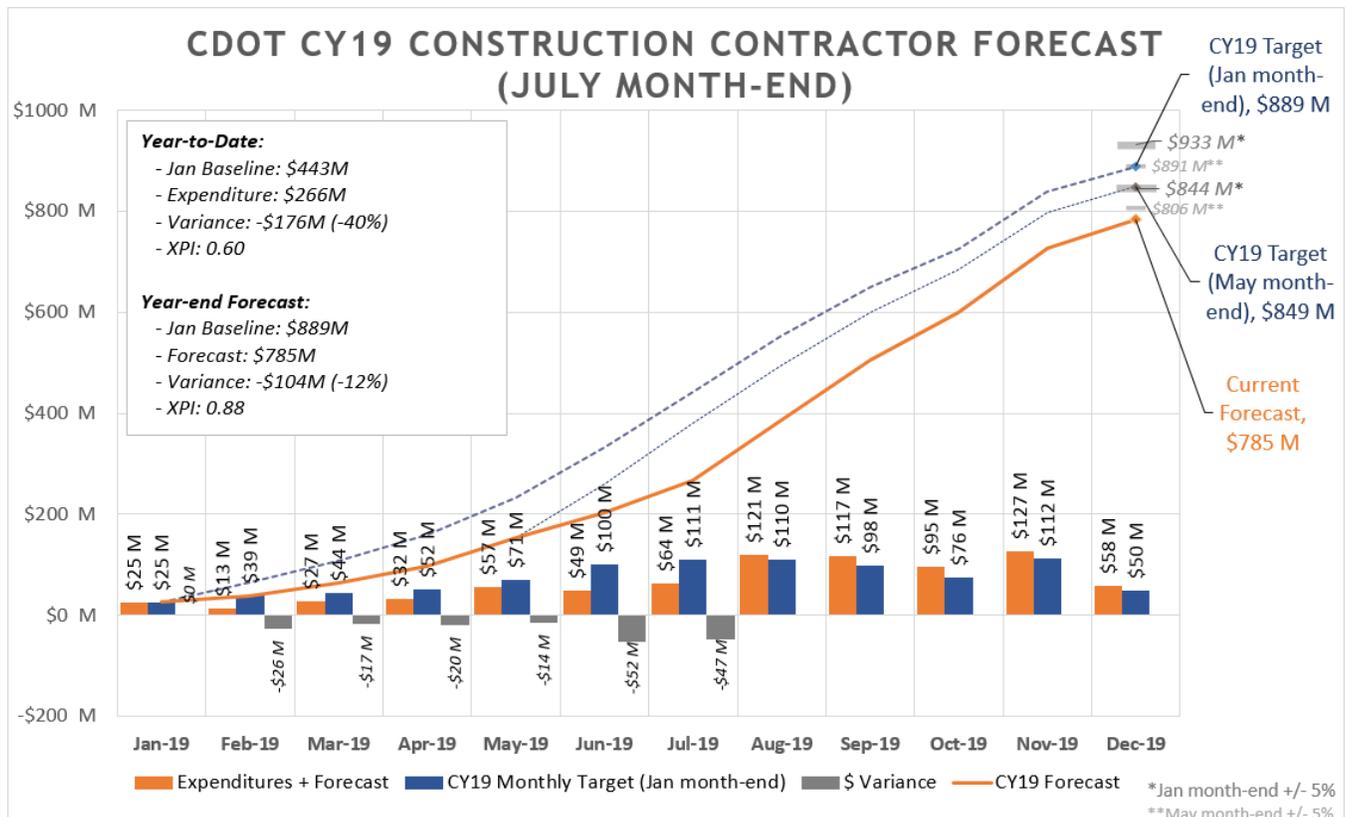
CDOT's target forecast for payments to contractors in CY19, including Bridge Enterprise projects, was set at \$889M as of February 1, 2019. The monthly target amounts is represented in Figure 3. July expenditures were \$64M, \$47M (or 42%) below the forecast of \$111M for a year-to-date XPI of 0.60. Year-end forecast is currently \$785M for a forecast XPI of 0.88 (-\$104M or -12% variance).





As an additional point of reference, an additional “May month-end” target has been saved with +/- 5% limits added to the chart. This represents a more accurate year-end target due to adjustments from contract awards and major project changes. Comparing to the May month-end target, the year-end forecast of \$785M represents an XPI of 0.92 (-\$64M or -7.5% variance).

Figure 3 - Calendar Year 2019 Construction Payments (Fund 400 and Fund 538)





MEMORANDUM

TO: THE TRANSPORTATION COMMISSION
FROM: JEFF SUDMEIER, CDOT CHIEF FINANCIAL OFFICER
DATE: AUGUST 15, 2019
SUBJECT: STATE INFRASTRUCTURE BANK ACTIVITY REPORT FOR FISCAL YEAR 2018-19

Purpose

This memo summarizes information related to State Infrastructure Bank (SIB) activity in the State fiscal year (FY) 2018-19 to date.

Action

This is for information purposes only. No action is requested or required by the Transportation Commission regarding this item.

Background

The State Infrastructure Bank was created in 43-1-113.5 CRS, and in accordance with Procedural Directive (PD) 0720.1:

“The Division of Accounting and Finance (DAF) shall prepare a financial summary and review of the Transportation Infrastructure Revolving Fund (Fund 715) on a periodic basis. OFMB shall present the report to the Colorado Transportation Commission (TC) at their monthly meeting in August for the period ending June 30th of the previous State fiscal year, and as a mid-year review, in February for the period ending December 31st of the current State fiscal year.”

Summary Narrative

As of June 30, 2019 the Colorado SIB had \$28.4 million in total assets. Of the total assets, 78.2 percent (\$22.2 million) was attributed to the Aeronautics account and 21.8 percent (\$6.2 million) was attributed to the Highway account. The Transit and Rail accounts of the Colorado SIB have never been capitalized, nor have any loans been made from that account.

As of June 30, 2019, there was a total of \$13.4 million available to loan, of which \$8.7 million was in the Aeronautics account and \$4.7 million was in the Highway account.

To date, the Colorado SIB has seven outstanding loans totaling \$18.9 million. Five loans are from the Aeronautics account totaling \$16.8 million, and two loans are from the Highway account totaling \$2.1 million.

During this fiscal year, the fund's assets increased by 2.5%. The reason for the increase is due to the interest earned in FY 2018-19. The SIB fund earned \$378,972.19 from interest on revenue and \$260,279 on interest on deposit, for a total earned interest on loans and accounts in FY 2018-19 of \$639,251. The interest rate was raised starting July 1, 2018 to three (3%) percent for the first half of fiscal year 2018-19, and increased to three and one



quarter (3.25%) percent for the second half of fiscal year 2018-2019. During fiscal year 2018-19, to date, one loan was paid in full. As of June 30, 2019, all Colorado SIB loans were current.

In November 2018, the Transportation Commission approved one aeronautics SIB loan in the amount of \$2.0 million with the Rocky Mountain Metropolitan Airport/Jefferson County.

DAF continues to work with municipalities and the Division of Aeronautics to advertise the State Infrastructure Bank Program, including meeting with general use airports and presenting at the Colorado Airport Operators Association annual meeting.

Table 1: Colorado SIB Assets Summary, As of June 30, 2019

Overview of Colorado SIB Assets As Of 6/30/2019			
Assets	Aeronautics	Highways	Total
Cash:			
Fund 715	\$ 8,729,479	\$ 4,659,548	\$ 13,389,027
Authorized Federal Funds	\$ -	\$ -	\$ -
Amount Available to Loan	\$ 8,729,479	\$ 4,659,548	\$ 13,389,027
Accounts Receivable:			
Outstanding Loan Balances	\$ 13,452,849	\$ 1,514,929	\$ 14,967,777
Accrued Interest	\$ -	\$ -	\$ -
Total Accounts Receivable	\$ 13,452,849	\$ 1,514,929	\$ 14,967,777
Total Assets	\$ 22,182,328	\$ 6,174,477	\$ 28,356,804
Percent of Account/Fund Loaned	60.65%	24.54%	52.78%

Table 1, Colorado SIB Loan Summary, As of June 30, 2019

Colorado SIB Loans Summary As Of 6/30/2019								
	Original Loan	Balance Due	Debt Service	Interest Rate	Original Loan Date	Next Payment Due Date	Termination Date	Contract No.
Aeronautics Account:								
Colorado Springs	\$ 2,336,000	\$ 1,470,165	\$ 266,908	2.50%	12/1/2014	12/1/2019	12/1/2024	AVNFY2015-001
Colorado Springs	\$ 3,431,183	\$ 2,489,232	\$ 392,043	2.50%	5/26/2016	5/26/2020	5/26/2026	AVNFY2016-002
Greeley-Weld County Airport Authority	\$ 1,000,000	\$ 192,521	\$ 197,334	2.50%	5/13/2016	5/13/2020	5/13/2021	AVNFY2016-001
Arapahoe County Airport Authority	\$ 8,000,000	\$ 7,285,930	\$ 914,070	2.50%	6/1/2018	6/1/2020	6/1/2025	AVNFY2018-001
Rocky Mountain Metropolitan Airport	\$ 2,015,000	\$ 2,015,000	\$ 236,219	3.00%	3/25/2019	3/25/2020	3/25/2029	AVNFY2019-001
Total:	\$ 16,782,183	\$ 13,452,849	\$ 2,006,575					
Highway Account:								
Central City	\$ 1,521,693	\$ 1,103,948	\$ 173,867	2.50%	7/17/2015	7/16/2019	7/17/2025	HWYFY2016-001
Park County	\$ 566,500	\$ 410,981	\$ 64,728	2.50%	2/26/2016	2/26/2020	2/26/2026	HWYFY2016-002
Total:	\$ 2,088,193	\$ 1,514,929	\$ 238,595					
Grand Total:	\$ 18,870,376	\$ 14,967,777	\$ 2,245,170					



Next Steps

In accordance with Procedural Directive (PD) 0720-1, Staff will provide the Commission a review of year-to-date FY 2019-20 SIB activities in February 2019.





Quarterly Status Report

April 2019 through June 2019



PREPARED BY:



COLORADO
Department of Transportation

IN CONSULTATION WITH:



Federal Highway
Administration



COLORADO
Department of Transportation
Statewide Bridge Enterprise

DATE: July 29, 2019

TO: Colorado Transportation Commission (TC)
Colorado High Performance Transportation (HPTE) Board of Directors
Colorado Bridge Enterprise (BE) Board of Directors

FROM: Keith Stefanik, Project Director, Central 70 Project

SUBJECT: Quarterly Update

PROJECT PROGRESS

This memo summarizes the status of the Central 70 Project across the following areas:

- Status of Design and Construction
- Status of Pre-Development Budget
- Status of Community Commitments

ACTION

No actions are requested at this time. This memo is for information purposes only.

BACKGROUND

Per the Central 70 Project Intra-Agency Agreement (IAA) dated August 22, 2017, (as amended by the First Amendment to the IAA, dated November 15, 2017, and the Second Amendment to the IAA, dated April 3, 2019), the Central 70 Project Director shall provide quarterly updates to the Transportation Commission, Bridge Enterprise (BE) Board of Directors, and the High Performance Transportation Enterprise (HPTE) Board of Directors through Final Acceptance.

MATTERS REQUIRING POLICY INPUT

None at this time.

COMPLETED MILESTONES THIS QUARTER

April 2019

- 100% Denver Rock Island Railroad (DRIR) Bridge Plan approval on April 9, 2019
- Set bridge girders on the new southbound I-270 flyover to eastbound I-70
- Set bridge girders on the new I-70 over Peoria structure (bridge replacement)

May 2019

- 100% Burlington Northern Santa Fe Railway (BNSF) bridge plan submitted for approval
- Submittal of 95% Union Pacific Railroad (UPRR) bridge plans for review
- UPRR license agreements for infrastructure in their Right of Way (ROW) submitted for approval
- Placed bridge deck for I-70 over Peoria bridge (Phase 1)

June 2019

- UPRR acceptance of 95% UPRR bridge plans
- Submission of the 100% Cover Systems design
- Began construction on the Columbine and Clayton Street bridges, including closure of these streets for the 2019 Denver Public Schools (DPS) summer break (adjacent to Swansea Elementary School).
- Implemented the westbound Steele street off-ramp detour

UPCOMING MILESTONES

July through September 2019

- Complete Columbine and Clayton Street bridges prior to the start of DPS school year on August 19, 2019
- Weekend closures for eastbound and westbound I-70 on-ramps from Peoria Street
- Demo old I-270 over I-70 bridge and shift traffic to new structure
- Submittal of 100% UPRR bridge plans for UPRR approval
- Complete switch of UPRR tracks to temporary shoofly
- Begin 9-month shut down for BNSF crossing at 46th Avenue in mid-September

LAWSUIT UPDATE

Lawsuit/Complaint	Status
Lawsuit filed against Environmental Protection Agency (EPA) regarding Air Quality standards	Ruling in EPA’s favor
Title VI complaint filed against the Federal Highway Administration (FHWA) regarding Environmental Justice	Administrative decision in the Colorado Department of Transportation’s (CDOT) favor
Drainage lawsuit against City of Denver	Ruling in City of Denver’s favor
National Environmental Policy Act (NEPA) Lawsuit filed against FHWA regarding connected action	Lawsuit dismissed with prejudice
NEPA lawsuit filed against FHWA regarding environmental issues	Plaintiffs and State reached settlement agreement in December 2018. State in process of implementing settlement mitigations including funding health study, air quality monitoring, and additional landscaping.

All lawsuits associated with the Project to date have been resolved. The Department reached a settlement agreement with the petitioners (Sierra Club, Elyria and Swansea Neighborhood Association, Chaffee Park Neighborhood Association, and Colorado Latino Forum) in the civil action lawsuit (D. Colo. No. 17-1679) in December 2018.

As part of this settlement agreement, the Department has agreed to a variety of mitigations including funding a community health study, air quality monitoring, and landscaping. The Department received the petitioners’ proposal and identification of nonprofit organization (The Nature Conservancy) on March 29, 2019 related to the acquisition and planting of trees

throughout Elyria, Swansea and Globeville. The Department reviewed and accepted the proposal. The Department issued payment to The Nature Conservancy in the amount of \$25,000 and The Nature Conservancy confirmed receipt on April 25, 2019.

The Department is in the process of negotiating a change with the Developer to add the vines to the sound walls between Brighton Boulevard and High Street and also add additional trees within small remnant parcels between Brighton Boulevard and Fillmore Street. Both additions are to fulfill one of the commitments in the settlement.

The Department, Colorado Department of Public Health and Environment (CDPHE), Denver Department of Public Health and Environment (DDPHE) and the petitioners executed the Memorandum of Understanding (MOU) to fund the community health study on July 16, 2019 (date is after the end of June reporting period for this report, but added as this is an important update to this subject). The status of all settlement agreement items will be tracked monthly by the Department to conclusion.

ISSUES

The Developer and the Enterprises negotiated the terms of a settlement agreement, which resolved Supervening Events (SEs) 1, 2, and 4. Supervening Event 1 was for late execution of the UPRR RRA by the Enterprises. Supervening Event 2 was for late completion of the Phase 0 UPRR Yard improvements by the UPRR. Supervening Event 4 was for increases in steel prices due to the federal tariffs. The settlement agreement was executed on May 15, 2019.

The Developer submitted a request to waive certain Non-Compliance Events (NCE)s and Construction Closure Deductions (CCD)s on June 24, 2019. Per the Project Agreement, there is a maximum number of NCE points and CCD costs that the Developer may incur over a specific time period. If the Developer exceeds these thresholds within the specified time frames, the Project Agreement allows the Enterprises to place the Developer into increased oversight (due to NCEs) or default (due to NCEs or CCDs). In June 2019, the Developer was unable to complete a traffic shift at the I-70 and Steele Street/Vasquez Boulevard interchange within the allowable lane closure time frames. This resulted in the Developer exceeding the NCE and CCD thresholds in the Project Agreement. The Developer and the Enterprises negotiated a change order (CO-048) that allowed specific NCEs and CCDs to be waived in exchange for the Developer developing and implementing a performance improvement plan to avoid future CCDs and NCEs and a monetary fine.

The Enterprises have received numerous SEs (see SEs 8, 10-15, 17-18, 21-22, 24-26, and 29-30) related to the UPRR bridge based on design criteria interpretation differences between the Developer and UPRR. The Enterprises are currently working with the Developer and the UPRR to resolve these SEs and mitigate potential impacts to the project. Regardless of the merits of each of the SEs, approval of the UPRR 100% bridge design is critical to the project schedule. Upon approval of the UPRR 100% bridge design by UPRR, the merit and impacts (cost and schedule) associated with each of these SEs will be determined. The current schedule assumes the UPRR 100% bridge design will be approved by the UPRR in mid-August 2019.

Supervening events are summarized in the table below (shading indicates the SE is closed).

SEN #	Description	Date Received from Developer	Type of SEN	Status
1	UPRR Agreement Delay, Request for Extension to Detailed Supervening Event Submission	04/25/2018	Comp Event	Included in Settlement Agreement
2	UPRR Phase 0 Work Delay	03/23/2018	Comp Event	Included in Settlement Agreement
3	UPRR Work Performance Schedule	03/23/2018	Delay Relief Event	Withdrawn by the Developer
4	Section 232 Steel and Aluminum Tariffs	08/13/2018	Relief Event	Included in Settlement Agreement
5	Swansea Asbestos Containing Material	07/07/2018	Comp Event	Developer is addressing Enterprise comments
6	AP-83 Asbestos Containing Material	10/10/2018	Comp Event	Withdrawn by the Developer
7	Sand Creek Bridge	11/20/2018	Comp Event	Waiting on detailed SE submission by Developer
8	UPRR Crossing Diaphragm Spacing	12/17/2018	Delay Relief Event	Waiting on detailed SE submission by Developer
9	Structure E-17-FX Viaduct	12/17/2018	Comp Event	Withdrawn by the Developer
10	UPRR Transverse Plate Welding	02/22/2019	Delay and Relief Event	Waiting on revised preliminary SE submission by Developer
11	UPRR Underside Plate Welding	02/22/2019	Delay and Relief Event	Waiting on revised preliminary SE submission by Developer
12	UPRR Drip Plates	02/22/2019	Comp and Relief Event	Waiting on revised preliminary SE submission by Developer
13	UPRR Bearings	02/22/2019	Comp and Relief Event	Waiting on revised preliminary SE submission by Developer
14	UPRR Impact Loading	02/22/2019	Delay and Relief Event	Waiting on revised preliminary SE submission by Developer
15	UPRR Rebar Detailing	02/22/2019	Delay and Relief Event	Waiting on revised preliminary SE submission by Developer
16	Severe Weather Event - Bomb Cyclone	03/27/2019	Relief Event	Waiting on detailed SE submission by Developer
17	UPRR Shoring	03/28/2019	Comp Event	Waiting on revised preliminary SE submission by Developer
18	UPRR Shoring unexcused RR delay	03/28/2019	Delay Relief Event	Waiting on revised preliminary SE submission by Developer
19	AP-102 Hazardous Material	03/27/2019	Comp Event	Withdrawn by the Developer
20	Reserved			
21	UPRR Steel Notes	05/02/2019	Comp Event	Under Enterprises Review

SEN #	Description	Date Received from Developer	Type of SEN	Status
22	UPRR Steel Notes Relief	05/02/2019	Delay Relief Event	Under Enterprises Review
23	Recognized Hazardous Material (RHM) 46 th and Steele Southwest Gore Asbestos	05/29/2019	Comp Event	Waiting on revised preliminary SE submission by Developer
24	UPRR Crossing Diaphragm Spacing	06/14/2019	Comp Event	Waiting on detailed SE submission by Developer. Related to the Delay Relief event 8.0
25	UPRR Transverse Plate Welding	06/19/2019	Comp Event	Waiting on detailed SE submission by Developer. Related to the Delay Relief event 10.0
26	UPRR Underside Plate Welding	06/28/2019	Comp Event	Waiting on detailed SE submission by Developer. Related to the Delay Relief event 11.0
27	Reserved			
28	Reserved			
29	UPRR Impact Loading	06/28/2019	Comp Event	Waiting on detailed SE submission by Developer. Related to the Delay Relief event 14.0
30	UPRR Rebar Detailing	06/28/2019	Comp Event	Waiting on detailed SE submission by Developer. Related to the Delay Relief event 15.0

SCHEDULE STATUS

The Developer reported that the Project is 26% complete through June 2019. Design is 97% complete and construction is 13%.

The Revised Baseline Schedule reflects the updated construction sequencing that reflects the work plan towards the revised Milestones Completion dates associated with the settlement agreement. The Revised Baseline Schedule was conditionally accepted on May 14, 2019.

Milestones 1 and 2 are delayed due to seasonal construction work associated with Stone Matrix Asphalt (SMA) pavement, which is pushing this work out of the 2019 construction season for Milestone 1 and the 2020 construction season for Milestone 2. Pushing of the paving work outside of the 2019 and 2020 seasons has been caused by several factors including longer than anticipated design duration, delays associated with the approval of the Conditional Letter of

Map Revision (CLOMR) at Sand Creek, and weather that is cooler and wetter than usual during this quarter. The Developer is not attributing any of the causes of these delays to the Enterprises. The Developer still anticipates having traffic in the final configuration for Milestone 1 (12/09/2019) and Milestone 2 (11/10/2020) at the baseline dates but the top lift of asphalt pavement (SMA) would not be constructed.

Milestones 3, 4, 5, 6, and Substantial Completion are all linked. Delay associated with this work is tied to approval of the UPRR 100% bridge design by UPRR. This approval is currently anticipated for mid-August 2019, which is much later than what was anticipated at the time of the May 15, 2019 settlement agreement. The Developer believes this delay is compensable and the basis of this position is detailed in the outstanding Supervening Events associated with UPRR. As mentioned earlier, the validity of many of the Developer's claims will be analyzed and any associated impacts determined once the UPRR 100% bridge design is approved. The Developer and the Enterprises are meeting regularly to discuss potential mitigation measures that can provide some schedule recovery. For example, the Developer has procured the UPRR bridge girders at risk, which is a mitigation measure that has been discussed during the quarter. Additional mitigation measures continue to be evaluated by the Enterprises and the Developer.

Event	Baseline Date	Forecast Date	Status*
Commercial Close	11/21/2017	NA	Completed - 11/21/2017
Financial Close	12/21/2017	NA	Completed - 12/21/2017
NTP1	02/09/2018	NA	Completed - 02/09/2018
NTP2	06/01/2018	NA	Completed - 07/10/2018
NTP3 (Snow and Ice Control Services)	07/01/2018	NA	Completed - 07/18/2018
Payment Milestone 1 (Sand Creek Bridge to Chambers Road)	12/09/2019	07/30/2020	-234 days
Payment Milestone 2 (Dahlia Street to Sand Creek Bridge)	11/10/2020	07/01/2021	-233 days
Payment Milestone 3 (Westbound I-70 Brighton Boulevard to Dahlia Street)	10/17/2020	02/09/	-114 days
Payment Milestone 4 (Westbound I-70 Brighton Boulevard to Dahlia Street)	09/26/2021	11/11//2021	-46 days
Payment Milestone 5 (Eastbound I-70 Brighton Boulevard to Dahlia Street, UPRR Phase 6)	03/25/2022	07/29/2022	-126 days
Payment Milestone 6 (SMA paving, cover top, 46th Avenue South)	08/20/2022	09/28/2022	-48 days
Commence ITS/Tolling Testing/Integration	09/22/2022	09/29/2000	-7 days

Substantial Completion	09/21/2022	11/15/2022	-56 days
Final Acceptance	12/20/2022	02/16/2023	-58 days
Design/Build Phase Close-out	06/2023	08/2023	-60 days

*see Schedule Status narrative for additional information regarding the status

BUDGET STATUS

No changes to the project budget have occurred in the reporting period.

Enterprises Costs Estimate	Amount
Environmental Phase	\$40.9M
Procurement Phase	\$82.1M
Delivery Phase	\$52.2M
Miscellaneous Enterprise Reserve	\$5.3M
ROW Phase	\$122.2M
Utility Phase	\$37.9M
Enterprises Construction Total	\$335.3M

In addition to the funds listed in the above table, the Enterprises have established a construction contingency (funded by the Department and Colorado Bridge Enterprise) to cover additional costs due to Supervening Events and Change Orders during the construction phase of the Project. Per the Project Agreement, the Enterprises have the option of paying the Developer for changes via a lump sum payment or by adjusting the annual availability payment. The current balance of this contingency fund is provided in the table below.

Contingency	Amount (in millions)
Enterprises Change Order/Supervening Event Initial Contingency	\$45.9
Executed Change Orders – Previous	\$0.5
Executed Change Orders – Current Period	\$1.3
Settlement Agreement	\$7.6
Remaining Enterprises Change Order/Supervening Event Contingency Balance	\$36.5

CONTRACT CHANGE NOTICES

As of June 30, 2019, the Enterprises have executed (42) Change Orders, issued (35) Enterprise Change Notices, received (26) Developer Change Notices, issued (9) Directive Letters, received (27) Supervening Event Notices, received (20) Preliminary Supervening Event Submission, and received (2) Detailed Supervening Event Submissions. The change orders executed to date have had a net cost of \$1.8 million to the Project.

No claims have been filed by the Developer against the Project and neither party has referred a dispute to the Dispute Resolution Panel (DRP) at this time.

QUALITY

The Developer is responsible for implementation and maintenance of an effective quality program to manage, control, document and ensure Developer compliance with all obligations and requirements in the Central 70 Project Agreement. The Enterprises implement the quality oversight program to monitor the Developer's quality program, but are not responsible for implementation of the Developer's quality program. However, the Enterprises retain the responsibility for acceptance of the work based on the assessment and test results of the quality oversight program summarized below.

Owner Verification Testing: The Enterprises' Owner Verification Testing (OVT) program has statistically verified and validated that all materials placed by Developer through June 2019 are in conformance with Project Agreement requirements. For the permanent concrete, soil and asphalt placed on the Project, the Developer's testing program has taken approximately 5,000 overall tests while the OVT program has taken approximately 650 overall tests.

Independent Assurance Testing: The Enterprises' Independent Assurance Testing (IAT) program tests each OVT and Independent Quality Control (IQC) tester for each test procedure at least once per year. The Enterprises have determined that all Owner Verification and Developer testers are qualified to test on the Project through June 2019.

Construction Verification Inspections (CVI): The Enterprises' CVIs evaluate Developer compliance with Project Agreement (PA) requirements by assessing a risk-based percentage of the Developer's Construction Work. From April 2019 through June 2019, the Enterprises conducted 130 CVIs yielding an 88 percent overall conformance percentage. For the entire Project, the Enterprises conducted 274 CVIs yielding an 87 percent overall conformance percentage. The Developer is performing exceptionally well (96 percent overall conformance percentage to date) on permanent construction work such as Electrical/ITS, Structures, Walls, Drainage, Earthwork, and Utilities. All non-conforming work identified by the Enterprises is resolved through the Developer's nonconformance report closure process. There are not any notable construction product issues identified by the Enterprises and/or the Developer for this reporting period. Issues that are carried over from last quarter are presented below.

Element	Work Component	Issue	Status
Method of Handling Traffic (MOT) (Temporary Work)	Detour Paving	Detour Paving is not withstanding traffic as constructed	This issue is carried over from the previous quarterly quality report. Although some issues persisted into this quarter, the Developer predominantly resolved the issue by implementing techniques to mitigate weak subgrade that was leading to pavement failure. Examples include cement modification, increased Hot Mix Asphalt (HMA) thickness, use of geogrid, and rock fill. CLOSED
MOT (Temporary Work)	Temporary Barrier	Temporary Barrier not installed per specification	This issue is carried over from the previous quarterly quality report. During this reporting period, the Developer resolved the issue by closing all lingering NCRs related to temporary barrier installation and by increasing the Process Control (PC)/IQC oversight of the barrier requirements. CLOSED

Project Management Process Audits: The Enterprises’ Project Management Process Audits evaluate Developer compliance with the PA and processes prescribed in the Developer’s approved Management Plans. From April 2019 through June 2019, the Enterprises conducted 76 process audits yielding an 85 percent overall conformance percentage. For the entire Project, the Enterprises conducted 317 process audits yielding an 82 percent overall conformance percentage. Notable process quality Issues identified by the Enterprises and/or the Developer for this reporting period are presented below.

Element	Process	Issue	Status
Construction Quality Management	PA Schedule 8 and Quality Management Plan (QMP)	Numerous issues continue related to the Developer building work without releases for construction (RFC) design changes and/or shop drawings.	Corrective Action plan 008 was submitted in April 2019. Due to ineffectiveness of the April 2019 plan, the Developer submitted a revised plan in June 2019, but issues continue to occur. OPEN
Construction Quality Management	PA Schedule 8, QMP and Subcontractor Process Control Plan	Numerous quality issues and NCRs identified during Aldridge Electric, Inc. drilled shafts installation.	Mitigated through Corrective Action 009. CLOSED

Element	Process	Issue	Status
Construction Quality and Environmental Management	PA Schedule 8, Schedule 17 Section 23.19, QMP and Subcontractor Process Control Plan	The Developer failed to receive Enterprises approval on import material prior to using the material onsite for Class 1 Structural Fill	Mitigated through Corrective Action 010. CLOSED.
Construction Quality Management	PA Schedule 8, QMP and Subcontractor Process Control Plan	Aggregate Industries repetitively delivered #67 stone material used for pipe bedding that did not meet gradation requirements.	Mitigated through Corrective Action 011. CLOSED.
Construction Quality Management	PA Schedule 8, QMP and Subcontractor Process Control Plan	Aggregate Industries repetitively delivered Class 6 used for pavement base course that did not meet gradation requirements.	Mitigated through Corrective Action 012. CLOSED.
Construction Quality Management	PA Schedule 8 and QMP	Delay in entering NCRs until well past the 24-hour window and not entering NCRs at all until prompted by the Enterprises.	The Developer appears to have implemented effective mitigation efforts described in Corrective Action plan 013. This is trending towards closure and the Developer will submit for closure in July 2019. OPEN
Civil Rights	PA Schedule 15	The Developer self-identified the issue of not paying subcontractors within 30 days of the invoice (Prompt Payment).	The Developer is currently implementing Corrective Action 014 to resolve this issue and discussing weekly in the Quality Task Force. Trending toward closure in July or August 2019. OPEN
Traffic (MOT) Process	PA Schedule 10, Section 2 and Transportation Management Plan (TMP)	General noncompliance with safe-to-open procedure and the Developer opening new sections of roadway without 100% compliance with the traffic control plan.	The Developer is currently drafting Corrective Action plan 015 to resolve this issue. The Project Steering Committee has been involved in the Development of this plan. OPEN

Design Verification Reviews (DVR): The Enterprises' DVRs evaluate Developer compliance with PA requirements by assessing the Developer's design plans and other deliverables. From April 2019 through June 2019, the Enterprises conducted 92 DVRs yielding an 84 percent overall conformance percentage. For the entire Project, the Enterprises conducted 563 audits yielding an 83 percent overall conformance percentage. All noncompliant design identified by the Enterprises is resolved prior to the Developer releasing the plans for construction. Since there has not been any known noncompliant design incorporated into the permanent work there are not any notable design issues identified by the Enterprises and/or the Developer for this reporting period.

MAINTENANCE/TRAFFIC ISSUES

The focus of routine maintenance work for this reporting period was snow and ice removal, litter and debris removal, vegetation control, drainage cleaning, resolution of any safety critical or hazardous defects, sign maintenance and installation, safety patrol services, inspection of earthwork and embankments, asphalt repair, slope repair, guardrail installation, flexible and rigid pavement patching, crack sealing, and safety patrol services. A weekend long closure of I-70 from Colorado Blvd to I-270 was performed during this period. During this closure, crews performed a major traffic shift in the center segment of the project and set girders for the new I-270 over I-70 bridge.

SAFETY ISSUES

The Developer had one recordable event for the quarter. The Developer has commenced all major construction activities including temporary embankment and detour paving, utility relocations, sound barrier installation, minor bridge demolition, major drainage construction activities (box culverts, storm drains, etc.), girder placement, permanent paving, wall installation, and temporary work for the UPRR shoofly.

The Developer completed the following safety critical work for this quarter: shoring at Colorado Boulevard, Dahlia Street, Holly Street, and Monaco Parkway; excavation support under the I-70 viaduct to facilitate the construction of the new at grade bridges in the lowered portion; installation of drilled shaft and piles for walls and bridges; trench excavation for drainage, sanitary, and waterline related items; and the excavation for the permanent walls along I-70 between Central Park Boulevard and I-225.

Safety Patrol has responded to 1,097 events during this reporting period. Events include abandoned vehicles, crash/incidents, debris, heavy traffic, pedestrians, police activity, stalled motor vehicles, and stalled or disabled commercial vehicles.

CIVIL RIGHTS STATUS

Small Business DBE/ESB Goals

Design Status: The Developer's Disadvantaged Business Enterprise (DBE) goal for the design is 11.6%. To date, the Developer has commitments to DBE design firms of 10.71% (\$5.1 million in work); this meets 92% of the Developer's DBE goal for the design period. The Developer's Emerging Small Business (ESB) goal for the design period is 3.0%. To date, the Developer has commitments to ESB design firms of 8.88% (\$4.23 million in work); this exceeds the ESB goal for design for the Project.

Construction Status: The Developer's DBE goal for the construction is 12.5%. To date, the Developer has commitments to DBE construction firms of 7.32% (\$55.01 million in work); this meets 58% of the Developer's DBE goal for the construction period. The Developer's ESB goal for the construction period is 3.0%. To date, the Developer has commitments to ESB construction firms of 5.37% (\$40.45 million in work); this exceeds the Developer's ESB goal for construction for the Project.

Workforce Development Program and Goals

The WORKNOW program combines construction workforce training and supportive service programs into one coordinated program. Total enrollment reached 1,119 members, with 217 enrolled this quarter. The Central 70 Project is a founding partner of WORKNOW. The Neighborhood Training Center (NTC) continues to serve as a hub for construction training and support programs. However, a new location within the GES neighborhood, is being sought due to construction needs and increasingly difficult accessibility. Several key events occurred this quarter: (1) the Department coordinated with WORKNOW to finalize an app (through the company TuaPath) that assists navigators with tracking job seekers' placement and advancement progress; (2) the month-long diesel mechanic course was completed and three individuals were hired; (3) planning continued with Colorado Contractors Association to design a course for incoming Traffic Control technicians, a position that has proven difficult for both placement and retention.

The Developer and its subcontractors have enrolled local hires for both professional services and construction. They have enrolled 268 local hires and 103 On-the-Job Training (OJT) participants; 57 of the OJT participants have worked on the project to date. The Developer has recorded 163,676 local hire hours and 31,359 OJT hours.

MITIGATION/COMMUNITY COMMITMENTS STATUS

As of the date of this report, 124 of the 148 identified Record of Decision (ROD) mitigation measures are either in progress or completed.

The Enterprises and Developer have completed seven ROD re-evaluations to date. Re-evaluation 6 was executed on April 1, 2019 and Re-evaluation 7 was executed on April 2, 2019. The Department is drafting Re-evaluation 8. The need for this Re-evaluation has been triggered by (1) a UPRR requirement that a drainage ditch parallel to the tracks be extended to the

northeast for about 1,000 feet beyond the current construction limits described in the ROD; (2) the relocation of a water quality pond to the southwest quadrant of the I-70 and Quebec interchange; and (3) minor expansions of the project limits at two properties on South Stapleton Drive to accommodate drainage and driveway tie-ins. State Historic Preservation Office (SHPO) consultation will be required for Re-evaluation 8.

This Project is unique in that the core feature of the project—lowering the highway and constructing a cover/park that will link the two sides of the community back together—was developed to address Environmental Justice (EJ) concerns that arose from original highway construction back in the 1960s. In addition to the cover and park, the Central 70 Project includes other unique EJ mitigations such as the recognition of the importance of the Swansea Elementary School as a community center. These mitigations include two new early childhood education classrooms, a new heating and air conditioning (HVAC) system, new exterior windows and doors, a relocated and renovated main entrance and administration offices, and a new playground. The table below provides the status of these mitigations.

Mitigation	Status	Notes
Targeted assistance to crucial businesses to remain in the neighborhood.	Complete	Assistance was provided to all businesses that were displaced by the project per the Uniform Act. All impacted businesses have been completed and reestablished in their new location per the Uniform Act. The Developer will continue the Community Outreach for businesses within the project area.
Provide funding to assist displacees with financial counseling and procurement of financing.	Complete	Funding has been provided through Community Resources and Housing Development Corporation (CRHDC))
Provide before, during, and after environmental sampling to assure the project has not caused re-contamination of residential properties.	Complete	Soil sampling on seven residential properties was completed in June 2018
Mitigate noise and dust impacts by providing residents living adjacent to the project new storm windows, furnace filters, and air conditioning units.	In Process	Assessments and installations of improvements were completed on 03/14/2019. Ongoing warranty work and energy credits will continue through the Construction Period.
Fresh Food Access – Provide \$100,000 to Denver Office of Economic Developments Globeville Elyria-Swansea (GES) Healthy Food Challenge.	Complete	The Enterprises transferred funds to the City and County of Denver in early November 2018; an initial report is due to the Enterprises in mid-2019.
Provide \$2M in funding to support affordable housing in Elyria and Swansea neighborhoods.	Complete	The Enterprises transferred funds to Brothers Redevelopment in late November 2018; quarterly reports began in 2019.

Mitigation	Status	Notes
Monetary Incentive for Managed Lanes	Deferred	Deferred until the new managed lanes are operational.
Swansea Elementary Phase 1	Complete	Retrofit school building with new classrooms, windows, doors, and HVAC system
Swansea Elementary Phase 2	Complete	Modify outdoor areas around school to provide playground, parking, and access roads during construction period.
Swansea Elementary Phase 3	Complete	Construct temporary outdoor features including playground, parking, and access roads.
Swansea Elementary Phase 4	In Design	To be constructed by Developer along with the Cover.

COMMUNITY ENGAGEMENT

The Enterprises, supported by the Developer, is responsible for communicating with citizens, the media, public officials, and other stakeholders regarding the Project. Public information efforts continue to take a two-pronged approach with focused outreach to commuters through service club presentations throughout the metro area providing Project overview and benefits. The Public Information team has also continued using various outreach tools in the community to alert residents. This includes small group and individual meetings, door-to-door flyers and weekly traffic updates sent through email. In addition, the communications team developed collateral to motivate local residents to subscribe to the Project hotline and text alert system. The PI team is focusing on discussing safety during the summer months and leading to the start of school in August 2019.