

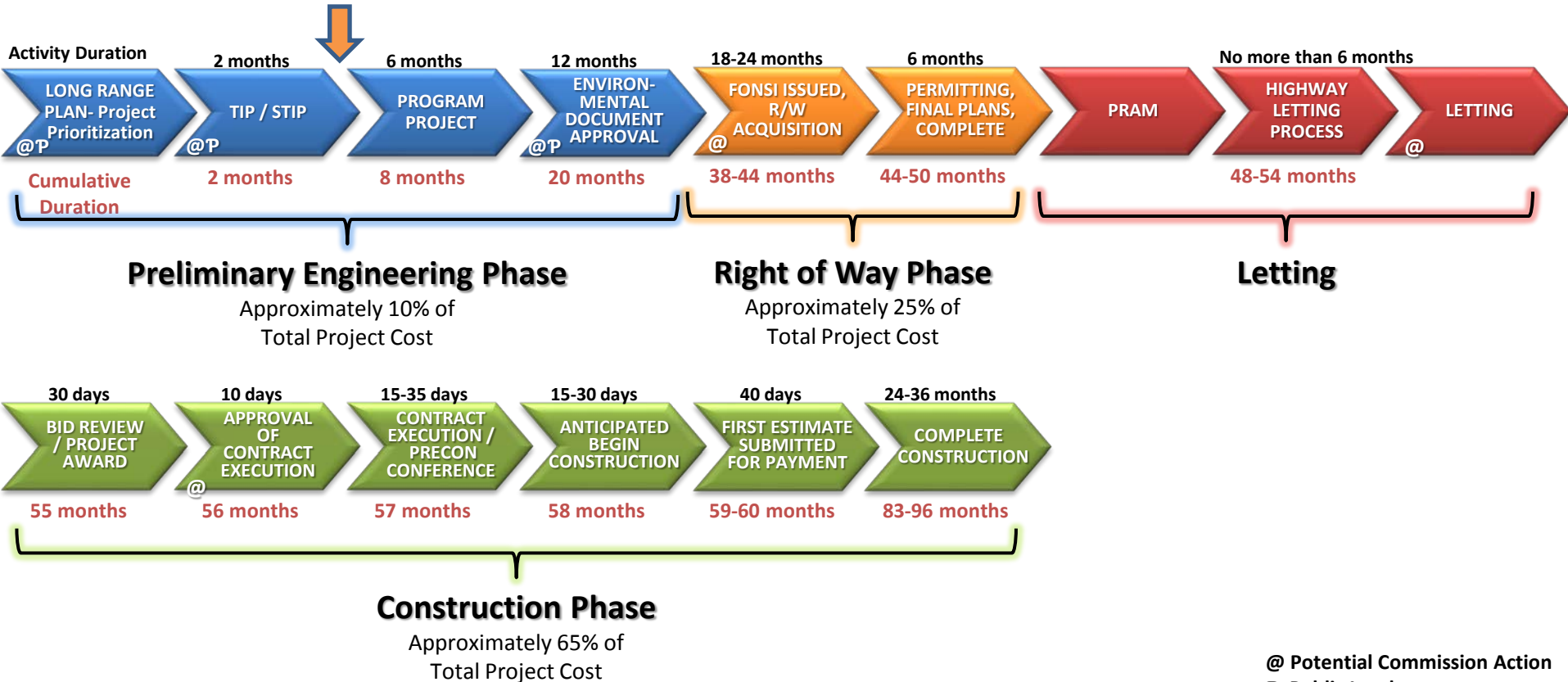
Project Development Process

Commission Workshop

March 20, 2014

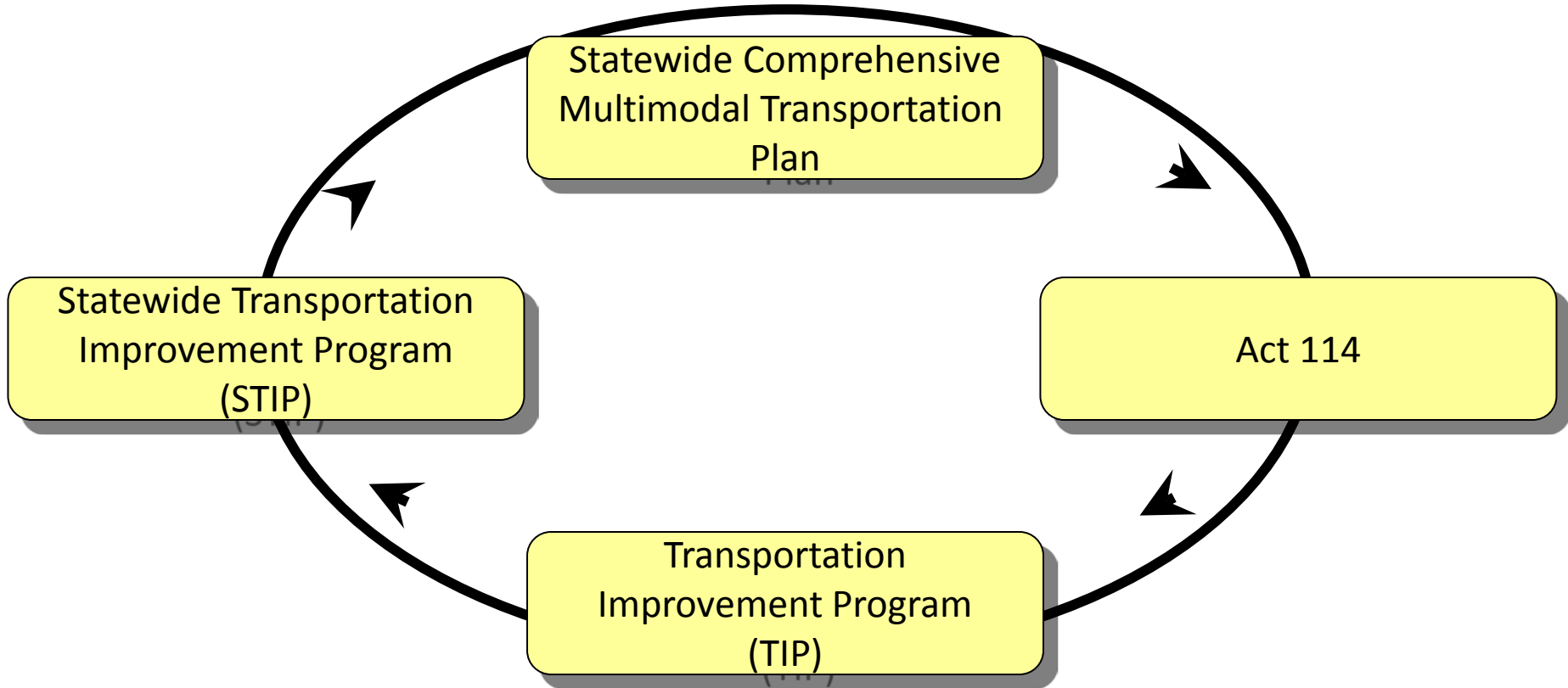
Project Development Timeline

for a typical WIDENING or Bridge Replacement project involving Right of Way



@ Potential Commission Action
P Public Involvement

Statewide Planning Process from Planning to Projects

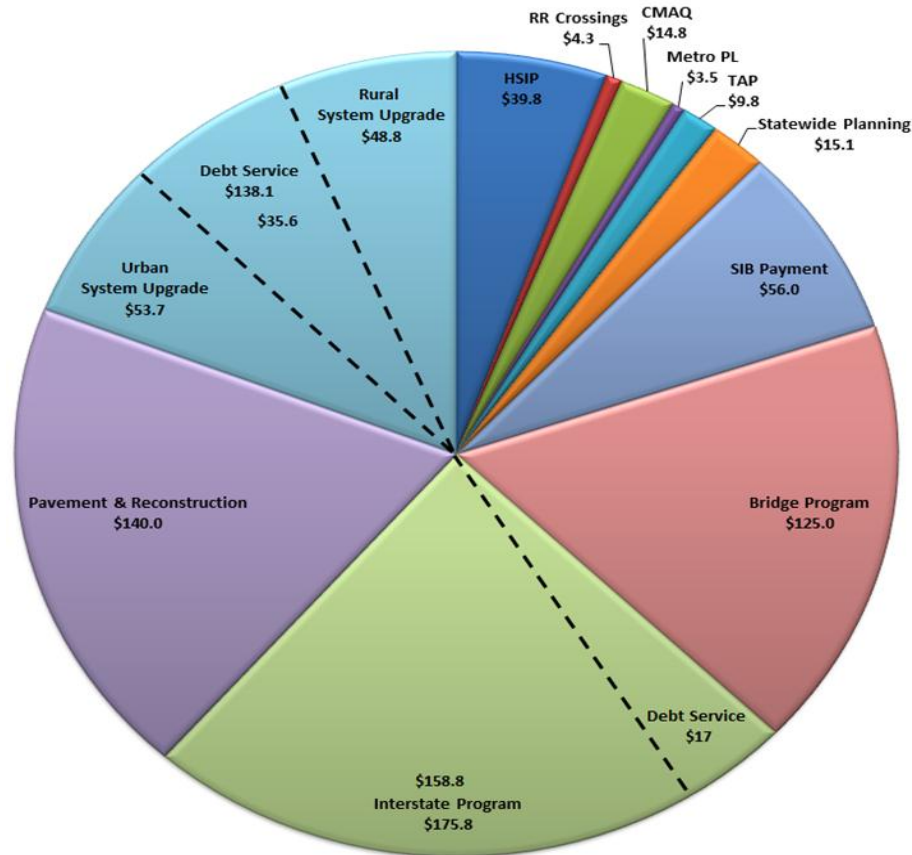


Act 114

§57-1-370 *“When selecting projects...the commission shall establish a priority list of projects...taking into consideration at least the following criteria:”*

- financial viability including a life cycle analysis of estimated maintenance and repair costs over the expected life of the project
- public safety
- potential for economic development
- traffic volume and congestion
- truck traffic
- pavement quality index
- environmental impact
- alternative transportation solutions
- consistency with local land use plans

Statewide Transportation Improvement Program (STIP)



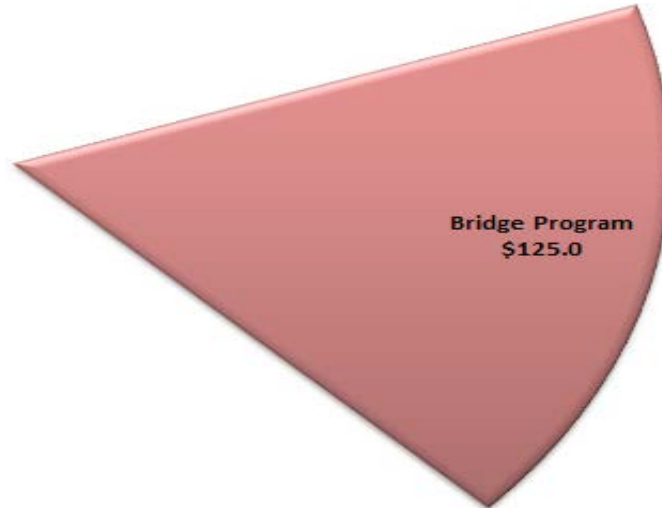
Bridge Project Identification

STIP Process for Bridge Projects

1. Develop Act 114 Prioritized List
2. Public Comment Period
3. Approval of Priority List
4. STIP Public Comment Period
5. Commission Approval
6. MPO/COG Coordination – TIP Inclusion
7. FHWA/FTA Submittal
8. FHWA STIP Approval

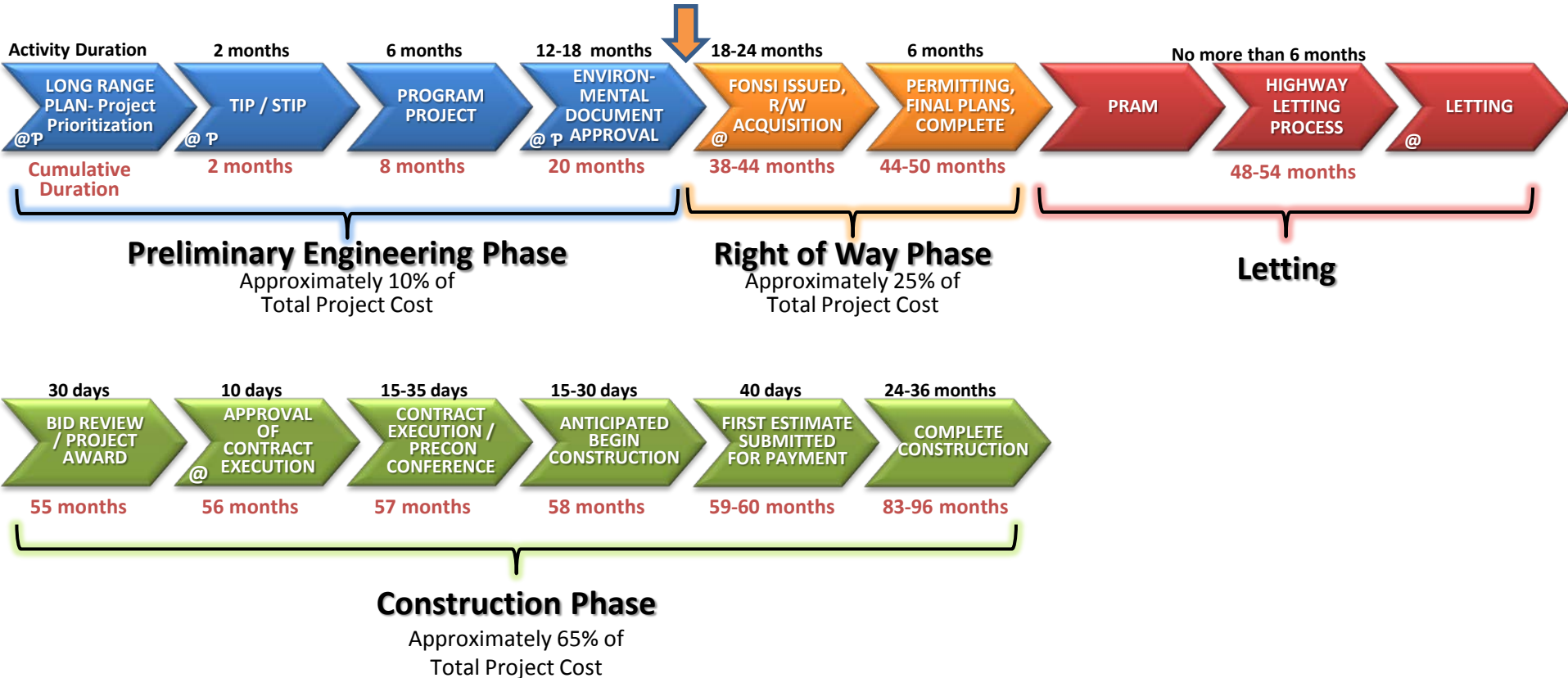
BRIDGE PROGRAM

Rank	PROJECT	LOCATION	COUNTY	DISTRICT	FY 2014 PLANNED	FY 2015 PLANNED	FY 2016 PLANNED	FY 2017 PLANNED	FY 2018 PLANNED	FY 2019 PLANNED
BR-13	US 701	GREAT PEE DEE RIVER	GEORGETOWN HORRY	5	300 R 45,000 C					
BR-21	US 76	EBL & WBL - MILL CREEK	RICHLAND	1	158 R	6,660 C				
BR-34	S-36-642	NORTH BRANCH OF	NEWBERRY	2	80 R					
BR-36	SC 72	FISHING CREEK	YORK	4		4,600 C				
BR-38	SC 97	ROCKY CREEK	CHESTER	4	6,500 C					
BR-54	S-11-223	GARNER BRANCH	CHEROKEE	4	2,880 C					
BR-57	SC 34	LITTLE RIVER	FAIRFIELD	4	86 R 6,300 C					



Project Development Timeline

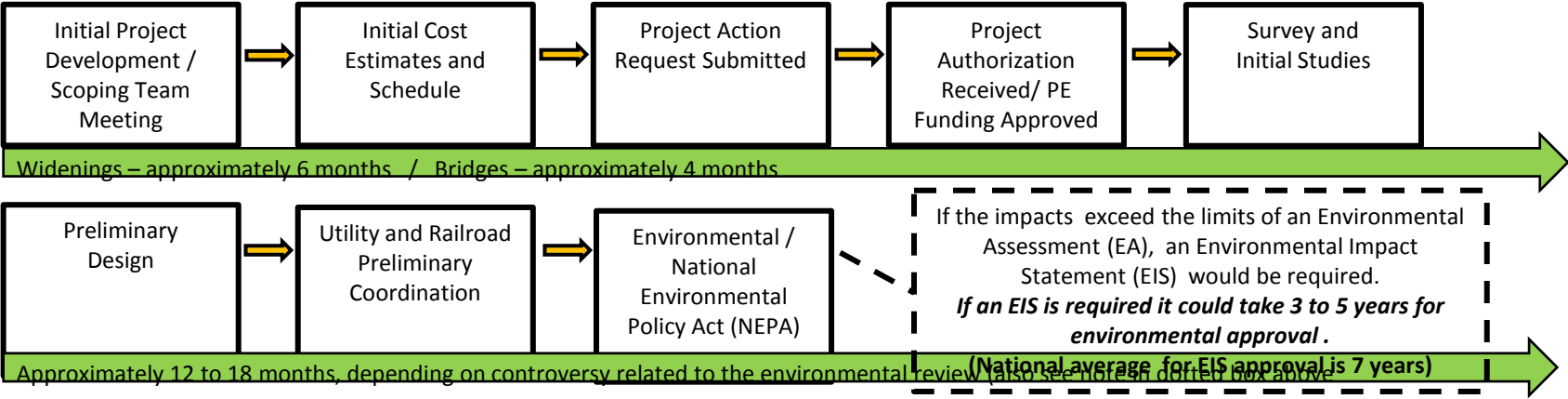
for a typical WIDENING or Bridge Replacement project involving Right of Way



Typical Project Development Process & Timeline

Widening and Bridge Projects

(estimate 2 to 3 years from concept to construction)



Project Development Timeline

for a typical WIDENING or Bridge Replacement project involving Right of Way

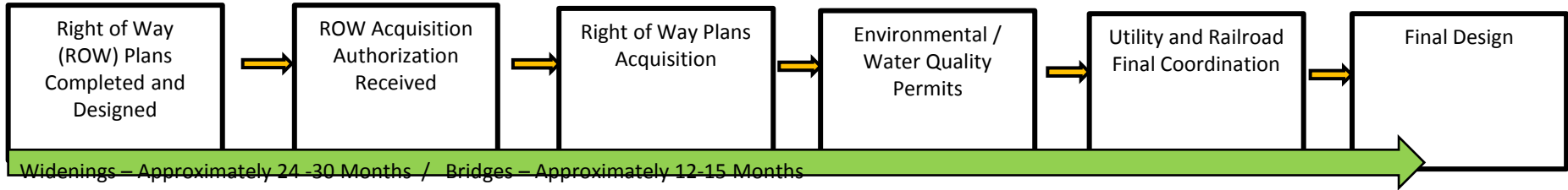


@ Potential Commission Action
P Public Involvement

Typical Project Development Process & Timeline (cont'd)

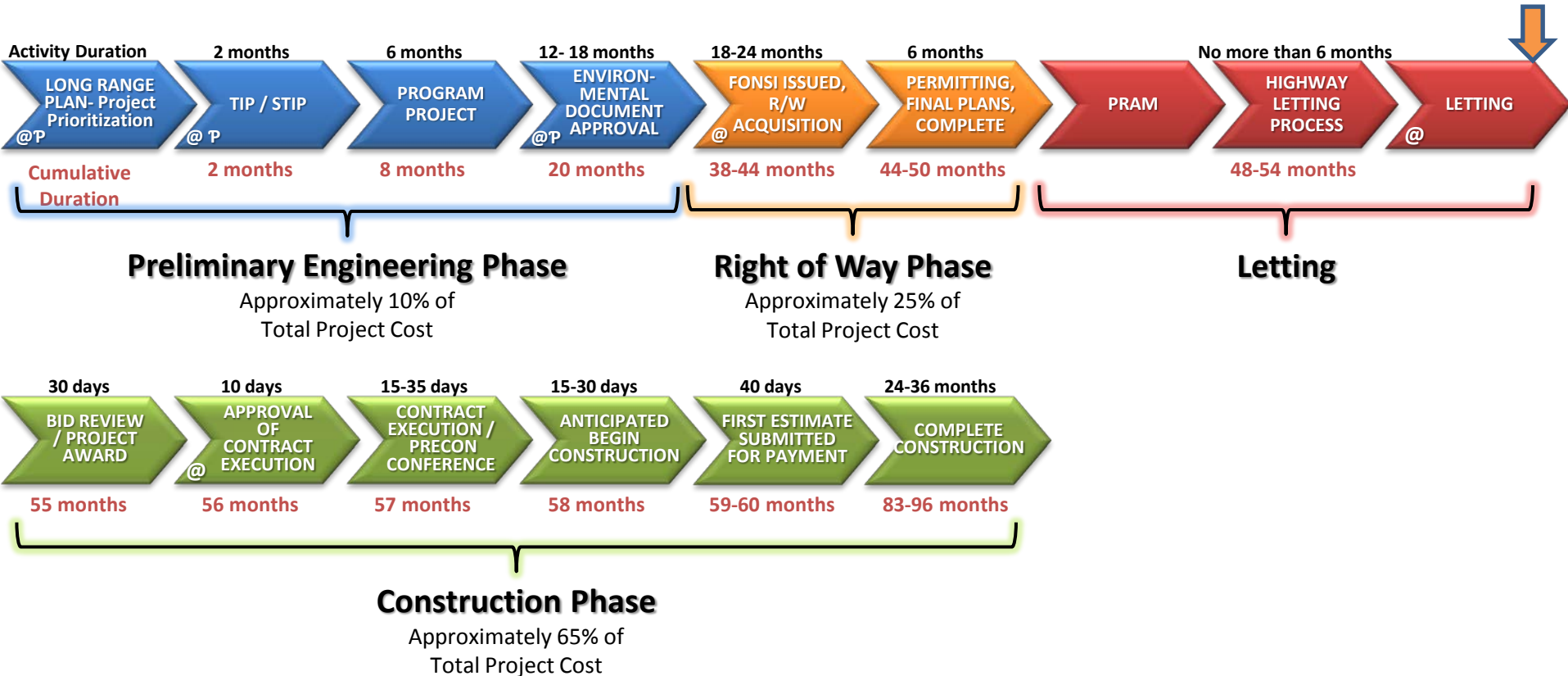
Widening and Bridge Projects

(estimate 2 to 3 years from concept to construction)



Project Development Timeline

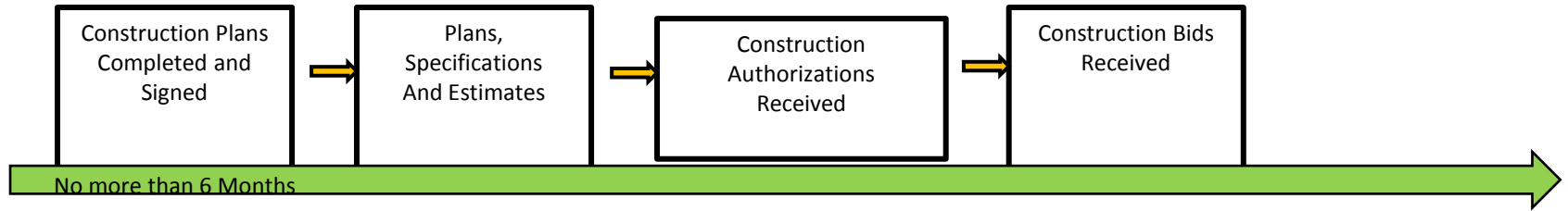
for a typical WIDENING or Bridge Replacement project involving Right of Way



Typical Project Development Process & Timeline (cont'd)

Widening and Bridge Projects

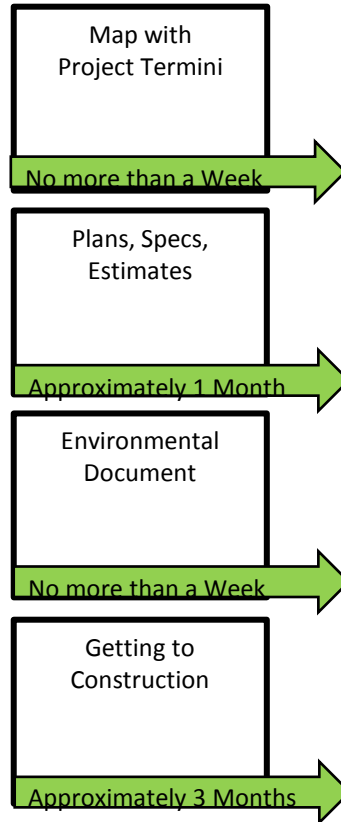
(estimate 2 to 3 years from concept to construction)



Typical Project Development Process & Timeline

Resurfacing Projects

(estimate less than four months from concept to construction)





Act 98 Update

Commission Workshop

March 20, 2014



Overview

- Resurfacing
- Bridge Replacements
- Interstate Improvements



Resurfacing

- The 2013/2014 ACT 98 resurfacing projects were let in December and February and work will begin this spring with two exceptions. The resurfacing for Charleston and Beaufort/Jasper counties were rejected due to the received bids exceeding internal estimates. Both of these counties will be re-let this spring.
- The 2014/2015 ACT 98 resurfacing projects will be presented to the Commission as part of the 2014/2015 State program at the April Commission meeting. Bids for the 2014/2015 projects will be received in August and October.



Bridge Replacements

- Closed/Load Restricted bridges
- Bids will be received in May for the first set of bridges (4 locations)
- Lettings will continue through the summer and fall on the first group of bridges in each Engineering District
- Total estimated cost for this first set of bridges is \$19M
- The program will be delivered over a two year period as per the guidelines in the Act 98 legislation



Interstate Improvements

- Aerial photography is currently underway on all three of the new State Infrastructure Bank (SIB) Funded interstate widening projects
 - I-85 Spartanburg/Cherokee from S-57 to US 29
 - I-20 Lexington County from US 378 to Long's Pond Road
 - I-77 Richland County from I-20 to SC 277



Interstate Improvements

- A design build contract is expected to be awarded by the summer/fall of 2016 for the I-85 widening in Spartanburg/Cherokee County from S-57 to SC 18.
- The last phase of the I-85 project in Cherokee County from SC 18 to US 29 is currently funded for design only.
- The I-20 widening from US 378 to Longs Pond Road in Lexington County and the I-77 widening from I-20 to SC 277 in Richland County are also targeted for contracts awards by summer/fall of 2016.



Interstate Improvements

- The I-85/I-385 interchange in Greenville County which includes \$80M of SIB funding and \$190M in federal/state funding from the Interstate Upgrade portion of the Statewide Transportation Improvement Program (STIP) is scheduled for bid opening this summer.
- The Request for Proposals has been advertised for the SIB supplemented design funding for the “Malfunction Junction” preliminary design and environmental studies and approval.



Act 98 Update

Commission Workshop

March 20, 2014



Federal Program Update

Presented March 20, 2014





Federal Program: The Basics

- Approximately 60% of SCDOT's revenues are reimbursements related to the Federal Program
- SCDOT has to spend the state dollar first and then request a reimbursement from FHWA
- Generally, the projects fall into either an 80% or 90% reimbursement rate, depending on project type. Overall, the blended reimbursement rate has been approximately 83% over the past several years
- Timely Federal reimbursements and synchronizing the reimbursement requests to outlays are a major component of maintaining a good cash posture



Federal Program: The Basics

- During the Federal Fiscal Year, SCDOT “obligates” federal authority towards projects and activities
- The terms “obligation” or “programmed” normally refers to the Federal government's legal commitment to reimburse SCDOT for the Federal share of a project's eligible costs. It can be for any phase of a project or other project related cost
- The expression “draw down all of the federal money available” means that SCDOT has obligated or committed all of the available federal authority for that given federal fiscal year. It does not mean cash deposited or actual expenditures occurred



Federal Program: The Basics

- Understanding the difference between obligations and cash flow is essential. When SCDOT's budget is developed, one of the key components is a forecast of the anticipated outlays on projects and other federal aid eligible expenses and the related reimbursements received from the federal government for these same activities
- These forecasts involve multiple, overlapping years of project and program obligations on many hundreds of projects in different phases of activities



Stability at the Federal Level

Two Key items of concern for SC:

- Reauthorization of the Surface Transportation Program
- Federal Highway and Transit Fund Solvency



Reauthorization

- Reauthorization or a Continuing Resolution is required prior to Oct 1, 2014 in order to keep SCDOT's FFY 2015 planned activities on track
- Sen. Boxer has indicated that she intends to bring a reauthorization bill out of committee in April. It will need to be financially viable



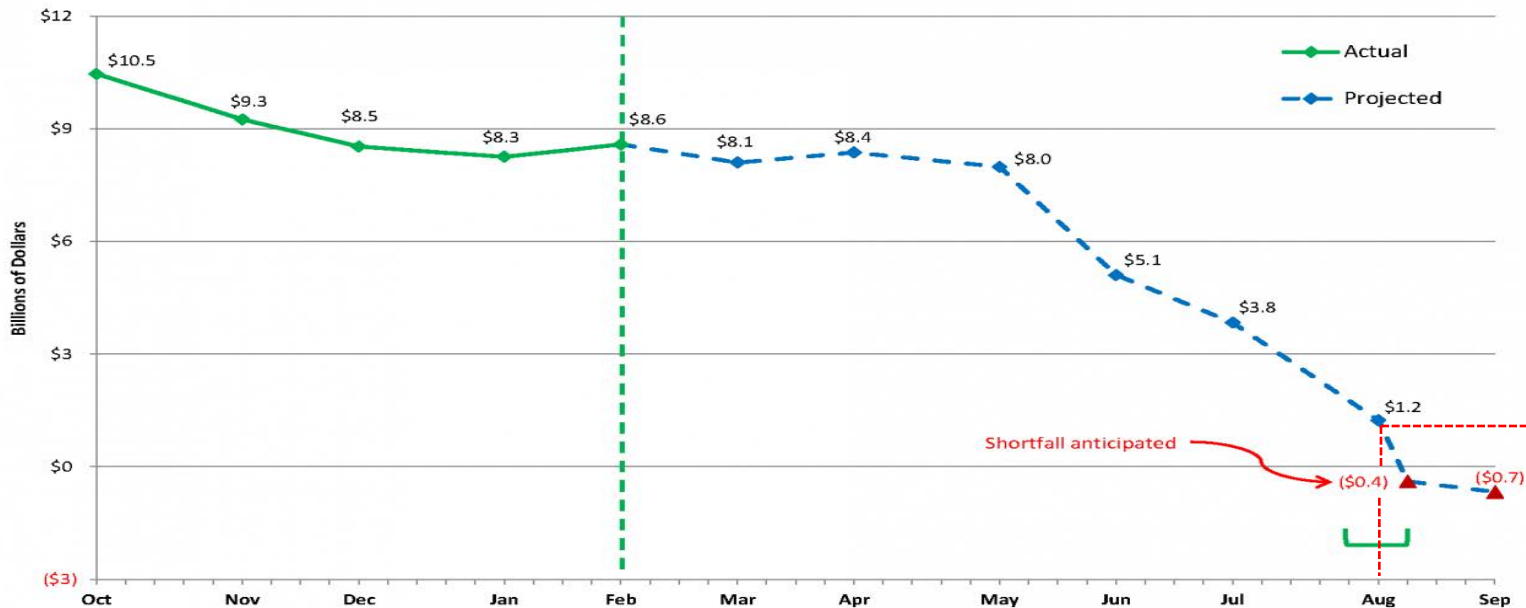
Federal Solvency

- Since 2000, spending from the Highway Trust Fund has generally outpaced revenue collections which has required revenue transfers in order to maintain solvency
- USDOT publishes monthly projections of both the highway and transit account balances
- As of the February 2014 projection, the federal highway account is projected to drop to below \$1B prior to the end of federal FFY 2014

Federal Solvency

FY 2014 Projected Estimates for End-of-Month Cash Balances (as of 2/28/2014) ^{1/ 2/ 3/}

Highway Account of the Highway Trust Fund (Includes FHWA, FMCSA & NHTSA)



February
Projection

Shortfall anticipated

Anticipated start of reduced reimbursements

1/ Graph reflects actual data through 2/28/14 and end-of-month projections for the remainder of the fiscal year.

2/ Total receipt and outlay projections are based on FY 2015 President's Budget Baseline assumptions. Projected monthly receipt and outlay rates are based on historic averages.

3/ Range of anticipated shortfall: Green brackets denote the estimated window of when the anticipated shortfall will occur.

Source: FHWA



Federal Solvency

- On the Federal program, today's outlays are based on older obligations and there is very limited action that could be taken to impact the forecasted outlays in the short term
- USDOT has signaled that it will enact funds management strategies in order to keep the accounts solvent
 - Move from daily to weekly reimbursements at the full amount
 - Move to reduced reimbursements based on an equitable basis
- The anticipated trigger point for fund management strategies at the federal level is the \$1B threshold for the highway account. Based on recent projections, the trigger point may be prior to the end of August 2014



Federal Trust Fund Solvency & Reauthorization

State Plan of Action



Plan of Action: Assumptions

- SCDOT will continue to pay vendor invoices, make debt service and project loan payments in a timely manner
- Cash Management strategies may be deployed by USDOT beginning mid August
- SCDOT to obligate all of the FFY 2014 funds, otherwise forgo unobligated balances and \$30M in August redistribution
- The federal revenues will continue to accumulate in the federal accounts past Sept 30, 2014
- Assume a worst case scenario of no reauthorization or Continuing Resolution for the federal program by Oct 1, 2014. Continue to project development activities in the meanwhile



State Plan of Action

- By March 31: Increase use of soft match & toll credits by \$21M to drive up reimbursement rates on projects
- By May 30: Complete indirect cost reimbursement (Approx \$27M)
- By May 30: Accelerate and complete federal reimbursement for previously unreimbursed SIB projects (Approx \$55M)
- By mid-August: Suspend lettings of federal-aid projects planned for FFY 2015
- By Aug 31: Obligate next year's debt service utilizing current year limitation
- By Sep 30: Convert Advance Construction balances associated with next year's anticipated payouts on projects and activities, utilizing current year limitation
- By Sept 30: Resume federal reimbursement requests following the state accounting year-end close
- Oct 1 forward: Suspend any other new FFY 2015 encumbrances



State Plan of Action

Monitor and Adjust

- USDOT's Trust Fund Ticker and forecast adjustments from month to month
- USDOT signals on modifications to cash management strategies
- Congressional Activity: Key indicator will be progress on reauthorization and trust fund solvency issues prior to August 4 recess
- SCDOT monthly internal activity levels, revenue and cash forecast updates
- Remain flexible to implement or request ability to implement additional contingency measures as required



State Plan of Action

Communicate

- Briefed and will continue to brief Congressional delegation on importance for SC
 - Timely Reimbursements influence SCDOT's cash posture
 - Credit Rating agencies are sensitive to instability
 - May affect advancement of projects and economy of the state
 - Continue to advance policies of MAP 21 regarding asset management and performance requirements
 - Long term program to provide a good planning window
 - Continue to Guarantee 95% return on federal motor fuel collections
 - \$646 M +/- Annual Federal Program
 - Continuing Resolutions negatively impact growth states
 - Debt Service structure and coverage ratio requirements
- Fully engaged at AASHTO
- Communicate regularly with FHWA and FTA
- Commission and other stake holder briefings



Federal Program Update



Debris Management

Commission Workshop

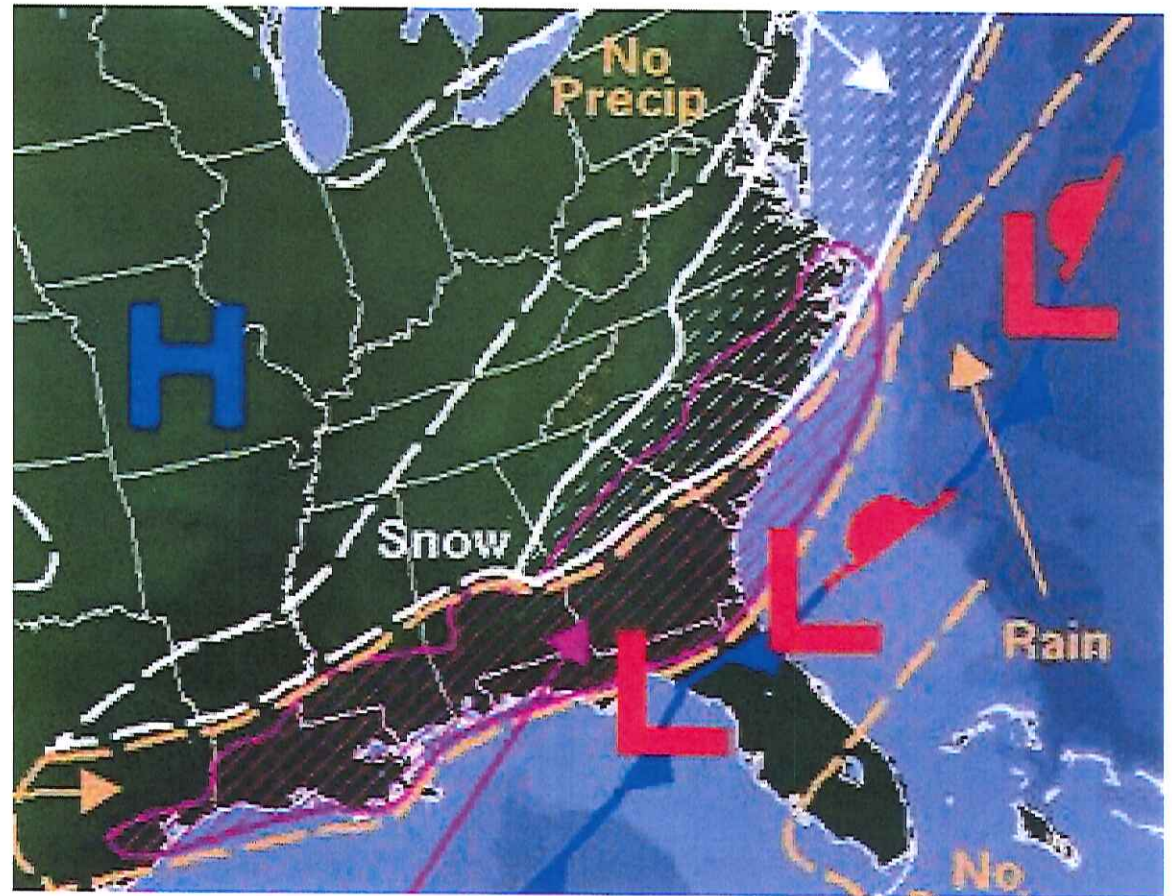
March 20, 2014

- Intent
- Incident Phases
- Magnitude
- Debris Management
 - Clearance
 - Clean-Up (Removal + Disposal)
- Status

- Clear Debris
 - Remove debris from roadways to allow for safe vehicular movement
- Clean-Up Debris
 - Remove hanging limbs and leaning trees that pose a safety concern to roadways
 - Collect and dispose of debris on the improved portion of rights of way to return network to normal operating condition
- Comply with FEMA requirements to remain eligible for reimbursement

Incident Phases

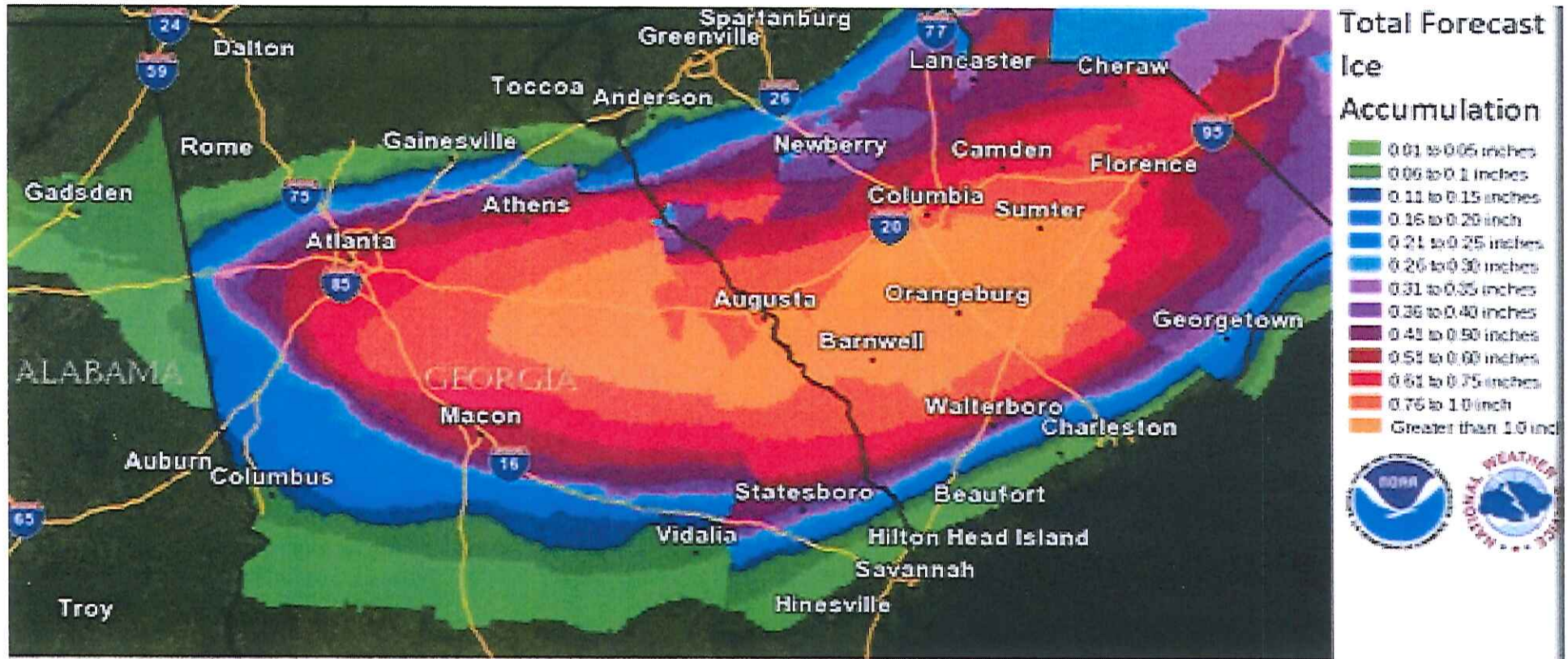
- Prevention
- Mitigation
- Preparation
- Response
- Recovery

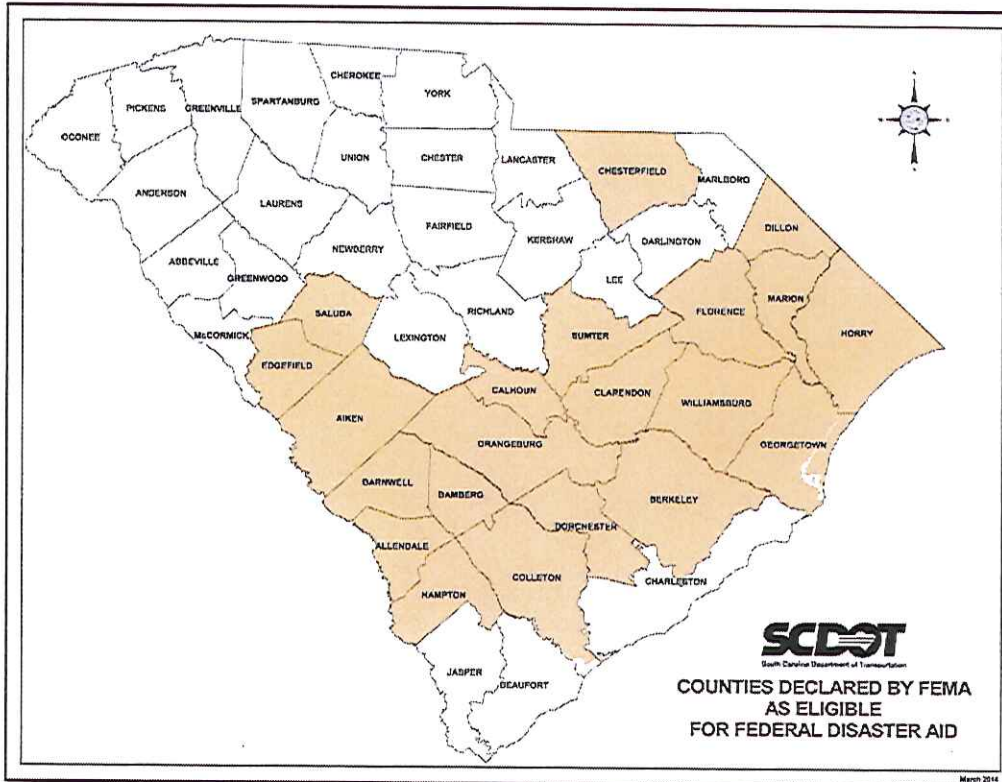


- Debris Clean-Up
 - 5 contractors
 - Over 700 crews
 - 18 counties
- Debris Monitoring
 - 3 Firms
 - Proper documentation to maximize FEMA reimbursement



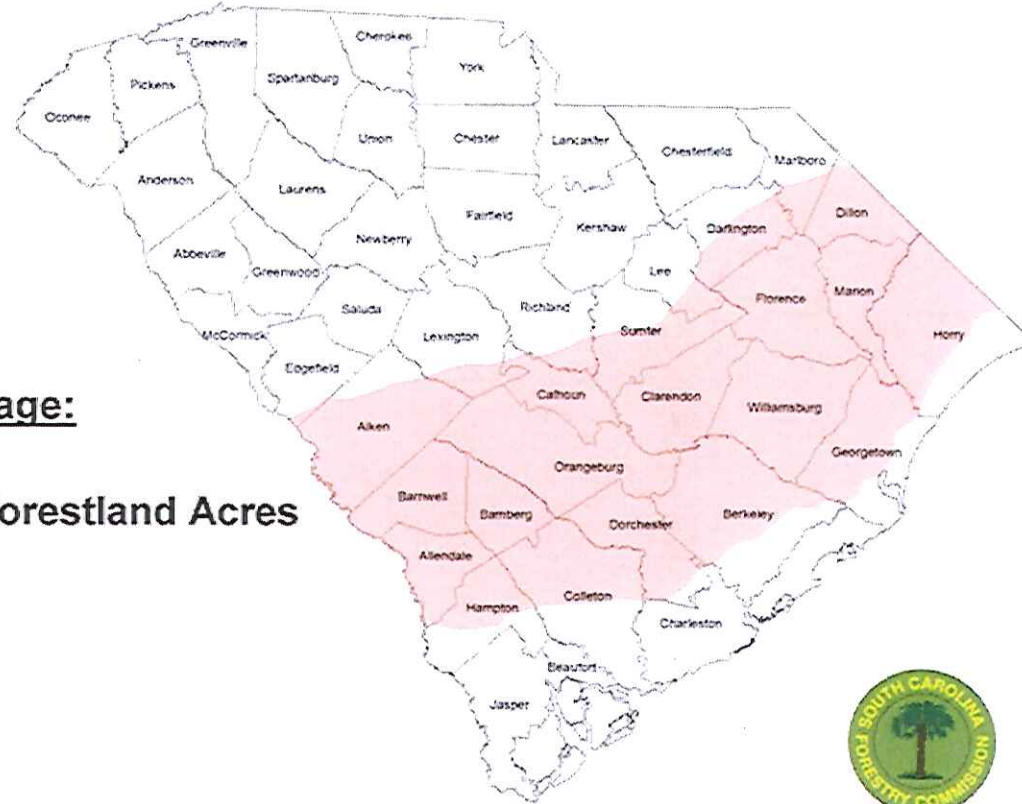
Magnitude





- Presidential Declaration covers 21 Counties
- > 18,000 centerline miles of the SC system are in effected counties
 - Interstate: 296
 - Primary: 4,157
 - Secondary: 13,811
- Exceeds the size of the highway system in 40 states

Timber Damage Corridor from Winter Storm



Timber Damage:

\$360 Million
1.5 Million Forestland Acres
24 Counties



March 5, 2014

Timber damage occurred across the state, however, the majority of timber damage occurred in the area indicated above.

Magnitude



SCDOT

Magnitude



Magnitude



Magnitude



SCDOT

Magnitude



SCDOT

Magnitude



SCDOT

Magnitude



- Intent
- Incident Phases
- Magnitude
- Debris Management
 - Clearance
 - Clean-Up (Removal + Disposal)
- Status

SCDOT

Debris Clearance



Debris Clearance



Debris Clean-Up

Removal

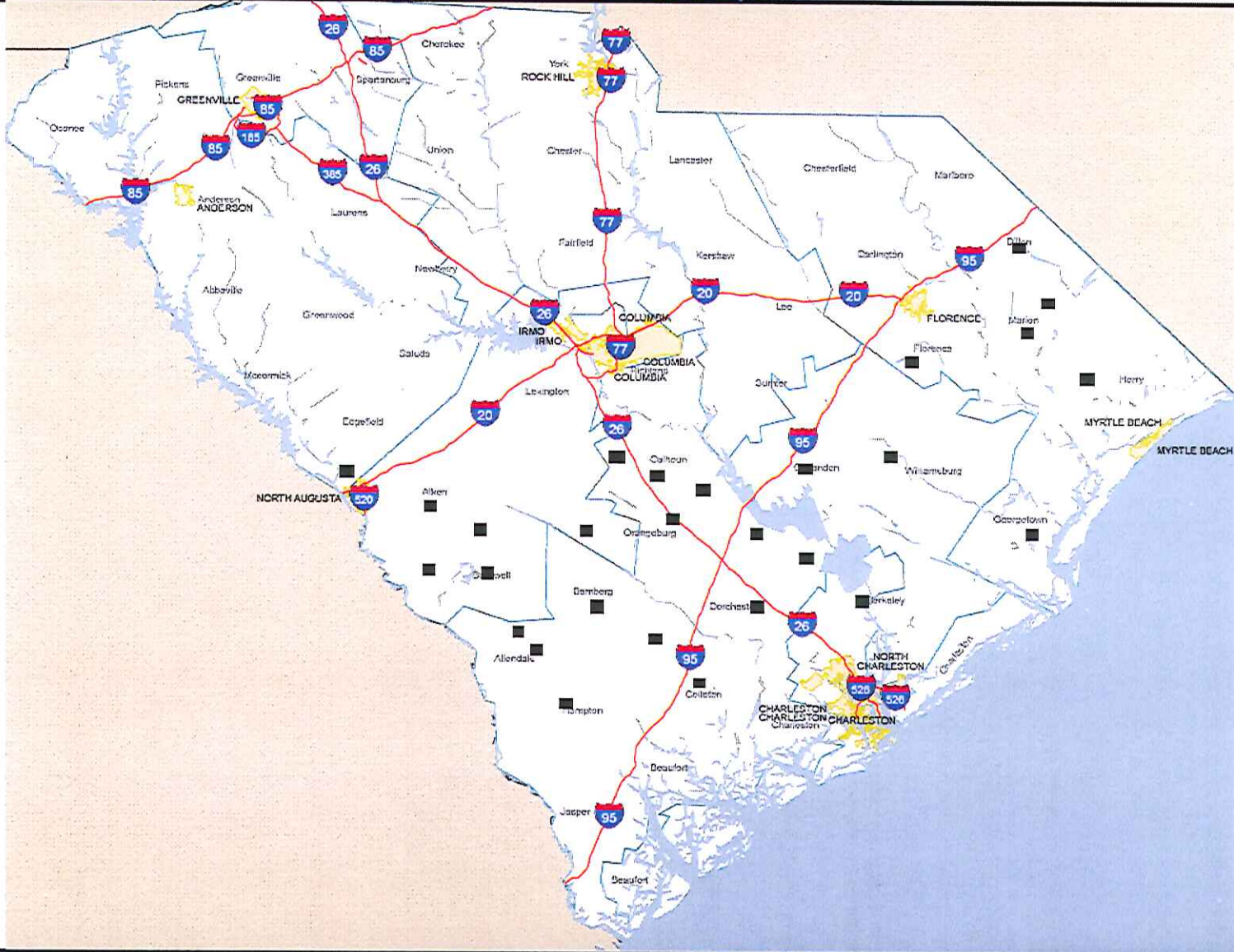
- Remove leaners and hangers
- Pick up debris from roadside
- Haul debris to Temporary Debris Management Site (TDMS)



- FEMA Criteria
 - Trees – 6” diameter at breast height
 - Leaning at least 30° and in danger of falling on the maintained right-of-way
 - 50% of the crown damaged, or heartwood exposed
 - Hangers
 - Limbs – broken, 2” or greater and in danger of falling on the maintained right-of-way
 - Debris on the maintained right-of-way



Temporary Debris Management Sites





Debris Removal



- Monitors at the debris management site certify the amount of debris in each load



Reduction



Recycling

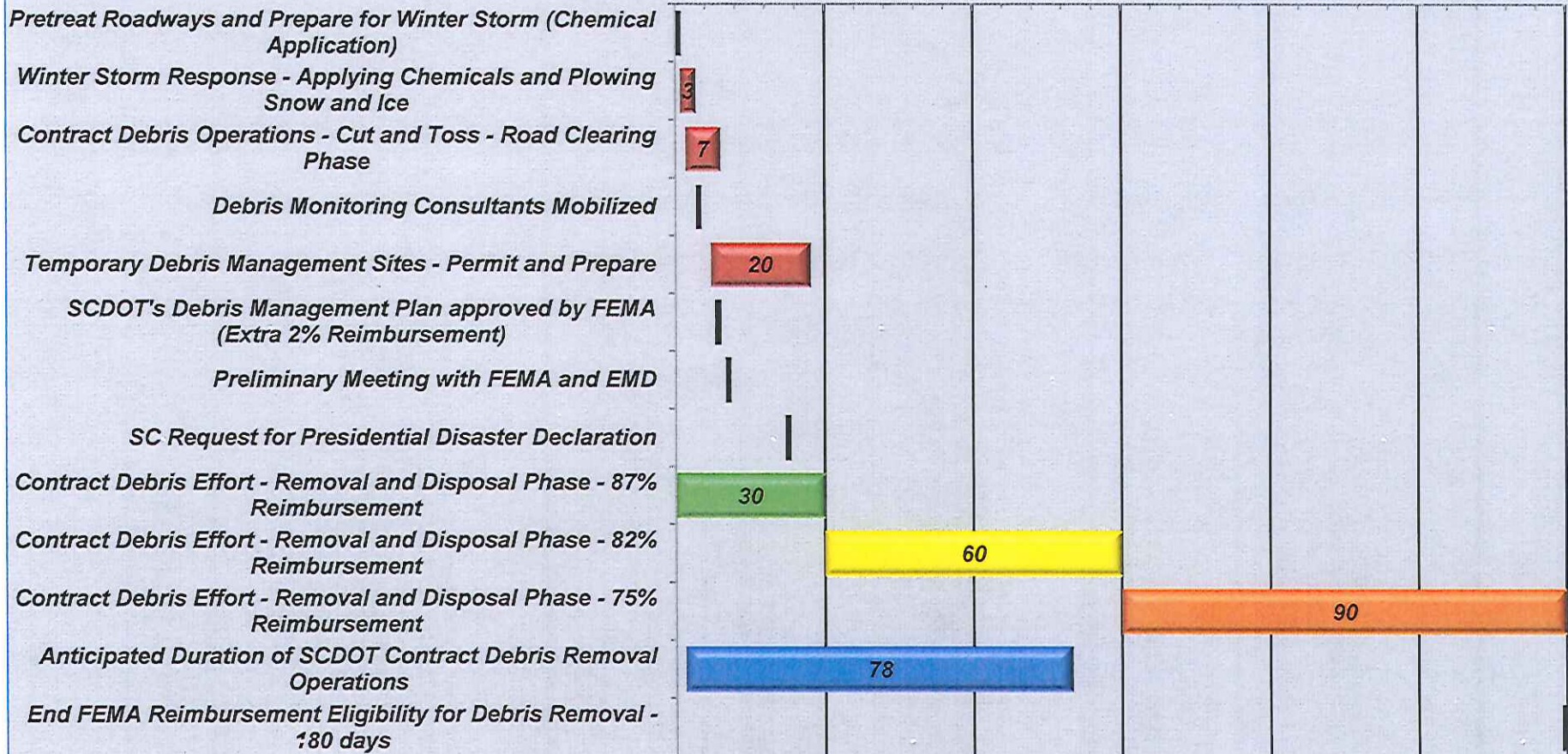
- Typical Uses
 - Bio-fuel for plants and mills
 - Landscaping
 - Erosion Control
- Proceeds are returned to SCDOT
- Revenues can only be used for approved purposes



Status

Winter Storm Pax Project Timeline for Storm Response Operations

2/10/2014 3/12/2014 4/11/2014 5/11/2014 6/10/2014 7/10/2014 8/9/2014





Status

County	Leaner and Hanger Trees Addressed	Projected Total Leaner and Hanger Trees	Hazard Removal % Complete	CY of Debris Removed	Projected Total CY of Debris	Debris Removal% Complete	Road Miles Complete
Aiken	122,321	125,000	98%	243,102	350,000	69%	90
Allendale	21,013	30,000	70%	87,871	150,000	59%	74
Bamberg	38,346	40,000	96%	133,011	150,000	89%	83
Barnwell	66,156	70,000	95%	339,595	330,000	103%	82
Edgefield	28,063	30,000	94%	99,986	75,000	133%	100
Berkeley	16,990	35,000	49%	90,224	225,000	40%	182
Colleton	25,422	35,000	73%	114,929	250,000	46%	198
Dorchester	23,799	35,000	68%	85,447	250,000	34%	235
Calhoun	22,697	23,000	99%	21,899	25,000	88%	205
Clarendon	19,631	20,000	98%	28,817	60,000	48%	266
Hampton	9,980	15,000	67%	31,232	50,000	62%	237
Orangeburg	44,519	52,000	86%	214,574	400,000	54%	643
Florence	6,703	15,000	45%	29,006	50,000	58%	660
Williamsburg	41,754	50,000	84%	54,287	125,000	43%	847
Georgetown	7,681	25,000	31%	20,599	50,000	41%	263
Horry	17,623	35,000	50%	14,001	50,000	28%	483
Marion	24,147	65,000	37%	197,065	400,000	49%	501
Dillon	28,273	40,000	71%	71,828	170,000	42%	919
TOTAL	565,118	740,000	76%	1,877,473	3,160,000	59%	6,068

* This is a status of SCDOT contracted work only.



Status

Estimated Costs

- Initial Road Clearing \$ 15 Million
- Debris Clean-Up \$145 Million

Total Estimate: \$160 Million

Communications

- Weekly reports released to media
- Periodic briefings to the Governor's office and Commission
- Internal daily status reports
- On site operation inspections
- Final pass notice to public through media



- Storm magnitude/impact not recently seen in SC
 - 21 counties declared eligible for federal aid
- #1 priority for the Department
 - Over 700 contract crews working in 18 counties
 - Debris is removed, reduced and recycled, or burned
 - Over 6,000 miles cleared so far
 - Almost 1.9 million cubic yards of debris removed to date
 - Approximately 59% complete

Questions?

DEBRIS REMOVAL RESOURCE AND ACCOMPLISHMENT TOTALS FOR March 19, 2014

County	Number of Contractor Trim Crews (Leaners and Hangers)	Number of Leaners and Hangers Trees addressed	Cost of Leaner Hanger Trees to Date	Number of Contractor Pick-up Crews	Cubic Yards of Debris Removed by Contractor	Cost of Debris Removal to Date	Road Miles Complete	Total Estimated Cost to Date	Estimated Work days to completion Hangers/Leaners	Estimated Work days to completion ROW	Projected Total Leaner and Hanger Trees	Projected Total Cubic Yards of Debris	Total Estimated Projected Cost
Aiken	0	122,321	\$ 12,696,920	32	243,102	\$ 4,983,591	90	\$ 17,680,511	13	42	125,000	350,000	\$ 20,150,000
Allendale	0	21,013	\$ 2,181,149	17	87,871	\$ 1,801,356	74	\$ 3,982,505	9	37	30,000	150,000	\$ 6,189,000
Bamberg	0	38,346	\$ 3,980,315	12	133,011	\$ 2,726,726	83	\$ 6,707,040	13	37	38,000	150,000	\$ 7,019,400
Barnwell	0	66,156	\$ 6,866,993	24	339,595	\$ 6,961,698	82	\$ 13,828,690	11	37	70,000	330,000	\$ 14,031,000
Edgefield	0	28,063	\$ 2,912,939	16	99,986	\$ 2,049,713	100	\$ 4,962,652	9	22	30,000	75,000	\$ 4,651,500
Lexington	0	2,489	\$ 258,358	0	6,142	\$ 125,911	146	\$ 384,269	0	0	2,489	7,000	\$ 401,858
Berkeley	12	16,990	\$ 1,763,562	14	90,224	\$ 1,849,592	182	\$ 3,613,154	15	19	35,000	225,000	\$ 8,245,500
Colleton	18	25,422	\$ 2,638,804	22	114,929	\$ 2,356,045	198	\$ 4,994,848	7	17	35,000	250,000	\$ 8,758,000
Dorchester	11	23,799	\$ 2,470,336	19	85,447	\$ 1,751,664	235	\$ 4,222,000	7	17	35,000	250,000	\$ 8,758,000
Calhoun	10	22,697	\$ 2,355,949	2	21,899	\$ 448,930	205	\$ 2,804,878	0	1	20,000	25,000	\$ 2,588,500
Clarendon	7	19,631	\$ 2,037,698	4	28,817	\$ 590,749	266	\$ 2,628,446	1	10	20,000	60,000	\$ 3,306,000
Hampton	5	9,980	\$ 1,035,924	8	31,232	\$ 640,256	237	\$ 1,676,180	9	9	15,000	50,000	\$ 2,582,000
Orangeburg/Holly Hill	44	44,519	\$ 4,621,072	48	214,574	\$ 4,398,767	643	\$ 9,019,839	3	12	52,000	400,000	\$ 13,597,600
Florence	0	6,703	\$ 695,771	4	29,006	\$ 594,623	660	\$ 1,290,394	24	24	15,000	50,000	\$ 2,582,000
Williamsburg	0	41,754	\$ 4,334,065	15	54,287	\$ 1,112,884	847	\$ 5,446,949	24	24	50,000	125,000	\$ 7,752,500
Georgetown	0	7,681	\$ 797,288	6	20,599	\$ 422,280	263	\$ 1,219,567	24	24	25,000	50,000	\$ 3,620,000
Horry	0	17,623	\$ 1,829,267	0	14,001	\$ 287,021	483	\$ 2,116,288	24	24	35,000	50,000	\$ 4,658,000
Marion	0	24,147	\$ 2,506,459	13	197,065	\$ 4,039,833	501	\$ 6,546,291	24	24	65,000	400,000	\$ 14,947,000
Dillon	0	28,273	\$ 2,934,737	4	71,828	\$ 1,472,474	919	\$ 4,407,211	24	24	40,000	170,000	\$ 7,637,000
COUNTY TOTALS	107	567,607	\$ 58,917,607	260	1,883,615	38,614,108	6,214	\$ 97,531,714	24	42	737,489	3,167,000	\$ 141,474,858
Neel-Schaffer -											77%	59%	69%
Metric Engineering -											Percent Complete		
Thompson Engineering -													







South Carolina Department of Transportation

**WINTER
STORM
CLEANUP**



South Carolina Department of Transportation

**WINTER
STORM
CLEANUP**



South Carolina Department of Transportation

**WINTER
STORM
CLEANUP**



South Carolina Department of Transportation

**WINTER
STORM
CLEANUP**







South Carolina Department of Transportation

**WINTER
STORM
CLEANUP**









South Carolina Department of Transportation

**WINTER
STORM
CLEANUP**





South Carolina Department of Transportation

**WINTER
STORM
CLEANUP**



South Carolina Department of Transportation

**WINTER
STORM
CLEANUP**



South Carolina Department of Transportation

**WINTER
STORM
CLEANUP**



South Carolina Department of Transportation

**WINTER
STORM
CLEANUP**





SCDOT

South Carolina Department of Transportation

**WINTER
STORM
CLEANUP**







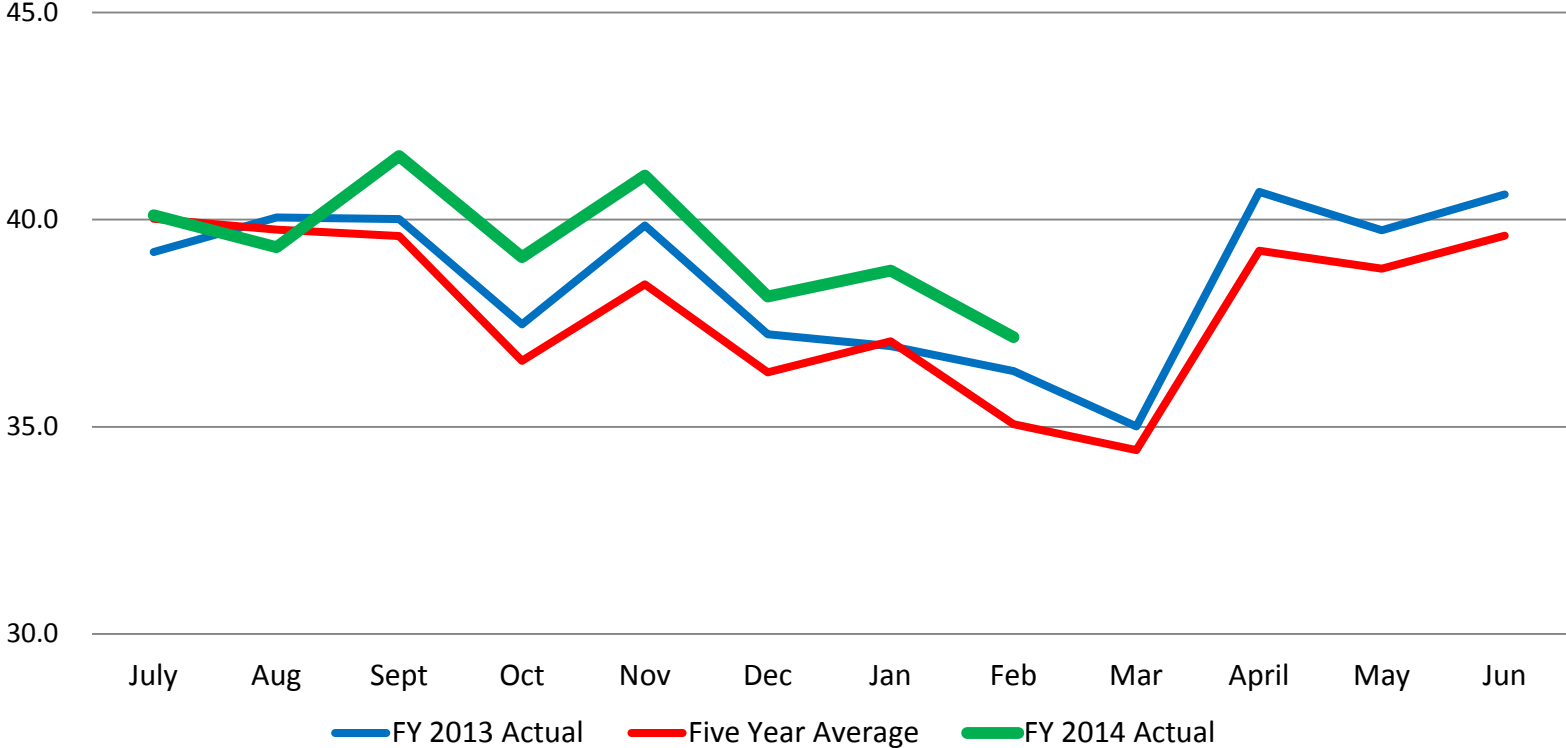
SCDOT Commission Workshop Financial Report

Presented March 20, 2014

Cash Activity for February 2014

	Non Federal Aid	Highway Fund
<i>Cash Balance as of January 31</i>	\$50 M	\$84 M
Revenues		
Federal Reimbursements		\$30 M
Fuel Revenues		\$39 M
IFTA Payments		(\$3 M)
Other Revenues/Transfers	<u>\$2 M</u>	<u>\$4 M</u>
	\$2 M	\$70 M
Payments		
Invoices and IDT	(\$1 M)	(\$36 M)
SIB & Debt Payments		(\$5 M)
Payroll & Benefits		(\$21 M)
	<u>(\$1 M)</u>	<u>(\$62 M)</u>
<i>Cash Balance as of February 28</i>	\$51M	\$92M

Monthly State Motor Fuel Revenues



**Year-to-Date Motor Fuel is up 2.63% from FY 2012-13
(Gasoline is up 1.42%, Diesel is up 6.26%)**

Open Commitments

		Remaining	Completed	Total
Construction Projects	SCDOT			
(As of 2/19/14)				
	Federal	\$364 M	\$360 M	\$724 M
	State	\$96 M	\$49 M	\$145 M
	Other	<u>\$17 M</u>	<u>\$7 M</u>	<u>\$24 M</u>
	Total	\$477 M	\$416 M	\$893 M

Professional Service Contracts

(As of 2/28/14)

Project Specific	\$67 M	\$184 M	\$251 M
On-Call	<u>\$37 M</u>	<u>\$54 M</u>	<u>\$91 M</u>
Total	\$104 M	\$238 M	\$342 M

Construction Projects

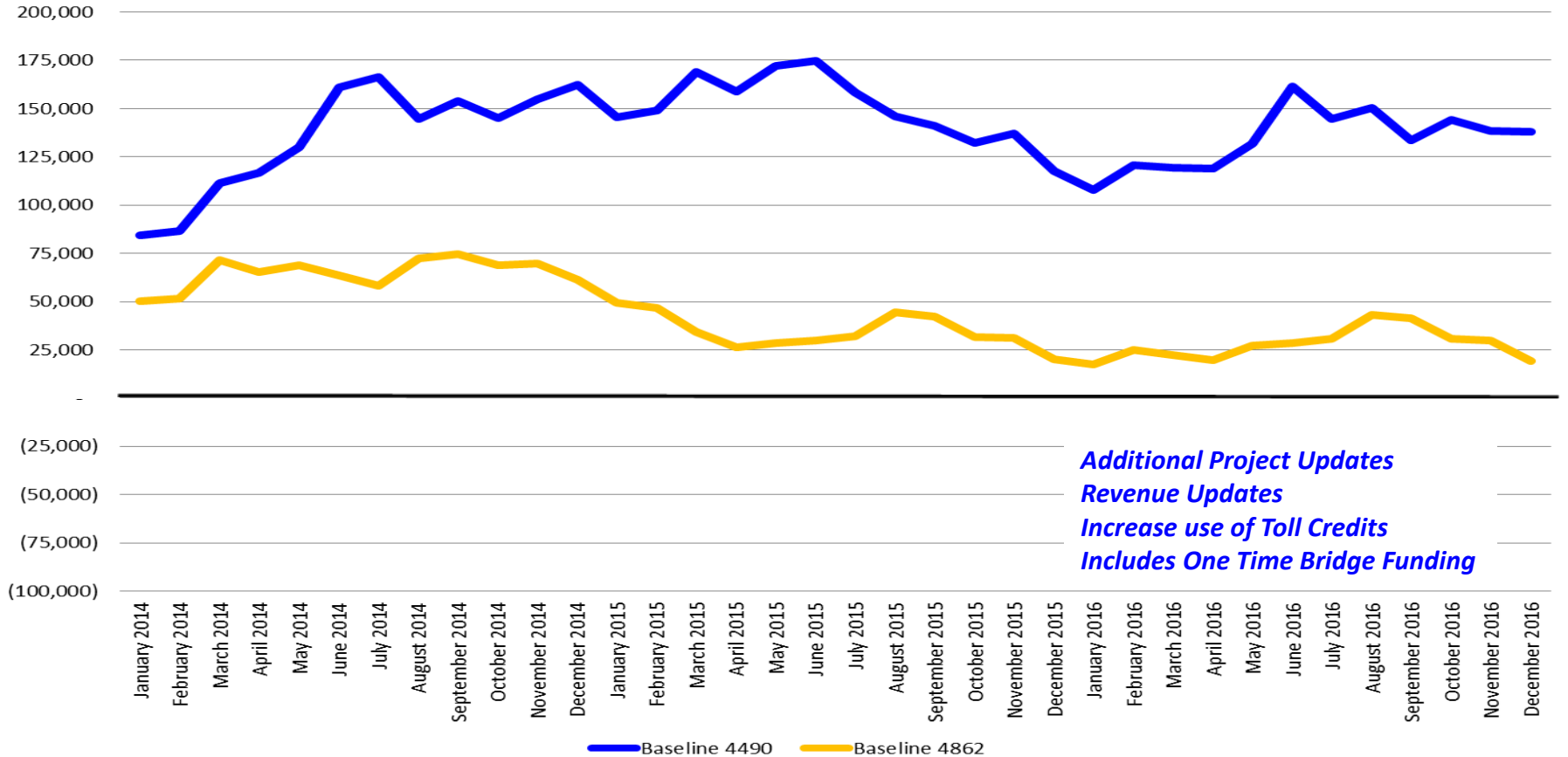
(As of 2/19/14)

Other Entities

County	\$166 M	\$116 M	\$282 M
LPA	<u>\$40 M</u>	<u>\$96 M</u>	<u>\$136 M</u>
Total	\$206 M	\$212 M	\$418 M

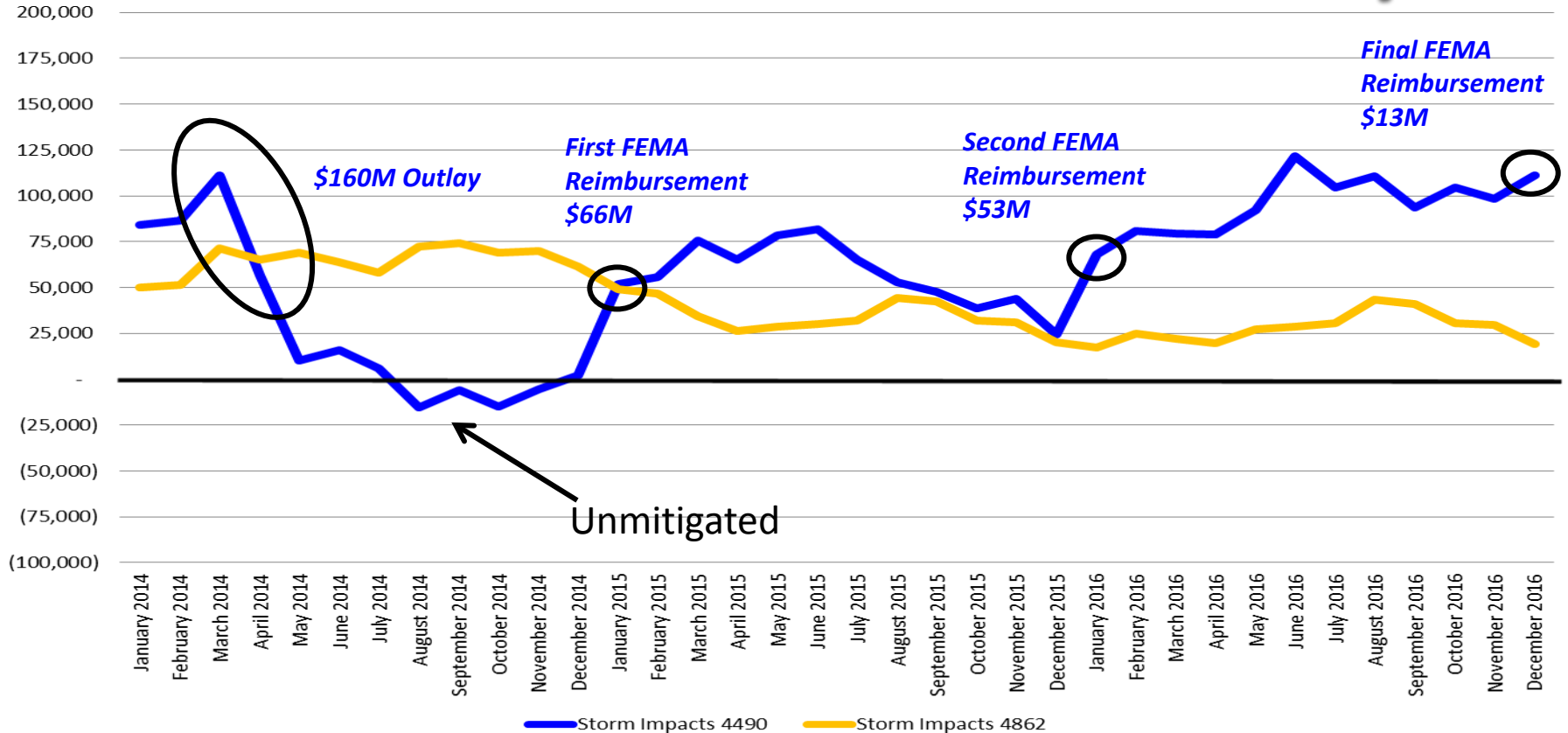
SCDOT Projected Cash Balance by Fund

March 14, 2014



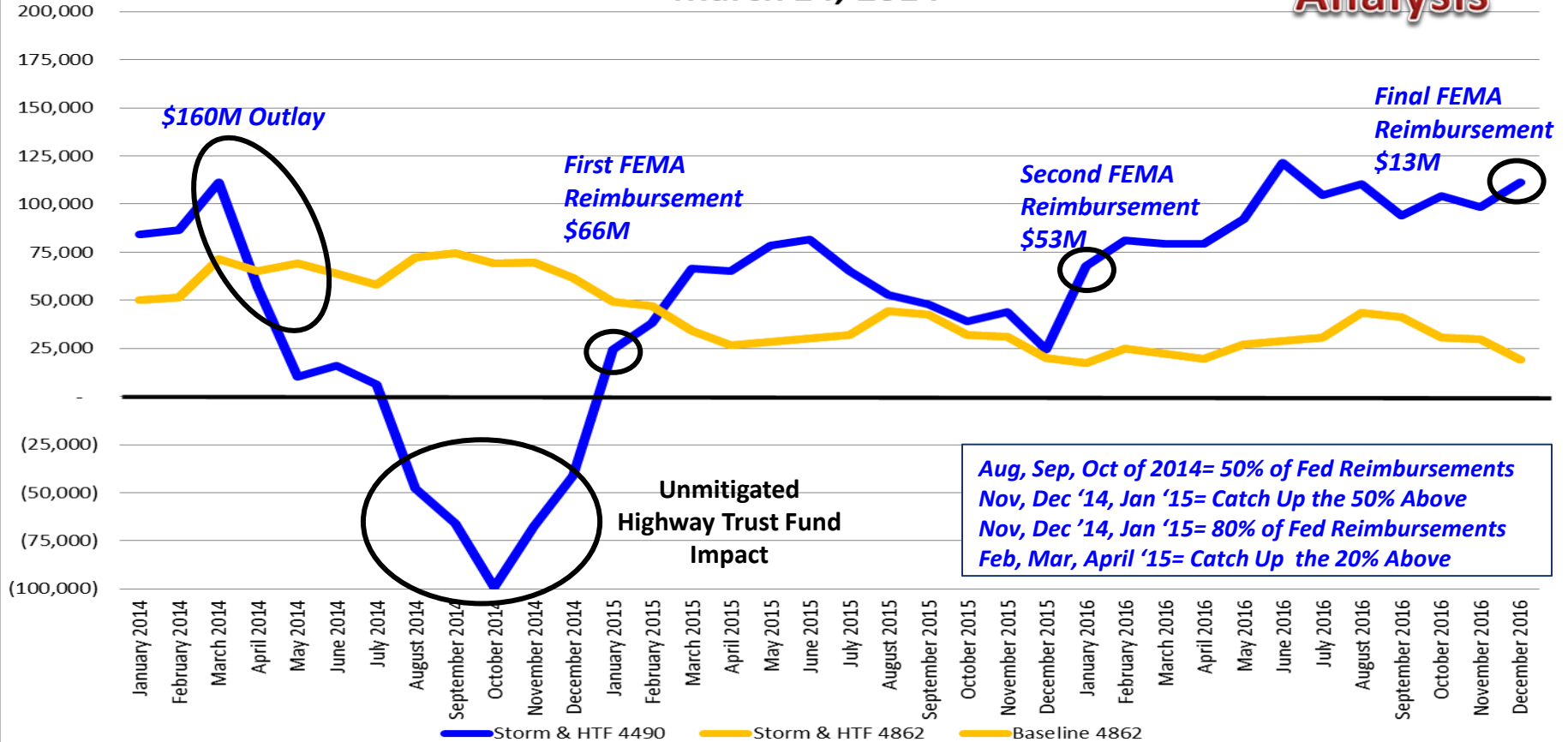
SCDOT Projected Cash Balance by Fund Forecasted Winter Storm Impact March 14, 2014

Preliminary
Analysis



SCDOT Projected Cash Balance by Fund Highway Trust Fund and Winter Storm Impact March 14, 2014

Preliminary
Analysis



Path Forward

- Continue storm recovery efforts in an expedited manner to maximize FEMA reimbursement rates
- Work closely with FEMA and EMD to facilitate prompt reimbursement
- Continue to communicate with stakeholders at state and federal level
- Analyze strategies and combination of strategies to bridge cash flow concerns between outlays and reimbursements in order to meet financial obligations and pay vendors within 30 days
- Develop a detailed plan to address cash flow needs. Schedule a Commission meeting/conference call to advise of the plan



SCDOT Commission Workshop Financial Report