

**Resolution – HPTE #194**

**Approving HPTE February 17, 2016 regular meeting minutes**

**BE IT RESOLVED**, that the February 17, 2016, regular meeting minutes attached hereto, are hereby approved by the High Performance Transportation Enterprise Board of Directors.

Signed as of March 16, 2016

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Kari Grant  
Interim Secretary, HPTE Board

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE  
HIGH PERFORMANCE TRANSPORTATION ENTERPRISE (HPTE)**

Held: Wednesday, February 17, 2016; 11:30am  
4201 E. Arkansas Ave., Denver, CO 80222

The regular meeting of the Board of Directors of the HPTE was convened in accordance with applicable statutes of the State of Colorado, with the following Directors present:

Attendance: Kathy Gilliland, Chair Gary Reiff Thad Noll  
Don Marostica, Vice Chair Trey Rogers Shannon Gifford  
Jan Martin

Chair Gilliland called the meeting to order @11:30am: All Board Directors were present.

Director's Report: HPTE Director David Spector briefed the Board on Senate Bill 16-123, which would prohibit requiring a transponder or other device for high occupancy vehicles (HOVs) to drive for free in Express Lanes (where HOV is allowed). Should the bill become law without amendment, the most likely scenario would be to burden the HOV drivers with the necessity to call ExpressToll and cancel all the license plate toll charges incurred while using the lane as an HOV. Other impacts include more difficult enforcement of HOV violations, reduced Express Lane performance for all users including buses, and costs to CDOT/HPTE for the development of new technologies and software to allow HOVs to travel for free without a device. Director Spector said HPTE is on par with tolling industry standards to charge HOV-free customers for the switchable transponders. The bill will be heard in the Senate Transportation Committee on Thursday, where bill proponents and opponents will be invited to testify.

Regarding the financing of I-25 North Segment 3, construction bids will be opened today, so HPTE and OMPD will have an accurate cost target for the anticipated commercial loan. It is expected that Segment 3 will produce sufficient toll revenues to repay the loan. Board members asked questions about alternatives to commercial loans, debt repayment policies and long-term corridor finance. It was agreed that these should be topics of discussion at the Board strategic planning retreat scheduled in April.

Director Spector introduced Resolution #193 that would approve a third supplement to the FY 2015-16 Budget. The proposed amendments are to allow for growing operating needs within current budgetary restraints.

Director Spector also introduced Resolution #194, which would approve an amendment to the I-70 Peak Period Shoulder Lane (Mountain Express Lane) Intra-Agency Agreement between HPTE and CDOT to clarify roles and responsibilities for operations and maintenance of the lane. Staff noted that the local stakeholders and FHWA have been supportive of the lane, and necessary operational modifications, such as increasing the allowed number of operational days, are being discussed.

HPTE FY 2015-16 Financial Statements were enclosed as an informational item this month's Board packet. Director Spector noted that the outside auditor reported no findings, and thanked the accounting team for their efforts.

Director Spector noted that the day's agenda concludes with a joint workshop with the Transportation Commission to review and discuss the proposed HPTE P3 Management Manual. This manual is the outcome of the 2015 Legislative Audit, which recommended a framework to establish a sustainable program to manage risks and commitments for future public-private partnership projects. HPTE Operations Manager Nick Farber introduced the consulting team from the firm RS&H, who previewed

the upcoming workshop with the Board. Director Spector said he thinks the draft P3 Management Manual presents the right mix of flexibility and guidance for future P3 projects. An action item will be included on the March agenda to approve the final P3 Management Manual.

Director Spector introduced the draft HPTE FY 2016-17 Budget for discussion, with action anticipated at the March meeting. Items of note included the postponement of repayment of HPTE's Transportation Commission loans, and further evaluation of the fee-for-service model between HPTE and CDOT. HPTE Budget Analyst Piper Frode said the FY 2016-17 allocations are based on an estimated \$7.7 million in HPTE revenue for the fiscal year, and noted toll revenue projections are continuously updated on an as-collected basis. Director Spector said the HPTE budget would also be an item for discussion at the strategic planning retreat. Board Director Martin said she would like to see previous year comparisons included in future budget presentations and for the retreat discussion.

Meeting Break  
(12:25):

Chair Gilliland reconvened the meeting at 12:45:

The Board reconvened and roll was called to re-establish a quorum. All Board Directors were present.

Consent Agenda:  
Resolution #192  
Approving January 20, 2016 Minutes

Upon a motion by Board Director Noll and second by Director Gifford, the Consent Agenda was approved by all present.

Public Comment:

There was no public comment.

Director's Report:

HPTE Director David Spector briefly reviewed pending legislation regarding transponder requirements for HOVs and noted he would be testifying in opposition before the Senate Transportation Committee. The Board engaged in brief discussion regarding strategies to defeat SB 16-123. Director Spector also remarked on HPTE receiving a clean audit for its FY 2015-16 Financial Statements.

OPMD Report:

OPMD Director Brett Johnson reported that the I-25 North Segment 3 bids had been received, and the size of the commercial loan would be adjusted to fit the project financing needs. He noted the delay in opening bids worked to CDOT's advantage on the loan interest rate, which is an indicative rate and not locked in. He briefly reviewed updates on C-470 regarding the project's pending TIFIA application, and on the release of RFP #2 for Central 70, which is scheduled for the following week.

Communications Report:

HPTE Communications Manager Megan Castle reviewed the status of public outreach and communications for US 36 Phase 2, I-25 North Segment 2 and I-70 Mountain projects. She noted the "how to use" video for the Mountain Express Lane is posted on CDOT's Facebook page. The staff is also gathering pre- and post-construction traffic data for speeds and travel times for comparison purposes, and that an analysis will be ready toward the end of this year. She also noted that 75% of switchable transponder owners are using the device for both tolling and HOV purposes. Chair Gilliland said it was good to see effective communications for the new projects.

FAST Update:

HPTE Operations Manager Nick Farber presented an overview of the 2015 Fixing America's Surface Transportation (FAST) Act, upon a request by the Board. In December, the five-year FAST Act was signed into law by the President, which has implications for state DOTs and P3 offices that deal with innovative financing. It continues TIFIA for the next five years with a 70% authorization reduction and an expedited application process. Mr. Farber explained that despite the reduction, this still allows for up to \$45 billion in new loans in the next five years. The FAST Act also creates an expanded Surface Transportation Block Grant Program, which operates as a reimbursement program, not as a true grant. Staff is still researching to determine how this could benefit CDOT or HPTE. Finally, the new law also creates the National Surface Transportation and Innovation Finance Bureau, with the intent to consolidate and

expedite the application processes for TIFIA and other USDOT funds, as well as provide technical assistance to states that wish to consider P3 projects.

Resolution #193 to Approve 3<sup>rd</sup> FY2015-16 Budget Supplement

HPTE Budget Analyst Piper Frode presented the proposed budget supplement to the Board. Upon a motion by Vice Chair Marostica and second by Director Noll, Resolution #193 was approved by all present.

Resolution #194 to Approve the I-70 Mountain Express Lane First Amendments to the IAA and Loan Agreement

HPTE Operations Manager Nick Farber reviewed the history of the \$25 million loan from Banc of America (BOA) to help complete the I-70 Eastbound Peak Period Shoulder Lane (also called the Mountain Express Lane). HPTE and BOA have agreed to move financial reporting requirements to accommodate the needs and schedule of the state's accounting system. Also, HPTE and CDOT need to agree on the equitable division of operations and maintenance costs for the project. The First Amendments to the Intra-Agency Agreement (IAA) and Loan Agreement take into account these adjustments.

Director Reiff expressed concerns regarding the pro rata division of operations and maintenance costs between CDOT and HPTE, and expressed that this is a first step in a new policy discussion that should be considered first by the Transportation Commission. Director Gifford expressed similar concerns. HPTE Director Spector agreed that putting policy questions to the Commission first is important, but that BOA could benefit from the proposed amendments now. Chair Gilliland asked if a decision is required today, or if the matter can be postponed for further discussion. Director Spector suggested deferring the matter until March for further discussion. He noted he would also pull the item from the February Transportation Commission agenda. Director Rogers moved to table Resolution #194 until March. Upon a second by Director Marostica and the affirmative vote of all present, Resolution #194 was tabled.

Other Business:

There was no other business.

Meeting Break (1:40):

The Board recessed for a short break. Following the break, the Board reconvened with all Directors present.

Executive Session pursuant to C.R.S. Section 24-6-402(3)(a)(II) for the purpose of receiving legal advice pertaining to the US 36 Phase 2 Project

Following a brief report from HPTE Director Spector, the Board determined that no Executive Session regarding the US 36 Phase 2 Project was necessary at this time and welcomed the members of the Transportation Commission to the meeting.

Joint Executive Session with the Bridge Enterprise Board of Directors for the purpose of discussing commercial and financial information required to be kept confidential regarding the Central 70 Project procurement

Chair Gilliland requested a motion for the Board enter into Executive Session pursuant to C.R.S. Sections 24-6-402(3)(a)(III) and Section 24-72-204(3)(a)(IV) for the purpose of discussing commercial and financial information required to be kept confidential regarding the Central 70 Project procurement. Upon a motion by Board Director Rogers, seconded by Board Director Marostica, and following an affirmative vote by all Board Directors present, constituting at least two-thirds of the entire membership of the Board, the Board entered into Joint Executive Session with the Transportation Commission and Bridge Enterprise Board of Directors at 1:47 p.m. The members of the public were excused.

The Board exited Executive Session at 2:39 p.m. and invited members of the public to return.

Joint Workshop with  
Transportation  
Commission on the  
P3 Management  
Manual

The Board then entered into a Joint Work session with the Transportation Commission to review and discuss the draft P3 Management Manual.

Adjourn

There being no further business to come before the Board, the meeting was adjourned at 2:50 p.m.

