



COLORADO DEPARTMENT OF TRANSPORTATION TRANSITION REPORT

September 2006

CDOT ORGANIZATION

In 1991, the Colorado Department of Highways was transformed into the new Colorado Department of Transportation. With the new name came new responsibilities in just about any area related to transportation – aviation, mass transit, rail, bicycles, and pedestrians. CDOT became and is now responsible for coordinating and linking Colorado’s various transportation options into an integrated multi-modal system which could be used easily by anyone. Simply stated, every day of the year CDOT is “Taking Care to Get You There.”

Mission:

The mission of the Colorado Department of Transportation is to provide the best multi-modal transportation system for Colorado that most effectively moves people, goods, and information

Vision:

We will enhance the quality of life and environment of the citizens of Colorado by creating an integrated transportation system that focuses on moving people and goods, by offering convenient linkages among modal choices.

Values:

People – *We value our employees*

We acknowledge and recognize the skills and abilities of our co-workers, place a high priority on employee safety, and draw strength from our diversity and commitment to equal opportunity.

Respect – *We respect each other*

We are kind and civil with everyone, and we act with courage and humility.



Integrity – *We earn Colorado's trust*

We are honest and responsible in all that we do and hold ourselves to the highest moral and ethical standards.

Customer Service – *We satisfy our customers*

With a can-do attitude, we work together and with others to respond effectively to our customer's needs.

Excellence – *We are committed to quality*

We are leaders and problem solvers, continuously improving our products and services in support of our commitment to provide the best transportation systems for Colorado.



BOARDS AND COMMISSIONS

Colorado Transportation Commission

The non-partisan, 11-member Transportation Commission is appointed by the Colorado Governor and confirmed by the Colorado State Senate to represent geographic regions of the state and serve four-year terms. To provide continuity on the Commission, the expiration dates of the terms are staggered. The Commission is responsible for setting transportation policy and allocating available funds for transportation purposes. The Commission meets the third Wednesday and Thursday of each month.

The Transportation Commission is established under State statute as a body corporate and has the following powers and duties: (i) to formulate the State's general policy with respect to the management, construction, and maintenance of the public highways and other transportation systems in the State, (ii) to assure that the preservation and enhancement of Colorado's environment, safety, mobility, and economics be considered in the planning, selection, construction, and operation of all transportation projects in the State, (iii) to make such studies as it deems necessary to guide the Executive Director and the Chief Engineer concerning the transportation needs of the State, (iv) to prescribe the administrative practices to be followed by the Executive Director and the Chief Engineer in the performance of any duty imposed on them by law, (v) to advise and make recommendations to the Governor and the General Assembly relative to the transportation policy of the State and, to achieve these ends, to formulate and recommend for approval to the Governor and the General Assembly a Statewide transportation policy, and (vi) to promulgate and adopt all CDOT budgets (other than for the Division of Aeronautics) and State transportation programs, including construction priorities and the approval of extensions or abandonments of the State highway system and including a capital construction request, based on the Statewide transportation improvement programs, for State highway reconstruction, repair, and maintenance projects to be funded from the State capital construction fund.



Members of the Transportation Commission

The names of the current members of the Transportation Commission, their districts, and their terms are set forth below:

<u>Member</u>	<u>District</u>	<u>Residence</u>	<u>Member Since</u>	<u>Term Expires (July)</u>
Joseph Jehn	2	Arvada, CO	1999	2007
Henry Sobanet	1	Denver, CO	2005	2009
Gregory B. McKnight	3	Greenwood Village, CO	2001	2009
William Swenson, Vice Chairman	4	Longmont, CO	2003	2007
William Kaufman	5	Loveland, CO	2003	2007
Tom Walsh	6	Craig, CO	2003	2007
Doug Aden, Chairman	7	Grand Junction, CO	1997	2009
Steve Parker	8	Durango, CO	2001	2009
Terry Schooler	9	Colorado Springs, CO	2003	2007
George H. Tempel	10	Wiley, CO	2001	2009
Kimbra Killin	11	Holyoke, CO	2005	2007

Secretary to the Commission - Jennifer Webster, Director of Government Relations, is currently the Secretary to the Commission, elected by the Commission in January 2002, and Dianne Cavaliere provides administrative support to the Commission and to the Commissioners. The office coordinates all information provided to Commissioners, plans commission agendas in concert with the Executive Director and is responsible for the Commission's public business activities.



Colorado Tolling Enterprise Board: In 2002, the Colorado General Assembly passed legislation creating The Colorado Tolling Enterprise (CTE), a government-owned, not-for-profit business operating within, and as a Division of CDOT. The Colorado Tolling Enterprise was authorized by House Bill 02-1310 and created by the Transportation Commission, Department of Transportation, State of Colorado, pursuant to Section 43-4-803(1), C.R.S., by a resolution adopted on August 15, 2002.



The purpose of the CTE is to finance, design, build, operate, regulate and maintain a system of toll highways in Colorado. The CTE has the authority to conduct all aspects of building and operating toll facilities, including setting and adjusting tolls, issuing revenue bonds, overseeing maintenance and entering into public/private partnerships. The CTE may only toll new or additional highway capacity and as an enterprise defined by TABOR, it can receive no more than 10 percent of its annual revenues from state and local taxes.

The members of the Transportation Commission serve as the Board of Directors to the Enterprise. The Board has monthly meetings and makes policy and operating decisions relative to the tolling enterprise. Peggy Catlin, CDOT Deputy Executive Director, is the Acting Executive Director of the Colorado Tolling Enterprise and Stacey Stegman, Director of CDOT Public Relations, is the Board's Secretary.

Members of the Board are:

Joseph Jehn – Chair *	Tom Walsh
Steve Parker – Vice Chair *	Doug Aden
Henry Sobanet	Terry Schooler
Gregory B. McKnight	George H. Tempel
William Swenson	Kimbra Killin
William Kaufman	

* Officer Elections occur each year in October at which time these will change.



Colorado Aeronautics Board: Under C.R.S. 43-10-105, The Colorado Aeronautical Board (CAB) provides guidance and direction on all aviation matters in the State to the Aeronautics Director. The CAB sets aviation policy to develop and maintain the Colorado Aviation System and provides financial grants to local governments to improve safety, maintain existing airport infrastructure and for the development of aviation services throughout the State. At the direction of the CAB, the Division of Aeronautics shall consult with local governments on issues relating to local land use planning to maintain consistency with the state aviation systems plan, a regional system plan or areas and activities of state interest.

The current members of the Colorado Aeronautics Board and their areas of representation are as follows:

Harold Patton, **Chairman**

Harry Felderman, **Vice-Chairman**

Pat Wiesner, Secretary - Pilots Representative

Dennis Heap - Airport Representative

Leo Large - Western Slope Representative

Dale Hancock - Western Slope Representative

Larry Romrell - Aviation Issues at Large



CDOT EXECUTIVE MANAGEMENT/OPERATIONS

General Operations: CDOT is under the direction of an Executive Director, who works in conjunction with the Colorado Transportation Commission and is appointed by the Governor and confirmed by the Colorado Senate.

In cooperation with the Transportation Commission and other State entities and local, federal, and private entities, CDOT is responsible for the planning and coordination of all modal transportation functions for all local governments and subdistricts within the State. CDOT's traditional responsibilities are for the development and construction of public highways and coordination of the other components of the transportation network for the State.

Leading an organization as large and diverse as CDOT can be challenging. CDOT is a decentralized department and has more than 3,000 employees at more than 250 locations statewide, organized into six transportation regions headquartered in Denver, Aurora, Greeley, Pueblo, Durango, and Grand Junction, and nine maintenance sections to help ensure that employees are close to both their areas of responsibility and their work assignments.

Internally, CDOT is led by the Executive Director and by the Executive Management Team, known as the "EMT", composed of CDOT Division Directors, Office Directors, and the six Region Transportation Directors. This 18 member team sets internal CDOT policy and determines the best courses of action on many issues of importance to the department. The EMT also recommends external and fiscal policy to the Commission and the General Assembly. The EMT meets the first Thursday of every month.



The members of CDOT's EMT are delineated below:

CDOT Executive Management Team

Thomas E. Norton, Executive Director

Margaret "Peggy" Catlin, Deputy Executive Director

* Craig Siracusa, Chief Engineer

Georgette Aberle, Assistant to Executive Director

Heather Copp
Chief Financial Officer, Division of
Accounting and Finance

Jennifer Webster
Director, Office of Government Relations
Secretary to the Transportation Commission

Jennifer Finch
Director, Division of Transportation
Development

Travis Vallin
Director, Division of Aeronautics

Celina Benavidez
Director, Division of Human Resources and
Administration

Stacey Stegman
Director, Office of Public Information
Secretary to the Colorado Tolling Enterprise

Doug Lang
Chief Information Officer

Vacant
Director of Staff Branches

Jeffery Kullman
Regional Transportation Director, Region 1
Central, Central East and Central West

Tim Harris
Regional Transportation Director, Region 2
South and Southeast

Ed Fink
Regional Transportation Director, Region 3
Western Slope

Karla Harding
Regional Transportation Director, Region 4
North, Northeast and Northwest

Richard J. Reynolds
Regional Transportation Director, Region 5
Southwest

Vacant *
Regional Transportation Director, Region 6
Denver metro

* The Chief Engineer is retiring in October 2006 and a new Chief Engineer has been selected from CDOT's Region 6 to begin on November 1, 2006. The new Chief Engineer is Pamela Hutton.



It is important to note that nearly 80% of CDOT's annual budget goes to private sector organizations for services in design, management, and construction of CDOT projects. In more significant budget years, the services of these private-sector partners are utilized even more while the number of CDOT employees has remained nearly constant, under limits set by the Colorado Legislature, since 1994.

Once a project has gained its funding commitment, it takes a large, skilled, and team effort to bring it to reality. The project is designed, either by CDOT employees or by a consultant firm. Issues of timing, integration into the existing transportation system, and coordination with local governmental units must be addressed. Various divisions such as *Bridge Design & Management, Materials & Geotechnical, Environmental, Cost Analysis, Contractor Prequalification, and Accounting* may all have roles to play in the planning, execution, and conclusion of a project. There are likely to be issues about the highway right of way, or utilities, safety specifications, or the environment. In any event, CDOT has specialists who can address any situation that might arise. The project must advertise for bids, a contractor must be identified, and numerous subcontractors must be secured. Only then is a project ready to be constructed with CDOT engineering oversight at all times.

When the project is built and has become a part of the Colorado transportation system, the responsibility of keeping it in good condition to serve the traveling public goes to *CDOT Maintenance*, a branch that includes nearly 60% of all CDOT employees. One of the most visible of maintenance duties is clearing ice and snow from the roadways, but maintenance forces undertake many other critical tasks throughout the year to help ensure that our highways are open and safe for all travelers.

Helping keep motorists safe on the roadways is a major goal of the *CDOT Intelligent Transportation Systems program*, which encompasses roadway pavement sensors, highway advisory signs and radio, and highway cameras.

Many of these offices and their functions are summarized in greater detail below:



Office of the Executive Director

Executive Director Tom Norton

Deputy Executive Director – Margaret “Peggy” Catlin

Executive Director Thomas E. Norton *was appointed in January 1999 by Colorado Governor Bill Owens to serve as Executive Director. Mr. Norton is responsible for the overall direction and management of CDOT. Prior to his position at CDOT, Mr. Norton spent 12 years in the Colorado Legislature, including six consecutive years as Senate President. A graduate of Colorado State University with Bachelor’s and Master’s degrees in civil engineering, Mr. Norton started his own engineering consulting firm and has worked for more than 30 years in the engineering private sector. He is a Registered Professional Engineer and serves on the board of a number of national transportation organizations and is the recipient of numerous awards and citations from engineering and civic organizations.*

The Executive Director is established by State statute as the head of CDOT, is appointed by the Governor of the State with the consent of the State Senate, and serves at the pleasure of the Governor.

The Executive Director is responsible for the overall direction and management of CDOT. State statute provides that the Executive Director is to plan, develop, construct, coordinate, and promote an integrated transportation system in cooperation with federal, regional, local, and other State agencies and with private individuals and organizations concerned with transportation planning and operations in the State; to initiate such comprehensive planning measures and authorize such studies and other research as he or she deems necessary for the development of an integrated transportation system; and to exercise general supervisory control over and coordinate the activities, functions, and employees of CDOT and its divisions. The Executive Director is also granted the power on behalf of CDOT to issue revenue anticipation notes such as the Series 2002 TRANs in accordance with the Act.

Deputy Executive Director Peggy Catlin - *Ms. Catlin has served as Deputy Executive Director since May 2000 and is responsible for the day-to-day management of CDOT, acting on behalf of the Executive Director. Key special initiatives include the development and implementation of a new Strategic Plan and reorganization for IT, and directing Public/Private Partnership Initiatives. She served as the acting Chief Engineer for six months in 2003, and as the interim Chief Financial Officer, and directed the development and adoption of the FY06 and FY07 budgets. Ms. Catlin is CDOT’s representative on the four member governing body for the purchase and development of Denver’s Union Station. She has also served as CDOT’s representative on the Executive Committee for the T-REX and COSMIX design/build projects.*



Prior to her position with CDOT, Ms. Catlin was employed with a national architectural/engineering firm for 21 years. She served as Vice President in the firm's Central Division, where she was responsible for operations of the firm's Denver office and was the executive in charge of the firm's design/build project - Invesco Field at Mile High.

Ms. Catlin attended Colorado State University and received a Bachelor of Science degree in Civil Engineering. She is also a Registered Professional Engineer in the States of Colorado and Missouri.



Division of Engineering & Maintenance

Craig Siracusa, Chief Engineer

- *The Chief Engineer is retiring at the end of October 2006 and a new Chief Engineer has been selected from CDOT's Region 6 to begin on November 1, 2006. The new Chief Engineer is Pamela Hutton.*

Chief Engineer Pamela Hutton: *Ms. Hutton has been the Director of Region 6 for the past two years. Pamela has 25 years of engineering and management experience. She joined CDOT in 1977, as a graduate from high school, and participated in the Department's College Tuition Refund Program while completing her Bachelor and Master of Science degrees in Civil Engineering from the University of Colorado at Denver. She accomplished this largely by attending college in the evenings. In addition to her experience with CDOT, she has also worked for the City of Simi Valley in California.*

The Division of Engineering and Maintenance (2947 of CDOT's 3316 employees work in the Division) is established under State statute, and includes the Chief Engineer, the Regions and Staff Branches. The Chief Engineer, who leads the Division, is required by state statute to be a registered, professional engineer with a minimum of ten years of responsible engineering experience, including management and organization in the field of highway engineering.

The Chief Engineer is appointed by the Executive Director, and has direct control and management of all functions of the Division. The Chief Engineer, subject to the supervision of the Executive Director, is responsible for awarding contracts for the design, construction and maintenance of the State highways and mass transportation projects. The Chief Engineer has the authority to take and hold real property in the name of CDOT, to accept federal moneys available for highways and other public transportation purposes, and to represent CDOT in negotiating intergovernmental agreements.

SERVICES WE DELIVER

Orange trucks and orange cones – are the two most visible signs of the services delivered by CDOT. Road and bridge maintenance services are provided by the men and women of CDOT who drive the orange trucks. Private contractors who perform construction contracts for CDOT place orange cones in work zones on projects that rehabilitate and improve highways and bridges across Colorado.

Maintenance Services

The citizens of Colorado have invested in a state transportation system that includes 35,595 roadway and shoulder lane miles and 3754 bridges. CDOT is responsible for maintaining this investment valued at over \$100B. This infrastructure is used by over 3.3M Colorado drivers and annually accommodates 27.5B miles of travel.

State Transportation System:

- 35,595 roadway lane miles
- 3754 bridges.

CDOT is responsible for maintaining this investment valued at over \$100B.

Maintenance includes much more than taking care of the paved surfaces and bridges. CDOT forces maintain:

- 1700+ miles of guard rail
- 180,000+ signs
- 1800+ traffic signals
- 6000+ miles of drainage ditch
- 450,000+ roadside reflector posts
- 225 restrooms
- And much more

Maintenance services are decentralized with over 1300 CDOT maintenance worker assigned maintenance sections and then to patrols across the state. Each maintenance patrol is responsible for maintaining those portions of the state highways and the bridges that are within their geographical area. These patrols maintain the roadway, the roadside, and all appurtenances (signs, guard rail, etc). They also perform all necessary winter maintenance on a 24/7 basis.



Personal Services (\$95M) and Operating (\$105M) budgets for maintenance are performance driven. Performance based budgeting provides a rational basis for allocating resources to competing activities, and for monitoring and evaluating accomplishments versus dollars expended. It also provides a tool to estimate and communicate better the transportation value received for the expenditure of public tax dollars. Level of service (LOS) targets have been established for nine Maintenance



Program Areas, or MPAs, that involve the delivery of maintenance services encompassing about 70 individual activities.

Staff, equipment, and materials are assigned to 9 Maintenance Sections (8 that handle different geographic areas of the state, and 1 that manages Eisenhower Tunnel) across Colorado based upon meeting the LOS targets in the 9 MPAs.

The 2006 LOS targets established by the Commission are:

Road Surface	B+
Roadside Facilities	B
Roadside Appearance	B
Traffic Striping	B
Traffic Signing	B
Structures (Bridges, culverts, etc)	C-
Snow & Ice	B
Overall LOS	B

Budgets for subsequent years are adjusted in each Maintenance Section based on actual performance in meeting these LOS targets. For example, if field surveys show that a section achieves a Roadside LOS above a B, then that section's Roadside budget is reduced the following year.

To achieve a B LOS overall in Pueblo requires considerably different resources than it does to achieve that same B LOS in Denver. This is because the basic maintenance demands are tied to traffic volumes. Greater traffic volumes translate into greater pavement distress, more guardrail repair, and greater litter removal. In addition, the higher traffic volumes in the metro area limit maintenance crew work hours (to avoid travel disruptions during peak travel periods) and necessitate larger crew sizes for traffic control. Both these factors limit productivity. Mountainous areas of the state present additional unique challenges and expenses for highway maintenance, particularly snow and ice control.

Without reducing our maintenance levels of service or reducing the size of the state transportation system, the current maintenance budget (\$200M) will be insufficient in the future. Three factors directly influence future maintenance funding needs: 1) New lane miles added to the system, 2) Traffic growth, and 3) Lack of infrastructure investment.

With a 39,000 lane mile base, new lane miles have the least influence of these three factors. For instance, if every project currently in the Metro Vision plan for the major front-range corridors were implemented, at most that would add 675 lane miles to the system (a 2% increase). Based on current staffing and budget patterns we would need to add 31 maintenance workers and increase our maintenance operating budget by \$5M.

The next greatest influence on future budgets is traffic growth. Most of the traffic growth will likely occur in the Front-Range. A conservative assumption is that in the next 10-15 years 15% of CDOT Regions 1 and 2 will resemble Region 6 (Metro Denver) in terms of traffic volumes and that, because of the substantial growth in Weld County, 20% of Region 4 will resemble Region 6. When this occurs you can reasonably assume a need for similar people, equipment and budget patterns in those portions of these Regions that are like Region 6. Applying these patterns to only those portions of Regions 1, 2, and 4 that will resemble Region 6, generates a need for 89 more people, 32 more plow trucks, and an operating budget increase of \$28M (assuming the new lane miles on the major corridors noted above).

By far the biggest influence on future maintenance needs is disinvestment in infrastructure renewal through resurfacing, reconstruction and rehabilitation capital projects. A system that is in worse condition than it is in today will require a higher level of maintenance investment to achieve the same levels of service.

Today we invest about \$170M annually on projects that resurface or reconstruct pavements across Colorado. Currently 60% of Colorado's pavements are rated Good/Fair (have a remaining service life of 6 to 11 years or more). That same level of investment will result in 32% good/fair pavements in 2030. To sustain 60% Good/Fair pavements in Colorado we would need to increase our investment from \$170M to \$300M annually in pavement projects.

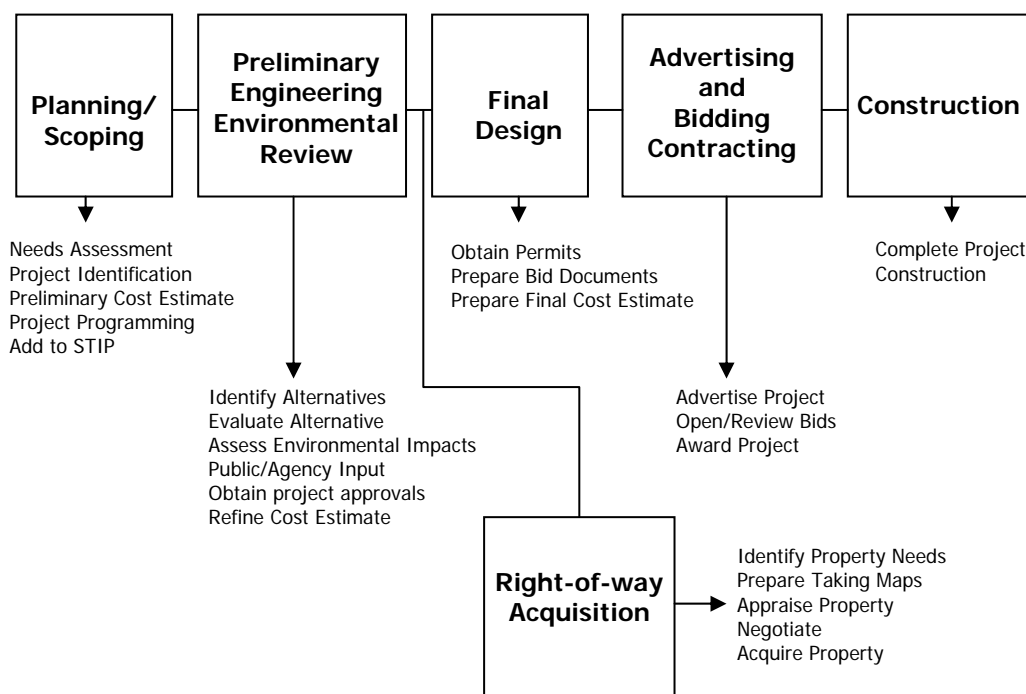


The same story is true of bridges. If the current levels of investment in bridge rehabilitation and replacement projects are not increased, the system will go from 96% Good/Fair bridge in 2007 to 80% Good/Fair bridges in 2030 (from roughly 100 to 750 bridges in need of replacement). To sustain current conditions through 2030 our investment in bridge projects would need to grow from \$60M to \$120M annually.

Without this substantial growth in infrastructure investment, maintenance budgets would need to increase from the current \$200M annually to \$425M annually by 2030 to achieve the same LOS targets. Nearly half of the current maintenance budget is personal services today, so a doubling of the total maintenance budget would likely mean a near doubling of staff needed to deliver these services.

Construction Projects

‘Rome wasn’t built in a day’ and neither are the numerous projects that CDOT plans, designs, and constructs to rehabilitate and improve State owned roadways and bridges. Depending on the project scope and type, the total implementation time on typical CDOT projects can vary from 1 to 3 years. For very complex corridor capacity improvements the implementation time can be 5-7 years. The steps in the project development process are shown below:



The complexity and duration of the project development process, federal requirements that the 5-year State Transportation Improvement Program and the 30-Year Long Range Plan be fiscally constrained, all point to the need for predictable and stable funding sources. This stability and predictability of funding is also important to assure that CDOT resources are used efficiently and to enable our partners (contractors and consultants) to make informed business decisions. Unfortunately, since 1990, CDOT’s budget has varied from \$400M to \$1B (\$800M in FY 06), and has not been predictable due to uncertain State resources (SB 97-001 and HB 1310 revenue variations) and substantial unpredictability of federal funding through 3 transportation authorization bills.

Last fiscal year CDOT took bids on 100+ projects valued at \$321M (over the last decade annual lettings have varied from roughly \$200M to \$600M). CDOT does none of this construction with its owned forces. All of our projects are competitively bid and awarded to the lowest responsible bidder. The Contractors we hire are required to build all improvements in accordance with CDOT plans and specifications. CDOT engineers



perform quality control and assurance reviews of contract work and approve monthly contract payments.

The planning, environmental review, right-of-way acquisition, and engineering work necessary to bring each project to the bid table is either performed by CDOT staff or private consultants. In recent years (\$300-350M a year available for construction projects) CDOT has operated at a 60% in-house and 40% consultant workload split. Given the legislative cap on CDOT staffing, when funding levels are higher we rely on consultants to do more of the engineering and environmental work. For each \$100M above a base construction program of \$300-350M, we increase our reliance on consultants by 10-15%.

#1 JOB OF DIVISION – PROTECT WORKER AND MOTORIST SAFETY

Each construction project and maintenance work zone and each maintenance operation present a risk for accidents that can result in injury and even death (57 CDOT employees have lost their life in the line of duty).

Employee Safety: After reviewing accident and injury data in 2002, the CDOT Executive Management Team (EMT) took on a bold initiative aimed at improving CDOT accident performance and safety culture. It was evident to the EMT that CDOT's safety performance was poor, and that we had a work culture that did not place a high priority on safety. In FY 02/03 CDOT had an OSHA Injury Rate of 11 Recordable Injuries (injuries requiring a doctor's care) per 100 employees per year. That translates into 1 injury accident per 4 employees per year at CDOT. The Bureau of Labor Statistic average OSHA Injury rate for highway construction in 2002 was 7. The direct claim cost (medical, indemnity, disability payments) of CDOT accidents in FY 02/03 was about \$3M. Experts estimate that the indirect costs (lost productivity, overtime, temporary hires, etc) are likely 4 to 10 times the direct costs (\$12 to \$30M in our case).

The EMT took action in early 2003 on a plan that included the following components:

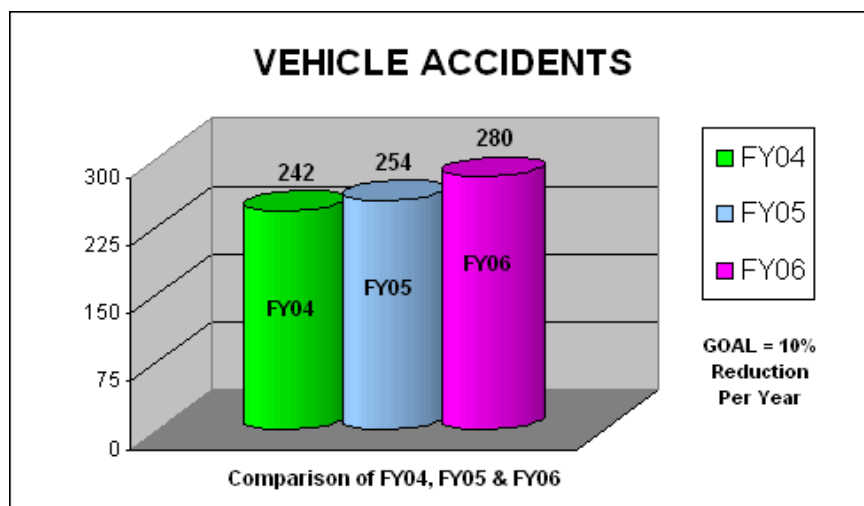
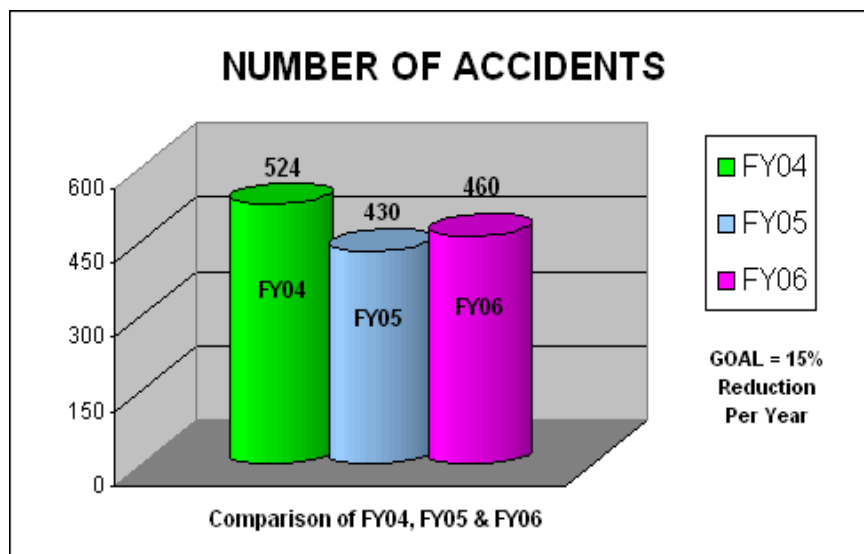
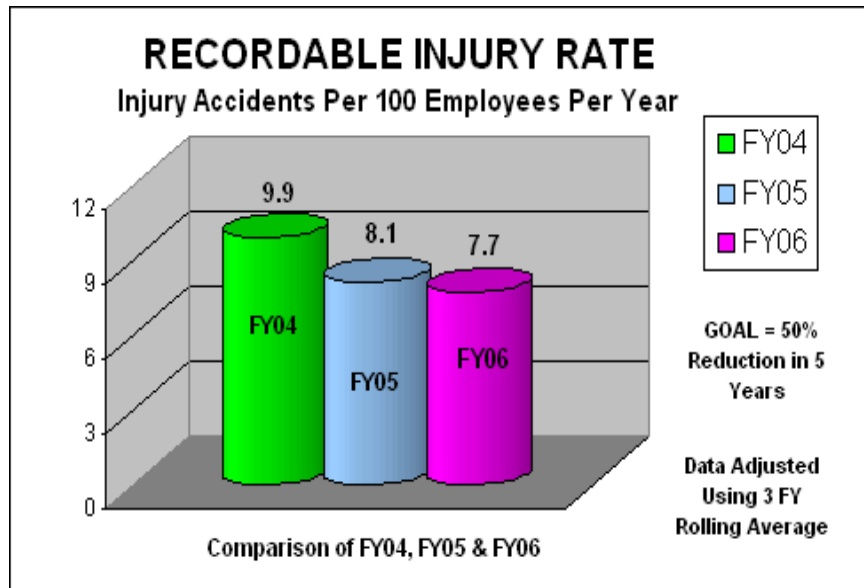
- Management Commitment That Safety Was Our First Priority
- Data Driven Safety Action Plans
- Attention to Safety Will Be A factor in Judging Employee Performance
- Establishing Safety Performance measure
- Hiring of Safety Officers (one per Region) – Safety Professionals to guide efforts that will improve safety performance
- Engaging of CDOT employees in Our Efforts to Improve Safety.

Our Safety Performance Goals were simple:

- ✓ Within 5 Years Reduce CDOT's Injury Rate by 50%
- ✓ Reduce the Number of Accidents by 15% per year
- ✓ Reduce Vehicle Accidents by 10% per year.

CDOT safety performance since the start of these efforts in 2003 is encouraging on most fronts. As shown on the following graphs, our injury rate has declined in the last three

years. The total number of accidents has not dropped by 15% per year, but the number of lost time accidents, and days lost per accident has declined pointing to a pattern of less severe accidents. We are disappointed that vehicle accidents are trending up and have increased our driver safety training efforts.



CDOT REGIONS

CDOT has established six Engineering Regions across the State in order to decentralize many of its design, construction and maintenance functions and maximize contact with its stakeholders - local governments, industry, and the public. Our Regions provide services directly to CDOT's customers; in essence the work of CDOT gets done in the Regions. Each CDOT Engineering Region is a semi-autonomous operating entity covering all aspects of CDOT operations for that Region. Thus, each Region covers engineering, maintenance, planning and environmental, traffic, right-of-way and surveying, utilities, and human resource management for its area. Each of the Regional Transportation Directors is a member of the CDOT Executive Management Team responsible for internal CDOT policy development.

Typical CDOT Region Organization Structure

While there are some slight differences in how our Regions are organized, they all have the same basic structure (as depicted on Figure 1). A general description of the functional areas that are managed by staff that report directly to the Region Transportation Directors is presented below:

Project Engineering- Program Engineer(s):

Each Region has 1-3 Engineering Units headed by a Program Engineer. These units are responsible for the design and construction inspection/management all of the construction projects that are completed within all or a portion of their Region. The work is performed by engineers and technicians assigned to Engineering Residencies. Program Engineers are also responsible for one or more specialty areas that support the design and administration of construction projects, including: Survey, Right-of-Way, Material, and Hydraulics.

Maintenance- Maintenance Superintendent(s):

Each Region has 1-2 Maintenance Superintendents who direct the maintenance services provided by the maintenance patrols for the Region (or portion of the Region). The Maintenance Superintendent(s) and his/her key manager's plan, budget, and execute scheduled and reactive maintenance operations. Each maintenance patrol is responsible for maintaining those portions of the state highways and the bridges that are within their geographical area. These patrols maintain the roadway, the roadside, and all appurtenances (signs, guard rail, etc). They also perform all necessary winter maintenance on a 24/7 basis.



Traffic and Safety:

Traffic and Safety is responsible for the design, installation, maintenance, and as appropriate, the operation of traffic signal, traffic signs, pavement markings and other safety devices on the roadways within the Region. These functions are the subject of the vast majority of customer service requests in each Region. Each of these requests must be handled professionally and expeditiously. The Traffic & Safety group also processes all applications for state highway access, and is usually assigned the responsibilities for agency coordination on local projects funded with federal aid.

Planning and Environment:

It is critically important that we involve our planning partners (TPRs- Transportation Planning Regions, and MPOs – Metropolitan Planning Organizations) in decision making on allocating scarce CDOT resources and STIP development. In the Region, this coordination is led by the Planning and Environmental group. This group also oversees the environmental review performed on all projects, and assists construction and maintenance personnel in their important work to fulfill the project promises we made to protect Colorado's environment.

Business Office:

Our Business offices do the important work of establishing and tracking budgets and expenditures for projects and CDOT operations within the Region. In short, they track every dollar that goes into and out of the Region. In addition, Business Office staff provides important quality assurance reviews of the payments and purchase done by other Regional Groups.

Civil Rights- EEO:

Each Region has a single person assigned as EEO/Civil Rights manager. This key staffer assists the Region Directors in the important and complex personnel matters that are inherent to their role as Appointing Authority. Their role in Disadvantaged Business Enterprise goal setting, support to DBE subcontractors, and the review of related contract compliance is very important to the success of these programs

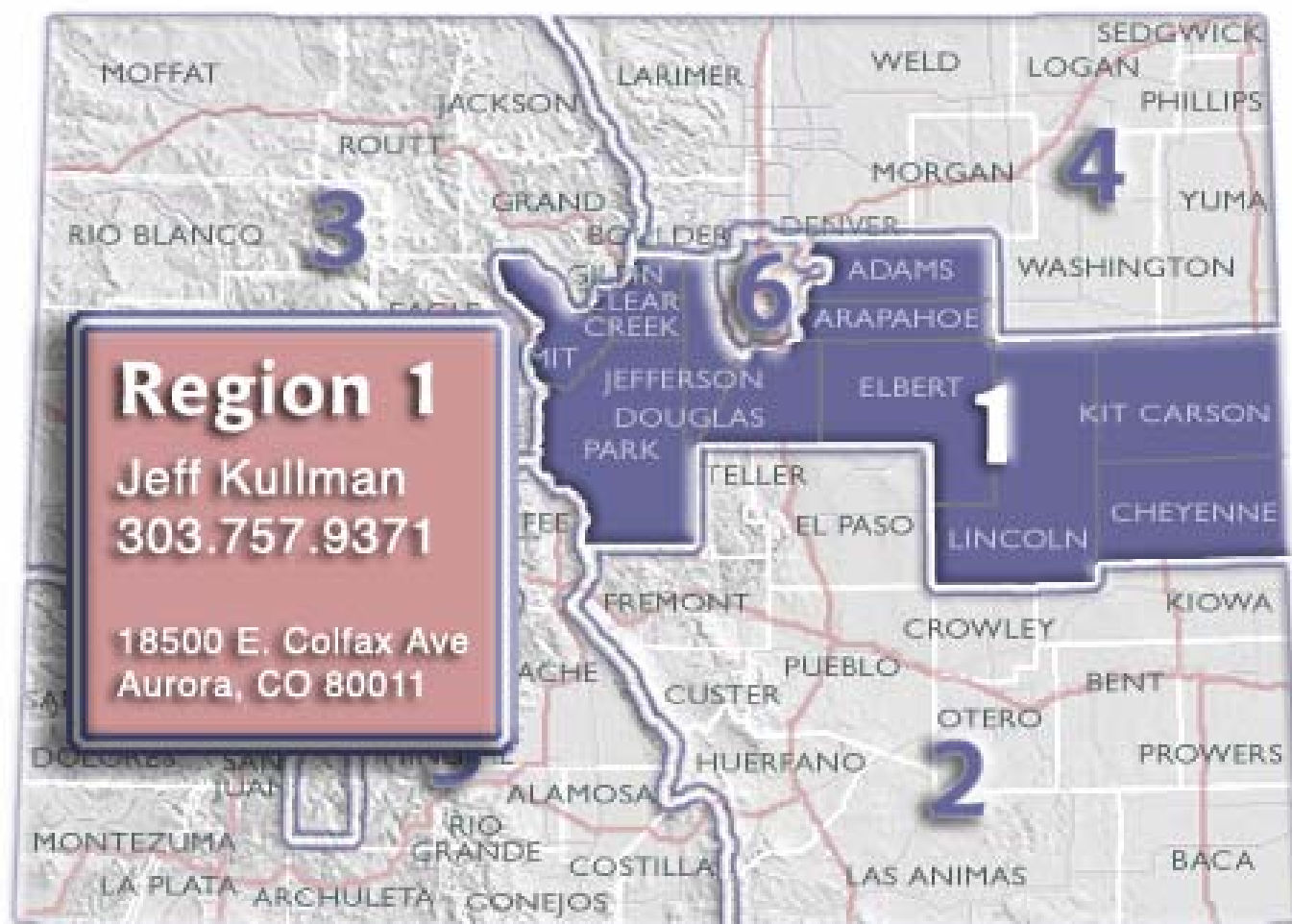
Director of Operations and Administration – Region 6 Only:

Because of the complexity and size of Region 6 (Denver Metro Area), we augmented the typical Region organization structure to support the RTD in managing that Region. In Region 6, a Director of Operations manages the Maintenance, Incident Management, and Traffic and Safety groups. Also in Region 6, a Director of Administration manages the Business Office, EEO/Civil Rights groups, and the Safety Officer. This has freed up substantial time that the RTD needs to dedicate to stakeholder, agency, and political issues.

Safety Officer:

The Region Safety Officer is the ombudsperson for safety in the Region. Working with the Region Management Team, our Safety Officers develop Region specific action plans to improve employee safety performance. They audit work sites, provide safety training, do job hazard assessments, and work hard to get employee input on what can be done to improve safety. They also led Region Safety Committees and standing Accident Review Boards in the Region.





Region Transportation Director – Jeff Kullman: *Mr. Kullman has been the Director of Region 1 for the past 6 years. Jeff has 24 years of engineering and management experience. He joined CDOT in 1982 following graduation from Colorado State University. A registered professional engineer, Jeff has a diverse base with experience in design, construction and traffic, as well as work in three Regions and Headquarters.*

Region Management Team:

- **East Program Engineer:** Scott McDaniel
- **West Program Engineer:** Brian Pinkerton
- **Maintenance Superintendent:** Fred Schulz
- **EJMT (Tunnel) Superintendent:** Mike Salamon
- **Environmental & Planning:** Michelle Li
- **Traffic & Safety:** Bernie Guevara
- **Business Office:** Hallie McCollom
- **EEO:** Micki Perez-Thompson
- **Safety Officer:** Bill Hollsopple
- **Director's Assistant:** Diane Gutierrez



Region 1 at a Glance: Region 1 is responsible for mid to eastern Colorado. From the Vail Valley to the Kansas state line, Region 1 has perhaps the most diverse terrain of any of the CDOT Regions. The Region is responsible for highways totaling 1,337 center lane miles (3,514 total lane miles) and maintenance of a total of 579 bridge structures. The Region has 444 employees. Engineering and support personnel are based mainly at the Region Headquarters in Aurora but maintenance and engineering staff are spread as far west as Summit County and east to Kit Carson and Cheyenne Counties. Maintenance Superintendents in Aurora and the Eisenhower Johnson Memorial Tunnel manage the service delivered by as many as 44 maintenance patrols. Of the 15 Transportation Planning Regions (TPR's), Region 1 has portions of the four(4) TPR's (i.e., Greater Denver Area, Central Front Range, Intermountain and eastern) within its boundaries.

Comprised of rural farmland of the eastern plains, the high country of the Rockies, and the metropolitan Front Range, the transportation challenges are as varied as the geography. Among the interesting highlights and challenges of the region are as follows:

- The highest paved roadway in the world, i.e. SH5 to the summit of Mt. Evans.
- The 1.7 mile Eisenhower Memorial Tunnel built beneath the Continental Divide at an elevation of 11,155 feet is distinguished as the highest point in the Interstate System and also the highest vehicular tunnel in the world.
- 10 of Colorado's 25 highest mountain passes, those over 9000 feet, find their home in Region 1.
- Approximately 88% of revenues from gaming in Colorado are generated in the Black Hawk and Central City portions of Region 1.
- Region 1 provides Colorado's Front Range access to the Arapaho/Roosevelt and White River National Forests, the two most utilized forest in the whole USFS system.
- Region 1 boundary includes access to the majority of Colorado resort areas and receives 250-400 inches of snow each winter.

Region 1 Key Near-Term Issues:

1. **ERP** – The demand for time in planning, conducting and attending various training combined with the expected learning curve of this new system will have an interim impact on our productivity. It is unknown at this time, how long the learning curve will be for the Region before it is finally able to adapt to the new system and reap the expected higher degree of efficiency.
2. **MS4 and Sediment Control** – The continuous tightening of Environmental regulations including MS4 and Sediment Control requirements have created major time and cost impacts not only to many of our construction projects but also various maintenance activities throughout the Region.
3. **I70 PEIS** - The I 70 Mountain Corridor Programmatic Environmental Impact Statement is at a critical juncture where the Final PEIS is scheduled to be released to the public in the Spring of 2007 with a single preferred alternative for corridor improvements. This PEIS has been underway since 2001 and has been the subject of extensive media coverage.



In addition, other NEPA studies are underway in Region 1 on the I 70 corridors, the corridors into Black Hawk and Central City. It will be a challenge to complete these environmental processes as soon as possible and launch design efforts for Region 1 to be ready for future funding allocations.

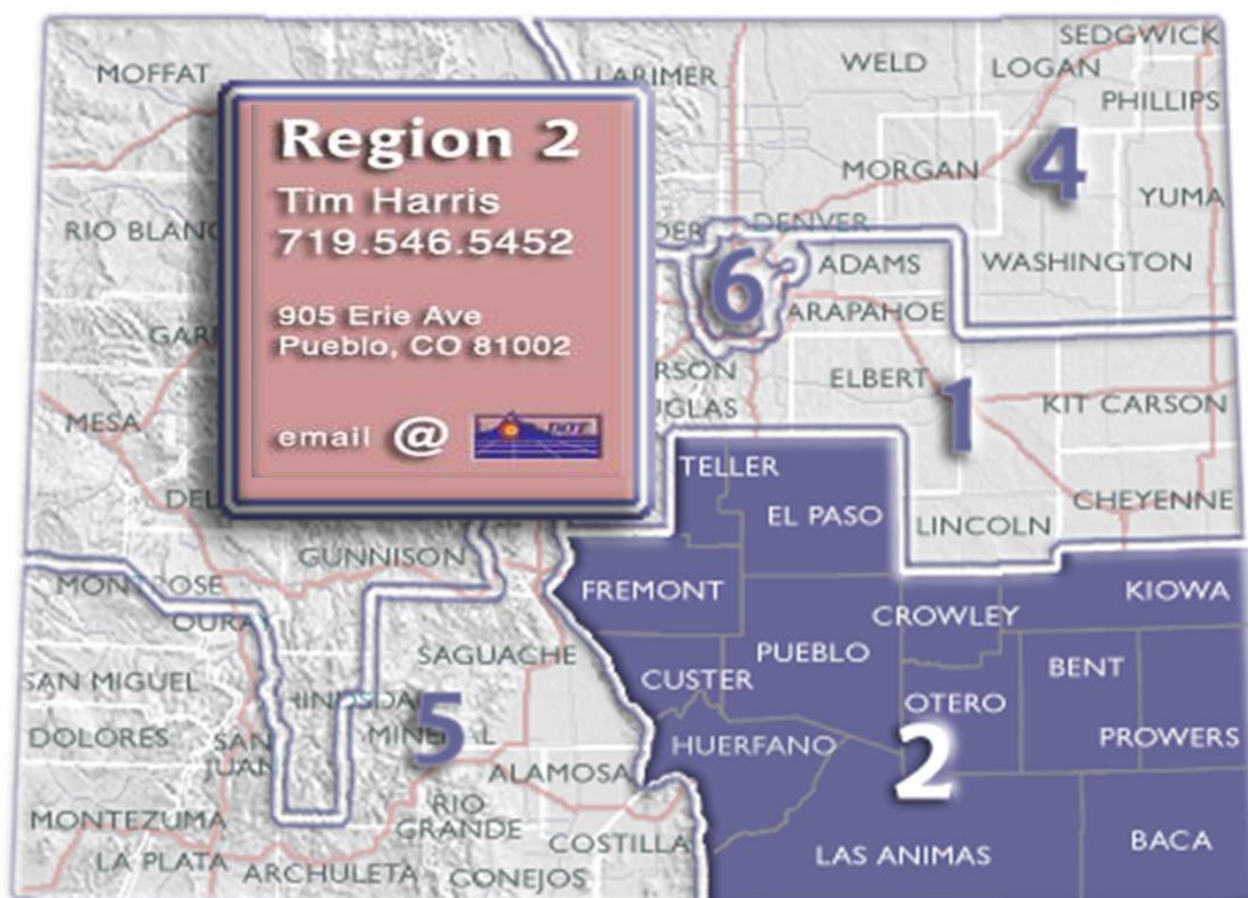
4. **North Meadows/Castlegate Interchange** – The current public controversy greatly influences the direction of NEPA and eventually the progress of the project. At stake is the City of Castle Rock’s public commitment to encumber the voted bonds by the year 2010.

Region 1 Future Challenges:

1. **Tunnel Maintenance & Repair** – Currently, EJMT (Eisenhower-Johnson Memorial Tunnel) on Interstate 70 already carries an average of 10 million vehicles per day. In the next 25 years, the population in the Front Range is projected to increase by 45 %. The nine(9) county corridor population is also estimated to attain a 101% growth rate by 2025 (Dept. of Local Affairs- DOLA). This means, that future peak weekday travel demand in some parts of this corridor in 2025, will be similar to current weekend levels of travel demand.

Most of these I70 commuters pass through this rapidly aging tunnel structure. To date, the EJMT is approximately 35 years old. Although various maintenance repairs have been accomplished in the previous years, its electrical and mechanical systems are of major concern. Most urgent items needing to be addressed are its mechanical replacement components and upgrading of its electrical systems to current operational standards.

2. **Hiring and Retention Challenges** –Last year, our Maintenance Section 5 experienced a record 31% turn-over. This was due to the Department’s inability to match the salary package being offered by the surrounding industries at the TM1 level.
3. **Land development in the eastern plains** – Initial discussions regarding proposed future developments in the eastern boundaries of the Region has started. Expected impact could be from the projected traffic volume that will be funneled unto the long-range unfunded portion of I70 east. These future traffic volumes will be generated by the proposed eastern plains developments such as Horizon City near E470, Sky Ranch at Airpark, Transport Developments near Manila Road, and eventually more developments that could sprout from the future proposed Super Slab/Prairie Falcon Parkway Express in Pueblo, Elbert, Arapahoe and Adams Counties.
4. **Ever increasing demand for night work**. The marked increased in daytime traffic volume especially along the major corridors of the Region has created a major challenge balancing productivity vs. traffic inconvenience. Such public demand to do work at night has impacted not only specific project quality components but also our desired worker and public safety.



Region Transportation Director – Tim Harris: *Mr. Harris is new to the position of Region Director, having started on September 1, 2006. He is not new to CDOT, however. Tim has over 26 years experience with CDOT, advancing from roadway design to contracting to engineering management positions. He's been a member of CDOT's Executive Management Team since February, 2003, serving as Director of Staff Branches at CDOT Headquarters in Denver.*

Region Management Team:

- **North Program Engineer:** Dave Poling
- **South Program Engineer:** Tom Wrona
- **Maintenance Superintendent:** Keith Flowerdew
- **Environmental & Planning:** Dick Annand
- **Traffic & Safety:** Sasan Delshad
- **Business Office:** Rose Shugart
- **EEO:** Mary Dugan
- **Safety Officer:** Robert Fontenot
- **Director's Assistant:** Stella Struck



Region 2 at a Glance: Region 2 is responsible for southeast Colorado. It acts as a microcosm of Colorado with a large metropolitan area (Colorado Springs), a medium-sized metro area (Pueblo), a lot of rural areas stretching east from Pueblo and Colorado Springs to Kansas, and some mountainous areas from north of Cripple creek south to New Mexico. The Region operates and maintains 6,913 lane miles and 929 bridges. The Region has 396 employees. Support personnel and the South Engineering Section are based at the Region headquarters in Pueblo; the North Engineering Section is based in Colorado Springs; and the Maintenance Section has offices in Pueblo, Colorado Springs, Trinidad, Lamar, and La Junta with patrols spread throughout the Region.

Region 2 Key Near-Term Issues:

1. **Completion of COSMIX**

COSMIX, short for the Colorado Springs Metro Interstate Expansion, is the largest highway improvement project in Colorado Springs' history. The project will widen I-25 to three lanes in each direction along 12-plus miles from south of the Bijou interchange to just south of North Academy Boulevard. It will also improve the configuration of several key interchanges and bridges along the corridor. Due to the fast-track Design/Build approach of the project, all work will be completed a year earlier than originally requested by CDOT. Work began in the summer of 2005 and will be completed by December, 2007. All work throughout the corridor will be designed and constructed in such a way so as not to preclude the ultimate future vision of an eight through-lane interstate (four lanes in each direction), to be completed at some undetermined time in the future when funds are available.

2. **Reconstruction of I 25 in Trinidad**

I 25 in Trinidad contains several substandard interchanges and aging structures, including two, 2000-foot long viaducts. The first construction phase of this project was completed in mid-2004. Construction of the second phase which will reconstruct the northbound half of the facility will begin this fall. Construction of the southbound section of the viaduct is subject to available funding.

3. **Maintenance Staffing Challenges**

Growth in the Colorado Springs and Pueblo areas is affecting staffing patterns and operations. More people, more equipment, and more work needing to be done at night are potential solutions to the demands being placed on our staff as lane miles are added to the system.

4. **Design and Construction of Interchange at Fort Carson**

In 2005, the US Department of Defense issued their Base Realignment and Closure (BRAC) Report. Fort Carson was identified in the BRAC Report as one of the few bases to see significant expansion (10,000 more troops). This expansion will put substantial additional travel demand on the already stressed I-25 interchange with SH 16 (access to the main gate at Fort Carson).

The I-25/SH 16 Interchange is the southern terminus of the Powers Boulevard corridor; one of the 28 Strategic Corridors eligible for SB 97-001 funding. The Transportation Commission recently reserved \$45M of SB 97-001 dollars anticipated in FY 07 for

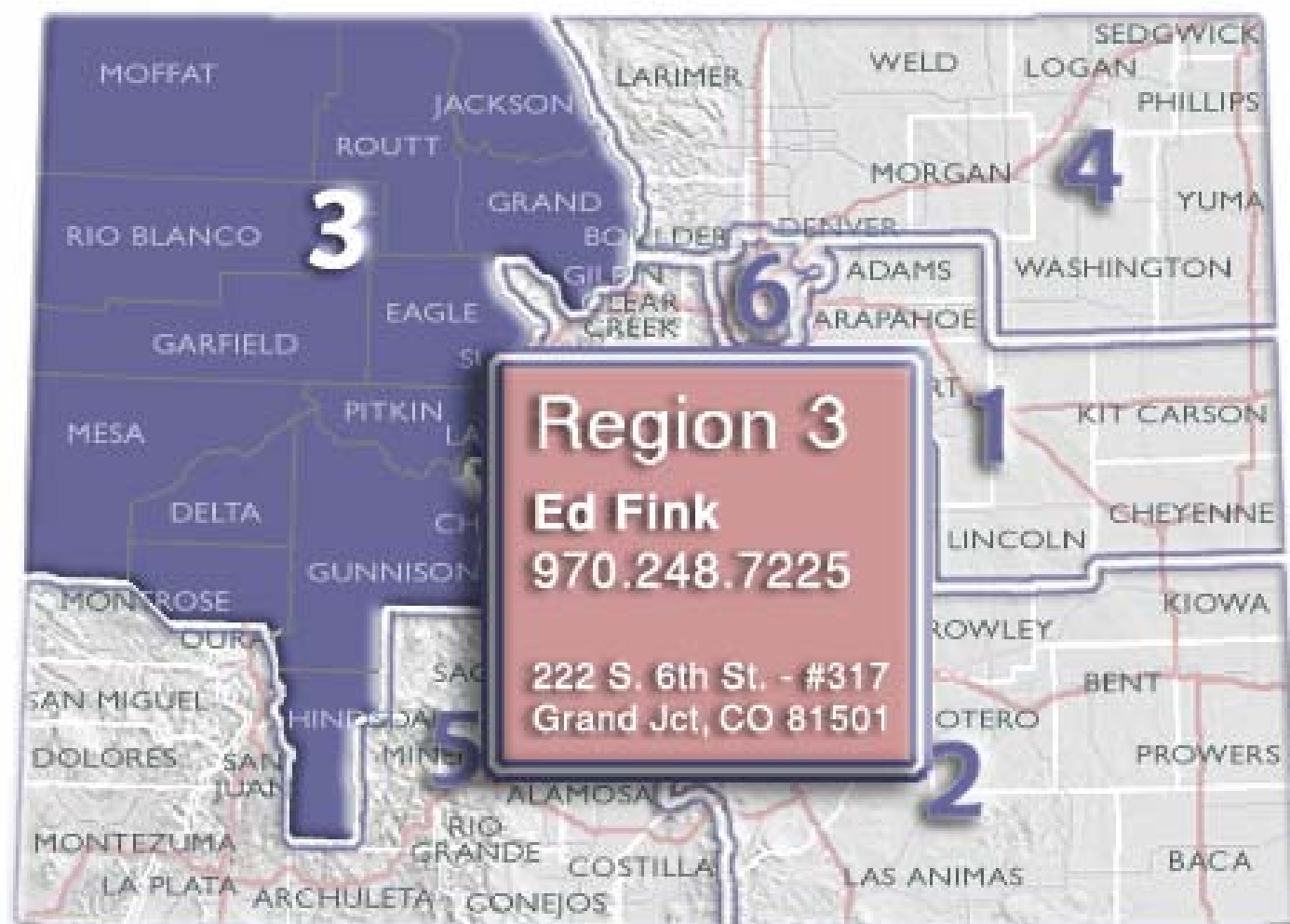


I-25/SH 16 Interchange Reconstruction. These dollars will be combined with other funding (Federal SAFTEA-LU earmark, FY 06 Federal appropriation, Defense Access Road funding, and other dollars) to advance construction in FY 08 (total project cost is \$55-58M).

Region 2 is currently completing the environmental studies that are a prerequisite to the purchase of right-of-way and final design of this much needed improvement.

Region 2 Future Challenges:

1. **Completion of Major NEPA Efforts** - Region 2 is currently conducting Environmental studies of US 50 from Pueblo to Kansas, US 24 from Colorado Springs to Manitou Springs, I 25 in Pueblo, and US 287 near Lamar. Completion of these studies and decisions on potential actions in coordination with our limited projected future revenues increases the challenge of the process.
2. **Funding for Transportation Improvements** – As we complete the required environmental studies, the natural question is “what next”? Like other Regions within CDOT, Region 2 has more demand than resources. Prioritizing limited funding with our planning partners will always be a challenge.



Region Transportation Director – Ed Fink: *Mr. Fink has been the Director of Region 3 for the past 2 years and 9 months. Ed has over 32 years of maintenance and management experience with CDOT. He joined CDOT in June 1974. His career at CDOT has included positions of Eisenhower/Johnson Memorial Tunnel Superintendent, Region 1 Highway Maintenance Superintendent, Maintenance and Operations Branch Manager before taking his current assignment as Region Transportation Director in Region 3 on December 1, 2003.*

Region Management Team:

- **Program Engineer – Grand Junction:** David Eller
- **Program Engineer – Glenwood Springs:** Joe Elsen
- **Maintenance Superintendent (Grand Junction):** Weldon Allen
- **Maintenance Superintendent (Craig):** Kandace Lukow
- **Environmental & Planning:** Tammie Smith
- **Traffic & Safety:** Jim Nall
- **Business Office:** Tony Roso
- **EEO:** Christa Taylor
- **Safety Officer:** Marty Medina
- **Director's Assistant:** Kimberly Wood



Region 3 at a Glance: Region 3 is responsible for northwest Colorado. The Region operates and maintains 5822 lane miles and 591 bridges in a challenging western slope and somewhat mountainous environment. The Region has 474 employees. Engineering and support personnel are based in Grand Junction, Craig, Montrose, Glenwood Springs and Eagle. Maintenance Superintendents in Grand Junction and Craig manage the service delivered by 52 maintenance patrols.

Region 3 Key Near-Term Issues:

1. Maintenance Hiring Challenges

The Western Slope is experiencing a large increase in oil and gas exploration. Employees possessing the necessary Commercial Driver's License are in high demand.

2. High Cost of Living in Several Resort Areas of Region 3

The Aspen and Vail Valleys and Steamboat Springs are extremely expensive areas in which to obtain housing. Region 3 operates a number of trailer parks and employee housing in order to provide at least some affordable housing for a limited number of employees. Extreme Hard to Fill Area Pay is used in 5 counties (Eagle, Grand, Pitkin, eastern Garfield and Routt) in Region 3 to further mitigate the impacts of the high cost of living in these areas. The demand for housing continues to increase in several areas in Region affected by the oil and gas industry.

3. High Costs & Lack of Competition Drive High Region 3 Construction Costs

Region 3 has experienced a high rate of inflation in construction costs over the past two construction seasons. Competition is usually limited to not more than two bidders and, all too frequently, one bidder. Again, oil and gas exploration in Region 3 may be a contributing factor to this lack of competition.

4. Obtaining Qualified Engineers in Remote and Hard to Fill Locations

Many areas of high cost of living (Eagle and Glenwood Springs) or remote locations (Craig Resident Engineer's Office) have continued to prove challenging to recruit and retain qualified engineers.

Region 3 Future Challenges:

1. Eagle Airport Interchange – Eagle County

To support economic development at and around the Eagle Airport, Eagle County officials have long supported a new interchange on I-70 complimented by a new direct connection roadway to the airport (a \$70+M investment). Since there are no capacity and safety issues with current I-70 access serving the airport, CDOT and the Transportation Commission have taken the position (consistent with Commission Policy – PD 1601) that all of the funding for construction of a new interchange must come from local sources.

The story in Eagle is repeated dozens of times across the State; new freeway access being sought to spur or accommodate economic development. Given funding shortfalls, the Commission has been rigid in its position that local funding must support such access



requests. Rare exceptions have been made to partially fund (cost sharing with developers/locals) access improvements at interchanges that CDOT planned to upgrade within the 6 year STIP.

Local Eagle County officials understand Commission policy, but they will likely push the new administration and new CDOT leadership for a cost sharing arrangement.

2. I-70 and 29 Road Interchange – Grand Junction

This project has been proposed by the City of Grand Junction elected officials to provide a 4th interchange in the Grand Junction area on I-70. The City has acknowledged the need for local funding for this project, but is persistent in its request for considerable State and Federal cost sharing. The Region is currently maintaining a position consistent with PD 1601 regarding cost sharing on new interchanges.

3. Entrance to Aspen EIS and Construction

This project is the remaining portion of SH 82 as it enters Aspen. This was an original Strategic Corridor Project (7th Pot/SB-1 funding). Construction on SH 82 through Snowmass Canyon and toward Aspen expended more funding than the original estimates for the entire corridor. Hence, the Entrance to Aspen project is no longer eligible for 7th Pot/SB-1 funding. This remaining portion of the SH 82 corridor is likely to cost \$40 - \$60 million, although there are no current estimates of cost for this project. The local Elected Officials Transportation Committee (Aspen, Snowmass Village and Pitkin County) has undertaken the re-evaluation of the FEIS and ROD at their expense in order to get the environmental clearances up to date and usable. They have previously acknowledged that CDOT has no funding to put toward final design and construction. The Region understands that the EOTC will likely fund some elements of this work (verbal EOTC commitment), but it is quite possible that they may pursue the issue of 7th Pot/SB-1 or other funding for this project with the transition to a new administration.

4. Town of Parachute Interchange (existing and a proposed new one)

The Town is frustrated with delays at the existing interchange brought on largely by oil and gas exploration vehicles utilizing this interchange to access the oil and gas fields. The Town would like to have the existing interchange improved and an overpass two miles west of Town improved into a half-diamond interchange. Neither project is a high priority for the Transportation Planning Region or Region 3. The Region has continued to maintain a position consistent with our Planning process and PD 1601. The Town indicates that they have access to funding from oil and gas companies, but none has ever materialized for these interchanges. A State Representative (Rep. Penry) has very recently taken interest in this issue. The Region will continue to meet with all parties on this matter. The Region has informed the Town of the need to begin a feasibility study for these interchanges and to take an active role in the Planning process in Region 3. So far, they have declined the opportunity to do either.



Region Transportation Director - Karla Harding: *Ms. Harding has been the Director of Region 4 for the past 8.5 years. Karla began her career with CDOT in Region 4 as a summer temporary, while pursuing an engineering degree at Ft. Lewis College in Durango and then CSU in Ft. Collins. Upon graduation she was hired as a project engineer to manage the construction of highway and bridge projects. After 8 years in construction, Karla became the region's Traffic Engineer. She spent 4 years in that capacity and then was promoted and worked for 4 years as the Preconstruction Engineer in the Denver Metro region. Karla returned to Region 4 in 1998 as the Director. She is the first woman in the Department to have reached this post, and is now in her 24th year as an engineer.*

Region Management Team:

- **Business Office:** Julie Powers
- **EEO/Compliance:** Wendy Miller
- **Environmental/Planning Manager:** Stan Elmquist
- **Planning Specialist:** Myron Hora



- **Maintenance Superintendent:** Dennis Allen
- **Program Engineer, North:** Rick Gabel
- **Program Engineer, South:** Bob Garcia
- **Safety Officer:** (vacant)
- **Traffic Engineer:** James Flohr
- **Director's Assistant:** Beth Carlberg

Region 4 at a Glance: This region consists of the nine (plus a portion of Broomfield County) northeastern counties, from Larimer and Boulder to the Nebraska and Kansas State lines. A workforce of just over 400 employees is responsible for all aspects of the state transportation system, focusing on 2,000 miles of state highway (7,420 lane miles) and 746 major structures. Engineering offices are located in Greeley, Boulder, Evans, Loveland, and Sterling; Maintenance offices are also central to those areas, and include an additional hub in Brush, with 40 patrols in total.

Region 4 Key Near-Term Issues:

1. **Keeping pace with development needs on State Highways**

The front range of Colorado is growing at a record pace and the areas north of the Denver area are no different. In fact, the projections show that growth in the north Front Range will outpace that of the Denver, Colorado Springs and Pueblo areas. The pressure and need for more capacity, interchanges, signals and access points are at an all time high. Twenty years ago, the primary commute patterns were in the north-south direction, but now, the east-west arterials are experiencing similar congestion and safety issues.

2. **Maintaining or improving surface conditions on State Highways and Interstates**

Region 4 is certainly diverse in its geographical layout, which leads to varying needs and challenges in maintaining the surface conditions of our highways. We have mountainous roads that experience the distresses caused by freezing temperatures, snow and ice, rock slides and general movement of mountains they are built on. Through the Front Range, the high traffic volumes and heavy truck traffic are literally “beating up” our roadways. I-25 is good example, where the concrete is breaking out on a daily basis and is being repaired pot-hole by pot-hole. The rural eastern plains have much lower volumes of traffic, but have many miles of roadway that must be maintained in order to connect communities and serve as the “farm to market” connections. Many of these roads, including I-76, have reached their design life and are in need of reconstruction.

3. **Completion of the North I-25 Environmental Impact Statement (EIS)**

This study, which encompasses an area larger than the state of Rhode Island, is looking at transportation solutions for the congestion along the I-25 corridor north of the Denver metro area. The project team is now evaluating the final alternatives and preparing the Draft EIS. Completion of the study and the issuance of the Record of Decision from FHWA are expected in 2009.

Region 4 Future Challenges:

1. Funding for transportation improvements

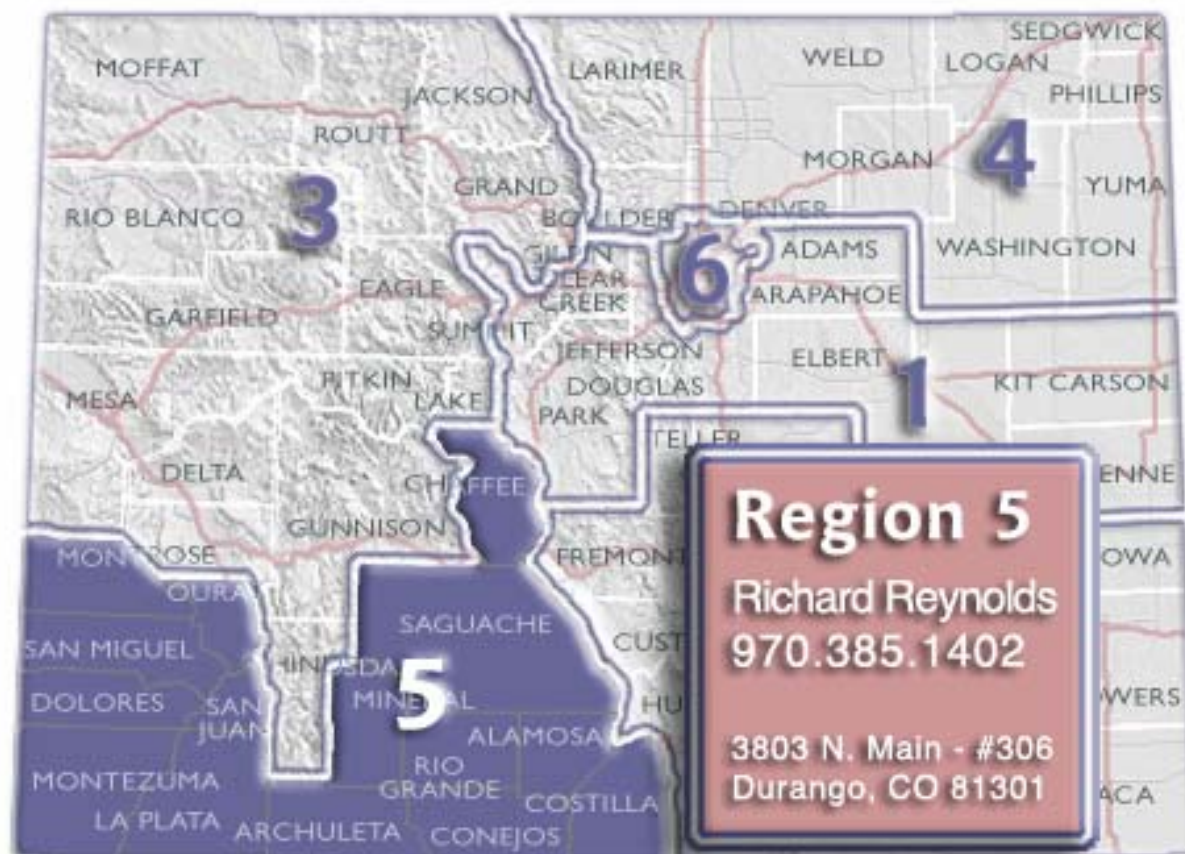
Transportation funding is obviously a statewide issue, and Region 4 is no different than the other five Transportation Regions in the State. Like the other Regions, the interstate highways are among our greatest challenges. Portions of I-76 are over 40 years old and were designed to last 20 years. We estimate over \$400M to reconstruct the roadway and interchanges, which will bring the long needed upgrade to our current safety standards. North I-25 has two major funding challenges. One is to fund the improvements that are identified in the EIS, as mentioned above. While the exact improvements have not yet been identified, they will certainly cost over a **billion** dollars. The second issue will be to hold the current pavement together until the EIS improvements can be implemented. We anticipate the need for \$60M just to resurface 20 miles of the interstate, without any improvements to bridges or interchanges.

2. Hiring and retention in consideration of pay and benefit issues

It is getting harder to hire and retain competent employees, particularly in the Maintenance field. The competition is fierce for employees with a Commercial Drivers License because of the growth and the boom in the construction industry.

3. Growth along the I-25 corridor

The communities within five or six miles of the I-25 corridor are all trying to get their share of the commercial “pie”. The desire for many more interchanges to facilitate commercial development puts the I-25 corridor at risk of becoming the main street for northern Colorado. Balancing their economic growth while maintaining traffic flow along the corridor is certainly a large challenge.



Region Transportation Director – Richard Reynolds: *Mr. Reynolds has been the Director of Region 5 for the past 9 years. Richard has 34 years of engineering and management experience. He joined CDOT in 1997, after his career took him through management positions at Connecticut DOT, and the Regional Transportation District in Denver.*

Region Management Team:

- **Program Engineer:** Keith Powers
- **Maintenance Superintendent (Durango):** Paul DeJulio
- **Maintenance Superintendent (Alamosa):** Mike Long
- **Environmental & Planning:** Kerrie Neet
- **Traffic & Safety:** Mike Mc Vaugh
- **Business Office:** Cheryl Lynn
- **EEO:** Alice Baker
- **Safety Officer:** Robin Kissell
- **Director's Assistant:** Karen Gomez

Region 5 at a Glance: Region 5 covers southwest and south-central Colorado, and is responsible for operating and maintaining 3,566 lane miles and 228 bridges in a challenging mountainous environment with 14 high-mountain passes over 8000 feet in elevation. The Region contains 15 counties and two Indian tribal nations, and operates with 349 employees. Engineering and



support personnel are based in Durango and Alamosa. A Maintenance Superintendent in Durango and another in Alamosa manage the services delivered by 46 maintenance patrols.

Region 5 Key Near-Term Issues:

1. Hiring Challenges

Region 5, especially the Durango area, is an area where recruitment of engineers, experienced and skilled professionals, technicians and maintenance workers is quite difficult. Several locations in this area have been designated as 'hard to fill' and 'extreme hard to fill', due to the high cost of living in these areas; the price of homes in some areas are increasing more than 25 percent per year. Applicants often decline offers of employment after investigating housing prices and local cost-of-living. There are no universities offering degrees in engineering in this part of the state and it is difficult to recruit from schools in the Denver/Fort Collins area. Not only is it difficult to recruit, it is difficult to retain employees, with other public and private employers in the area offering higher wages and better health and medical benefits. At times, even with signing bonuses and matching pay offers, there have been no applicants. In addition, the larger metropolitan areas such as Denver, have much more to offer in terms of health care, entertainment, sporting events, airports, etc.

2. High Costs & Lack of Competition Drive Up Region 5 Construction Costs

Southwest Colorado typically experiences higher construction costs than other sections of the state. Factors include a limited number of contractors with local offices in the Four Corners area, and a shortage of local suppliers. The average number of bidders on projects around the state is approximately five; in Region 5, there are generally one to three bidders on projects. Many project advertisements are rejected in Region 5 due to high cost that exceeds the statutory limits on when a project can be awarded in excess of the CDOT estimate. Over the past two years, three projects were advertised three times before there was a successful bidder, and six projects were advertised two times before they could be awarded. These efforts increase the cost of projects in the region. Because of the limited number of local contractors, many of the 2006 construction projects in the region are being completed by contractors from other parts of the State. This additional travel and mobilization increases project costs. There is also a shortage of material suppliers in the region, which results in increased costs related to long haul distances and corresponding fuel usage. These problems combine to produce high-cost projects.

3. High Claim Cost of Wolf Creek Tunnel Project

Wolf Creek Tunnel is a 900-foot long tunnel that was completed on US160 east of Wolf Creek Pass in 2004. The tunnel was completed in two phases: (1) initial blasting and construction of the borehole, and (2) final tunnel lining, safety and communications systems, and roadway construction. The phases were done under separate contracts. The total cost to complete the tunnel for both phases was \$25.7 million. After the second phase of the tunnel was completed, the contractor filed a claim against CDOT for \$6.4 million. This claim was based on the second contractor claiming that the first project had not been completed within specifications. In addition, the membrane the second contractor intended to use was not available, and they had to use another type allowed by

the specifications. The contractor claimed that the new lining type was not appropriate for the conditions and hard to install. It also leaked excessively and required costly and time consuming repairs. Other factors contributed to the high cost of the claim including the inexperience of the second phase contractor, and the complexity of tunnel construction. CDOT is in the process of settling the claim through arbitration.

Region 5 Future Challenges:

1. Village at Wolf Creek Development

East of the summit of Wolf Creek Pass, along US 160, is a proposed private development consisting of a 1200 room hotel, 1,644 units of multi-family housing, 128 single-family residences, and 222,100 square feet of commercial space. The location of the planned development is within the Rio Grande National Forest adjacent to the Wolf Creek Ski Area at an elevation of approximately 10,200 feet. The environment is a high mountain heavily wooded area averaging 369 inches annual snow fall. The proposed development at full build-out (2025) will potentially double the traffic volumes on US 160 during the winter season; this will require a grade separated interchange. This development has been highly publicized and is the subject of several lawsuits. CDOT's position has been to ensure the State Highway Access Code is administered properly and to ensure the safety of the public traversing Wolf Creek Pass on US 160.

2. New Southern Ute Casino

CDOT Region 5 is unique in the State of Colorado because of two sovereign tribal nations located in the area: the Southern Ute Indian Tribe near Ignacio and the Ute Mountain Ute Tribe near Towaoc. CDOT has worked closely with the Southern Ute Tribe to develop a Memorandum of Understanding relating to their sovereign status and tribal laws. The Southern Ute Tribe has recently proposed a large casino development adjacent to SH 172 which would impact traffic volumes and access onto SH 172. The proposed project includes a large casino, 150 room hotel, convention center, 30 unit RV Park, restaurant, museum, and outdoor event center. This development is anticipated to create an approximate 50% net increase in the current daily traffic volumes on SH 172. CDOT is currently coordinating with the Southern Ute Tribe on this development to ensure access and safety issues on SH 172 are addressed.

3. Department of Energy Uranium Mining Leases

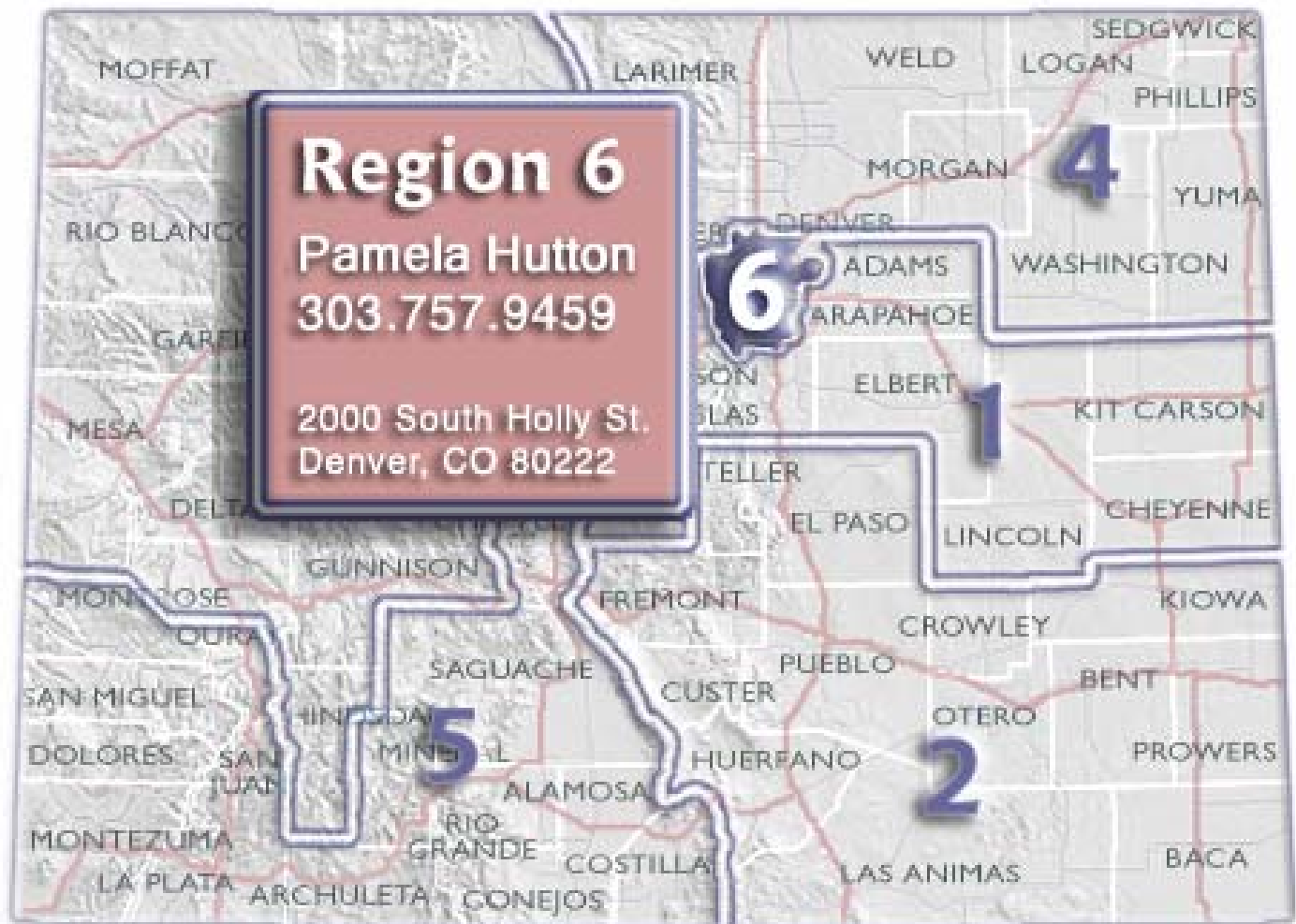
There are currently 13 mining leases, with limited uranium production, near the Western Colorado towns of Uravan and Nucla, generally served by Colorado SH 90 and SH 141. The Department of Energy released a programmatic Environmental Assessment (EA) in August 2006 that would allow these 13 leases to go to full production and would permit an additional 25 new leases, also at full production. The combined uranium production from these leases could result in as much as 90,000 tons of ore per day being hauled out of the mining areas. Based on these estimates, there will be 3,600 loaded ore trucks per day transporting ore to Monticello, Utah or the Pueblo area, and 3,600 returning empty trucks. The EA did not include any information on worker mining traffic or support vehicle traffic. This project would impact at least eleven highway intersections within the study area and countless state highway miles with the increased truck traffic. Virtually all of the state highways in this immediate area are rated as having a Remaining



Service Life of zero. This means these roads are already in need of complete reconstruction; there is currently very limited funding to reconstruct these roads.

4. Northern San Juan Coal Bed Methane Project

In September 2006, the USFS and BLM released a Final Environmental Impact Statement (FEIS) for the Northern San Juan Coal Bed Methane Project. This project would increase gas development in the San Juan Basin, adjacent to US160 and SH151 east of Durango. The FEIS would permit 138 new gas wells with associated transmission lines, communications and support facilities. The 138 new wells and associated infrastructure is expected to generate 557 vehicle trips per well per year with 25% of the trips being heavy truck traffic. This project will have a substantial impact on US160 and SH151. Eleven intersections will likely need improvements, and safety will be an issue with the increase in truck traffic. CDOT has commented on the FEIS and is requesting that USFS/BLM complete a Traffic Impact Study prior to issuing the Record of Decision (ROD), obtain access permits for appropriate intersections, and include mitigation of any highway impacts in the FEIS or ROD.



Region Transportation Director – Vacant (Pamela Hutton promoted to Chief Engineer):

Region Management Team:

- **Director of Administration:** Robert Haley
- **Director of Operations and Maintenance:** Randy Jensen
- **North Program Engineer:** Moe Awaznezhad
- **Central Program Engineer:** Robert Marusin
- **South Program Engineer:** Reza Akhavan
- **Maintenance Superintendent:** Robert Haines
- **Environmental & Planning:** Jim Paulmeno
- **Traffic & Safety:** Anthony DeVito
- **Business Office:** Diane Jacoby
- **EEO:** Michaela Vialpando
- **Safety Officer:** Giovanni Ciddio
- **Director's Assistant:** Cindy Stallman



Description of Region 6: Region 6 is responsible for the greater Denver Metropolitan area. The Region operates and maintains 3,850 lane miles and 690 bridges, 350 signals, 8800 miles of striping, and 40,000 signs and 665 sign structures in a challenging urban environment. The Maintenance Superintendent and the Traffic Engineer manage the service delivered by 30 maintenance patrols, along with 3 striping, 2 sign, and 2 electrician/electronic crews. The Region has 550 employees. Region 6 is headquartered at 2000 S. Holly, but occupies office space at the North Holly and Corporate Circle Campuses along with some Region 1 and HQ staff.

Region 6 Key Near Term Issues

1. **Operations and Maintenance of TREX --** TREX will add the following inventory to Region 6: 80+ lane miles, 7 underground water quality vaults, 6 water quality ponds and 130 acres of Landscaping, 185,000+ linear feet of concrete barrier, 25+ attenuators, 75,000+ linear feet of chain link fence (separating LRT from highway), 13,500+ linear feet of sound wall, and 29,000+ linear feet of retaining (MSE) wall.
Challenges will include:
 - Maintaining our Target Level of Service
 - Winter maintenance activities adjacent to the RTD Light Rail envelope
 - Maintenance of new and permanent water quality features**Opportunities include:**
 - Partnering with Local Agencies and local businesses (SPIMD) for maintenance of landscaping.
 - Partnering with RTD for maintenance of adjacent infrastructure (important step in lieu of proposed FasTracks corridors)
2. **High Employee Turn-over Rate in Maintenance --** To combat a 25-percent annual employee turn-over rate, and to address the challenge of maintaining a competent workforce Region 6 emphasizes CDOT values in our daily work life and offers the following programs:

Premium Pay
 - Hard to Fill – 15-percent increase over entry level pay.
 - Training Pay – 10-percent increase after the successful completion of classroom and on the job training.Recruitment
 - Job Fairs and local advertisements
 - Bi-Monthly in Regional testing for TM-I
 - Youth in Landscaping – We encourage youth 18 and older to experience work in CDOT Landscaping as a temporary employee during the summer months.
 - MACC program – A resource to recruit trained candidates from within Denver’s diverse community.
 - LTC Trainee – Hiring and training candidates on the job to successfully transition into positions such as the TM-I.



- Orientation – a power point presentation developed in-house to give a new employee a picture of what work in Region 6 is about.

Retention/Training

- Cross Training – allows employees to train for up to 6-months in areas of career interest.
- Events – Celebrate Success, Employee Appreciation, Safety Awards
- Encourage Employee involvement in committees – WISH, Safety, ERP, Wellness
- Equipment Operator III – The successful employee will complete a training program and demonstrate capabilities that will move them to this level without formal testing.
- 40-Hour Snow Removal – Specifically tailored to train Region 6 employees.
- Safe-Start – A program developed to stress safety on and off the job.

3. Coordination and Completion of Major NEPA Efforts – Region 6 has four major corridor studies underway including I-70 East EIS, US 36 EIS, Northwest Corridor EIS, and the C-470 EA, plus an upcoming major corridor study for I-225. These are high profile, politically and emotionally charged studies with substantial community involvement, controversy, and extremely complex environmental issues. Each of these corridors includes a tolled express lane alternative that requires staff to perform additional analysis beyond the standard roadway project. Each of the corridor studies uses a committee structure of that meets regularly and includes both local technical staff and elected officials. Region 6 is also a cooperating agency for 5 metro area FasTracks Rail corridors that have multiple interface points with state or interstate highways. With continued cooperation from the local stakeholder groups these corridor studies will likely publish Draft Environmental Impact Statements and will seek Records of Decisions during 2007. The challenge will be to identify an implementation plan that resonates with the public with our limited projected future revenues.

4. Legal Matters – CDOT filed a lawsuit in December of 2005 against Douglas County in protest concerning the county's adoption of the revisions to the Matters of State Interest Regulation, also known as House Bill 1041. The County's intention behind changing this ordinance is reportedly to guide growth and development consistent with the Douglas County Comprehensive Plan. The timing of this ordinance coincided with CDOT's final stages of the three-year long environmental study for C-470 and the naming of the Express Toll Lane Alternative as the preferred alternative. The County has publicly expressed its opposition to CDOT and FHWA's current plans for selecting express toll lanes to add capacity to and manage congestion on C-470.

If the ordinance were to stand, CDOT would have to obtain permits from Douglas County to build new highways and interchanges on CDOT right-of-way within the County's jurisdictional boundaries. It would generally mean that the County



can regulate CDOT's activities. CDOT and the Attorney General's Office argue that CDOT and the Federal Highway Administration can not allow Colorado Counties and Cities to usurp their right to make the final decision on building state highway facilities that are in the best interest of the citizens of Colorado at large. Other cities and counties are considering similar ordinances, for example Golden perhaps in opposition to the Northwest Corridor study and Clear Creek County perhaps in opposition to the I-70 Mountain Corridor PEIS. This issue potentially impacts all ongoing NEPA studies and the resultant proposed construction projects.

Region 6 Future Challenges

1. **FasTracks Coordination with RTD through 2013** -- CDOT is working with RTD to coordinate highway improvements with the build-out of FasTracks. A master intergovernmental agreement (IGA) has been developed that describes the roles for CDOT and RTD and how they will work together through the development of these projects. There are also a series of corridor specific IGA's that get into more detail about the roles and responsibilities of each agency. Some of the key elements in the IGA include: right of way sharing, construction coordination, and other cost sharing responsibilities. We currently have contracts in place on US 36, I 70, the Gold Line, Grandview RR separation, West Corridor and the North Metro line. When complete Region 6 will have negotiated and written well over 75 IGA's. In addition to the IGA's we meet regularly at staff levels to work through issues as they arise.
2. **System Quality Investment (maintenance of existing infrastructure) vs. Mobility Investment (congestion mitigation)** -- Throughout the state, CDOT faces funding shortfalls, just to maintain the existing state highway system at current operating conditions, leaving little or no funding to address mobility needs (expansion projects, congestion relief, etc). The tension on this issue is especially acute in Region 6 because the bulk of congested roadways and roadways projected to become congested in the future fall within the Denver Metro Area. To quantify the problem: the 2030 Statewide Plan forecasts a \$48 billion shortfall statewide in our effort to keep the state highway system operating at current performance levels between now and 2030. When we look at how much it would cost to build all of the desired projects on the state highway system over that same timeframe, the shortfall rises to over \$100 billion. Funding forecasts for the 2035 plan predict even less funding to be available over the plan period, which will make the issue more pronounced. DRCOG, the MPO for the Denver Metro Area, consistently lobbies the Transportation Commission to make as much funding available as possible for mobility related projects; Commission policy in recent years has been to try to take care of maintaining the existing system first. Local entities, seeing limited potential for funding from the state for key expansion projects, often then go to their representatives in Congress to lobby for earmark / discretionary funding, which brings its own set of issues. The earmarking process in general tends to reduce the amount of funding that is available for distribution back to the states by formula for transportation needs decided upon by the DOT.



Also, we have occasionally seen earmarks for projects that have not even been considered in the planning process, which means that funding those projects puts the state and region into an even larger shortfall in delivering the projects identified in the plan.

3. **Development Driven Impacts to Transportation Facilities** -- The Transportation Commission has adopted a policy for evaluating requests to build new interchanges and interchange modifications to the state highway system. The policy is commonly referred to as Commission Policy Directive 1601. The purpose of the 1601 policy is to ensure that CDOT, as the owner / operator of the State Highway System, is able to preserve the primary function of the system as a way of traveling within regions of the state and as a connector to other states in the country. When new interchange requests are made, the Transportation Commission reviews them to ensure that adding the new access point will not degrade operating conditions of the highway system. Additionally the 1601 process allows the Commission an opportunity to discuss funding of the improvements and to memorialize the funding arrangements agreed to with the sponsoring entity as to how the improvements will be paid for. The Commission recently took action on a 1601 request for a new interchange located at I-70 and 32nd Avenue related to the development of a new Cabela's (outdoor, hunting and sporting gear store) in Wheat Ridge. The project and proposed interchange improvements proved to be very politically charged with involvement of the Governor and other key Colorado political figures, and was covered thoroughly by the media.

There are at least four other major redevelopment projects in the Denver metro area being planned or ongoing which will result in high-profile 1601 requests to the Commission. These include:

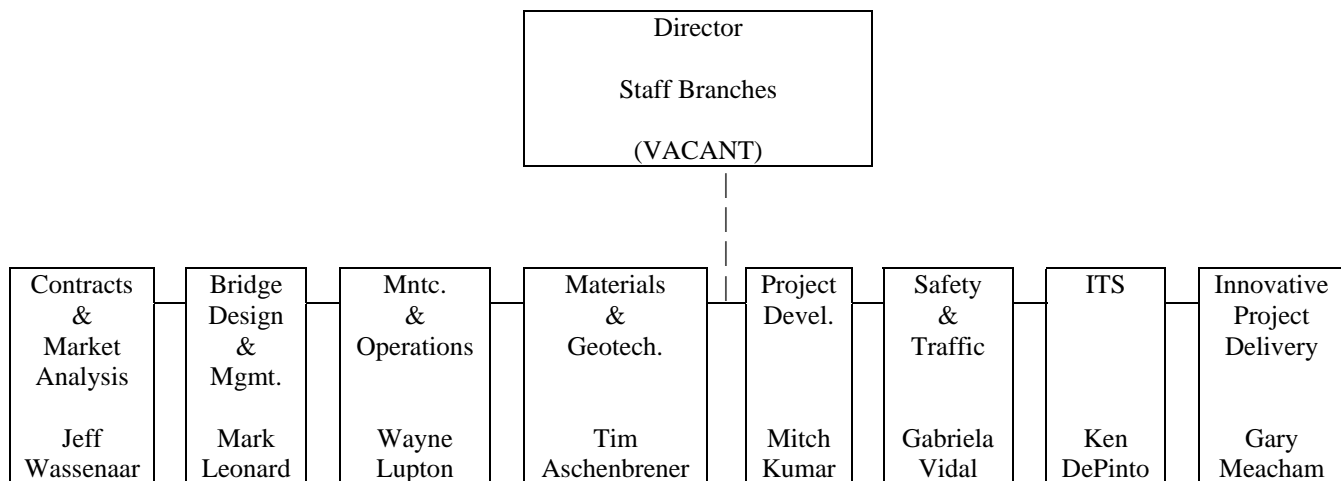
- the Cherokee Redevelopment site at the former Gates Rubber Plant at Broadway and I-25 which envisions redeveloping 69 acres of former industrial property to accommodate 2,000 – 4,000 dwelling units along with 2-4 million square feet of commercial and business space;
 - Northfield at Stapleton project (Forrest City) located at I-270 and I-70, this project includes 1.2 million square feet of shopping and mixed residential land uses;
 - The Prairie Center Development site which proposes the development of 2,000 acres of mixed use development northwest of I-76 from south of 138th to north of 144th Avenue; and,
 - The Federal Center Redevelopment site proposes to a redevelop approximately 640 acres of mixed commercial and residential land uses in the vicinity of US 6 and Simms. The Federal Center redevelopment proposes the relocation of St. Anthony's Hospital and the introduction of an RTD transit station.
4. **Positioning the Region to Capitalize on Unexpected Additional Funding** – On occasion, CDOT enjoys new and unexpected funding from the State Legislature. When CDOT receives this unexpected funding there is often the expectation that the money will be used within a short timeframe for the advertisement of

important or politically popular projects. Meeting this expectation is key to receiving addition similar type funds in the future. We are using innovative contracting tools like design-build and modified design-build to implement construction projects to meet these short time schedules. In addition, we are allocating a portion of our existing funding to the preparation of design projects for “the shelf” so that when new funding becomes available Region 6 will be in position to pull projects off the shelf and go to construction in a very quick manner. The challenge is to be ready with projects of appropriate size, popularity, and various funding requirements at all times. However, when we can be successful in the effort we can produce a product that is good for our Region 6 customers, good for the Department’s public image and good for the State as a whole.

STAFF BRANCHES (Director position to be filled in November)

The Staff Branches provide support to the engineering regions in establishing construction specifications and standards, tracking and evaluating maintenance activities, delivering safety programs, providing technical expertise in all areas of design and project delivery and professional services on the construction contract bidding processes. The Staff Branches' activities include oversight of construction, maintenance, ITS, safety, right-of-way, bridge/roadway design, permits office, property management, materials testing and design.

Staff Branches is organized as follows:



Staff Branch’s provides support for the Regions in the following areas:

Access Management - Access Management studies and reviews access traffic movement to reduce the frequency of accidents related to access issues and to ensure the smooth flow of traffic, improve roadway capacity and maintain the functional integrity of the Public Highway System.



Right of Way - Right of Way identifies, purchases and clears privately owned property that falls in the path of a roadway project in accordance with all applicable laws.

Agreements – Assures that CDOT remains in compliance with state law for the timely completion and execution of all professional service contracts, interagency and intergovernmental agreements, emergency construction contracts, maintenance contracts, and escrow agreements for the Chief Engineer’s Office. Agreements Office is also responsible for advancing construction projects from the pre-advertisement phase to the Notice to Proceed.

Area Engineers – provides engineering support to the Chief Engineer and the six engineering Regions of CDOT and to promote quality and statewide uniformity in design and construction.

Asphalt Pavements – provides engineering and technical expertise and timely and accurate asphalt mix and binder testing, ensuring high quality of CDOT asphalt mix and binder testing statewide to meet the surface condition goals established by the Commission.

Pavement Management – implements an effective pavement management system and provides technical expertise in the development of pavement designs and statistical materials acceptance specifications that will assist the Regions.

Concrete & Physical Properties – provides timely and accurate test results for concrete, aggregate, steel and other construction and maintenance materials.

Safety Engineering - The safety program’s purpose is to reduce the number of motor vehicle crashes, injuries and deaths through improved safety engineering of the transportation network and improvements to the transportation system.

Safety Planning & Grants – the purpose of this section is to improve safety and reduce accidents through the administration of grants, accident record analysis, access management and utility engineering.

Standards & Specifications – to provide CDOT with quality Standard specifications for road and bridge construction which controls all projects advertised by CDOT and specifications for road and bridge construction.

Engineering Cost Estimates – maintains appropriate information/data and engineering estimating practices to accurately estimate costs and to enable the detection of collusion, fraud and abuse prior to contracting.

The CDOT Intelligent Transportation Systems (ITS) - systems units provide the technical expertise in support of the ITS computer systems and network communication infrastructure. The Transportation Management Center is the core of the system and comprises two basic units: the “Advanced Traffic Management System” which monitors traffic conditions and responds to incidents particularly during rush hour in the Denver



Metro area, operating 24/7, and the “Advanced Traveler Information Unit” which provides the traveling public with timely information about Colorado’s interstates, U.S. and state highway systems using the internet and various paging systems to notify the public, CDOT workers and officials of the latest highway information and incidents.

Bridge Design & Support – prepares plans for bridge and other highway related structures that are responsive to the project needs of the Regions.

Bridge Management - Assesses the safety and condition of in-service bridges and provides effective bridge management information.

Business Office – provides financial, business and quality assurance services to the Staff Branches.

Consultant Audits – the purpose of the program is to have evaluated consultant’s rates in compliance with prescribed requirements to ensure fair and reasonable costs from qualified professional architectural and engineering contractors who perform work for CDOT.

Geology – provides geotechnical and geological recommendations for the design, construction and maintenance of CDOT projects involving roadway cut and fill, bridge, retaining walls and other transportation structure foundations.

Soils – to perform prescriptive laboratory tests on soils according to established guidelines and procedures for CDOT maintaining an AASHTO Materials Reference Laboratory accredited soils laboratory.

Oversize/Overweight Vehicles – the OSOW Program issues permits for vehicles and loads that exceed legal size and/or weight so that the driver can travel safely across Colorado’s highways without causing damage to the roads or structures.

Occupational Safety – supports the CDOT Regions in operational activities regarding all aspects of dealing with occupational safety, health and hazardous materials.

Materials Laboratory – provides timely and accurate test results for concrete, aggregate, steel, soils and other construction and maintenance materials.

Maintenance Training Academy - provides the mandatory annual training for highway maintenance workers and supervisors in accordance with federal regulations, departmental policies and procedures.

Property Management – this program conserves, protects and optimizes the utilization of all properties acquired by CDOT and obtains the highest returns possible on these assets.

Road Equipment Management – purpose of this program is to ensure that proper special use vehicles are purchased, maintained and available for use in accordance with the needs of the Regions.



Utilities – ensures that CDOT remains in substantial compliance with applicable state and federal laws, regulations and Commission rules in administering the TODS, LOGO, junk yard, roadside advertising, rail and utility programs.

Sign Shop – produces signage consistent with state and federal requirements to inform users of Colorado roadways with information concerning laws, hazards and general driving conditions.



Colorado Tolling Enterprise

Acting Director, Peggy Catlin

Acting Director Peggy Catlin - *Since its inception in 2002, Ms. Catlin has served as the Acting Executive Director of the Colorado Tolling Enterprise, which has the authority to develop finance, design, build, operate, and maintain a system of toll facilities and managed lanes statewide and completed the conversion of the North I-25 HOV lanes to High Occupancy Toll lanes that are under revenue operations currently, only the fifth such facility in the United States. Ms. Catlin attended Colorado State University and received a Bachelor of Science degree in Civil Engineering. She is a Registered Professional Engineer in the States of Colorado and Missouri. She serves concurrently as CDOT's Deputy Executive Director.*

The Colorado Tolling Enterprise staff consists of Acting Director Peggy Catlin, with Harry Morrow providing legal support from the Office of the Attorney General. Additional support staff is provided from CDOT in the areas of Planning, Budgeting, Accounting, Engineering and Maintenance, Information Technology, Public Relations, and Government Relations with time billed to the Colorado Tolling Enterprise cost center. Work is outsourced to consultants and vendors with expertise in tolling, including, but not limited to, planners, engineers, financial, and legal support. All expenditures are tracked independently from CDOT expenses to maintain a clear separation of the two organizations.

Even though the Colorado Tolling Enterprise is a Division of CDOT, its Board has goals and objectives that are separate from the Transportation Commission. Therefore, the Board of the CTE adopted the following Vision and Mission Statements:

MISSION STATEMENT: *To Enhance Mobility in Colorado by Increasing Capacity Through the Creative Development of a Statewide System of Toll Facilities.*

VISION STATEMENT: *To Enhance the Quality of Life and the Environment of the Citizens of Colorado by Creating a Tolling System to Further Move People and Goods.*

Budget: The Enterprise financed its startup costs through a loan from the Colorado Department of Transportation Commission for \$1 million. This loan primarily funded a Traffic and Revenue Feasibility Study and the development of a draft business plan.

The Transportation Commission approved a subsequent loan to the CTE to fund construction activities and procurement of toll collection equipment and software and other technologies (such as dynamic message signs), for the conversion of approximately 6 miles of I-25 High Occupancy Vehicle (HOV) lanes to High Occupancy Toll (HOT) lanes. The loan that was approved was for up to \$6 million, although only less than \$3million has been used. The loan will be repaid to the Transportation Commission through tolls charged to Single Occupant



Vehicles that choose to use that facility. The original loan for start-up costs applies to statewide activities and will be repaid to the Commission upon completion of other toll corridors.

The Colorado Tolling Enterprise is unique in that it is not limited to any one corridor or roadway, but rather can finance and build toll facilities anywhere within the State of Colorado, in any corridor. This flexibility allows the Enterprise to build toll facilities where they are most needed and can be financed and operated efficiently. House Bill 05-1148 further clarified the relationship of toll projects to regional transportation planning processes and stated under what conditions, revenues from toll facilities could be used toward a system.

Designation of a state tolling system - HB 05-1148 requires the Colorado Tolling Enterprise Board to develop a plan for the construction of a toll highway that addresses operation of the toll highway, the technology to be utilized, project feasibility, project financing, and other federally required information. Each toll highway plan must be approved by the metropolitan planning organization or regional planning commission through which the proposed toll highway passes.

The legislation authorizing CTE requires that:

“A toll highway financed, constructed, operated, or maintained pursuant to this part 8 shall conform to and be an approved part of the applicable regional transportation plan and the statewide transportation plan developed pursuant to section 43-1-1103.”

HB 05-1148 clarified that

“The Board shall develop a plan for the construction of a toll highway that addresses the operation of the toll highway, the technology to be utilized, the project feasibility, the project financing, and any other federally required information. Each toll highway plan in a toll highway system shall be separately approved by each metropolitan planning organization or regional planning commission that is located in whole or in part within the toll highway system.”

Tolling is a new concept for Colorado and there are many issues to work out prior to implementation, including the development of policies and processes that guide decision making. Recognizing the need for a well coordinated decision-making process and an integrated regional and statewide transportation system, recognizing that existing transportation planning processes are sound, and not wanting to create a whole new process, the CTE Board invited potentially affected planning partners to participate on this Ad Hoc Committee on Tolling (The Committee) to provide advice to CTE and as appropriate CDOT/TC.

The CTE requested participation from planning partners whose area includes potential tolling facilities as identified through an initial round of technical and financial screening studies. The invited membership consisted of 22 board and/or executive staff members from potentially affected regional planning agencies as listed below:



Denver Regional Council of Governments Board (DRCOG)

- Lorraine Anderson – Councilmember, City of Arvada
- Bob Broom – Councilmember, City of Aurora
- Rene Bullock – Councilmember, Commerce City
- Happy Haynes – Council Liaison, City and Council of Denver
- Bill Macy – Councilmember, City of Idaho Springs
- Bob Nelson – Mayor Pro Tem, City of Golden
- Jack O’Boyle – Mayor, City of Lone Tree
- Karen Stuart – Mayor, City and County of Broomfield
- Will Toor – County Commissioner, Boulder County

Pikes Peak Area Council of Governments Board (PPACG)

- Jerry Heimlicher – Councilmember, City of Colorado Springs
- Wayne Williams – County Commissioner, El Paso County

North Front Range Transportation and Air Quality Planning Council Board (NFR)

- Glenn Gibson – County Commissioner, Larimer County
- Kurt Kastein – Councilmember, City of Fort Collins

Upper Front Range Regional Planning Council

- Mike Geile – County Commissioner, Weld County

Intermountain Regional Planning Council

- Mick Ireland – Pitkin County Commissioner

Denver Regional Transit District (RTD) Board

- Bill McMullen – Board Member, RTD District E

Federal Highway Administration (FHWA)

- David Nicol – Colorado Division Administrator

Colorado Toll Enterprise Board (CTE)

- Terry Schooler – Board Member
- Joseph Jehn – Board Member
- Joseph Blake – Board Member
- Douglas Aden – Board Member

CTE Acting Executive Director

- Peggy Catlin

The Committee was created to advise the TC and the CTE Board regarding “policy and process on toll road planning and implementation”. It was convened on January 25, 2005 and met 9 times. Following a series of informational and background presentations on tolling and the statutory basis and structure of transportation planning in Colorado, the Committee structured their work by considering when in the decision-making process specific issues and concerns should be addressed.



In this effort, the Committee identified 56 questions/issues in seven categories related to major steps in the decision-making process from policy to implementation. The Committee then discussed and developed consensus recommendations on the following areas:

- Toll Related Decision Processes
- Roles and Responsibilities in Toll Related Decision-making
- Toll System Regional Transportation Plan Amendment Analysis Framework
- Identification of Key Policy Issues and Recommended Policy Positions.

One key difference between a toll revenue funded project and the traditional tax supported transportation project is the important role of the private sector in the decision to fund a proposed project. Most, if not all, toll projects will involve funding by the private financial markets and/or other contributions by the private sector. It is therefore necessary for any proposal that includes toll revenue based financing be acceptable to the financial markets, and perhaps the private sector for implementation and operation. Key roles and responsibilities of the partner agencies in the toll decision-making process that included the private sector were discussed.

The Committee also identified the critical topics that should be addressed in any proposed amendment to a regional transportation plan that includes a tolling system or facility. The Committee recognized that a proposal to amend the regional plan would need to meet the federal and state requirements regarding fiscal constraint by developing a planning level “Financing/Revenue Plan” based on the toll system defined in the proposed amendment. The plan should include a planning level financial analysis that addresses how revenues and costs of toll facilities relate to system implementation timing and corridor phasing, revenue and cost sharing among corridors, as well as system financing assumptions, consistent with the criteria identified. The Committee recognized that such a financial analysis would be based on the information and detail available at a planning level.

The Committee also recognized that if a RTP amendment submittal adequately addresses the topics as identified in the Framework Matrix below, the Regional Planning Commission/MPO Boards will have sufficient information from which to take action on a proposed amendment. The Committee identified a number of key policy questions or issues that they felt would need to be addressed and resolved before they felt a Regional Planning Council/MPO Board would be willing to take action on a proposed amendment to include a tolling system or facility in a regional transportation plan.

CDOT resource allocation

Any tolling decision by CTE should not reduce the allocation of TC funding to the region in which the facility or system lies. Tolling revenue should not be considered when calculating the proportion of state or federal highway funds received by a transportation planning region or CDOT region. Toll facilities should not be included in the state highway inventory used for resource allocation purposes.

Definition of a toll system

An integrated toll system should be defined as a network of toll facilities and toll corridor improvements identified in the adopted regional transportation plan. Revenue sharing may occur among facilities within an integrated toll system. Revenue sharing between toll facilities on an integrated toll system must be within the same TPR/MPO or, when the system crosses TPR/MPO boundaries, with the mutual agreement from the adjoining TPR/MPOs. CTE is

encouraged to undertake a public education campaign before proposing an amendment to include specific toll facility or system in a regional plan.

Integration of other modes into the toll system

It is appropriate to acknowledge and pursue ways to integrate tolling and other modes. The decision on whether/how to integrate alternative modes into a toll system/corridor should be a cooperative CDOT/CTE-TPR/MPO decision based on Regional Transportation Plan, NEPA and financing decisions by bond markets.

All assumptions will be refined through the regional plan/NEPA/market feasibility analyses. There are two opportunities for integration of alternative modes one - at initial project financing and two - if the toll facility generates revenue above that needed for operations and maintenance.

Initial project financing may include “toll corridor related improvements” as part of the project scope as determined on a corridor specific basis and associated financial feasibility analysis.

- Capital construction, financing and related obligations, maintenance, operations, replacement and responsibilities to bond holder should be the highest priority for toll revenues.
- Public transit buses may use toll facilities free of charge
- The decision on whether, or at what rate, High Occupancy Vehicles should be tolled is a corridor specific decision made cooperatively between CDOT/CTE and the TPR/MPO.
- Right of way needs/costs should be considered for all modes as part of the tolling analysis, regardless of whether or not alternative modes become part of the initial toll financing

Implementation of “toll corridor related improvements” with toll revenue should be considered as part of any decision to reduce toll rates after bond and ongoing maintenance, operation and replacement obligations are satisfied.

Funding of long term operations, maintenance and replacement costs

Toll Revenues should be used for the planning, design, financing, administration, construction, operations, maintenance, and reconstruction of the toll facilities.

Leveraging tolling and federal/state dollars/Effect of tolling on project selection

Tolling and other modal improvements should not be viewed as competing, but as key components of an integrated transportation system necessary to provide a full range of travel choices to the public. Shared funding sources to implement an integrated transportation system can result in additional funding for the entire transportation system. Use of toll credits as a soft match for federal funding for any transportation purpose allowed under Title 23 of the Code of Federal Regulations may leverage funds for the region. Toll revenue may be used as a local match to leverage additional federal transportation funding consistent with CTE/TC and MPO/TPR objectives.

Federal, state and local funds may be used to leverage toll financing, consistent with any state and federal restrictions. The eligibility of a tolling facility for federal transportation funds will be



determined with FTA or FHWA on a corridor or system basis based on the characteristics of the specific proposal and financial plan.

Toll revenue may be used to repay a TPR/MPO that programs federal/state/local funds to finance a toll facility/system (subject to TABOR limitations), recognizing that priorities for the use of federal and state transportation funds are set through the cooperative state and regional transportation planning and programming process.

Use of federal/state/local funds to leverage financing, and the use of toll revenue to repay such funds, must be documented in a memorandum of understanding (MOU) between the CTE, CDOT, and the regional planning commission/MPO. The MOU should include reasonable assurances that any repayment of funds by CTE to CDOT should be allocated by the TC to the region and/or program from which the funds originated. The highest priorities for toll revenues are capital construction, financing and related obligations, maintenance, operations, replacement and other named responsibilities to bond holders.

The relationship between tolling and transit ridership, as well as a demographic analysis of toll facility users, will be evaluated as part of the request to include a toll system in the regional transportation plan, as well as in the NEPA analysis. This information will aid decision-makers in their actions regarding tolling and financing.

CTE recognizes that TPR/MPOs have the responsibility to propose projects that match the long-range vision for transportation within the region. Conversely the TPR/MPO and sponsoring agency have the responsibility to solicit formal comments from CTE on proposed projects, including, but not limited to, parallel access controlled freeways, that may compete with current and proposed toll facilities, or otherwise affect the ability of CTE to meet its obligations. The CTE has the responsibility to respond to requests for comment from a TPR/MPO in a timely fashion. The CTE has the responsibility to provide guidance that the TPR/MPOs should use to determine what could constitute a competing project.

Assumptions Used By Market in the Financial Feasibility/Market Analysis

The TPR/MPOs recognize that CTE has the responsibility to propose tolling projects that are financially attractive to the markets and consistent with agreements and commitments made through the RTP, NEPA and financing agreements. If the financial markets do not support a proposal by CTE, the planning partners commit to re-evaluate the project scope and feasibility to determine if the project can be modified to be financially viable. If modified, the necessary changes will be processed as appropriate through the RTP, NEPA document and financial agreements.

Follow-up

The Committee recommendations were provided to the TC and CTE Board in this report with the comments from the STAC, for their review and consideration, according to the following process.

Presentation to State Transportation Advisory Committee (STAC): This Committee report was provided to the STAC for review so that the TC and the CTE can consider the STAC comments when evaluating the recommendations of The Committee. The STAC, which consists of representatives from each of the fifteen

regional transportation planning commissions, has the statutory responsibility to advise the CDOT on planning related issues.

TC/CTE Workshops: The TC and the CTE considered these recommendations, STAC comments, and provided an opportunity for public comment in a workshop setting at their August and October 2005 meetings.

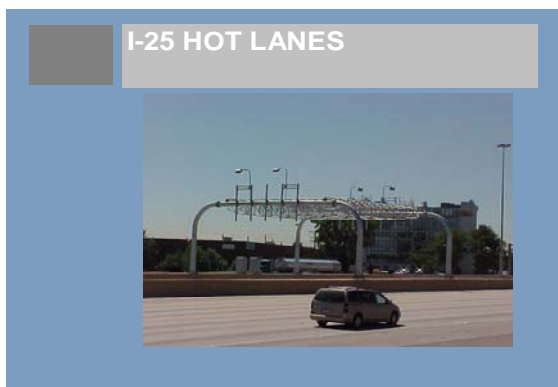
MPO/TPR Discussion: Each affected MPO/TPR discussed with its board and/or advisory committees the recommendations included in this report through its individual decision making procedures.

Toll Projects

There are a number of projects that are undergoing analysis for the possibility of tolling and will proceed under the process described in the previous section. One project has been implemented by the CTE and has been in operation since June 2006. These are described below.

I-25 HOV/Express Toll Lanes

The conversion of HOV lanes to High Occupancy Toll (HOT) lanes involved a partnership with the Colorado Department of Transportation, the City and County of Denver, and the Regional Transportation District and was approved by FHWA and FTA. Single occupant vehicles would be allowed to use the High Occupancy Vehicle (HOV) lanes for a fee, depending on the time of day. The limits of the project are generally from Denver Union Station, to US36, in the barrier separated Bus/HOV lanes on I-25. Buses and carpools continue to travel as they do currently, but single occupancy drivers could choose to pay a toll to drive in the lane. The prices vary, based on peak demand in the corridor, i.e., as congestion increases, the price to travel in those lanes becomes a premium. Solo drivers still have the option of traveling in the general purpose lanes for no charge, but now they have a choice if they need a faster, more reliable trip. However, they will only be allowed to access the lanes if they have an Express Toll electronic toll collection transponder which has already been available for E-470 and NW Parkway customers.



The Colorado Tolling Enterprise operates the facility and has negotiated with E-470 to provide electronic toll collection services, and technology backup. Colorado drivers who drive E-470, NW Parkway, or the I-25 HOT lanes will only receive one invoice and will only be required to have one transponder. Buses on the corridor and carpools will



continue to have priority, but those solo drivers who choose to pay a toll, will now provide some revenue to offset the operations and maintenance of the facility.

The lanes opened June 2, 2006. Preliminary forecasts of traffic and revenue have been greatly exceeded. Conservative forecasts with a ramp up period were for monthly revenues of about \$80,000 per month by the 12th month of operations. These were exceeded in the third month.

Potential Toll Corridors

CDOT has initiated a number of environmental studies that include toll lanes, toll roads or tolled tunnels as alternatives to be considered. These include:

- US 36
- I-70 East
- C-470
- NW Corridor
- I-70 Mountain
- I-25 North

Other corridors under consideration, but without formal Environmental studies underway include the Colorado Springs Toll Road, I-225, and I-270.



The Division of Accounting and Finance

Chief Financial Officer Heather Copp

Chief Financial Officer Heather Copp - *Ms. Copp returned to CDOT as the Division Director in December of 2005. She started her career at CDOT in 1990. In 1997, Ms. Copp became the Director of the Office of Financial Management and Budget and held that position until she left in 2002. Between 2002 and 2005, Ms. Copp worked as the CFO for the Roaring Fork Transportation Authority and CFO for the Southern California Association of Governments. Ms. Copp has a Bachelor of Science degree in Accounting from Metropolitan State College of Denver.*

The CFO is responsible for the overall financial management and accounting functions of CDOT. Information developed by this Office is utilized by management, the Transportation Commission, the Governor's Office, the Office of State Planning and Budgeting, the Joint Budget Committee, the Legislative Council, legislative committees, FHWA, the Federal Transit Administration, local governments, and the general public.

Office of Financial Management and Budget – vacant. The Office forecasts revenue, develops the Statewide Transportation Improvement Program, develops budgetary procedures and forms, prepares the budget for all CDOT organizations, manages CDOT's TRANs bonding program, manages consultants for specialized financial services, programs federal aid projects, analyzes pending legislation for potential fiscal impacts on CDOT, prepares fiscal notes for the Legislative Council.

Accounting – Cheryl Traff, Controller. This office prepares the annual financial statements, and performs the accounting functions such as accounts payable, accounts receivable, general ledger, and treasury and manages CDOT's TRANs bonding program.

Resource Allocation – Resource Allocation is a process by which revenue estimates are used to distribute expected funding by CDOT investment categories and programs. Resource allocation aligns 26-28 year revenue forecasts with the CDOT investment categories of Safety, System Quality, Mobility, and Program Delivery. Revenue forecasts are updated every year, but resource allocation is done every three years. CDOT is currently updating resource allocation and is holding meetings with our planning partners to determine priorities and allocation of resources. This process is expected to be completed in December 2006.

Statewide Transportation Improvement Plan (STIP) - The STIP is required by 23 CFR Section 450.216. It is a planning document that consists of projects that are planned to be accomplished in the next 6 years. These projects are developed in consultation and cooperation with the state's 15 Transportation Planning Regions and must be in the long range plan to be considered. Actual budgeting and completion of projects is dependent on actual available revenues in any given year. The FY 2007-2009 STIP was adopted by the Transportation Commission in May of 2006.



Budget Process. CDOT's annual budget is developed through CDOT's Division of Accounting and Finance, which is also responsible for submitting the budget to the appropriate budget authority. The majority of CDOT's budget (approximately 96%) is appropriated pursuant to statutory continuing appropriation from the General Assembly and is subject to annual approval and allocation by the Transportation Commission.

Resource Allocation and the STIP are the basis for the annual budget. This portion of the budget that is subject to continuing appropriation includes budgeting for operations, construction, and maintenance activities. The operations budget includes planning and research, special allocations for training, DBE certification, intelligent transportation systems, vehicle lease payments, workers' compensation insurance, equipment, property, underground storage tanks, and other miscellaneous operations. The construction program includes allocations for the following: debt service, Strategic Corridor Projects surface treatment, bridges, rest areas, safety, enhancements, other regional priorities, and local programs for metro areas, small urban areas, bridges, safety, air quality, and enhancements. Budgets are also established for engineering, right-of-way, utilities, environmental clearances, materials testing, developing design standards, construction management, and other project related costs. However, these costs are allocated to projects either directly or indirectly and funded as part of the various construction programs.

The remaining portion of CDOT's budget (less than 4%) is appropriated annually by the State General Assembly. This appropriated portion of the budget includes the budgets for administration, gaming, and rail bank activities such as the purchase of the NA Towner Rail Line in Southern Colorado. The budget for administration, as defined by State statute, includes the salaries and expenses of the offices and staff of the Transportation Commission, the Executive Director, the Chief Engineer, regional directors, budget, internal audit, public information, equal employment, special activities, accounting, administrative services, building operations, management systems, personnel, procurement, insurance, legal, and central data processing. State statutes limit administrative spending for these items to 5% of the total budget allocation plan for CDOT.

State statutes also limit the number of full-time equivalent employees of CDOT to 3,316. State statutes provide that appropriations made by the General Assembly to CDOT for administrative expenditures are to be set forth in a single line item as a total sum, without identification by project, program, or district.

Revenues – CDOT's budget consists mainly of funds from the Federal Highway User's Trust Fund and the State Highway User's Tax Fund. For FY 2007, federal funds constituted 43% of the budget, State HUTF 46%, and other miscellaneous funds 11%. CDOT is also eligible to receive state general fund revenues in the form of S.B. 97-01 and H.B. 02-1310 when they are available.

S.B. 97-01 provided that under certain conditions, 10.34% of the state sales and use tax attributable to the sales and use of vehicles and vehicle related items would go towards the Strategic Transportation Project Investment Program. Ten percent of any S.B. 97-01 funds received must be used for transit purposes. Due to the state's deteriorating financial condition between FY 2002 and FY 2006, CDOT didn't receive any S.B. 97-01 funds. CDOT received \$218 million in FY 2006 and is projected to receive approximately \$135 million in FY 2007.



H.B. 02-1310 provided that general fund surpluses less the 4% reserve and less any revenues in excess of the constitutional limitation are to allocated 2/3 to CDOT and 1/3 to the state's capital construction fund. CDOT has received approximately \$150 million between FY 2004 and FY 2006 and CDOT is projected to receive \$226 million in FY 2007. Because of the uncertainty in both S.B. 97-01 and H.B. 02-1310 funds they have not been included in the FTY 2007 budget figures at this time.

Bonding Authority - In November of 1999, Governor Owens proposed and the electorate approved a referred ballot measure that authorized CDOT to issue Transportation Revenue Anticipation Notes to advance the construction of 28 Strategic Corridors, otherwise known as the "7th Pot." This ability enabled CDOT to considerably reduce the anticipated time to complete many of these projects and also allowed for considerable savings in inflationary construction costs over time. To date, the total bonding capacity has been issued under the limit that repayment of principal and interest cannot exceed \$2.3 billion. All TRANS are budgeted and are under contract or fully expended. Debt service of approximately \$168 million annually is expected to be fully repaid in FY 2017. See "Future Challenges" for further explanation of strategic projects.

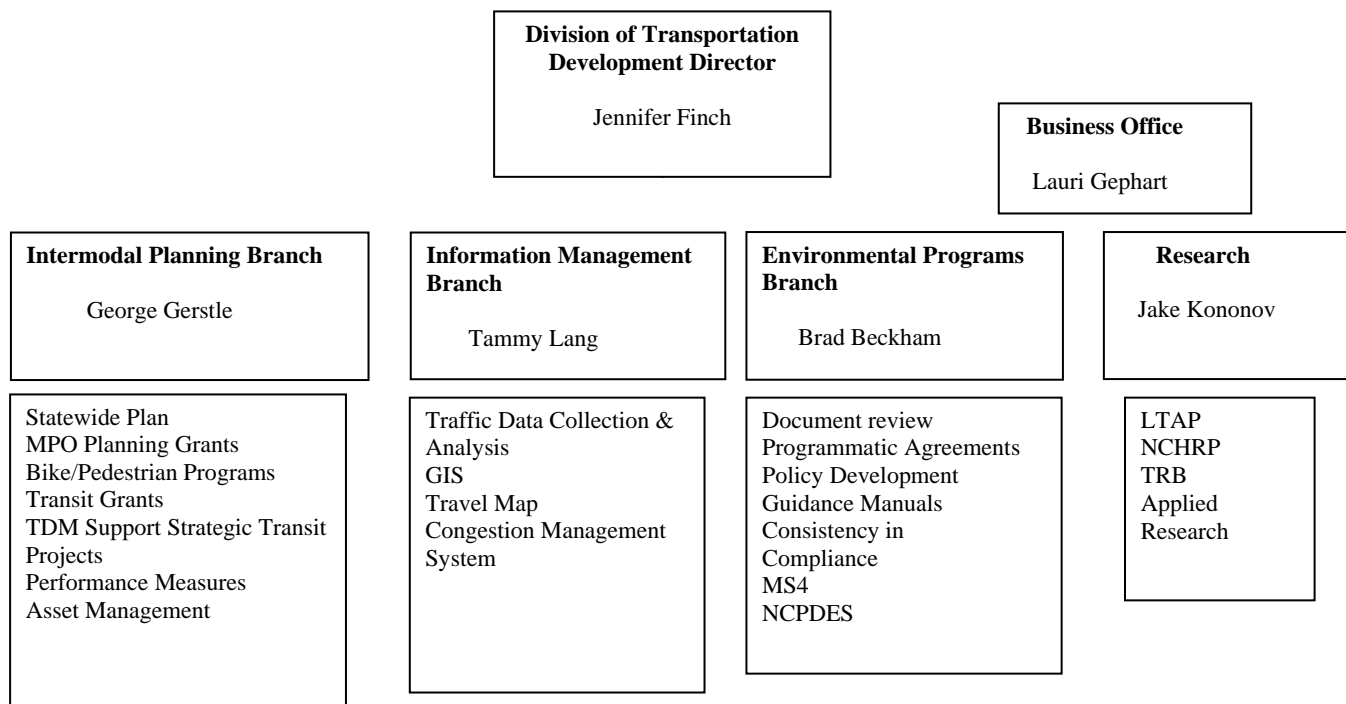


Division of Transportation Development

Director Jennifer Finch

Division Director Jennifer Finch - *Ms. Finch has been the Division Director for the past 11 years. Her career at CDOT began in 1977 and she has worked in the materials lab, Region 1 and Region 6 in positions as an Engineering Aide, Regional Environmental Specialist, Regional Planner, and Regional Environmental Planning Manager. She graduated from the University of Colorado at Boulder with a Bachelor of Environmental Design in 1975. Prior to joining CDOT, she spent a year as a VISTA Volunteer, for the Community Design Center in Denver.*

The Division of Transportation Development (DTD) is established under State statute and is organized into 4 major organizational branches with key responsibilities including: long range planning, transit, planning and grant administration, environmental policy, project review, and consistency in compliance, management of key transportation data, geographical information systems, and research. The Division Director is appointed by the Executive Director and has direct control and management of the Division. The Division has 98 employees and has a budget of \$30.6 million in FY O7 including \$ 16.2 million in pass through grant funds.



Key Responsibilities of the Division of Transportation Development:

Statewide Transportation Plan - Facilitate development of policies, investment strategies, Regional Plan preparation, and prepare final Statewide Transportation Plan documents. Federal



and State law requires CDOT to prepare a long range transportation plan that delineates both anticipated revenues and transportation priorities over a minimum of a 20 year period. The Transportation Commission adopts the final statewide transportation plan, which integrates local and statewide transportation priorities. These long range plans are updated every four years with the input from 15 transportation planning regions statewide. The most recent Long Range Plan is the “2030 Plan” and CDOT is in the process of updating that plan now. Each Transportation planning region has a Regional Planning Commission made up of local decision-makers. DTD assists the locals in the development of the regional plans. Each transportation planning region develops a regional plan reflecting local priorities and values. Each regional plan is submitted to DTD for integration into the statewide plan. Key to this process is building consensus with the Statewide Transportation Advisory Committee (STAC) which is comprised of one representative from each of the transportation planning regions.

The 2030 Statewide Transportation Plan represents the vision that the people of Colorado would like to see for their transportation System. In summary, Coloradans envision a transportation system that is well-maintained, provides for travel choices and allows commerce to thrive. They expect safe, reliable and efficient travel on a system that meets anticipated population growth, supports and expanded economy and respect the natural environment. The corridor visions identified in the Plan integrate local land use decisions, community values and environmental consideration with local and statewide transportation needs. Within each corridor vision, specific improvement strategies are identified that will help achieve that vision. These visions represent an ultimate goal to work toward and are not time-specific, however specific projects must be consistent with the vision in order to proceed to project development and construction.

The primary challenges identified in the 2030 Plan include rapid population growth, especially among those 65 and older, increasing traffic congestion, an aging transportation system, combined with insufficient funding.

Existing revenue and financing scenarios fall far short of being able to implement the vision. For CDOT alone, just sustaining the existing transportation system at current performance levels is expected to cost \$39 Billion more than anticipated revenue through 2030. CDOT has only 40% of the funding it needs to meet public expectations. This short fall in funding creates the dynamic of every Transportation Planning Region feeling they are under funded and that the State should provide additional resources. This is known as the “fair share” dilemma, which is often an explosive issue that is central to many of the Statewide Plan discussions.

The current Transportation Commission policies, expressed through the plan give high priority to:

- Preserving, maintaining and enhancing the existing transportation system
- The need for judicious expansion in response to growth through innovative financing techniques such as opportunities provided by the Colorado Tolling Enterprise
- Recognition that an integrated transportation system includes all modes of transportation
- The need to work with our transportation partners to leverage limited financial resources



Performance Measures and Asset Management – Provide Direction, Collect Data, and Prepare Reports to facilitate investment decisions. The CDOT performance measures and asset management program provide tools to relate the expenditures and work results to the policies, priorities, and goals of the Department as determined by the Transportation Commission. All CDOT funding programs are included in one of the following four (4) major investment categories:

- 1) Safety
- 2) System Quality
- 3) Mobility, and
- 4) Program Delivery

Each investment category has specific performance objectives and associated measures that provide the foundation for discussion on how to best invest available funds.

Each organizational unit in CDOT has responsibilities for collecting and reporting to DTD on performance measures. DTD coordinates the compilation of this information in quarterly and annual reports as a tool to be used in support of transportation investment decisions.

Grant administration– Provide grant oversight, administration, and financial management of federal grant funds for transit, metropolitan planning, scenic byways and Safe Routes to Schools. CDOT receives Federal Transit Administration funds for rural and elderly/disabled transit programs which are distributed to local rural transit operators and for planning projects which are distributed to metropolitan planning organizations and local governments. DTD handles grant administration and oversight of these grants programs. The federal transit program for rural and elderly/disabled services have total funding of \$12.2 million in FY 07 while the federal planning grants for the five metropolitan planning areas and rural areas total \$4.9 million in FY 07. As pass-through grants, CDOT must assure that the intended outcome (purchase of vehicle, completion of study) is successfully completed in compliance with all federal and state regulations, including procurement, training, and drug testing. A new federal Safe Routes to School grant program has just been funded at \$1.2 million in FY 07. The Job Access-Reverse Commute and New Freedoms programs are two new federal transit grant programs with \$2 million in FY 07.

Scenic Byways grants are awarded at the national level to local entities or non-profit groups to define and enhance scenic byways. CDOT administration of this program has won national recognition as an excellent program and is successful in getting several awards every year. FY 2006 grants exceeded \$1.0 million.

Strategic Transit Projects – Support Commission in identification of strategic transit projects and administration of state grants. DTD is developing guidelines to administer this program consistent with state law. Staff support was provided for a special Task Force established by the Transportation Commission to recommend objectives, criteria, and projects for consideration for funding within this program. Once approved, contracts will be initiated and managed by DTD staff. Funding for this program comes from the S.B. 97-01, 10% for transit. Estimated funding for the program is \$66 million over the next 5 years.



Geographical Information Systems - Support for project development and statewide planning (including required State and Federal reports). DTD supports other CDOT efforts and federal reporting requirements such as traffic data, truck weight and volume, physical attributes for project design and planning, the annual Highway User Tax Fund (HUTF) report, and the Highway Performance Monitoring System (HPMS) required by the FHWA. Traffic data, as well as pavement, safety, and planning data are included in a geographical information system format for use by the Department as a whole. Work is continuing to include more information that can be accessed through a geographic interface as opposed to a data base query. A key service is the development of the State Travel Map every other year. Development of GeoMap is a critical component of CDOT's conversion to SAP in order to provide a more user friendly tool to enter and report project information.

Congestion Management System - Develop appropriate tools for use in resource allocation, project selection, and performance evaluation for congested State Highways. Congestion is an ever increasing problem as Colorado continues to grow. Travel time data, traffic volume and truck data, modeling, and analysis of geometric capacity are provided by DTD. This information is required by the Transportation Commission as part of resource allocation trade off discussions to consider current operating condition of the State Highway system and estimate its future condition based upon investment scenarios

Local Technology Transfer – Administration of a federal program. CDOT works with a local university (currently CU Denver) to oversee a training program aimed at local agency staff. This supports the continued development of qualified employees in the maintenance and traffic safety areas.

Research – Develop and execute research projects to enhance CDOT project delivery and maintenance activities. CDOT receives federal funds for transportation research. DTD includes the research section, which administers and conducts the research effort. Research personnel are active members Transportation Research Board (TRB), NCHRP, and AASHTO Standing Committee on Research, representing CDOT at these national initiatives and often leading multi state cooperative research projects. Focus for the program is on research and development with direct application to the planning, design, construction, and operations of CDOT.

Current Research projects underway include: Evaluation of Deicing Chemicals; Superpave; Analysis of bicycle/Roadway Crashes; Work Zone Speed Control; Quality Assurance of MSE Wall compactions; Evaluation of Performance, Cost-effectiveness, & Timing of Preventive Maintenance Activities.

Environmental Programs – Facilitate environmental policy and consistency in implementation and compliance with environmental regulations. DTD is responsible in supporting the Regions to assure compliance with a broad range of state and federal environmental regulations, executive orders, interagency agreements and CDOT policies is an integral part of project development, construction, and maintenance activities of CDOT. These individuals assist in establishing and implementing CDOT policy for environmental issues, conduct scientific investigations, develop mitigation strategies to avoid or minimize harmful environmental

impacts, prepare professional reports and conduct interagency negotiations which result in necessary approvals to complete CDOT activities.



The implementation of the National Pollutant Discharge Elimination System (NPDES) and the Municipal Separate Storm Sewer System regulations were coordinated by DTD staff. NPDES is a federal water quality permit program that applies to all potential dischargers to waters of the US. CDOT is required to comply and impacts most CDOT construction projects. CDOT is currently under a Notice of Violation regarding our MS4 permit (an umbrella permit held by CDOT Headquarters that contains statewide policies and processes to ensure compliance with the Clean Water Act) with the State Department of Public Health and Environment. CDOT is in the process of implementing appropriate storm water management strategies, while increasing awareness of requirements through required training classes to come into compliance with the permit.

Special Projects - DTD also responds to Commission and management needs through special initiatives to define future policy, program and project direction.

Special initiatives and studies are frequently necessary throughout the year to respond to Commission requests, management inquiries, new legislation, and assist regions in getting studies accomplished. DTD is responsible for carrying out a number of these efforts. Special studies currently in progress include:

- ✓ Front Range Freight Rail Relocation Study
- ✓ Role of Transportation Investments and State Economic Vitality
- ✓ Research on Historical Funding and Potential Future Funding Mechanisms
- ✓ CTE Plan Amendment
- ✓ Truck Rest Area Study
- ✓ Environmental Justice Analysis Techniques Evaluation
- ✓ Linking Planning and National Environmental Policy Act requirements
- ✓ Sensitive Areas Inventory Development
- ✓ Environmental Document Guidance Manual
- ✓ Ports to Plains Corridor Improvement Study

DTD Key Near-Term Issues

Completion of Regional and Statewide Plans: These transportation plans express the vision and plan for how the transportation system will develop, document expected revenue, and how that revenue will be used over the next 20 plus years. The recent reauthorization of the federal transportation legislation (SAFETEA-LU) includes additional elements that must be addressed in regional and statewide plans that must be substantially in place by July of 2007.

- *Implications/Consequences:* Failure to update the regional and statewide plans to meet these requirements will have negatively impact CDOT's ability to use federal transportation funds (approximately \$300 -\$400 million annually) to implement projects in Colorado.

Completion of Economic Study: A research effort has been initiated, guided by a steering committee of independent business and government leaders, to generate information about the relationship between investments in transportation infrastructure and services and the ability of the state to sustain a healthy economy. This information will be useful in understanding the broader implications of increasing investment, or failing to invest, in Colorado's transportation system.

Completion of CTE amendment: State and federal law requires that Transportation Planning Regions must approve, and include in the applicable regional transportation plan, any toll facility. As a result, CDOT/CTE has initiated preparation of a proposal to include a system of managed lanes in the DRCOG regional transportation plan. The proposal to amend the regional plan must address a number of criteria and issues that were identified by an Ad Hoc Committee made up of board members of MPO's and TPR's potentially affected by toll lanes. Proposals to implement toll lanes have been controversial, but are viewed as a critical element on the future urban transportation system in light of current revenue forecasts and needs.

- *Implications/Consequences:* Until the DRCOG amends their regional transportation plan to include the toll system or an individual facility, managed toll lanes cannot be implemented.

Completion of Freight Rail Relocation Study – This is a long term plan to ease traffic congestion and improve passenger and freight rail mobility along the Front Range. This project would consolidate certain freight lines and operations, relocate freight terminals and rail yards, construct a freight bypass route to eastern Colorado and remove through-freight trains from the congested Front Range, while still maintaining local freight service. The study is to determine what steps will have to be carried out to form a public/private partnership, to better define and finalize the project scope and costs, to determine how costs should be shared based on both public and private benefits and related factors, to investigate what sources of funding are available, to determine how to finance the project, and to develop strategies for carrying out the necessary environmental strategies.

- *Implications/Consequences:* Failure to create a plan of implementation with the freight railroads to relocate freight rail movements will result in increasing safety, noise, and air quality concerns along the Front Range and may impact the ability to implement passenger rail service.



Implementation of Strategic Transit Program: In September 2006, the Transportation Commission adopted the recommendations of a 12 member Task Force regarding Senate Bill 1, 10% Strategic Transit Funds, to fund 19 transit projects with the goal to increase transit ridership through improving transit connections between communities and to increase access to critical destinations. The next major step is to establish an efficient and effective administrative structure for the program to execute and manage contracts.

- *Implications/Consequences:* Failure to implement and administer this program will result in an estimated \$60 million in transit projects over the next five years not being implemented.

Growth in Federal Transit Programs: SAFETEA-LU significantly increased rural, elderly and disabled, and small urban transit funding programs, as well as significantly changing and initiating two other transit programs administered by CDOT. Total transit funding for these programs administered by CDOT increased from \$4.5 million in FY2006 to approximately \$10.2 million this fiscal year. This increase in funding, and the creation of new programs (New Freedoms and Jobs Access/Reverse Commute) will require development of new rules, as well as a significant increase in the number of new grants requiring administrative oversight.

- *Implications/Consequences:* Failure to implement and administer this program will result in an estimated \$5-6 million/year in transit projects and operating assistance not being implemented, resulting in a severe impact to rural, elderly and disabled and small urban transit systems throughout Colorado.

MS4 Construction Program Implementation Plan Development: CDOT is required to comply with the Construction Storm Water Program under CDOT's MS4 permit. While CDOT obtains the permit, maintenance and compliance is the responsibility of the contractor through an assigned CDOT Certified Erosion Control supervisor. CDOT has been issued a Notice Of Violation (NOV) based upon non-compliance to this permit. To come into compliance, CDOT has developed a required training program to increase awareness and share best practices to comply with the permit requirements and is developing an Environmental Management System (EMS) to assure that we avoid future violations.

- *Implications/Consequences:* Failure to implement the training and EMS will result in further violations on construction projects, contributing to water pollution of Colorado's streams and potential levying of fines by the Colorado Department of Public Health and Environment.



Division of Aeronautics

Director Travis Vallin

Director Travis Vallin – *Mr. Vallin has been the Director since 1998. He began his career with CDOT in 1991 as an Airport Safety Inspector. He also served as a Senior Aviation Planner in the Division of Aeronautics where he was in charge of the FAA's capital improvement program, statewide Aviation Systems Plan and joint use Aircraft Rescue and Firefighting training facility at Peterson Air Force Base in Colorado Springs. Mr. Vallin has a Bachelor of Science degree in Airway Science Management from the University of Nebraska and a Masters Degree in Aviation Business Administration from Embry-Riddle Aeronautical University. Mr. Vallin is a licensed Private Pilot, an FAA certified airport safety inspector and FAA certified aircraft rescue fire fighter. He was recently elected the 2006/2007 Chairman of the National Association of State Aviation Officials (NASAO) which provides input to Congress and FAA on aviation issues that impact State DOTs.*

The CDOT Aeronautics Division is responsible for the promotion and development of the Colorado Aviation System which includes 77 public use airports of which 15 offer Commercial Air Service. The primary services delivered by the Aeronautics Division are the funding and coordination of FAA of State funds for airport construction.

FAA funding for the State of Colorado averages \$80M per year and State funds derived from state aviation fuel taxes generate approximately \$20M. State aviation fuel taxes are generated by a 2.9% sales tax rate on the retail cost of the fuel. This fuel tax structure has served the State of Colorado well as it generates more revenue to maintain and improve the airport infrastructure when fuel prices increase. Of the fuel taxes collected, 65% are refunded directly back to the local government sponsor of the airport and 35% is used for discretionary grants.

The Aeronautics Division administers the rules and regulations for the Colorado Discretionary Grant Program which provides grants to airports through the Colorado Aviation Fuel Tax. The grants are used to maintain, develop and increase safety to airports and the Colorado aviation system.

The Division also works with local governments to implement compatible land use, conduct airport safety inspections and coordinate local, regional and statewide aviation planning activities on issues from airport development to enhanced air service for communities throughout the State. The numbers of passengers utilizing Colorado Commercial Service Airports has increased 20% over the past six years and the growth projections forecast this trend to continue.

CDOT completed a study called the Economic Impact of Colorado Airports which identified that airports contribute over \$23 Billion Dollars annually to the Colorado economy. This proves that aviation is much more than just a mode of transportation but a significant economic engine that drives business, recreation and jobs on a local, regional and statewide level.



Division of Audit

Director Casey Tighe

Audit Director, Casey Tighe: *Mr. Tighe has worked in the Audit Division for eighteen years, and he has been the Audit Director for the last eight years. Mr. Tighe has a Bachelor's Degree in Journalism from the University of Colorado, and a law degree from Creighton University. He had a private law practice in Arvada prior to joining CDOT.*

The CDOT Audit Division provides the Transportation Commission and Department management an independent assessment of CDOT operations. The division reports to, and is supervised by, the Audit Review Committee of the Transportation Commission. (43-1-106 [12] C.R.S) However, the Commission has delegated administrative supervision of the Audit Director to the CDOT Executive Director. The Audit Division is comprised of two organizational branches responsible for both external and internal audits:

External Audit Branch is responsible for auditing payments made by CDOT to vendors, contractors, consultants and government entities.

Internal Audit Branch conducts performance and compliance audits of CDOT operations.

External audits are typically conducted to ensure that payments made by CDOT are in compliance with federal and state laws, regulations and contract terms. Because of the large volume of payments made by CDOT, it is impractical to audit every payment. Specific audits are selected based upon a risk analysis. Each year the auditors work with department management, the Federal Highway Administration and the commission to analyze the different types of payments and develop a workplan for external audits.

The audit reports vary based upon the type of contract and purpose of the audit. Payments for professional engineering services are often audited because the contracts are awarded based upon qualifications and the costs are negotiated. Large construction claims are also audited because there is a dispute over the costs. Any large and complex contract is also likely to be audited.

Because of the size and complexity of department operations, internal audits are also selected based upon a risk assessment. The auditors work with management and the commission to evaluate risks associated with various CDOT operations. Specific audits are selected based upon the risk assessment. The topic of a performance audit can vary from an audit of the accuracy of employee leave balances to an audit of CDOT network security.

The Division also provides other various services to assist CDOT management, including:

1. Tracking the implementation of all audit recommendations, including recommendations from the Office of the State Auditor and other outside auditors.
2. Providing technical assistance to the consultant audit group which is assigned to the Office of the Chief Engineer.



3. Serving as the Administrative Procedures Officer at CDOT rulemaking hearings.

The Audit Division consists of 11 full time equivalent (FTE) positions. Some of the certifications and educational backgrounds of the staff include 5 CPA 's, one MBA, one attorney and an information technology professional.



Attorney General's Office

Harry Morrow, Chief Transportation Counsel

First Assistant Attorney General Harry Morrow - *Mr. Morrow has been the First Assistant Attorney General/Chief Transportation Counsel for CDOT for the past 10 years. He began working at the Attorney General's Office representing CDOT in 1988. From 1982 until 1988, Mr. Morrow practiced law with a private firm in Denver. He graduated from the University of Illinois in 1976 with a B.A. in Political Science and received his J.D. from the University of Colorado School of Law in 1982.*

The Attorney General's office works for CDOT through the Transportation Unit within the Attorney General's Office and consists of seven (7) attorneys (one part-time for a total of 6.6 FTE attorneys), two (2) legal assistants and one (1) administrative assistant. This group works exclusively on CDOT legal issues and serves as a full service law firm to CDOT providing general counsel to CDOT management as well as representing CDOT in litigation.

A significant amount of time is preventative advice intended to avoid legal disputes. General legal counsel is provided regarding all transportation matters including civil rights, air quality, aviation, safety, and public finance. Transportation attorneys provide the Transportation Commission and executive management at CDOT with advice, representation and assistance with numerous issues including local government disputes, legislative issues and legislation affecting CDOT. In addition, Transportation Unit attorneys review and comment on CDOT Procedural and Policy Directives and are involved in CDOT regulations and rulemaking proceedings. Attorneys from the Transportation Unit also assist with drafting intergovernmental agreements and other non-standard contracts.

All CDOT contracts are reviewed by a Transportation Unit attorney for conformance with state fiscal rules on behalf of the State Controller under an arrangement unique to CDOT. Other state agencies must get contracts reviewed by lawyers who perform State Controller reviews for all other agencies. As a result, CDOT contracts have an average State Controller review turn-around time of 1.6 days versus an average of over 7 days for other state agencies. Transportation Unit attorneys also advise (and, if needed, defend) protests and disputes regarding bidding, procurement and consultant selection. Unit attorneys also review construction contract specifications and, at CDOT's request, attend all construction contract specification meetings.

The majority of time spent by the Transportation Unit of the Attorney General's Office is related to litigation of CDOT issues. Most of the time billed to CDOT (over 70%) is for "project related" work, meaning legal work related to CDOT construction projects that typically receive some level of federal funding.

"Project related" legal work includes the following legal matters:

1. Condemnation litigation arising out of real property acquisitions for transportation projects.
2. Construction claims and construction litigation arising out of transportation projects.



3. Administrative law litigation related to CDOT's regulatory programs (billboard regulation, state highway access regulation, and relocation benefit regulation are among these programs).

The only types of litigation the Transportation Unit does not handle for CDOT are tort defense and employment disputes that are referred to other specialty Units within the Attorney General's Office. Transportation Unit attorneys routinely provide advice on construction contract disputes and defend these claims if they cannot be resolved at the project level. The Transportation Unit also provides advice regarding environmental compliance, negotiates settlements of environmental matters and, when necessary, defends lawsuits challenging environmental documents.



Division of Human Resources & Administration

Director Celina Benavidez

Division Director Celina Benavidez – *Ms. Benavidez has served as the Division Director since 1995. Ms. Benavidez has 27 years experience with CDOT beginning in 1979. She has also served two terms as a Colorado State Representative from 1990 to 1994. Ms. Benavidez has a Business Degree from the University of Albuquerque and is a graduate of the Senior Executive Program at Harvard's John F. Kennedy School of Government.*

The Division of Human Resources and Administration (DoHRA) provides services in the areas of administrative services, equal opportunity, facilities management, human resources management and procurement.

Center for Human Resource Management

The Center for Human Resource Management (CHRM) performs multifaceted human resource functions for a workforce of 3200 employees. It consists of four operational units. They are human resources, training, legal services and risk management.

Human Resources provides traditional human resource functions of attracting, retaining and developing a qualified workforce within a highly regulated statutory and administrative framework. It also maintains numerous data bases for executives with detailed information regarding workforce demographics. In FY2006 Human Resources assisted in filling 816 positions using transfers (172), promotions (308), new hires (296), reinstatements (20) and demotions (20) for the following categories of positions:

- . Administrative 32
- . Financial Services 36
- . Labor, Trades and Crafts 485
- . Physical Sciences and Engineering 148
- . Professional Services 115

Training provides and administers a wide variety of training courses for employees. The courses consist of technical information and classes designed to improve production and relationships between employees. They also provide organizational development services to assist the Department in planning for long term resource allocations of the workforce.

Legal services provide guidance and advice to managers to assist them in managing their employees. This includes providing strategies to managers to minimize legal liability in personnel matters. This team also insures that the Department is in compliance of a myriad of federal and state laws. It also provides litigation support for the Attorney General's Office.



Risk Management administers the Department's Workers Compensation program, loss mitigation programs, and Wellness program. It has been instrumental in providing loss control (insurance) support to the TREX project. This was accomplished by working with private sector partners in developing innovative insurance programs to minimize loss and administrative costs.

Center for Equal Opportunity

The Center works to ensure equal opportunity and access for all CDOT employees, job applicants, and the public. Through the US Department of Transportation's Disadvantaged Business Enterprise (DBE) program as well as the Transportation Commission's supported Emerging Small Business (ESB) program, the EO Center has increased opportunities to participate in and build capacity on our projects for small, minority and woman-owned businesses to do business with CDOT and its prime contractors and consultants. In addition, in small rural areas of the state, the Center for EO has capitalized on the secondary economic benefits of highway construction projects by recognizing that multi-million dollar projects bring an influx of money to communities and local businesses.

Services provided by the Center for Equal Opportunity include:

- Promote and maintain qualified and diverse CDOT and contractor workforce.
- Promote and provide equal access to Transportation Improvements, Maintenance and Systems for all Colorado citizens.
- Promote and maintain equal opportunity for underutilized highway construction contractors and consultants.
- Over \$17 million in highway contracting dollars have been committed to small/disadvantaged firms in Federal Fiscal Year 2007

Center for Procurement and Contract Services

The Center for Procurement and Contract Service's mission is to provide CDOT personnel with the procurement and contracts necessary for obtaining needed goods and services. The ERP system will make major improvements in contract activities and allow the Center to have access to procurement information that will assist our procurement personnel to better forecast demand and to take this information to the market to obtain better pricing and delivery schedules. Key achievements for the Center include:

- The purchasing and contracting volume for Fiscal Year 05 exceeded \$100 million
- Timely and accurate acquisitions of goods and services/commodities
- Maintains 100 price agreements that supply continued stock in seven storerooms statewide
- On an annual basis, the Center for Procurement processes more than 2,200 purchase orders and 300 contracts



Center for Administrative Services

The Center for Administrative Services works to provide an innovative and responsive support system for CDOT and its customers, as witnessed by their customer designation as the highest rated Center in the Department this year in customer satisfaction, as well as providing a productive and safe physical environment, and secure and accessible forms and records. This includes:

- Over the past 3 years, the Print Shop's discount pricing saved the Department \$3.5 million in hard printing costs as well as staff time with one-stop service and faster completion time than could be achieved with outside vendors. The Print Shop produces more than 2 million copies per month on its' high speed machines and hundreds of thousands more on its' traditional presses. These savings add resources to the Department's programs.
- The Bid Plans unit provides services and sells its products to an increasing customer base and a growing construction program. In the past fiscal year, Bid Plans sales averaged \$1,000 per day. These dollars are contributed back to the Department's construction program.
- Central Files is the central repository for Department records. This section has expanded storage capacity and has worked closely with the T-REX project to plan for the retention of their extensive records, which T-REX keeps both on paper and in their Electronic Document Management System.

Facilities Management

Handles all of the day-to-day requirements of supporting more than 700 professional employees located at the CDOT Headquarters complex in a productive and safe physical environment. The Headquarters Complex is located on more than 13 acres with more than 190,000 gross square feet of building improvements. Facilities Management provides repair, maintenance, custodial services, office and work station renovations, construction projects, bid and administration, security, mechanical systems repair and maintenance, event planning and staffing.



Office of Government Relations

Director Jennifer Webster

Director Jennifer Webster - *Ms. Webster was named Director in 2000. As Director, Ms. Webster also serves as the federal liaison for CDOT and is responsible for outreach efforts with Members of Congress. In 2001, she was also appointed as Secretary to the Colorado Transportation Commission. Ms. Webster joined the Department in 1995 and worked as CDOT's State Legislative Liaison, representing the Department before the State Legislature. Prior to joining CDOT, Ms. Webster spent several years in Washington, D.C. working for a lobbying firm whose primary focus was on transportation issues before Congress. She also spent two years on Capitol Hill as a legislative aide. Ms. Webster holds a Bachelor's Degree in English from the University of Michigan.*

All political liaison activities are coordinated through CDOT's Office of Government Relations. This office is responsible for outreach efforts on behalf of the Transportation Commission and CDOT with elected officials at the Congressional, State Legislative, and Local Government levels.

Specifically, this Office provides strategic and analytical support to the Transportation Commission, and CDOT's Executive Management Team in both transportation policy development and governmental relations issues. The Office also serves as a critical resource to federal, state and local elected officials and other external partners of CDOT in terms of their ability to understand complex transportation planning and engineering practices so that they can affect positive change at a policy level.

The Office of Government Relations is also responsible for maintaining and updating CDOT's internal Policy and Procedural Directive Program. These policies and procedures are a reference for CDOT employees in a multitude of areas ranging from personnel related issues to contract engineering issues. The Transportation Commission is responsible for approval of all internal/external EMT Policy Directives.

Federal Government Liaison Activities

The Federal Government Liaison within CDOT's Office of Government Relations is responsible for outreach efforts with Members of Congress as well as representatives of federal government agencies on behalf of the Transportation Commission and the Department.



State Legislative Liaison Activities

Similarly, the State Legislative Liaison within CDOT's Office of Government Relations is responsible for outreach efforts with members of Colorado's General Assembly on behalf of the Transportation Commission and the Department. The Legislative Liaison is responsible for the development and advancement of CDOT's annual legislative agenda and serves as CDOT's representative in the State Capitol during each legislative session. The legislative agenda is developed with the input of CDOT's Executive Management Team and approval of the Transportation Commission – in close coordination with the Governor's Office. The Legislative Liaison advises the Commission and Executive Management Team on pending issues before the state legislature and provides strategic and analytical support to identify potential impacts to the Department.

Local Government Liaison Activities

The Local Government Liaison positions within CDOT's Office of Government Relations were newly created in 2001. These positions were created primarily in an effort to enhance the Commission and CDOT's existing relationship with local governments and to improve communications with those entities. This was due, in part, to the fact that the local governments are one of CDOT's more active and vocal constituencies because the transportation planning process is a locally driven, grass-roots effort. It was also due to the fact that the impacts of transportation issues and projects are often greatest felt at the local level. These positions provide strategic and analytical support from a policy perspective to the Commission and the Executive Management Team on transportation issues of concern to local governments. These positions also help to communicate to local governments the issues being considered by the Transportation Commission and how those may impact individual local communities.

Federal and State Legislative Issues

The CDOT Office of Government Relations is already gearing up for the next authorization efforts by Congress on surface transportation by participating in several national efforts to delineate policy positions along with other states. Most notably among those efforts are partnerships with other state Departments of Transportation through the American Association of State Highway and Transportation Officials (AASHTO) and the Western Governors Association. These efforts are more critical now than ever before because the federal HTF is predicted to become insolvent prior to the end of the SAFETEA-LU Act.

Federal Surface Transportation Authorization Legislation: Congress must give permission for federal funds to be expended from the Federal Highway Trust Fund (HTF); transportation authorization is the means by which this permission is granted. Each transportation authorization bill establishes transportation policy, defines programs, outlines areas of emphasis for spending, and authorizes funding levels for the individual states. Transportation authorization legislation covers multiple years because transportation projects take a great deal of time from planning through construction. The Safe, Accountable, Flexible, Efficient Transportation Equity Act: a Legacy for Users, "SAFETEA-LU", is the most recent example of a surface transportation authorization measure approved by Congress. This bill was signed by President Bush in August 2005 and is slated to expire in October 2009.



Annual Federal Appropriations Legislation: The annual federal appropriations legislation places yearly limits on the amount of funds that can be spent within the multiple-transportation authorization legislation. In addition to funding authorized programs on a year-by-year basis, appropriation legislation utilizing HTF usually provides the opportunity for a certain number of specific projects, or “earmarks” to be selected by Congress. The CDOT Office of Government Relations works closely with the Colorado Congressional delegation and transportation stakeholders in Colorado to coordinate those federal earmark requests to ensure to the extent practicable that any earmarks secured are consistent with the statewide transportation planning process. This practice continues to be a challenge as transportation funding as a whole continues to decrease and the pressures increase to fund projects outside of the transportation planning process. Because the federal HTF has not increased significantly in the last several years, an increase in the tendency towards earmarking creates a greater potential for earmarks to come out of states’ formula funds – thereby impacting other transportation projects in the plan.

2007 State Legislative Agenda: CDOT expects to take on two key legislative items in 2007. CDOT hopes to modify the department's statutory full time employee (FTE) cap so the Transportation Commission may continue to make appropriate fiscal decisions for the department. Unlike other state agencies, increasing the number of CDOT employees does not strain the state's General Fund. The funding for additional FTE comes from CDOT's existing budget. An increase is warranted due to increased maintenance needs, as well as state and federal statutory mandates, and maintaining a proper balance between CDOT internal engineers and project managers versus hiring outside consultants.

In addition to the FTE issue, CDOT is seeking a clarification on the allowed uses of capital construction funds provided to CDOT. CDOT hopes to provide capital construction funds for a top aviation priority this year. Matching funds must be identified for a federal grant for Colorado Mountain Radar, which will benefit Colorado's mountain airports. Either a specific change in the capital construction statutes, or perhaps a clarifying change in the next Supplemental Appropriations bill is necessary.

In addition, CDOT will continue to work making our highways safer. Passage of Primary Seat Belt legislation in Colorado would not only make our highways safer and save lives, but provide an infusion of \$12 million federal incentive funds to CDOT.



Office of Public Information

Director Stacey Stegman

Director Stacey Stegman - *Ms. Stegman was named Director in 2002. She joined the Department in 1994 working as a public information specialist at the Traffic Operations Center where she was responsible for coordinating communications during crises and other transportation-related incidents. She transferred to the Public Relations Office in 1996 where she managed public and media relations for CDOT's southern region and the Denver metro region. Ms. Stegman, who holds a B.A. in Communications from the University of Colorado at Denver, has been in the communications and public relations fields for more than 15 years and has worked at numerous radio stations both as an on-air personality and in promotions, prior to joining CDOT.*

Media, public and employee communications are coordinated through CDOT's Public Relations/Information Office. The office is responsible for responding to hundreds of media contacts every week, including the distribution of news releases and advisories, reporter inquiries, construction/maintenance reports, guest editorials and a number of other written and electronic publications and communications pieces.

In addition, the office assists CDOT's branches and six regions and the Colorado Tolling Enterprise with media and public relations efforts. Services include news releases, construction/maintenance advisories and publications, advertising and campaign development and placement and assistance with controversial issues and communications during crises or emergencies.

The office advises and supports the Transportation Commission and Colorado Tolling Enterprise Board, and Executive Management Team in formulating appropriate responses and positions for various issues, especially those that are controversial or sensitive.

The Public Relations Office is comprised of these positions:

- 2 FTE – regional public information specialists
- 2 PTE - regional public information specialists
- 1 FTE - employee communications
- 1 FTE - citizen advocate
- 2 FTE - safety education and information
- 1 FTE - clerical
- 1 FTE - director

Services provided by the Public Relations Office include:

Project Information: On a daily basis, the office coordinates with CDOT staff, contractors and consulting firms statewide to assure that necessary information is provided via a multitude of communication sources to the public during all phases of a



project, from planning to design to construction to completion. The office produces daily and weekly reports of construction and maintenance activities among other targeted communications efforts.

Media Relations: Traditionally, government agencies and the news media share adversarial relationships due to the role of media acting as public watchdogs. However, CDOT has enjoyed a long-standing, positive relationship with media across the state. This is a relationship that must be nurtured. Media is a vital link to the public. It's the Department's policy to be cooperative, honest and responsive to media while respecting their jobs and their deadlines. CDOT is a trustworthy, open and productive agency and the PRO's job is to represent the Department as such. Cultivating relationships with media and continual education provides key opportunities to promote the Department's successes.

A significant amount of the workload in the Public Relations Office involves media relations. The office handles media inquiries and responses, 24 hours-a-day, from newspapers, radio and television stations statewide and nationally. The office also conducts bi-annual briefings with transportation writers and reporters in Denver and Colorado Springs, coordinates media tours for high visibility projects and provides media training for key CDOT personnel. The office writes feature stories, guest editorials and other opinion pieces as appropriate.

CDOT Web Site: The Public Relations Office is responsible for managing the content on the web site and for developing and approving new information. The office reviews and approves all information placed on the site by other CDOT divisions, regions and branches. (Technical support for the web site is provided by Information Systems.) In addition, the Public Relations Office is responsible for responding to all public email inquiries received from the site. <http://www.dot.state.co.us>

Publications/Video/Audio Production: The office writes and designs a number of publications including newsletters, newspaper inserts, brochures, documents for special events and CDOT's annual report and fact book. The annual report and fact book provide a comprehensive overview of CDOT activities, revenue and accomplishments and are used extensively by legislators, city and county officials, chambers of commerce and councils of government. The office also produces a variety of audio and video public service announcements, training and technical videos and video news releases.

Special Events: Special events (such as ground breakings and ribbon cuttings) are organized by the Public Relations Office in coordination with appropriate staff, elected officials and the Government Relations Office. The PRO writes speaking points for elected officials, Commissioners and CDOT Management as appropriate.

Public Outreach: For projects that are in the planning and/or design stages, the office coordinates and approves public involvement efforts, working closely with region staff and consulting firms. This effort also involves major community and business outreach during construction to ensure open communication regarding impacts.



Employee Communications: The Public Relations Office manages the Department's internal communications with the 3,000 employees statewide. Monthly and quarterly publications provide direct communication between all employees and the Executive Director and highlight upcoming events, retirements and accomplishments. Additionally, the office is responsible for compiling the weekly public announcements sent electronically every Monday morning.

Crisis Management: In the event of a crisis or emergency, the Public Relations Office is responsible for all communications with the public and for coordinating communications with other state agencies, elected officials, including the Governor's Office and local governments. The Office responds 24 hours a day, seven days a week to these events to handle on-scene media and provide accurate and timely information to the public.

Citizen/Governor's Advocate: The office helps the public by investigating and resolving complaints. Monthly management reports are produced to help CDOT management identify problem areas and concerns. This position also assists the Executive Director's office and Transportation Commission with correspondence, especially if complaint-related.

Safety Education: CDOT is very active in encouraging highway safety, especially as it relates to preventing drinking and driving and promoting the use of child safety seats and seat belts. The Department's safety campaigns are developed, planned and executed by the Public Relations Office in cooperation with the Traffic and Safety Engineering Branch. Currently the PRO manages major statewide safety campaigns for DUI, seatbelts, teen driving, child safety seats, work zones and motorcycles. The Governor is the lead spokesman for many of the state's safety campaigns.

Transportation Commission Support: The Public Relations Office assists with Commission communications by writing news releases about Commission decisions and activities as well as letters to the editor or any other appropriate written correspondence. The Public Relations Office also assists the Commission with formulating responses to media inquiries.



Office of Information Technology (IT)

Chief Information Officer Doug Lang

IT Director Doug Lang - *Mr. Lang has been the Chief Information Officer for 4 years and has been with the Department for 24 years. Prior to becoming CIO, Mr. Lang held positions in CDOT's Division of Transportation Development managing the Mobility Management, Traffic Analysis and GIS programs.*

The ITO was created in May 2003 to closely align business needs and IT investments. As is commonly the case, IT efforts had been fragmented and were not guided by a formal strategy resulting in a large number of separate systems, all using different technology. In response to this, a strategic plan was adopted, IT was made a separate Office reporting to the Executive Director and an ambitious realignment effort began.

As a result, many of the previous challenges have been resolved. The portfolio of applications and systems has been reduced, IT infrastructure has been standardized and integrated department-wide IT planning is now the norm. As an example, IT worked in cooperation with the Chief Engineer's Division to replace numerous engineering systems with industry standards reducing the effort required to work with consulting partners to create highway construction plans. Adopting industry standard software reduced the level of support needed, provided more flexibility and lowered the cost of consultant generated designs. This project was completed in just over 14 months with minimal disruptions.

Current efforts are primarily focused on completing the replacement of CDOT back-office systems supporting human resource management, financial management, engineering scheduling, procurement and contracting as well as highway maintenance management activities. In all, over 60 different systems are being retired as a result of implementing an ERP system from SAP Corporation. The Departments business processes are also standardized and modernized as a result of this effort. Completing the transition and stabilizing the ERP are the primary goals for the remainder of FY 2007.

IT is currently implementing CDOT with integrated state-of-the-art computer software under the Enterprise Resources Planning (ERP) produced by SAP, an internationally-recognized software vendor. The main goal of the ERP project is to make significant improvements in the timeliness, reliability and user-friendliness of CDOT's business processes. This software will replace 60 different systems into one central system to be used in human resources, project scheduling and management, finance, budget, procurement, and contracting. The new software will enable CDOT to make beneficial changes such as reducing dependence on paper copies; reducing the number of different approval processes; reducing the need to reconcile/balance/verify data from many sources and will eliminate the need to have data entered in multiple places multiple times.

There are 59 FTE assigned to the ITO and an additional 9 FTE are designated from other Divisions and Offices to support the Enterprise Resource Planning (ERP) system under a matrix management arrangement. The Department operates under a decentralized IT model with 4



separate areas of the organization having information technology responsibilities. These groups and their primary areas of focus are:

- **Information Technology Office** – Provides IT Infrastructure, project development and program delivery systems, customer support, database administration and information dissemination, primarily through the internet
- **Division of Transportation Development (DTD)** – Geographic Information Systems (GIS)
- **Division of Staff Services** – Intelligent Transportation Systems (ITS) and Statewide Traffic Operations Center (TOC)
- **Engineering Regions** – Regional ITS; Hanging Lake and Wolf Creek Pass TOC's

Business activities conducted by CDOT also require coordination with external organizations and systems. These include FHWA, FTA, municipal planning organizations (MPO's), the Colorado Department of Personnel and Administration, the state Office of Information Technology (OIT) and numerous contractors.

Organization: ITO is comprised of 5 sections with responsibilities noted below.

Chief Information Officer: Doug Lang

The ITO is represented on the CDOT Executive Management Team (EMT) by the Chief Information Officer (CIO) who also works with the Transportation Committee and as lead staff for the IT/ITS Committee on policy issues. ITO has established a Project Management Office and Business Office to administer IT project and change management processes, as well as to support the efforts of project managers and in some cases, to actively manage major IT projects.

Customer Support Section: Marion Hase-McLellan

The Customer Support Section provides support to users of CDOT systems through a centralized HELP desk, manages and conducts training on standard software tools, establishes and manages accounts used to access CDOT systems in addition to providing electronic messaging (email) services. The Section also has responsibility for internet activities in the Department focusing on content management and associated processes.

Infrastructure Operations Section: Thom Rivera

This section is responsible for providing IT infrastructure and security (i.e. networks, PC's and Servers) in support of engineering activities, maintenance and delivery of other services. The Section manages, configures and maintains all IT infrastructure; adds new circuits to the existing network to connect construction and maintenance sites; replaces, manages and updates PC's; and provides computing and storage capacity for our data warehouse, email, management systems and internet applications.



Program Delivery Section: Andres Kukawka

This Section supports accounting, budgeting, DBE, financial management and human resources systems and related activities by managing and operating the ERP system. The Section also performs enterprise database administration, develops reports and supports the use of business intelligence tools that provide access to CDOT information.

Project Development Section: Mark Schlogel

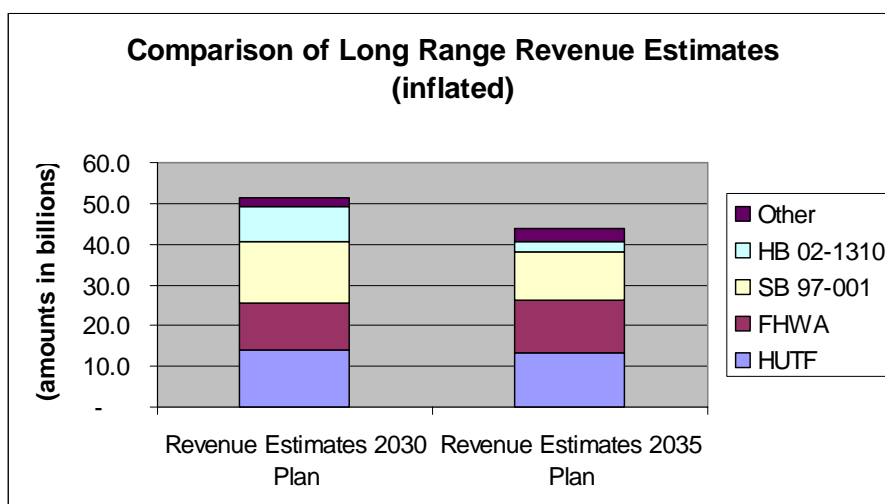
The Project Development Section supports projects and activities devoted to the design, construction and maintenance of the transportation system. This requires administration of software applications, data integration, maintaining and updating CDOT customized software, coordinating and conducting training for CDOT staff and consultants as well as providing users of our systems with engineering support and technical expertise.

ISSUES IN NEED OF IMMEDIATE ATTENTION

Resource Allocation – CDOT is currently updating its long range transportation plan. Each time the long range plan is adopted, the Transportation Commission makes a determination as to how resources will be allocated for planning purposes over that long range time period. This process of “resource allocation” matches projected available financial resources to CDOT’s investment categories. During this resource allocation process, which began in May and will be finalized in December 2006, the following topics are being discussed: revenue forecasts, Congressional earmarking, Transportation Commission goals for various investment categories, funding “tradeoffs” between investment categories, and “fair share” or equity issues.

In order to work through these issues, CDOT has formed both a staff resource allocation committee and policy level resource allocation committee that have been meeting to discuss these issues and make recommendations to the Transportation Commission for consideration. The staff resource allocation committee consists of staff members that volunteered from Transportation Planning Regions and Metropolitan Planning Organization statewide and the policy committee consists of volunteers from these same organizations, but at an elected official’s level.

The resource allocation process promises to be a politically charged discussion given that transportation revenue sources have been dwindling over the last few years and the arguments over fair share have been increasing due to lack of funding. This process has to be completed by December of 2006 in order for CDOT and the Metropolitan Planning Organizations to meet their deadlines for adoption of the 2035 Long Range Transportation Plan, which is a requirement for receiving federal funds.





Designation of a state tolling system - HB 05-1148 stipulates that each toll highway proposed by the Colorado Tolling Enterprise Board must be approved by the metropolitan planning organization or regional planning commission through which the proposed toll facility passes. In submitting a project for adoption into a regional plan, the CTE must provide information for the proposed facility that addresses toll operations, the technology to be utilized, project feasibility, project financing, and other federally required information.

CDOT has initiated preparation of a proposal to amend the DRCOG Regional Transportation Plan to include a system of managed toll lanes, and one toll road on a separate alignment. A private developer in the Colorado Springs area is submitting a proposal to the PPACG to incorporate a toll road east of the Colorado Springs Airport into its Long Range Plan. The CTE will entertain the formation of a public private partnership for implementing, operating and maintain this toll road, if the proposal is accepted.

In most cases, particularly in the DRCOG region, managed lanes, or toll lanes are only one component in a major corridor improvement proposal that also may include transit, reconstructing of existing lanes and bridges, local access improvement, etc. As such, revenue from the proposed system of toll lanes will likely not pay for the entire cost of implementing the comprehensive corridor improvements currently being evaluated. As a result, additional sources of funding will have to be identified to supplement construction of these corridors before the Regional Transportation Plan amendment can be submitted to DRCOG for consideration. The Regional Transportation Plans are required by law to be Fiscally Constrained. In addition to toll revenues, potential sources of supplemental funding include reallocation of current funding from state and federal sources, private investment, A financing plan is currently being developed for consideration by CDOT before the proposed plan amendment will be submitted to DRCOG for consideration.

To that end, there are several key issues requiring immediate attention. Those are as follows:

1. Development of a financial plan
2. Development of local support for the proposed amendment.
3. Completion of NEPA documents with preferred alternatives that are consistent with the proposed improvements.

Information Technology Financials Restructuring - On November 1st the Department will begin using a new integrated software package, SAP, and replace the existing systems and processes used to plan, schedule and manage maintenance activities, schedule project development activities, manage finances and plan projects, procure goods and services, and support human resource management functions.

After implementation it will be necessary to make changes to correct design flaws, adjust security and work-flow settings, fix software defects and/or alter work processes. Our expectation is that it could require 6 to 12 months after November 1st to achieve the same stability we have with existing systems. This would be consistent with industry averages



and our experience with the installation of SAP human resource software in April 2006. During the stabilization period there will be challenges to maintain high productivity while support activities are taking place.

The Department recognizes these risks and challenges and has taken action to mitigate their potential impact. We have used the services of an experienced partner, Deloitte Consulting, to install the software and replace the functionality delivered by over 60 existing independent systems currently in use.

Customization of SAP was kept to a minimum and the configuration to meet our requirements was conducted by, or under the guidance of, our most knowledgeable internal subject matter experts. Extensive testing has been conducted and comprehensive training as well as change management programs have been implemented to minimize the impact of converting to the new system.

FUTURE CHALLENGES

Future Funding Options Based on Current Law -

Federal Highway User's Trust Fund - Until the most recent federal transportation authorization act, the Safe, Accountable, Flexible, Efficient, Transportation Equity Act: a Legacy for Users ("SAFETEA-LU"), the Federal Trust Fund always had sufficient income and fund balance to support the authorization acts passed by Congress. However, when SAFETEA-LU was passed, Congress authorized more than was available and therefore by FY 2009, the last year of the act, the trust fund's balance will be completely depleted leaving only the annual amount collected available for distribution to the states. These funding levels will be considerably less than they are currently. In addition, the fund is receiving considerably less revenues than were originally projected due to less gas consumption. Colorado is facing a significant reduction in revenues, if something is not done to increase the funds to the trust fund.

State Highway User's Tax Fund - For the last several decades this fund has seen a modest and predictable increase in funds. In FY 2005 and since, we have not been able to meet our forecasted revenues due to a decrease in consumption of gasoline and diesel fuels. In FY 2006, the actual revenues collected were less than FY 2005 and we expect this trend to continue at these rates for the next several years.

In addition, the "off the top" set aside for State Patrol and Department of Revenue continues to increase. The "off the top" is allowed to increase by 6% annually. This, coupled with the decrease in revenues, continues to erode the amount of funds available to CDOT, the cities and counties. If the trend continues, in 20 plus years the entire basic fund will go towards the "off the top". This would mean that CDOT would receive roughly half of the dollar amount it does now from this fund.

General Fund Revenues – As mentioned previously, under certain conditions CDOT receives general fund revenues through either S.B. 97-01 and/or H.B. 02-1310. It is estimated that CDOT will receive some funds in FY 2007 from both categories estimated currently at approximately \$360 million. After FY 2007, no revenues are projected for H.B. 02-1310 and between FY 2008 and FY 2011, S.B. 97-01 is projected to be about \$100 million annually. After FY 2011, S.B. 97-01 is expected to go away.

With these three funding sources in jeopardy all at the same time, CDOT cannot come close to maintaining its existing funding levels, which means significant restriction of service and cutbacks in most programs in the near future.

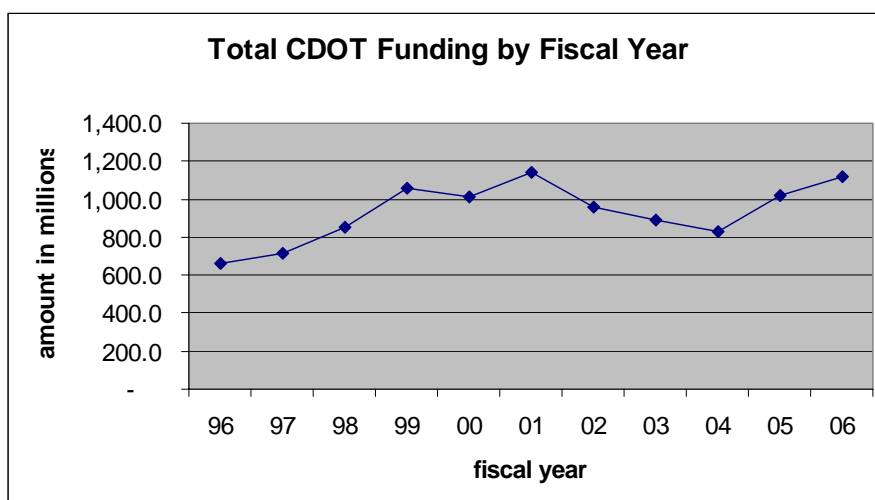
In order to try to maximize the use of existing funds and benefit from inflationary savings, CDOT has utilized the following innovative financing and contracting methodologies.

- **Design/ Build:** CDOT has used this innovative contracting methodology specifically on the T-Rex project and COSMIX (in Colorado Springs). The use of this form of

contracting allows us to expedite the project (therefore reducing costs due to inflation) and agree to a set price (therefore eliminating costly contract modifications).

- **Bonding:** CDOT has used bonding to accelerate completion of the 28 strategic corridors (otherwise known as 7th Pot). With bonding, we have been able to fully fund or complete 19 of the 28 corridors. Bonding has allowed us to avoid inflationary costs on the projects that have been funded or completed. For these 19 projects, inflationary percentages have consistently exceeded the interest rates on the bonds.
- **Advance Construction:** CDOT uses advance construction to be able to design and advertise projects prior to the federal funds being available. CDOT uses state funds to accelerate the projects and then asks for federal funds reimbursement some time in the future. This is an excellent cash flow mechanism and provides some flexibility with project implementation.

These mechanisms have allowed us to maximize our current funding streams, but have not produced additional funds.



Deteriorating Infrastructure- A Looming Crisis

The Transportation Commission has established reasonable performance goals for Colorado's transportation infrastructure. However, it is clear that current capital and maintenance investment funding is insufficient to sustain our infrastructure at these desired performance levels. Our state-of-the-art pavement, bridge, and other management system deterioration models clearly indicate a bleak picture. For instance, currently 60% of Colorado's pavements are rated Good/Fair (have a remaining service life of 6 to 11 years or more). If we continue to invest at the same level 32% of our pavements will be in good/fair condition in 2030.

Our models indicate that we would need to increase funding for bridge and pavements alone by nearly \$160M (from the current level of approximately \$200M to \$360M) to achieve Commission performance goals through 2030. While that amount is staggering, if we do not increase infrastructure funding and let the system deteriorate, we would need to increase our maintenance budget by \$225M by 2030 to be in a position to deliver maintenance services on a deteriorated system at the levels of service we provide today. So in a sense, from a taxpayer perspective, it is “Pay Me Now or Pay Me Later”.



We also know that greater upfront investments pay big dividends in long term maintenance and infrastructure renewal requirements. Cost effective preventive maintenance early in the life of any infrastructure can sustain that investment for a longer time at a lower cost. Again looking at pavements, if we increased our investment by \$100M over the next 10 years, we could cut in half (\$300M to \$150M) the dollars we need to invest to sustain our pavements at Commission goals.

The clear challenges are twofold. First, maintain a Department/Commission emphasis on infrastructure investment even if it means that less can be invested in needed system expansion. And second, work more effectively at delivering the message that Colorado’s transportation system is critically important to the quality of life for every citizen and increased investment is essential to sustaining that value.

Change Management

The success of the new Administration’s transition at CDOT will depend in large part on how it manages change after the election. CDOT faces unprecedented challenges in recruiting, retaining and managing a diverse workforce needed to effectively deliver a multi-modal transportation infrastructure within a highly regulated environment. Personnel statutes and rules also dictate the circumstances under which outsourcing and the use of contractors may be used to augment the workforce.

CDOT’s workforce, however, is highly skilled and exhibits a “can do” attitude whenever faced with a task that requires ingenuity and hard work. CDOT, and any organization for that matter, will struggle unless its employees are committed to excellence and exhibit a strong bond with one another. Currently, this bond exists and employees are frequently referred to as being part of the “CDOT family”. The challenge for the new administration will be to strengthen the CDOT family. Fortunately, CDOT employees are learning valuable lessons about change management as a result of the SAP project. This project will comprehensively change how CDOT does business and manages data. The ERP will be a valuable source for lessons learned in the change management process.



Recruiting and Retaining a Highly Qualified Workforce

CDOT employees will exit the organization in unprecedented numbers over the next five years due to retirements. CDOT will be challenged to recruit and retain employees for a variety of reasons. A major roadblock to attracting qualified employees has been the past implementation of State of Colorado's Total Compensation Reform Act. This act determines how employees are compensated and the types of health, life and dental programs (HLD) available to them. HLD programs are provided to employees who pay a portion of the premiums.

On August 1, 2006 the Executive Director of the Department of Personnel and Administration (DPA) sent the Governor and Chair of the Joint Budget Committee a letter detailing its request for total compensation for FY 2007-2008.

The plan advanced by DPA aims to remedy the historical deficient in salary and insurance benefits. It will also maintain the State of Colorado's competitive pay position with the market and assure that employee's are being paid comparably. It will contribute greatly to CDOT's ability to recruit and retain the workforce its needs. DPA will submit to the Governor and Joint Budget Committee an updated report in December 2006 based on the latest Salary Survey data. The Salary Survey is a device used to determine salary recommendations along with other market data. Of course, any total compensation pay plan is subject to legislative approval.

CDOT's Personnel Director is actively working with DPA and CDOT's Executive Management Team (EMT) to promote CDOT's interests.

Succession Planning

CDOT should continue its efforts to train and promote its people to key positions to fill these positions that are being vacated, at a high rate, due to retirements.

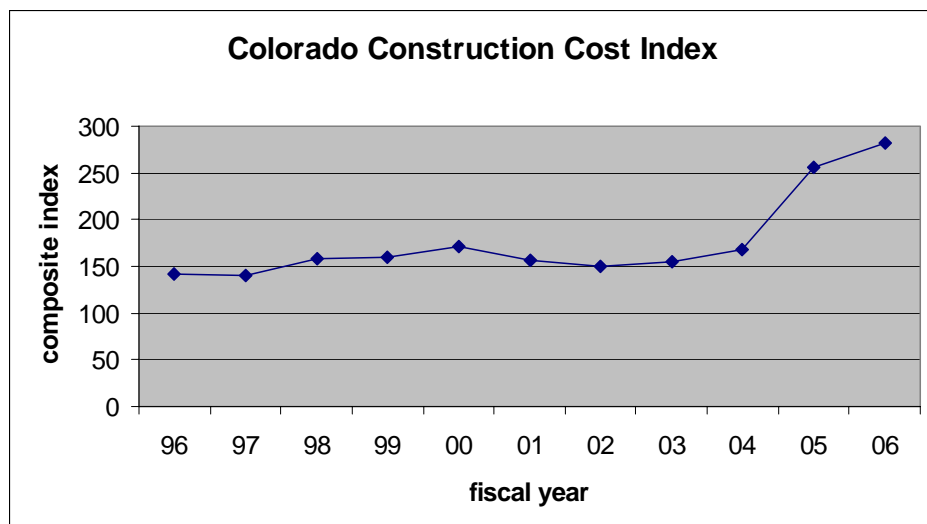
Internal Morale

As with any decentralized, large organization, employee morale and communication is an important issue. CDOT employees' total compensation is not keeping pace with the private sector. CDOT is having difficulty recruiting and retaining employees, particularly in maintenance. Even senior managers have met salary caps in the department. These issues certainly affect morale and job satisfaction. Face-to-face communication and support for these issues will be critical.

Inflationary Cost Concerns

CDOT is currently facing double digit inflationary construction costs. These fluctuating markets have made it almost impossible for our suppliers to hold pricing and are causing major budget impacts throughout CDOT. We see this in some of our core commodity areas: asphalt, diesel, shipping costs of concrete and steel. These are reflected in the increased cost of equipment, guardrail, signage, etc.

These market changes challenge CDOT to become more innovative in how to procure, manage inventory and how to negotiate and manage CDOT's construction contracts.



Aviation

The Federal legislation that funds the FAA Aviation Trust fund will expire in October of 2007. CDOT and the transportation leadership for the State of Colorado will need to effectively communicate with members of Congress to assure the new federal legislation meets our aviation needs here in Colorado. The lack of current radar coverage for the mountain airports throughout Colorado greatly reduce the capacity of the aviation system during peak winter months. The reduction in capacity often leads to aircraft being denied service and then required to land at airports on the Front Range or hours away from their intended destination. CDOT in partnership with the FAA has begun an innovative new approach to implementing a radar system that will be the first ever implemented in the lower 48 states. Under this unique program, CDOT will procure and install the radar system at ten mountain airports and then turn the system over to the FAA to operate and maintain. The Colorado Mountain Project will use a technology called Area Wide Multi-latteration and will be the first of its kind to be certified by the FAA in the United States and implementation will begin late fall of 2006.

Transportation Development

Implementing a planning process with decreasing funding with rapid population growth, an aging infrastructure and increasing traffic congestion all pose challenges to the seamless, efficient and rapid movement of people, goods, and information that our citizens want.

Transportation revenues are not keeping pace with maintenance and construction costs. More fuel efficient vehicles and modal transportation choices have lead to stagnation in traditional highway funding. Construction and maintenance costs are escalating faster than the CPI. These trends, combined with an increase in earmarking by Congress, have resulted in very limited funding anticipated for anything beyond maintenance and reconstruction of the state highway system. The transportation planning process in Colorado has had a local focus on deciding how best to program additional funding for new projects consistent with the long range vision for major transportation corridors. Lack of funding for new projects, growing maintenance needs, and congressional earmarking of projects has caused our planning partners to question the purpose and need of the transportation planning process. They question, why do we spend so much time



and effort to develop these plans if there are no funds to implement them? The planning process needs to be continually improved to reflect these changing conditions, yet still reflect the needs of Colorado residents as a vision to work towards.

Continued efforts to incorporate Performance Measures as a Tool for Decision

Making. Over the past 5-6 years, CDOT has been actively pursuing a performance based investment strategy and system for the allocation of resources. This effort has been successful in identifying and quantifying tradeoffs in deciding the optimal allocation of limited resources. It also provides target performance levels for the Department. Continued work is necessary to incorporate performance measures into management of the department, as a tool to make the most effective use of resources in support of the Transportation Commission directed investment strategies.

Integration of transportation choices – Limited transportation dollars, increasing demands, and environmental constraints all point toward the need for an integrated transportation system that makes the best use of transportation corridors to serve vehicles, transit, bicycle, and pedestrians and connect them to key destinations. T-REX is an example where highway, regional and local transit, bike path, and private development at transit stations are being integrated to provide a highly efficient and effective transportation corridor. Several other corridors are being studied that have the potential to achieve similar results. The challenge is matching the timing of improvements with funding availability.

Streamlining NEPA - CDOT and FHWA have developed an action plan to improve the efficiency of the NEPA processes in Colorado. This plan will result in better trained environmental practitioners, more tools to improve document development efficiencies, and more cost effective mitigation measures saving both time and money. Tools under development include: a NEPA guidance manual; a standardized environmental scope of work; an incremental concurrence process; an assessment of environmental issues during the planning process such as the Regional Cumulative Effects Research Study; developing an environmental component to the corridor visions included in the state's long range transportation plan; and regional mitigation initiatives such as the "Short Grass Prairie".

State Legislative Challenges

Every legislative session is a challenge for transportation, and 2007 is expected to be no different. In 2006, S.B. 97-1 began to flow for the first time since 2001, and the transportation supporters, including CDOT, had to fight to maintain those dollars. While there was not a significant push to eliminate transportation funding sources like S.B. 97-1 and H.B. 02-1310, it is expected that attempts will be made against those funding sources in 2007. CDOT's challenge, and the challenge of the new Governor, will be to continue to educate existing and new members on the importance of transportation funding. The challenge will be especially difficult in the Colorado House, where key transportation advocates on the Joint Budget Committee, Appropriations Committee, and Transportation Committee are term limited.

FTE Cap

In 1986, as part of the legislation that increased Colorado's gas tax, a limit was imposed on the number of full-time equivalent employees (FTE) at the then Colorado Department of Highways

for two fiscal years. This FTE cap was established at 3,316 employees. In 1991, legislation was approved that permanently established CDOT's FTE Cap at 3,316 employees. This cap remains in effect today.

In 2007, CDOT will be seeking a legislative change to either modify or abolish the FTE cap. Four key reasons dictate the need for this change- maintenance needs, new construction activities, federal/state mandates, and CDOT changing role in transportation and the expectations of the public. It is important to note that because CDOT's budget does not come from the General Fund, there is no fiscal impact to the state to change the FTE cap. CDOT must absorb the additional staff within our current budget.

The problem identification information below shows that CDOT can better accomplish our mission by increasing the FTE cap.

Maintenance: Colorado has experienced an almost doubling of traffic since 1988, from 45 Million Daily Vehicle Miles Traveled (DVMT) in 1988, to 78 Million DVMT in 2005. As Colorado's population continues to increase, the miles traveled on Colorado's highways will also continue to increase. The added traffic on our highways increases damage, requiring more frequent maintenance to keep them in serviceable condition. In addition to the increased travel on existing highways, Colorado has added 850 new lane miles to the state highway system since 1988. No new maintenance employees have been added to cover any of the additional maintenance required.

New Construction: In the past, CDOT has absorbed large swings in transportation funding through an increased reliance on contracts with private consulting engineering firms. CDOT has determined that the most efficient and effective split between internal CDOT work and private consulting firms is 60% CDOT, 40% consultant. To do this will require an increase in CDOT's statutory FTE cap.



Federal/State Mandates: Increased regulations in the last three federal transportation funding bills since 1991 (ISTEA, TEA 21, SAFETEA-LU) have dramatically changed the landscape and staffing requirements for CDOT. New federal



programs (such as Safe Routes to Schools) mandate that CDOT have personnel dedicated to these programs. While federal funding IS provided to cover the cost, the FTE is not.

Changing Roles and Customer Expectations: The use of Intelligent Transportation Systems (ITS) was in its infancy in 1986. Today, CDOT employs 20 FTEs in this function. The public expects and counts on the successful delivery of ITS every day, whether it be a functioning ramp meter, our courtesy patrols, or the speed map on our website. Our ITS program will need to continue to expand over the next decade. With our current FTE cap, CDOT cannot continue to fulfill our other critical roles, yet still expand new programs like ITS.

Strategic Transportation Project Investment Program – (7th Pot)

The Strategic Corridor Projects consist of high priority projects of statewide significance. The Strategic Corridor Projects are part of the Strategic Transportation Project Investment Program adopted by the Transportation Commission in August 1996, sometimes referred to as the "7th Pot" because it is not contained entirely within any one of the 6 Engineering Regions.

The Strategic Corridor Projects address high priority needs in mobility, reconstruction, and/or safety; they have high Statewide and/or regional priority, and they are contained in the approved 20-Year Statewide Transportation Plan and the approved 6-year Statewide Transportation Improvement Program (STIP).

The primary objective of the Strategic Corridor Projects is to expedite the completion of these transportation projects, to establish a minimum annual level of funding for these projects, and to establish a process for monitoring and reporting project progress.

7th Pot Projects

Nineteen of the original twenty-eight projects have been fully funded, with fourteen of these completed. Listed below are the 7th Pot projects. Those projects which are shown in **bold** case are completed, those shown in *italics* are completely funded, but still under construction. It will cost \$3 billion in 2006 dollars to complete those listed in standard type.

- **I 25/US 50/SH 47 Interchange**
- *I 25, S. Academy to Briargate*
- *I 25/US 36/SH 270*
- **I 225/Parker**
- **I 76/120th Ave**
- **I 25/I 70 (Mousetrap)**
- **I 25, Owl Canyon Rd to Wyoming**
- **I 70, Tower Rd to Kansas**
- *I 25, SH 7 to SH 66*
- **US 50, Grand Junction to Delta**
- **US 285, Goddard Ranch Ct to Foxton Rd**
- *US 287, Kiowa County to Oklahoma*
- *US 160, Wolf Creek Pass*
- *US 40, Berthoud Pass*
- *US 550, Durango to New Mexico State Line*
- *US 160, Jct SH 3 E. to Florida River*
- **C 470 Extension, Phase I**
- **US 34, I 25 to US 85**
- **US 287, Broomfield to Loveland**
- *Powers Boulevard in Colorado Springs*
- **SH 82, Basalt to Aspen**
- **Santa Fe Corridor in Denver**
- *T-Rex (Southeast Corridor)*
- *East Corridor*
- *West Corridor*
- *I 70 West Corridor (DIA to Eagle County Airport)*
- *I 25, Denver to Colorado Springs*
- *North I 25 Corridor (SH 66 to Fort Collins)*

Although bonding has allowed us to get projects funded and completed, we still face a major challenge in funding the remaining nine corridors. CDOT relies heavily on Senate Bill 97-001 to fund these projects and funding from that source has been unpredictable and less than anticipated.



10% for Transit

In 2002, the Legislature passed House Bill 02-1310 which provided that 10% of the Senate Bill 97-001 funds must be used for transit and transit related purposes. The Transportation Commission approved the following list of projects for adoption at their September 2006 meeting.

- Denver Union Station Design and ROW Acquisition
- US 36 BRT Improvement
- Regional Transit Service between Greeley and Loveland
- Steamboat Springs Transit Intermodal Facility Construction in Craig, Colorado.
- Colorado Springs FREX – Front Range Express - Vehicle Purchase
- NWCOG: I-70 Mountain Corridor Planning Study for Transit
- Front Range Commuter Rail Feasibility Study
- Avon Intermodal Facility
- NFR Van Purchase for Vanpool Service
- Grand Valley Intermodal Facility
- Durango Intermodal Facility
- Gunnison Valley RTA
- Mason Corridor Design
- Fort Collins South Station Intermodal Facility
- Longmont FasTracks Commuter Rail Extension
- RTD Access a Ride Vehicle Purchase
- Chaffee County Shuttle Facility
- Special Transit Maintenance/Operations Facility
- FTA Supplemental for Rolling Stock Acquisition

Back up projects if funding becomes available:

- Colfax
- Leadville Maintenance
- RFTA #1 BRT Buses



PENDING LITIGATION

Pursuant to § 43-1-112, CRS, the Attorney General's Office provides legal services to the Colorado Department of Transportation (CDOT) and to the Colorado Transportation Commission. CDOT, represented by the Attorney General's Office, regularly engages in several types of on-going litigation.

CDOT prosecutes condemnation actions to acquire real property for transportation projects on a statewide basis. It also defends infrequent inverse condemnation claims (cases in which a landowner claims a taking of property by CDOT without payment of just compensation). At present, there are approximately 60 CDOT condemnation cases pending before various state district courts throughout Colorado. These cases involve disputes regarding the value of real property needed for transportation projects and are a necessary part of CDOT's ongoing project development process. As such, no summary of individual cases is provided. Funding needed to resolve these condemnation cases is part of CDOT's standard project budgeting process.

CDOT regularly engages in administering and defending construction contract claims in which contractors seek additional compensation. Construction claims may seek millions of dollars in additional compensation. Presently there are approximately 33 claims on 14 different construction projects that involve claims for additional compensation totaling approximately \$ 32 million. These claims are in differing stages of administration. These claims occasionally go through non-binding arbitration hearings prior to a final decision by CDOT's Chief Engineer.

CDOT also prosecutes and defends administrative actions including: (1) highway beautification issues (billboard and junkyard regulations), (2) state highway access actions, and (3) relocation benefit appeals. These actions are incidental to CDOT's construction projects or are related to its regulatory obligations imposed by state and federal law.

The following cases are discussed individually as their outcome may have broader management or policy implications for CDOT.

CDOT v. Brown Group, Inc. Colorado Court of Appeals. This case involves underground contamination from CDOT's Region 6 Materials Lab that has intermixed with contamination from an adjacent industrial facility and has migrated into the adjoining neighborhood. Both CDOT and Brown Group, owner of the adjacent facility, have constructed and are operating remediation systems pursuant to direction from the Colorado Department of Health and Environment (CDPHE). Brown Group sued in 2003 seeking damages from CDOT allegedly due to CDOT's larger share of the problem than CDPHE's regulatory program recognizes.

Part of the lawsuit was dismissed by the Denver District Court on the grounds that Brown Group failed to provide timely notice to CDOT of certain claims pursuant to the Colorado Governmental Immunity Act. However, other claims were found by the Denver District Court to require no notice. Settlement discussions occurred with CDOT indicating that \$1



million or less would be its best offer and Brown Group stating that \$2 million or more would be its bottom line.

Currently on appeal before the Colorado Court of Appeals, CDOT is seeking a determination that all of Brown Group's claims "lie in tort or could lie in tort," are subject to the notice requirements of the Governmental Immunity Act, and are therefore barred by failure to provide timely notice.

CDOT v. Douglas County Board of County Commissioners. Douglas County District Court. This case involves CDOT's challenge to Douglas County's '1041 ordinances' that purportedly require CDOT to apply for and receive a County permit before commencing work on arterial highways, interchanges or other state highway projects. CDOT is seeking a declaratory judgment that the County's 1041 ordinances are inapplicable to the State. This dispute revolves around CDOT's efforts to consider tolled express lanes for capacity improvements to C-470 and Douglas County's objection to such a proposal. The fundamental dispute is whether CDOT or local government has the final authority regarding state highway projects.

A similar lawsuit is being prepared and will soon be filed challenging the City of Idaho Springs' 1041 ordinances that purportedly require a similar application and permitting process for state highway improvements within Idaho Springs. The Idaho Springs dispute centers on improvements to I-70. Similar local ordinances have been adopted in the City of Golden. The City is opposed to CDOT plans for the Northwest Corridor. Clear Creek County appears poised to adopt similar ordinances related to I-70 improvements.

CDOT v. First Place LLC. Pending request for certiorari in Colorado Supreme Court. This case involves a dispute in the City of Black Hawk over ownership and control of the right of way for State Highway 119. During the 1930s, right of way for construction of the state highway was acquired in the name of Gilpin County with the State retaining the right to "adopt and improve as a State Highway the whole or any part of the right of way hereby granted."

When limited gaming caused real estate prices to escalate dramatically in the 1990s, Gilpin County sought to dispose of certain portions of the right of way not being used for state highway purposes. CDOT initially allowed some of these real estate transfers to occur after concluding that the property would not be used for State Highway expansion. However, Gilpin County transferred some right of way to private ownership without CDOT approval that CDOT needed for highway expansion. CDOT brought a condemnation action involving the conveyed right of way and sought a ruling that it already owned the property conveyed by Gilpin County.

After an adverse ruling by the Gilpin County District Court, the Court of Appeals concluded that CDOT was a co-grantee of the right of way and that Gilpin County had no right to convey the right of way without CDOT's express written approval (negating a condemnation award of more than \$4 million). The landowner has sought review by the Colorado Supreme Court.



Black Hawk v. Yonkers. Colorado Court of Appeals. This is a related matter involving CDOT's ownership interest in the State Highway 119 right of way. A final resolution in the *First Place LLC* case will almost certainly resolve this related case.

CDOT and RTD v. Marilyn Hickey Ministries. Colorado Supreme Court. This is a TREX condemnation case pending before the Colorado Supreme Court. The issue is whether a landowner may recover damages for loss of visibility to I-25 motorists due to construction of TREX improvements. The Court of Appeals ruled that the landowner could recover damages for the loss of visibility resulting from the portion of a retaining wall constructed on the landowner's property. The Colorado Supreme Court has agreed to review the issue. This case could have a significant impact on the amount of compensation due landowners when CDOT makes improvements to existing highway facilities.



Memberships and Affiliations

American Association of State Highway and Transportation Officials (AASHTO)

AASHTO is a nonprofit, nonpartisan association representing highway and transportation departments in the 50 states, the District of Columbia and Puerto Rico. It represents all five transportation modes: air, highway, public transportation, rail, and water. Its primary goal is to foster the development, operation, and maintenance of an integrated national transportation system.

Western Association of State Highway and Transportation Officials (WASHTO)

The Departments of Transportation or Highway Departments of the states of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, Texas, South Dakota, Utah, Washington and Wyoming and selected local, regional, or national offices of the US Department of Transportation, the US Forest Service, the Bureau of Indian Affairs and the Bureau of Land Management are department members. Transportation agencies of the Canadian provinces of British Columbia, Manitoba and Saskatchewan and the Navajo Nation are associate members of WASHTO.

Transportation Research Board (TRB)

Transportation Research Board is one of six major divisions of the National Research Council. The mission of TRB is to promote innovation and progress in transportation through research and sharing of information on transportation practice and policy by researchers and practitioners.

International Bridge, Tunnel and Turnpike Association (IBTTA)

IBTTA is the worldwide alliance of toll operators and associated industries that provides a forum for sharing knowledge and ideas to promote and enhance toll-financed transportation services.

Design Build Institute of America (DBIA)

DBIA advances design-build practices and promotes design-build as the project delivery method of choice.

Local Partnerships

E-470 Public Highway Authority/Northwest Public Highway Authority

CDOT is an ex officio (non voting) member on the Boards of the E-470 Public Highway Authority and the Northwest Parkway Public Highway Authority.

Denver Regional Council of Governments (DRCOG)

CDOT has 4 voting members on the Denver Regional Council of Governments (DRCOG) Regional Transportation Committee per the Intergovernmental Agreement executed in April 2001. CDOT's membership is comprised of three Transportation Commissioners from the Denver Metro Area and the Executive Director. CDOT staff are designated alternates.

CDOT's Executive Director and Chief Financial Officer serve as a member and alternate on DRCOG's Ad Hoc Committee on Transportation Finance to consider a variety of transportation funding mechanisms.



Denver Union Station

CDOT's Deputy Executive Director serves on the Executive Committee for the oversight and governance of the development of the Denver Union Station – the cornerstone of the RTD's FasTracks system.



EXECUTIVE DIRECTOR'S CUP

In September, each of CDOT's six Regions are asked to prepare a report (no more than 10 pages) outlining examples of good performance in each of the the following categories to be judged to receive the Executive Director's Cup:

- Financial Management
- Program Delivery
- Response to Changing Conditions
- Attention to CDOT Values
- Environmental Stewardship
- Relations with Local Officials
- Relations with Elected Officials
- Employee Saffety
- Innovation
- Handling of Complaints
- Emergency Response/Assistance to other Regions

Each regional report is submitted to the Selection Committee consisting of the Executive Director, Deputy Executive Director and the Chief Engineer to determine which region wins the cup for the year. The silver cup is engraved with the Region and date and is presented in October by the Executive Director to the Region Transportation Director at the Transportation Commission meeting.

The 2006 winner is Region 1.