

OREGON TRANSPORTATION COMMISSION

Minutes of the Regular Monthly Meeting March 16, 2005 Salem

On Wednesday, March 16, the Oregon Transportation Commission (OTC) and Oregon Department of Transportation (ODOT) staff held an agenda briefing session in room 135 of the Transportation Building, 355 Capitol Street NE, Salem. The regular monthly meeting was held in conference room 122.

Notice of these meetings was made by press release of local and statewide media circulation throughout the state. Those attending part or all of the meetings included:

Chair Stuart Foster	Executive Officer for Highways John Jackley
Commissioner Gail Achterman	Rail Division Administrator Kelly Taylor
Commissioner Mike Nelson	Motor Carrier Trans. Admin. Gregg Dal Ponte
Commissioner Randy Papé	Public Transit Administrator Martin Loring
Commissioner Janice Wilson	Transportation Safety Admin. Troy Costales
Director Bruce Warner	Region 1 Manager Matthew Garrett
Deputy Director Central Services Mike Marsh	Region 2 Manager Jeff Scheick
Deputy Director Highway Doug Tindall	Region 3 Manager Paul Mather
Communications Admin. Patrick Cooney	Interim Region 4 Manager Mark Usselman
Trans. Development Admin. Craig Greenleaf	Region 5 Manager Monte Grove
Chief of Staff Lori Sundstrom	Chief Engineer/Tech. Serv. Mgr. Cathy Nelson
DMV Administrator Lorna Youngs	Commission Secretary Jill Pearson

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Chair Foster called the meeting to order at 9:45 a.m.

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Director's report highlights:

- Much of Director Bruce Warner's time is devoted to legislative matters. Since the last meeting the Department completed the first phase of its Ways and Means presentations. Over a period of five days, Central Services Deputy Director Mike Marsh, Highway Division Deputy Director Doug Tindall and Director Warner presented an overview of the Department, its budget priorities and information on agency performance measures.

A more in-depth look at individual divisions and programs is scheduled to begin in early May.

ODOT received a number of questions on its presentations, and the Director and staff have conducted some follow-up meetings with individual legislators. They are asking good questions and giving us good opportunities to talk with them about the department's activities.

The Department is faring well in the process so far.

- Last week the U.S. House overwhelmingly adopted its reauthorization proposal. Known as TEA-LU: Transportation Equity Act: A Legacy for Users, it establishes a 41% increase in funding over TEA-21 and establishes \$284 billion in funding for highway, motor carrier, transit and safety programs.

Oregon stands to gain an additional \$91 million over the 6-year life of the bill, potentially increasing the state's share of federal transportation funding from \$340 million to \$431 million.

Oregon's congressional delegation is commended for its hard work and success in increasing the federal transportation funding coming to the state. Director Warner also acknowledged the extraordinary efforts of Representative Peter DeFazio.

- Bob Bryant, Region 4 Manager, recently began a one-year fellowship with the American Association of State Highway Transportation Officials. We conducted an in-house recruitment to fill Bob's position during his one-year absence. Mark Usselman was selected to serve as Interim Region 4 Manager effective February 24th.

Mark is a 23-year ODOT employee and most currently was an Area Manager in Region 3. He has also served as Maintenance District Manager in Region 3 and worked in the Region 2 construction office. Mark's wife and 17 and 15 year old daughters will continue to live in southern Oregon, and Mark will commute on the weekends.

Director Warner appreciates Mark's willingness to take on this assignment and his family's support of his new endeavor.



Commission member reports:

Commissioner Achterman joined the members of the Joint Policy Advisory Committee on Transportation (JPACT) and Jason Tell, ODOT's federal legislative liaison, on a trip to Washington, D.C. to meet with members of Congress and staff. The Oregon Transportation Plan (OTP) Update Steering Committee continues to meet regularly. While in Washington, D.C., Commissioner Achterman met with the Transportation Research Board (TRB)

and the head of ecology unit for the Planning and Environment staff with the Federal Highway Administration to learn about what they are doing on integration of surface transportation and the environment. In the House-passed bill, there is a new cooperative research surface transportation and environment program established, which parallels the National Cooperative Highway Research Program administered by TRB. This new program will be a great opportunity for Oregon to get involved.

Commissioner Papé attended a Lane County Metropolitan Policy Committee meeting. He had discussions with ODOT and members of the Freight Advisory Committee (FAC) about its role in Connect Oregon. ODOT would like the FAC to retain its lead position as the group that recommends projects to this Commission. We are receiving good support from FAC Chair Tom Zelenka. Commissioner Papé met with new Eugene Mayor Kitty Piercy to talk about transportation issues from her perspective.

Commissioner Nelson co-chairs with Commissioner Achterman, a tourism and signage committee which met for the first time on March 15. There will be many opportunities for ODOT and the other agencies represented on the committee to coordinate and communicate their efforts. He thanked Commissioner Achterman for co-chairing the committee with him. Her governmental expertise is very much appreciated. He thanked Jay Remy and Patrick Cooney from ODOT's Communications Division for their ideas and concepts. Commissioner Nelson met with legislators at the State Capitol. He will be a keynote speaker at a dedication for the new hothouse at Bishop Springs.

Commissioner Wilson made no report.

Chair Foster traveled to Washington, D.C. with Jason Tell to meet with members of the congressional delegation. He thanked Congressman DeFazio. He has worked hard for Oregon and has an outstanding grasp of the complex issues. Our staff, especially Jason Tell, has done an excellent job working with the delegation to educate the members where necessary on these issues.



Highway Division Deputy Director Doug Tindall and State Construction and Materials Engineer Jeff Gower reported on the ODOT's Construction Quality Assurance Program. (Background in General Files, Salem.)

ODOT is putting in place a program on quality assurance for design work (internal and private sector). An independent auditor will be brought in to evaluate that program to ensure that quality assurance best practices that ODOT adopts take a prudent and responsible viewpoint.

The Commission would like to hear about the design quality assurance program and the results of the independent audit when complete.

It is critical that this program integrate seamlessly with what ODOT implements on the private sector side.

ODOT assures quality construction in a number of ways, including development of quality contract plans and specifications, on-site project managers and inspectors, a materials quality control/quality assurance testing program, fabricated items inspection program, lab certification program, using pre-approved products and manufacturer certifications, contract administration review and oversight, and enforcement of contract requirements.

The Commission requested future updates on the Construction Quality Assurance Program.



Marlene Hartinger, Acting Chief of Audit Services, provided updates on recent internal audit reports as well as on-going audits. (Background in General Files, Salem.)

ODOT Audit Services is an independent assurance and consulting activity designed to inform management and help improve decision-making. Its function is established in Oregon law as well as in ODOT policy.

Director Warner chairs the ODOT Audit Committee that also includes a member of the Oregon Transportation Commission, Commissioner Achterman, as well as five ODOT executive-level managers. The Audit Committee receives the results of audit work and reviews the reports as each report is completed. In all of the audits, management generally agreed with Audit Services' findings and recommendations.

In terms of recent audit work, Audit Services issued 15 reports since the Commission was last briefed at this time last year. Four of these reports were routine audits such as reviews of DMV's security and cash handling practices and compliance with state regulations for Small Purchase Order Transaction System (SPOTS) transactions. Eleven of the audits - many conducted at the request of management - involved more complex reviews of topics such as Right-of-Way property acquisition, local agency project cost controls, rail crossing interfaces, and highway crash damage collections.

Three of the key issues that were recently audited involve intergovernmental agreements, access management and right-of-way property acquisition. Five reports were completed pertaining to intergovernmental agreements and

recommended ways for ODOT to enhance the accountability and effectiveness of these agreements.

One of the audits recently completed was a review of the Right-of-Way Section's process for acquiring real property. The objective was to determine if this process was ensuring that property was being acquired economically and consistently with fair market value. However, due to limitations with the existing electronic system for property acquisition, Audit Services concluded that it would not be cost beneficial to complete its review by manually analyzing over 2,000 individual files. Audit Services recommended that management consider maintaining and tracking acquisition data centrally, testing the accuracy and reliability of current system data, and using performance measures for monitoring reporting.

Audit Services prepares an annual work plan that the Audit Committee reviews and approves. The audit plan is based on an assessment of risks, financial and otherwise, facing the department. Current audit topics included in the audit plan include competitive practices, e-government/e-commerce, contract oversight and controls, DMV cash handling and security, and follow-up to prior audit reports. Audit Services also builds time into its yearly work plan to accommodate management requests. Audit Services is currently responding to other management requests, such as issues relating to contract issues and delays associated with the Fanno Creek pedestrian bike path in Beaverton.

The Commission wants to receive periodic status reports on progress on completed audits, including the percentage of recommendations that were implemented. If recommendations were not implemented, the Commission wants to know the reason.

As a result of the findings from the Right-of-Way Section audit, a work plan is being developed for digitizing the data. A plan is also being developed to allow for disposal of surplus property in a more aggressive manner, which will allow ODOT to recover the cost of the digitizing very quickly.

Director Warner asked Doug Tindall or Right-of-Way Section Manager Dee Jones to provide a written update on the process of digitizing the right-of-way data.



Doug Tindall and Executive Officer for Highway John Jackley provided an informational update on statewide traffic mobility through construction sites. (Background in General Files, Salem.)

One of the key components of OTIA III was to keep traffic moving while the department does an unprecedented amount of construction on the transportation system. We are working with a number of stakeholders both inside and outside

the department. We are determining appropriate amounts of delay that travelers would incur while traveling over different distances. It has raised the importance of regional traffic mobility and keeping roads open during construction. The implementation plan includes an operations room located at the Motor Carrier Transportation Division offices where anyone can view what all the potential delays may be across any particular corridor or across the state. Industry is committed to help notify ODOT when delay thresholds are exceeded if it isn't obvious from our formula.

How well we organize internally will be critical to the success of this effort. So far, we have put the mobility structure in place without adding any new positions and only spending a few hundred dollars on the operations room.

The structure includes regional mobility committees with a goal of resolving potential conflicts at the lowest level possible. There is a region mobility liaison in each region who works closely with the Oregon Bridge Delivery Partners (OBDP) as they start to deliver OTIA III on the corridors. We will integrate the rest of the agency's activities into that.

To help advise the agency on mobility issues, a Mobility Steering Committee was created, composed of department and stakeholder representatives. In addition to ODOT staff, participants include the OBDP, American Automobile Association, Oregon Trucking Associations, Oregon Manufactured Home Association, cities, counties, Associated General Contractors, Federal Highway Administration and a number of others.

The Mobility Committee is in the process of developing a training manual for ODOT staff and OBDP to use, which standardizes procedures and mobility standards.



Doug Tindall and Highway Finance Manager Alan Arceneaux led discussion about the Project Delivery quarterly status report. The discussion focused on why measures were selected, how they are updated, and what they mean. (Background in General Files, Salem.)

The Highway Division is in the process of contracting with a performance management consultant to develop a performance management system for the agency. The Commission will have an opportunity to tell the consultant what measures it would like to see in future quarterly status reports.

Issues that need to be addressed in future status reports include:

- The current measures do not have any comparison test data.

- A graph that shows the percentages for the full program of projects completed below, above or within budgeted dollars after completion. How does total cost compare to budgeted cost?
- A performance measure that relates to project delivery time. The project delivery timeline (preliminary engineering through completion) needs to be reduced. When to start the stopwatch will be difficult to determine.
- The percentage of “soft” (engineering, design, environmental reviews, permitting, etc.) vs. “hard” costs (actual, on the ground, project delivery).
- A measure of cash flow based on the original plan and status to date.
- A set of meaningful graphs that analyze non-OTIA, OTIA I and II, and OTIA III.
- A measure that shows how we are meeting the bonding timeframes.



Doug Tindall requested approval of 13 Transportation Enhancement projects for inclusion in the FY 2006-2009 Statewide Transportation Improvement Program (STIP) and approval of six additional projects as alternates (Reserve List). The Commission also considered granting authority to the Deputy Director for Highways to advance the Reserve List projects to the STIP if sufficient funds come available in this funding cycle. (Background in General Files, Salem.)

Public comments received:

- Ryan Tribbett commented on behalf of Senator Rick Metsger. The senator supports the Estacada project on the Reserve List.

Commissioner Nelson moved to approve the 13 Transportation Enhancement projects for inclusion in the 2006-2009 STIP, approve the six projects as alternatives on the Reserve List, and grant authority to Deputy Director for Highways to advance the Reserve List projects to the STIP if funding becomes available. The motion passed unanimously.



The Commission approved the next two meeting dates as:

- Wednesday, April 20, 2005, in Salem.
- Wednesday, May 18, 2005, in Salem.

The Commission considered approval of the following Consent Calendar items:
(Background material in General Files, Salem.)

1. Approve the minutes of the February 16, 2005, Commission meeting in Salem.
2. Adopt a resolution for authority to acquire real property by purchase, condemnation, agreement or donation.

3. Approve the following Oregon Administrative Rule (OAR) actions:

a.	Adoption of OAR 731-080-0010 through 0070 relating to the Road User Fee Pilot Program.
b.	Amendment of OAR 734-073-0051, 0056, 0060, 0065, 0100, 0110, 0120, 0130, 0140, 734-074-0008, 0010, 0020, 0045, 0051, 734-082-0005 and 0040 relating to variance permits for over-dimensional vehicles.
c.	Amendment of OAR 735-024-0025 relating to title brands.
d.	Amendment of OAR 740-045-0010 relating to the Oregon Weight Receipt and Tax Identifier.
e.	Amendment of OAR 740-100-0010, 0015, 0020, 0070, 0080, 0090, 0100, and 740-110-0010 relating to the annual readoption of federal motor carrier safety and hazardous materials transportation regulations.

4. Approve the proposed proclamation to the Governor for his signature designating the month of May 2005 as Transportation Safety Awareness Month.
5. Approve submission of a budget note report on the Immediate Opportunity Fund to the Legislative Assembly.
6. Approval to amend the 2004-2007 STIP to add the Lewis and Clark (Longview) Bridge Painting Project. The funding will come from State Bridge Program, with target reserved in 2008 and 2009, which will allow the program to be in balance by 2009. The total project cost is \$21.483 million with Oregon's share being \$10,741,500.

PROJECT NAME	PE YEAR	PE COST	CN YEAR	CN COST	TOTAL
Lewis & Clark (Longview) Bridge Painting, Bridge #02046	2005	\$141,500	2006	\$10,600,000	\$10,741,500
TOTAL PROPOSED		\$141,500		\$10,600,000	\$10,741,500

7. Approval to amend the 2004-2007 STIP to add the US 101: Bullards Bridge project near Bandon.

PROJECT NAME	PE YEAR	PE COST	CN YEAR	CN COST	TOTALS
US101: Bullards Bridge	2005	\$175,000	2006	\$1,025,000	\$1,200,000
TOTAL PROPOSED		\$175,000		\$1,025,000	\$1,200,000

8. Approval to amend the 2004-2007 STIP to add US 20: 3rd – 10th Street project in Bend.

PROJECT NAME	PE YEAR	PE COST	CN YEAR	CN COST	TOTALS
US20: 3 rd – 10 th Street (Bend)	NA	NA	2005	\$417,000	\$417,000
TOTAL PROPOSED		\$417,000		\$417,000	

9. Approval to amend the 2004-2007 STIP to add US 26: Mill creek – Jefferson County Line project for Preliminary Engineering (PE) phase.

PROJECT NAME	PE YEAR	PE COST	CN YEAR	CN COST	TOTALS
US26: Mill Creek – Jefferson County Line	2005	\$56,000	NA	NA	\$56,000
TOTAL PROPOSED		\$56,000	NA		\$56,000

10. Approve the 2004 Flat Fee Study for submission to the Oregon Legislative Assembly.

11. Approve the following Oregon Transportation Infrastructure Bank Loan:

Applicant	Project	Region	Total Cost	OTIB Loan
Clackamas County	Sunnyside Road Phases 2 & 3 (122 nd to 172 nd)	1	\$40,678,375	\$12,250,000

In addition, the Department requests Commission approval to amend the STIP to reflect this funding authorization.

12. Approve the designation of the Mt. Hood Scenic Byway.

Commissioner Nelson moved to approve the items on the Consent Calendar excluding that portion of the US30 @ Columbia/Bond St. in Astoria (NW Natural Gas Company) property listed on the resolution for authority to acquire real property (Consent Calendar item #2). Commissioner Nelson noted that a lot of hard work went into the designation of the Mt. Hood Scenic Byway. The motion passed unanimously.

Commissioner Achterman moved to approve that portion of the US30 @ Columbia/Bond St. in Astoria (NW Natural Gas Company) property listed on the resolution for authority to acquire real property (Consent Calendar Item #2). Commissioner Papé abstained from the vote. The motion passed.



Chair Foster adjourned the meeting at 11:40 a.m.

Stuart Foster, Chairman

Gail Achterman, Member

Randy Papé, Member

Mike Nelson, Member

Janice Wilson, Member

Jill Pearson, Commission Secretary