

Transportation Commission Workshops were held on Wednesday, June 14, 2017. The Regular Transportation Commission Meeting was conducted and was hosted at CDOT HQ Auditorium on Thursday, June 15, 2017.

Note: Materials for specific agenda items are available at <https://www.codot.gov/about/transportation-commission/meeting-agenda.html> by clicking on the agenda item on the schedule provided at this site. For the full agenda of workshops and sessions see the link presented above.

Transportation Commission Committee Meetings Wednesday, June 14, 2017

Right of Way Acquisition Workshop (Josh Laipply)

Purpose: To discuss right-of-way acquisition (negotiations), and settlements.

Action: Approve resolutions for right-of-way acquisition, and settlement.

Projects with property acquisition requests for June 2017 include:

- R2 SH 21, Powers Blvd, Project Code:18318
- R3, US 24, Minturn Resurfacing Project, Project Code: 20813
- R3, US 34, Bridge Over North Fork of Colorado River Projects, Project Code: 21010
- R4, US 34 Big Thompson Canyon Project, Project Code: 20279
- R4, US 34 & US 36 FLAP Estes Park Couplets Project, Project Code: 20298
- R4, Flood Repair SH 55, SH 59, SH 385 Project, Project Code: 20257
- R4, I-25 North SH 402 to SH 14 Project, Project Code:21506
- R5, US 550 VMS Acq. N. of Ouray Project, Project Code: 20894

Approving property acquisitions and settlement amounts for:

- R2, SH 12 MP 51.4 and 53.7 Project, Project Code: 21399
- R2, SH 94 MP 3.5 to 4.5 Project, Project Code: 20589

No Condemnation documents this month.

Discussion:

- No comments on the right-of-way acquisitions were raised.
- The Chief Engineer noted for the R4, US 34 & US 36 FLAP Estes Park Couplets Project, Project Code: 20298 that improvements to the parcel would be outlined in more detail in a memo to provide more visibility.
- A Commissioner noted his desire to make sure the Commission members are aware of any potentially controversial nuances related to right-of-way acquisitions, settlements or condemnations such as cemeteries or burial plots.
- The Chief Engineer noted that situations that are potentially controversial are brought to the attention of the Commission.
- The Commission Chair noted that for settlement on R2, SH 94 MP 3.5 to 4.5 Project, Project Code: 20589 had a much higher settlement amount than the amount proposed by the Chief Engineer (\$700 vs. \$4,620); it was requested that the Chief Engineer explain the rationale for the discrepancy at the Regular Commission meeting.

SB 267 Approach Workshop (Debra Perkins-Smith and Herman Stockinger)

Purpose: To discuss issues and considerations related to Senate Bill (SB) 17-267, and develop principles for an approach for moving forward.

Action: No action. Requesting input and direction for SB 17-267 program principles.

Background: Staff are currently working to further assess SB 267, identify issues, and work with financial advisors, the State Treasurer, and the Attorney General’s Office to answer questions and better understand the financial implications of the lease-purchase agreements and CDOT’s repayment liability. The approach over the next several months will be to first address some of these questions and clarify implications, work with the Transportation Commission to develop a strategy for repayment, and then develop approach and criteria to project selection. The final bill is available at:

https://leg.colorado.gov/sites/default/files/documents/2017A/bills/2017A_267_enr.pdf.

- The first payment from CDOT is anticipated to occur in FY 2018-19.
- Staff will return in subsequent months with additional information on the outstanding questions relating to repayment, and for additional discussion on approach to repayment and project selection.

Discussion:

- The timeline for Certificates of Payment (COPs) – by the end of this year, the State will identify \$2 billion of buildings to consider for COPs.
- The first issuance of COPs in FY 2018-2019 will make \$380 million available to CDOT, with an additional \$500 million per year in the following three years.
- The bill commits CDOT to \$50 million towards the annual COP repayment, but the legislature could increase that share through subsequent action. The total annual repayment amount is estimated to reach \$150 million per year once all four issuances have been made.
- Today is intended to begin the discussion of how to proceed with a process to spend the money and meet payment; for example we know we need \$50 million annually with the possibility of additional repayment of approximately \$100 million more; establishing a repayment strategy is critical.
- Concept of holding the Statewide Transportation Improvement Program (STIP) harmless was discussed.
- Maintenance and Asset Management, representing the bulk of the CDOT budget, are likely to bear brunt of repayment with negative impacts to the maintenance of the system.
- Need to make sure CDOT remains able to maximize opportunities to receive funds for discretionary funds.
- It is important to understand the expectations of the legislature and define terms universally for SB 267 among parties to make sure all are speaking the same language for terms communicated.
- The Statewide Transportation Advisory Committee (STAC) recommendation is to consider a statewide approach to project selection and not get into rural vs. urban in decisions.
- The name of the SB 267 bill is Sustaining Rural Colorado – but it was noted that this is mainly related to the hospital fee component of the bill, but also stipulating 25% of funds being spent in counties under 50,000 population relates to rural area consideration.
- There was concern that other areas like La Plata and Pueblo counties have large rural areas, but are considered urban by the bill.

- The Division of Transit and Rail (DTR) Director announced that DTR is planning to develop their own list of projects to cover the 10% and to stay tuned for next month. The DTR recommendation will likely focus significantly on bus purchases.
- It was suggested by the Division of Transportation Development Director to consider SB 267 funding source as a loan and consider how CDOT would normally spend the money for example with the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan, but use this source instead; this concept received support from Commission members.
- Concern was expressed that CDOT's repayment commitment could potentially increase, as happened under TransBond.
- First steps decided at the workshop included:
 - Determine how CDOT would spend a smaller amount first, rather than the full \$1.88 billion.
 - Look at statewide- don't bifurcate into urban and rural, but rather move forward and we'll track and adjust against minimum 25% rural requirement.
 - Establish goals –safety, mobility, maintenance, capacity and connectivity and categorize projects and programs under goals.
 - Follow up step would then be to outline criteria for project selection.

Bridge Enterprise Program Forecast Workshop- Central I-70 (Josh Laipply)

Purpose: To provide updated 10-year cash flow projection, outline forecasted impacts to the BE program, and approach to programming BE projects during Central 70 construction.

Action: No formal action is being sought. The BE program staff is seeking guidance from the Commission in regard to the preferred methodology to manage future programming of BE projects during the Central 70 construction period when potential inadequate cash balances are forecasted.

Discussion:

- Commitment from BE is capped at 50%, with another 50% to be spent elsewhere in the state.
- Under the Interagency Agreement (IAA) between CDOT, High Performance Transportation Enterprise (HPTE), and BE milestone payments for BE have been laid out; this process identified a need to share risk between CDOT, HPTE and BE.
- In response to risk for BE a \$40 million contingency was recommended to cover BE and if BE happens to need more money for milestone payments – they would have CDOT and HPTE as resources for potential loans.
- If contingency money is not spent, it would go to improving other bridges across the state.
- Commission members expressed comfort with this approach to sharing risk among CDOT, HPTE and BE and providing the BE with the contingency money proposed.
- HPTE Board will meet next week to discuss the IAA in more detail and request their approval.

MS 4 Permit and EPA Audit (Debra Perkins-Smith)

Purpose: To provide an overview of CDOT's Municipal Separate Storm Sewer System (MS4) Permit, the recent EPA Audit, and how that affects CDOT.

Action: No Action. Potential for future decision.

Discussion:

- Purpose of today's workshop is to bring Commission up to date on the results and response to EPA audit regarding CDOT's Municipal Separate Storm Sewer System (MS4) permit; may come back next month with related action items for the Commission.
- CDOT has an individual permit held by our Chief Engineer.
- Amber Williams, CDOT Water Quality Manager and Jean Cordova, CDOT Colorado Department of Public Health and Environment (CDPHE) Liaison were recognized for their work in Water Quality and the EPA audit response regarding the MS 4 Permit.
- 2015 Environmental Protection Agency (EPA) Audit identified 17 findings under five key categories for CDOT to address; since that time 13 of the 17 findings have been addressed via submittals and coordination with the EPA.
- So far CDOT has not been fined, but needs to address remaining 4 findings to avoid potential fines that can be high, for example \$40 million – what other agencies have been known to experience.
- Addressing findings will require reallocation of staff, purchasing equipment, or hiring a contractors; this is where help from the Commission could occur.
- Chief Engineer noted that placing risk with contractor is the more desirable option for CDOT to pursue.
- Another discussion on addressing the remaining four findings of the EPA audit will occur next month with the Commission to determine an appropriate approach to moving forward.

Road User Charge (Debra Perkins-Smith)

Purpose: To update the Transportation Commission on the status of the Department's Colorado Road Usage Charge (RUC) Pilot Program (RUCPP).

Action: No Action. Informational item.

Discussion:

- Commission members participated in this pilot and it would be good to hear from them today.
- When describing the pilot, we usually start by explaining our funding gap.
- CAFE standards for vehicles means less money for CDOT via the gas tax.
- Under the RUC, all vehicles would pay equally for the use of the road.
- There is a perception that under a RUC the rural areas of the state would pay more; but the pilot demonstrated that this is not necessarily true.
- The pilot did not include heavy trucks, but did get a cross-section of passenger vehicle types.
- Goals of the pilot were to demonstrate the usefulness of RUC, see the dollars generated and paid by users, and identify issues, concerns, and benefits of this type of program.
- A technical advisory committee was formed to gather input, via surveys and solicit additional ideas; this pilot was essentially an experiment.
- The process for participation in the pilot was described:
 - Devices in vehicles were installed.
 - Monthly statements with details on RUC charges generated compared to gas tax fees.
 - 100 people participated from across various areas of the state; it was important to show how RUC would work in Colorado.
 - Three types of monitoring were offered:
 - Monthly odometer reading via submitting a photo
 - Non-GPS mileage reporting device
 - GPS enabled mileage reporting device that could also subtract miles traveled outside of Colorado; most participants chose the GPS enabled device.

- CDOT staff and Commission members described their experiences with participating, including noting some of the helpful device notifications on low battery charge, and hard breaking. In one instance a hybrid car valet parked was not turned off, and the vehicle owner was notified of a low battery that prompted them to notify the valet to turn off the car.
- Initially only 29% of participants thought the RUC would be a fair approach to charging for transportation, but after the pilot was completed 73% thought it was fair.
- Having a help desk proved to be a critical component of an effective RUC program.
- Participant satisfaction rating noted 94% found it easy, and 92% thought the program was good, but 65% were concerned with security and private information being compromised.
- The pilot did not differentiate between state highways and local roads, but this is a potential consideration for future programs.
- Colorado is the only state that has done a RUC Pilot that was not mandated by legislation; want to educate the legislators with findings from this pilot.
- Concerns of Colorado visitors not paying their fair share was expressed.
- CDOT is participating in a Western RUC Consortium that will look at other considerations expressed here today. Fourteen other states are involved in this work, and second meetings is scheduled for July.
- Need to consider other factors (for example - vehicle weight, and time of day). It is anticipated the 14-state Western RUC consortium will evaluate these factors.
- In Singapore there exists technology in vehicles to convey road usage costs to drivers.
- CDOT recently submitted an application for a grant to determine how to collect RUC taxes/fees; the Department of Revenue (DOR) is participating. Nebraska is doing this and the Farm Bureau has expressed interest in this program and a rural pilot.

Technology Committee (Amy Ford and Peter Kozinski)

Purpose: To inform the Transportation Commission & Technology Committee on the progress and potential next steps with Panasonic.

Action: Information only.

Discussion:

- Winter 2017 National Highway Transportation Safety Administration (NHTSA) is mandating connected vehicle/vehicle to vehicle (V2V) technology in new vehicles.
- The next step would be to have technology that put vehicles in communication with each other and with infrastructure.
- CDOT is working with Panasonic on creating this environment (eco-system) where connected vehicles (CVs) can eventually communicate with infrastructure and infrastructure can collect data and feed it back to passing vehicles in milliseconds.
- Benefits include increasing travel capacity up to four times, decreasing travel times, and drastically reducing crashes (up to 80%). In addition, ultimate situational awareness of other vehicles and infrastructure would be made possible.
- High level return on investment indicates that this system could prevent 8,400 additional crashes per year in Colorado with approximately a \$78 million benefit, and save 100 more lives and avoid 100 more fatal crashes in Colorado per year, with approximately a \$150 million annual crash reduction benefit.
- This eco-system does not yet exist, but CDOT is taking steps with Panasonic to build this type of environment in phases.
- The initial investment is currently \$10-\$15 million annually for the next five years.

- The benefits are that if this eco-system is expanded nationally and becomes the recognized national platform, CDOT would have lifetime access to the system and free upgrades.
- This is not without risk, as other companies could also develop eco-systems that would become popular, but someone needs to jump in and CDOT has decided to do so.
- CDOT is minimizing risk through Panasonic having devices in most auto company vehicles currently. Part of mitigation of risk is understanding what original equipment manufacturers (OEMs) are doing. Panasonic is in this space and well positioned to create this type of eco-system.
- This would not be for just one location or place, the eco-system could potentially be provided everywhere.
- Will invite the Commission to visit the Panasonic living lab to see live demonstrations of what CDOT and Panasonic have in mind and demo connected vehicles too.
- Plans are to come back to the Commission next month to discuss in more detail the potential return on investment associated with this partnership with Panasonic.
- This is the future of transportation - if CDOT could somehow ensure that an Apple/Android situation does not arise and security/hacking could be prevented.
- To this end, CDOT is also installing core elements into projects to build the eco-system.
- Overall the Commission expressed excitement and support for CDOT's decision to partner with Panasonic.

Transportation Commission Regular Meeting Thursday, June 15, 2017

Call to Order, Roll Call

- All Commissioners were in attendance.

Comments of Individual Commissioners

- Commissioners expressed gratitude and appreciation for the leadership and service of Commission Chair Reiff, wished him well, and will miss him.
- Several Commissioners mentioned participating in the telephone town halls last week and noted that they were successful and a great way to engage a large number of stakeholders; some Commissioners noted CDOT should do telephone town halls more frequently and to keep refining them over time.
- It was noted that the telephone town halls highlighted that many stakeholders do not understand CDOT's responsibilities compared to other local entities.
- A Denver Metro Bus tour for the Commission occurred yesterday and being caught in traffic congestion was an eye-opening experience for many Commissioners.
- Appreciation for new express lane signage was expressed by Commissioner Stuart.
- Commissioner Reiff thanked all the Commissioners, CDOT staff, and Executive Staff and STAC for all their support that enabled the Commission Chair to do his work.

Executive Director's Report (Mike Lewis for Shailen Bhatt)

- Recognized Commissioner Reiff on behalf of CDOT staff.
- Recognized staff and Paul Jesaitis for their work on the I-25 fuel tanker fire on May 31.
- Noted this incident calls out the fragility of the system, and the need to continue focusing on resiliency.
- Thanked staff and provided kudos to emergency responders; pre-established partnerships with other agencies were key in providing a successful and rapid response to keep traffic moving for the following morning rush hour.
- Presented Commissioner Reiff with a parting gift of a CDOT hardhat.

Chief Engineer's Report (Josh Laipply)

- Recognized and thanked Commissioner Reiff for his service.
- Commissioner Reiff helped to make better several tasks by asking key questions related to major challenges, including but not limited to:
 - P3 Agreements
 - The new right-of-way approval process
 - Interagency Agreements
 - Loans
 - New HQ and Region 1 building acquisition
- During the May 31st I-25 fuel tanker fire disaster the Chief Engineer was out of town – but felt a sense of pride in how staff covered for him and took care of business in his absence.
- US 85/Union Pacific (UP) Negotiations – 37 parcels along US 85 are in Union Pacific (UP) right-of-way with a 50-year lease about to expire. Two solutions:
 - CDOT move the highway
 - Purchase Permanent Easements in Perpetuity
- CDOT worked with/negotiated with UP, and Adams and Weld counties to find a solution. Negotiations involved CDOT trips to Omaha and UP trips to Colorado.
- Weld County Commissioner Barbara Kirkmeyer spoke and provided an overview of the US 85 negotiations.
 - 12 communities would be impacted by US 85/UP arrangement
 - UP was desiring options to increase rail capacity along US 85.
 - 85 county road railroad crossings were evaluated for closing as a trade-off with UP.
 - Plan/agreement involves UP providing five sidings and evaluating the corridor (both rail and highway) holistically.
 - Plan also involves safety enhancements within the corridor to meet goals.
 - A work session with UP, CDOT, and Adams and Weld counties is planned for next month that is anticipated to result in a solution/agreement.
 - Commissioner Kirkmeyer recognized the work of Johnny Olson, Josh Laipply, and Gloria Jones of CDOT and Elizabeth Relford of Weld County.
- Commissioner Gilliland and the Commission as a whole recognized and thanked Commissioner Kirkmeyer for her work for this effort on US 85.

HPTE Director's Report (David Spector)

- Recognized and thanked Commissioner Reiff for his service on the Commission and on the HPTE Board.
- Financing for C-470 has closed. A seven-year call feature is part of the financing.
- HPTE will save approximately \$30 million on the financing contract due to good pricing.
- Interest rates are low 4.5 % and TIFIA loan is 2.8%.
- Anticipate operating C-470 at the end of 2018/early 2019.
- This is the first debt contract of HTPE, and also the first TIFIA loan granted under the Trump Administration.
- Commissioner Peterson noted HPTE was good to be prepared, innovative, and engaged for this project.
- Commissioner Gilliland expressed excitement, a thank you and congratulations to HPTE; overall the Commission was happy to hear the news of C-470 financing closing.
- Announced restructuring of the Office of Major Project Development (OMPD) – OMPD will fold into HPTE with its three employees and will create efficiencies.

Federal Highway Administration (FHWA) Director Report (Alicia Nolan)

- The fuel tanker fire on I-25 caught national attention and CDOT shined; this event showcased CDOT's ability to operate and respond extraordinarily well. Thank you.
- Commissioner Gilliland noted the quick response to fuel tank fire was due to previously established partnerships; for example, E-470 opened up to travelers free of charge to provide an alternate route of travel.
- Performance measures – final rule passed – two measures previously outstanding are now effective.
- CDOT to report on:
 - Pavement Condition
 - Bridge
 - Safety
 - Asset Management
- From a national perspective – last week was infrastructure week; President Trump visited USDOT to discuss streamlining of environmental clearance practices; Colorado already has assessed streamlining and experiences with public private partnerships (P3).

Statewide Transportation Advisory Committee (STAC) Report (Vincent Rogalski)

- A thank you to Commission members who attended last month's STAC meeting.
- STAC discussed the SB 267 funding and noted at yesterday's Commission workshop that work to spend funds should be done on a statewide basis.
- TransPlanning Partnership includes forming a Steering Committee for the next Statewide Transportation Plan and Working Groups. One working group will focus on scenario planning considering technology. Entities anticipated to participate on the Steering Committee may include, but not be limited to:
 - FHWA
 - Office of International Trade and Economic Development (OEDIT)
 - Department of Natural Resources (DNR)
 - National Research Energy Lab (NREL)
 - Colorado State Patrol (CSP)
 - CDOT
- The Multimodal Freight Plan was discussed; key theme is "Made in Colorado – Shipped to the World" and the need for public education surrounding freight is a key emphasis area. Would like to see freight have a bigger seat at the table. STAC often requests Freight Advisory Council input on issues surrounding freight and the economy.
- Bustang and Bustang Outrider update were presented and discussed; phasing of Outrider program described along with farebox recovery and the importance of rural connections via transit to vital services (health-related, etc.)
- Related to technology and connected vehicles (CV), CDOT is partnering with local stakeholders to install fiber optics into projects. STAC also recommends we identify a separate funding source/revenue stream for transportation planning that integrates technology.
- Recognized and thanked Commissioner Reiff for his service on the Commission.

Act on Consent Agenda (Herman Stockinger) – Approved unanimously on June 15, 2017.

- a. Resolution to approve regular meeting minutes of May 18, 2017 (Herman Stockinger)
- b. Discuss and Act on Property Disposal: SH 85 (Parcel 19A-EX) (Paul Jesaitis)
- c. Discuss and Act on Repeal of PD 1401.0 "Product Evaluation and Experimental Features" (Herman Stockinger)
- d. Discuss and Act on SH 227 Devolution to the City of Pueblo (Karen Rowe)
- e. Discuss and Act on SH 233 Devolution to County of Pueblo (Karen Rowe)

Discuss and Act on the 12th Budget Supplement of FY 2016-17 (Michael Krochalis) – No Action required for this placeholder action for June 15, 2017.

- There were no budget action requests for the month of June 2017.

Discuss and Act on Right-of-Way Acquisition Approvals (Josh Laipply) – Approved unanimously on June 15, 2017.

Discuss and Act on Right-of-Way Settlement Approvals (Josh Laipply) – Approved unanimously on June 15, 2017.

Discuss and Act on Central I-70 IAA (David Spector/Tony DeVito) – Approved unanimously on June 15, 2017.

Discuss and Act on Pollination Corridor Designation (Debra Perkins-Smith) – Approved with a vote of 10 to one.

- During 2017 Colorado Legislative Session, House Joint Resolution HJR17-1029 designated Interstate Highway 76 from Mile Marker 1 to Mile Marker 183 as the "Colorado Pollinator Highway."
- Work of CDOT's landscape architect, Michael Banovich, was recognized.
- Commissioner Hofmeister explained his no vote on this item. He expressed concerns related to pollinator swarms creating safety conflicts with vehicle operators along the interstate.

Recognitions

- SH 9 International Partnership Institute Award (Dave Eller)
 - State Highway 9 – River South – Wildlife and Safety project awarded project owner: CDOT Region 3, Prime Contractor Kirkland Construction and the Construction Manager: Rocksol Consulting Group, along with the partnering facilitator Kracum Resources.
 - Recognitions included:
 - Grant Anderson, CDOT
 - Justin Kuhn, CDOT
 - Rocksol Consulting
 - Kirkland Construction
- The Asphalt Pavement Alliance's 2016 Perpetual Pavement Award - State Highway 40/Rabbit Ears Pass in Grand, Routt & Jackson counties (Dave Eller and Tom Peterson of the Colorado Asphalt Pavement Association)
 - Recognized – Jeremy Lucero, CDOT; Bill Schiebel, CDOT; Russ Larsen of Elam Construction and Transportation Commissioner Connell.
- CDOT Hero Awards: Matthew Bell and Richard Smith – for the May 31 I-25 Fuel Tanker Fire
- Unsung Hero Award presented to Cheryl Wright from Employee Engagement Society, awarded by CDOT Deputy Director, Mike Lewis; competed against big companies – American Express, Sysco, etc. CDOT was the only state agency represented.

Discuss and Act on Nominating Committee Report – Election of officers:

- Nominating Committee of Commissioners Connell, Theibaut, Hofmeister, and Scott nominated Commissioner Zink for Chair, Commissioner Gifford for Vice-Chair, and Herman Stockinger as Commission Secretary. Change will take effect on July 1, 2017.

Other Matters

- Commissioner Reiff presented with an engraved gavel from the Commissioners as a token of their appreciation for his leadership and service.