

Transportation Commission April 15-16, 2015

Wednesday, April 15, 2015 – Transportation Commission Workshops and Committee Meetings**Program Management Workshop (Richard Zamora, Josh Laipply, Maria Sobota)**

Action Requested - None, information only.

The Program Management Office provided a monthly status update on the status of cash balance and major programs (Flood, Responsible Acceleration and Maintenance and Partnerships (RAMP), and Asset Management), with a focus on Asset Management.

Cash Balance/Cash Plus Cash Equivalents Balance - The cash balance is approximately \$1,174.3 million, \$204.4 million above the target. Cash decreased compared to same time last year, but is not currently decreasing at the rate set by our target. A related measure is the cash plus cash equivalents balance. The cash plus cash equivalents balance is approximately \$1,500.9 million, \$24.7 million over the target. This balance is now closer to our expectations for this time of year.

Expenditure Performance Index (XPI) – CDOT is continuing to monitor program delivery at the statewide level using XPI to evaluate actual construction expenditure performance as compared to planned. This month the cumulative XPI increased to 0.79, a seventh consecutive monthly improvement of XPI as the Department draws nearer to its \$900 million 2015 expenditure goal.

Schedule Performance Index (SPI) - The SPI for Flood is at 0.99, and the RAMP Partnership and Operations program has improved to 0.93 overall. See page 10 of the Program Management Packet available at: <https://www.codot.gov/about/transportation-commission/current-agenda-and-supporting-documents/02-prog-mgmt-workshop.pdf>

Flood Recovery Program – The Flood Recovery Program is in the process of closing out Emergency Repair (ER) projects and initiating design and construction on the Permanent Repair (PR) projects. \$450 million of FHWA Emergency Relief funds is available, and local or state match is required. Cost estimates continue to be updated as Detailed Damage Inspection Reports (DDIRs) are approved by the FHWA.

CDOT will be able to complete all permanent repair projects, building them back better (and more resilient) than before, with the existing Emergency Relief dollars. However, those funds are not enough to fund the full level of betterments CDOT would like to see on every project. That current planning level estimate is \$595 million. CDOT continually updates its original estimate (\$535 million) as projects advance in both design and construction. This is reconciled with actual costs as projects are completed, and it is expected the final costs will continue to fluctuate.

RAMP – The Chief Engineer and Chief Financial Officer have made it a priority that all RAMP partnership projects be managed so that scope and project costs do not exceed their original TC approved project amounts. The RAMP Partnership and Operations program shows steady growth in expenditures and encumbrances as more projects are being budgeted and advertised.

Discussion:

- CDOT is anticipating another \$9 million in cost overruns and has \$13 million remaining from the additional funding provided from the Transportation Commission (TC).

- More specificity was requested regarding how the Department is meeting the drawdown goals. The Chief Engineer suggested a bottom up approach through the identification of which projects are planned and how they get the Department to the goal of \$900 million. Commissioners requested a brief monthly summary going forward.
- Flood program expenditures, and overall program expenditures, have increased by \$8.5 million. CDOT is preparing to move into the permanent recovery phase.
- There is an estimated \$92 million unfunded need (gap) related to the Flood Program. At the request of the TC, the Chief Engineer will create a report that focuses on resiliency. This is in response to the recent local and national focus on the issue.

RAMP Funding Request; RAMP # 4-5a - I-25: Express Lanes 120th Avenue North

Action Requested - Approve the North I-25 Express Lanes project based on the current scope, schedule, and budget. This will also approve utilizing the remaining RAMP funds from the \$55 million authorized for the I-25 express lanes project to complete preconstruction activities, including ROW acquisition and utility relocation, and the construction of the express lanes project. The Transportation Commission provided concurrence with moving forward, and provided authority to budget up to the full RAMP amount (via approval of the 10th Budget Supplement during the regular Transportation Commission meeting.)

The North I-25 corridor was authorized for \$90 million in the RAMP program, with \$35 million north of SH 66 to move toward a public private partnership (P3) and \$55 million for a project from 120th Avenue North to add express lanes. To date, the \$35 million has been approved for north of SH 66 to reconstruct the Crossroads Interchange bridges and adjoining highway. Of the \$55 million authorized for the express lanes, \$8.615 million has been approved for developing the project strategy, design and environmental tasks. The project has advanced past preliminary design, a Field Inspection Review (FIR) was held December 8, 2014, and is in final design and ready for Right of Way (ROW) acquisition with construction anticipated to begin as soon as this fall.

The current estimate for segment 3 to reach to SH 7, the original RAMP application northern terminus, is between \$115 million to \$133 million, including design, environmental, ROW, utilities, and construction. The mitigation options include finding additional funding and revising the logical construction limits. Regions 4 and 1 coordinated to formulate a funding package that best leverages the RAMP funds and extends the project as far north as possible. Construction and ROW estimates are updated to stay current to the prevailing market, with estimates completed by the consultant team and independently reviewed by the cost estimating unit personnel. CDOT pursued funding partnerships from RTD, DRCOG, Local Agencies and developers, and HPTe. The total identified funding is \$73.25 million. The project team is identifying a northern terminus at 136th Avenue as the logical base project for an "A plus B" advertising package. The "+B" packages allows design progress to continue, provides the option to extend the project as far north as funding allows, while allowing the most time to finalize the budget.

Discussion:

- CDOT is working with the region to identify ways to reduce the funding gap.
- Concern was expressed regarding the wide range of the estimated costs, and questioned whether the proper scoping had been done.
- The Chief Engineer stated that if the logical project is constructed, then CDOT will be in a good position to leverage the second phase of the project which is a P3.
- It was asked what the termini of the project would be if the current funding gap wasn't filled. The Chief Engineer responded that it would span from about 136th - 144th
- It was then asked if CDOT is creating an expectation that CDOT will deliver a project that CDOT does not have the money for. The CDOT Executive Director informed the TC that CDOT is working with the FHWA to reduce some of the Federal requirements to get more out of the project.

- It was noted that this is a very important project, it is important to manage expectations, and develop a project that stands on its own (in terms of funding).

See supporting detailed information regarding the Program Management Workshop at:

<https://www.codot.gov/about/transportation-commission/current-agenda-and-supporting-documents/02-prog-mgmt-workshop.pdf>

Asset Management Workshop (William Johnson)

Action Requested – Commission guidance on FY19 Transportation Asset Management (TAM) budgets for planning purposes. The FY19 asset budget will be reviewed again by the TC during the annual budget setting process around March 2018. The Transportation Commission provided concurrence with FY 19 asset budgets for planning purposes.

The Asset Investment Management System (AIMS) was developed to forecast performance curves for asset programs based on investment, perform tradeoff analysis between multiple asset classes, and to perform cross-asset optimization; which optimizes funding in assets to get the greatest possible return on investments. AIMS has informed the asset program allocation recommendations since FY14.

The budget recommendations for FY17 and FY18 were approved by the TC in November 2014.

During the joint TC-AM and TC Statewide Plan Committee (TC-SWP) meeting in January 2015, the performance metrics and targets for the 11 asset programs were approved by the TC-AM Committee. The TC-SWP Committee approved incorporating the performance metrics and targets as an attachment to Policy Directive 14.

In order to provide predictability to the regions and to the industry, the Chief Engineer will publish a 4-year program of asset management candidate projects. The budget recommendation is used to inform development of the 4-year program of candidate projects.

On March 20, staff met in a budget setting workshop convened by the Executive Director to review the projected performance and proposed FY19 Asset Management funding for eleven asset classes. TC guidance and material presented to the TC in previous months informed the staff workshop. The total available budget is \$755 million for FY19, and the total request from the asset managers was \$833 million.

Discussion:

- It requires human judgement beyond the model to determine what the appropriate level is for a target and achieve the performance measures. There is a need to continue to refine the AIMS model.
- The Chief Engineer outlined that the core benefit of the model is that at different funding levels there are varied outcomes when trying to achieve performance measures. AIMS assists staff in making conclusions and judgements about what the right level of investment should be.
- The question was raised regarding what happens if the funds from TransBond, which are being applied to Asset Management, were to be reduced? It was explained that this scenario has been explored. The findings were there wouldn't be an Asset Management program. The model would recommend directing all the funding toward reactive maintenance.
- A TC member indicated that the AIMS model should include freight and that sentiment was echoed by another TC member.

See supporting detailed information in the FY 19 Asset Management Budget at:
<https://www.codot.gov/about/transportation-commission/current-agenda-and-supporting-documents/03-asset-mgmt-workshop.pdf>

PD 703.0 Decision Matrix (Maria Sobota)

Action Requested – Guidance regarding the suggested revisions to the appendices (matrix) of Policy Directive (PD) 703.0. Based on TC feedback in April, Department staff will return for final review and adoption. This month, a draft of the revised appendices (Matrix) is being presented to the TC as informational only. Department staff will seek approval of the revised appendices in May 2015.

Discussion:

- Information was requested regarding the rationale for treating CDOT bridge and Bridge Enterprise projects separately.
- A concern was raised that the result of this separation would be considerably less TC oversight.
- A question was raised regarding the history behind differing TC approval requirements in the Decision Matrix.
- Answers to these questions will be provided next month, or in a memo to all TC members in the interim.

See supporting detailed information regarding the PD 703.0 Decision Matrix at:
<https://www.codot.gov/about/transportation-commission/current-agenda-and-supporting-documents/04-pd-703-0-decision-workshop.pdf>

Transit and Intermodal Committee (Mark Imhoff)

Action Requested - None, information only.

Bustang Opening Day – CDOT has established the Bustang opening day for July 13, 2015.

Assignment of Horizon Coach Lines Denver Operation contract to All Aboard America! Holdings, Inc. (AAA!) - Horizon is selling their Denver operations; their request is that CDOT assign the Bustang contract to AAA! CDOT has concluded that an assignment to AAA! is acceptable, and a Consent to Assign document has been developed and reviewed by the State Controller.

Statewide Transit Plan Update - Describes the concurrent development of the regional and statewide transit plans. The 30- day comment period for the plans ended on January 4, 2015. Comments included requests for expansion of bus service operations in rural areas as well as implementation of passenger rail service along the Front Range, coordination of intercity bus service with AMTRAK, continued coordination with local and regional transit agencies, and other minor editorial comments. The Division of Transit and Rail (DTR) will begin implementation of strategies and recommendations included in the plans, including the identification of costs, partnerships and a schedule. Other next steps are described in more detail in the Statewide Transit Plan Update memo, including more details on the North I-25 EIS increased cost estimates for Phase 1 from 2009 dollars of \$690 million to \$820 million to account for inflation and an adjustment in 2014 dollars. Accounting for changes in scope, the estimate is up to \$1.2 billion in 2014 dollars.

North I-25 Commuter Rail Update - The North I-25 Environmental Impact Statement was finalized in August 2011, and included a CDOT commitment to preserve right-of-way (ROW) for a future commuter rail line in the same corridor at US 287 and the BNSF Railway's subdivision between Fort Collins and Longmont, then from Longmont east along SH 119 and then south on Weld CR 7 or nearby to connect with RTD's planning North

Metro rail line at 162nd Ave. and Colorado Blvd. The information in this document is generally from 2009. The update includes new information on right-of-way, operating plan, and cost information. The operating plan remains in-tact with 30 minute peak, 60 minute off-peak service envisioned in the long-term, matching every other train of RTD's North Metro Line.

Transit Town Hall Meetings - Transit Town Hall meetings were held at a minimum on an annual basis to provide information to Grant Partners and interested citizens with any updates regarding grant coordination for transit grants. Topic areas included the application, evaluation, selection and award of both capital and operating projects, for both FTA and FASTER programs. Discussions covered bus replacement evaluation, municipalities being required to apply for FASTER grants through transit agencies, and CDOT's discouragement of applications for FASTER funds as a match to Federal monies.

Draft State Highway Freight Plan, Phase I - This Plan is being developed in accordance with MAP -21 (Moving Ahead for Progress in the 21st Century). A MAP 21 compliant plan is required in order to be eligible for additional Federal funding for freight related projects, which in turn will help the Department meet the vision outlined in the draft Plan. Development of this Plan is a two-phase approach which allows the Department to meet FHWA's May submittal date for a State Highway Freight Plan that is MAP-21 compliant, better positions the Department for future project funding, fosters STAC, TRAC, and FAC collaboration, and builds a foundation for future modal integration activities.

Discussion:

- Discussion over designated Freight Corridors. It was noted that I-76, US 34, and US 385 are draft Colorado Freight Corridors, and portions of I-76 and US 385 are part of four federally designated High Priority Corridors.
- Recommendation for a full TC freight workshop to review the Draft Freight Plan, Phase 1, next month.
- In Phase 2 of the Freight Plan, all the modes will be brought together: truck, rail, and air.
- Freight funding may be provided in the next Federal transportation bill, and CDOT wants to be able to obtain that funding.
- Support for freight carried by rail rather than truck through the mountains on I-70 was expressed.

See supporting information regarding the Transit and Intermodal Committee agenda items at:

<https://www.codot.gov/about/transportation-commission/current-agenda-and-supporting-documents/05-t-and-i-meeting-info.pdf>

Thursday, April 16, 2015 – Regular Transportation Commission Meeting

See pdf page 65 of the Transportation Commission packet for more details available at:

<https://www.codot.gov/about/transportation-commission/current-agenda-and-supporting-documents/april-2015-agenda-packet>

Open STIP Public Comment Period for FY 16-19 STIP (Debra Perkins-Smith, and Jamie Collins)

The public comment period was opened and closed without comment.

Audience Participation: Subject Limit: 10 minutes; Time Limit: 3 minutes

Dan Love, of Granby, Colorado - offered support for promoting a connection between Durango, CO to Chama, NM - the same route that is proposed to be designated as a scenic byway - to preserve history and identify an

undiscovered area with some economic implications also. It would open this area up to two Native American Tribes to visitors. The area covered in Colorado and New Mexico offers visitors an experience of traveling through time. One can see what developed the west before railroads, lumber and mining – and see Native American and Mexican establishments, along with pre-Columbian sites.

Individual Commissioner Comments (Commission Members in Attendance)

Commissioners commented on topics and expressed appreciation and/or support for following events, and/or projects in their areas.

Executive Director’s Report (Shailen Bhatt)

- Family arrived in Colorado
- Past month was intense with Federal and local issues
- Federal issue – States will run out of transportation funds in 45 days
- Took a trip with the Governor to Washington, DC where Secretary Kerry spoke
- Also attended a select investment summit to meet with owners of large pension funds that are interested in investing in public infrastructure – including transportation
- Meetings with city and local stakeholders indicated people are focused on transportation issues
- Stand Up for Transportation Day was a success
- Remembrance Day was celebrated and is important – recognize staff who work on snowy days like today to keep Colorado’s roads safe.

Chief Engineer’s Report (Josh Laipply)

- Region 1 presentation on Shaffer’s Crossing went very well. Driver perception at the Crossing is an issue – drivers feel safer than reality would indicate – higher speeds in areas with curves. Anticipate breaking ground for improvements at Shaffer’s Crossing in July 2015.
- Asset Management FY 19 budget approval is critical to moving forward with planning and scoping projects for Asset Management and is critical to keep programs operating efficiently.

HPTE Director’s Report (Mike Cheroutes)

- US 36 performance audit with the state legislation went well. Recommendations from the audit are either already in progress or are anticipated for implementation. The report is available on the Colorado Auditor’s website at:
[http://www.leg.state.co.us/OSA/coauditor1.nsf/All/03D76FF34736878087257E14007F395D/\\$FILE/1415P%20-%20US-36%20Public-Private%20Partnership%20\(P3\)%20Project%20Performance%20Audit,%20March%202015.pdf](http://www.leg.state.co.us/OSA/coauditor1.nsf/All/03D76FF34736878087257E14007F395D/$FILE/1415P%20-%20US-36%20Public-Private%20Partnership%20(P3)%20Project%20Performance%20Audit,%20March%202015.pdf)
- The Executive Director expressed that it was very gratifying to see the results of the audit and that this lends credibility for future projects like US 36.
- Chairman Peterson also expressed gratitude.

FHWA Division Administrator’s Report (Alicia Nolan)

- TIGER 7 Grant is out and includes a pre-application process that closes on May 4th
- State Transportation Innovation Council (STIC) – solicitation out for innovation –STIC offers technical assistance and funds — up to \$100,000 per STIC per year — to support the costs of standardizing innovative practices in a state transportation agency or other public sector STIC stakeholder. See <http://www.fhwa.dot.gov/stic/guidance.cfm> for more details.
- SHARP 2 Round 6 announcement is to occur on May 29th.

Discuss and Act on Consent Agenda - Approved unanimously on April 16, 2015

- Resolution to Approve the Regular Meeting Minutes of March 19, 2015 (Herman Stockinger)
- Resolution to Approve the FY2016 Maintenance \$50,000 to \$150,000 Project List (Kyle Lester)

- Discuss and act on TIGER Funding (Herman Stockinger)
- Discuss and act on Scenic Byways (Debra Perkins-Smith)

Acknowledgements

The Executive Director stressed the importance of this part of the meeting, and commended Mike Cheroutes on the US 36 audit results, Maria Sobota on aeronautics budget transfer, Amy Ford for the successful Stand Up 4 Transportation Day, and Gary Vansuch for emceeding Remembrance Day. Heidi Humphreys acknowledged the Shumate Building Remediation project team. Gary Vansuch noted that CDOT has been recognized by 2015 Harvard Ash Center as one of 124 selected from over 500 entities for successes experienced using Lean Process Improvements. For example, among quite a few, CDOT is now hiring 17% faster and issuing oversize and overweight permits approximately 34% faster. Executive Director Bhatt noted that CDOT is being recognized by the Engineering News Record as Mountain States Owner of the Year. The article will be released soon. The recognition is based on peak period shoulder running and I-25 widening, among other projects.