

FY 2015/16 – Q3
January – March 2016
Quarterly Report



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Appendices

Appendix A - Broadspectrum (formerly Transfield) Quarterly Report

INTRODUCTION

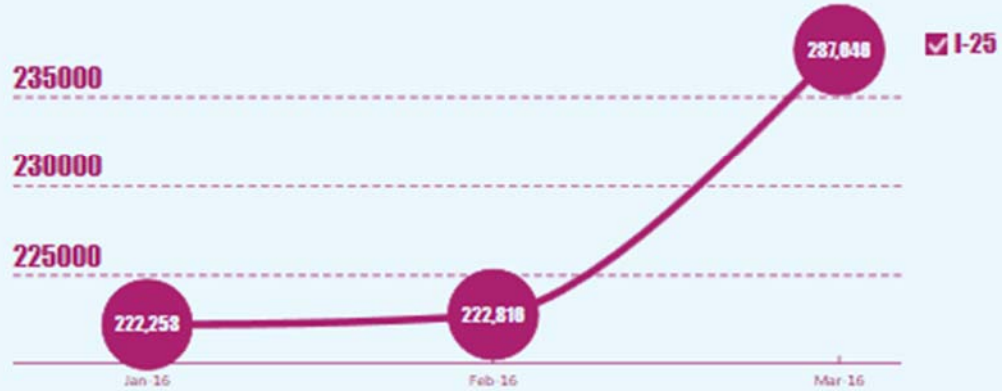
This quarterly report draws upon data from January 1 – March 31, 2016 (the “Quarter”) on the US 36 and I-25 Managed Lanes (collectively, the “Project”). The purpose of the report is to provide an overview of the Project’s operational performance and key events for the reporting period. This will cover items such as traffic reports, customer service levels, environmental monitoring activities and discussion of key events.

A. SUMMARY OF MANAGED LANES TRAFFIC

Traffic volumes during the Quarter were mixed compared to the prior quarter. In general, traffic in the 2nd quarter is heavier when commuters adjust their travel schedules as schools are back in session and drivers whose schedules depend on daylight hours use roadways around sundown hours. However, that seasonal increase was not evident in the current quarter which was likely a result of the shift in I-25 Managed Lane usage in late July 2015. At the same time the Phase 1 toll operations of the US 36 Managed Lanes commenced July 22, 2015, HOV vehicles traveling on both US 36 and I-25 Managed Lanes were required to use a transponder in order to use the lanes at no charge. As a result there were noticeable increases in ExpressToll™ (or “AVI”) and License Plate (“LPT”) traffic counts but a significant drop in HOV traffic. This temporary trend has changed over the last several months as the average daily LPT user counts have fallen and the number of HOV vehicles has steadily climbed. This current trend is likely to continue for the remainder of the calendar year as more commuters purchase transponders in order to pay lower costs as an ExpressToll™ customer or to use the Managed Lanes as an HOV vehicle at no charge. For purposes of this report, non-revenue transactions are omitted.

Summary graphs and charts depicting the trends in traffic volume for the Quarter are provided below. It should be noted that the I-25 Managed Lane traffic reflects traffic counts from one gantry and US 36 Managed Lane counts reflect ten gantries, five gantries in each direction. Therefore, US 36 graphs will indicate higher traffic counts that are not comparative to those of I-25. By way of example, a single vehicle making a journey from Boulder to Denver in the Managed Lanes would get counted 5 times on US 36 but only one time on I-25. Therefore, US 36 traffic data will indicate higher traffic counts that are not comparable to those for I-25.

Total Traffic



Total Traffic

682,715

Data analysis

Overall Q3 traffic was up compared to the prior quarter. Q2 was lower primarily due to Thanksgiving weekend and the period between Christmas and New Years Day which resulted in lighter than normal weekday traffic volume.

Total Traffic

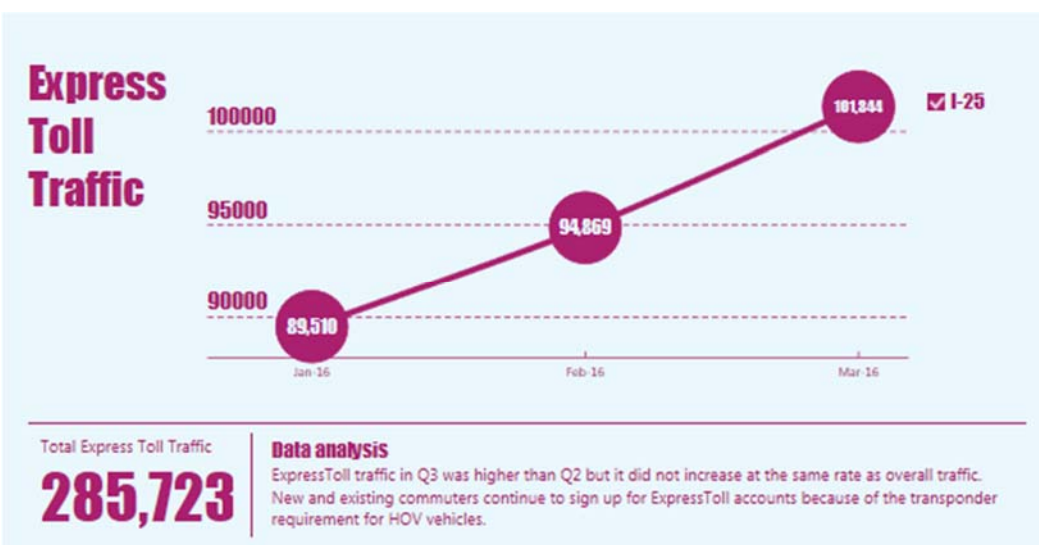
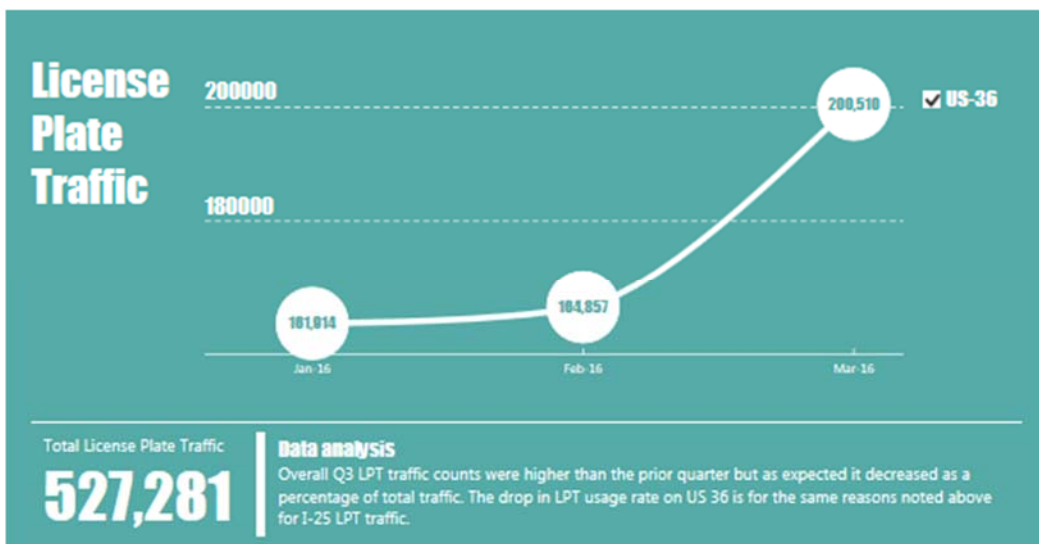
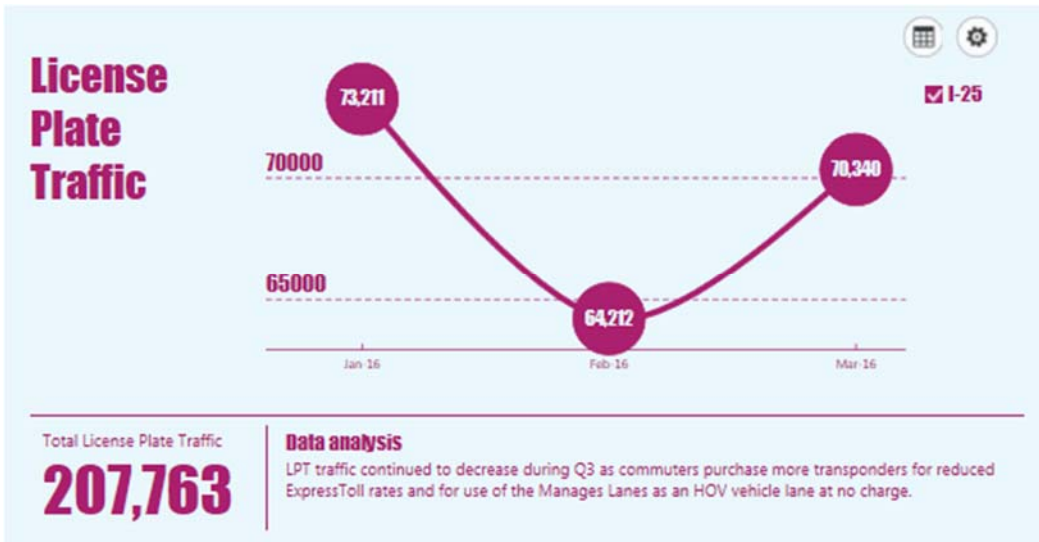


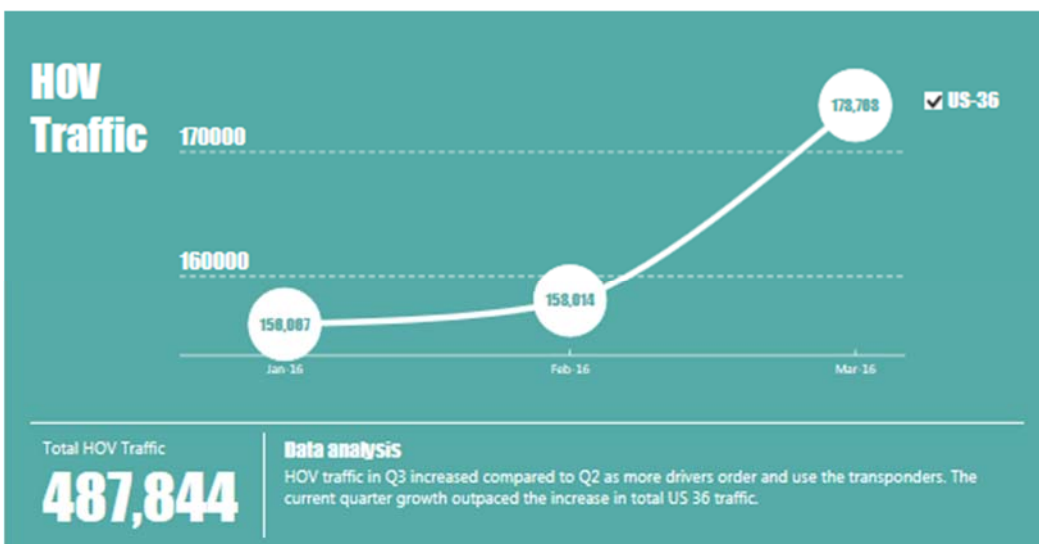
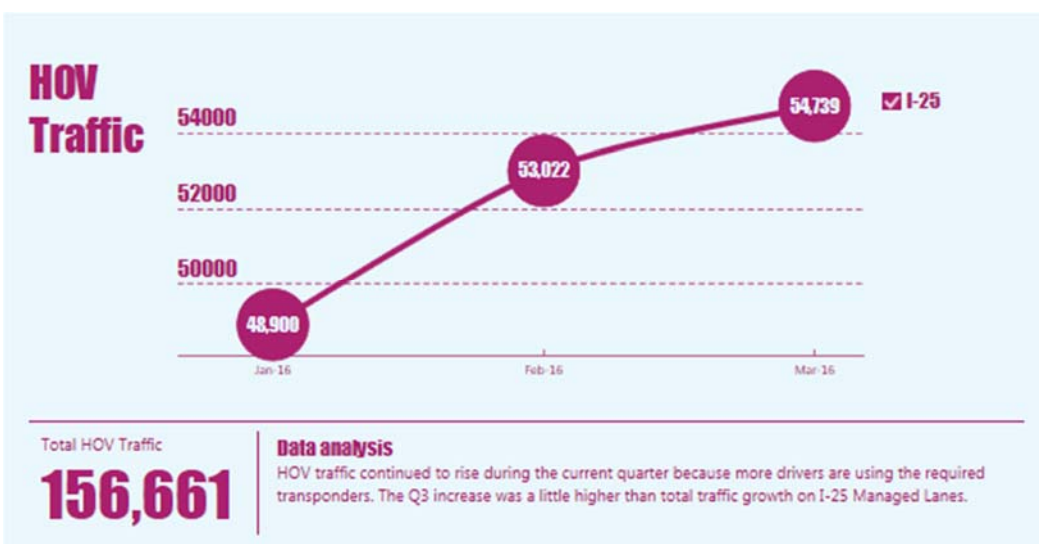
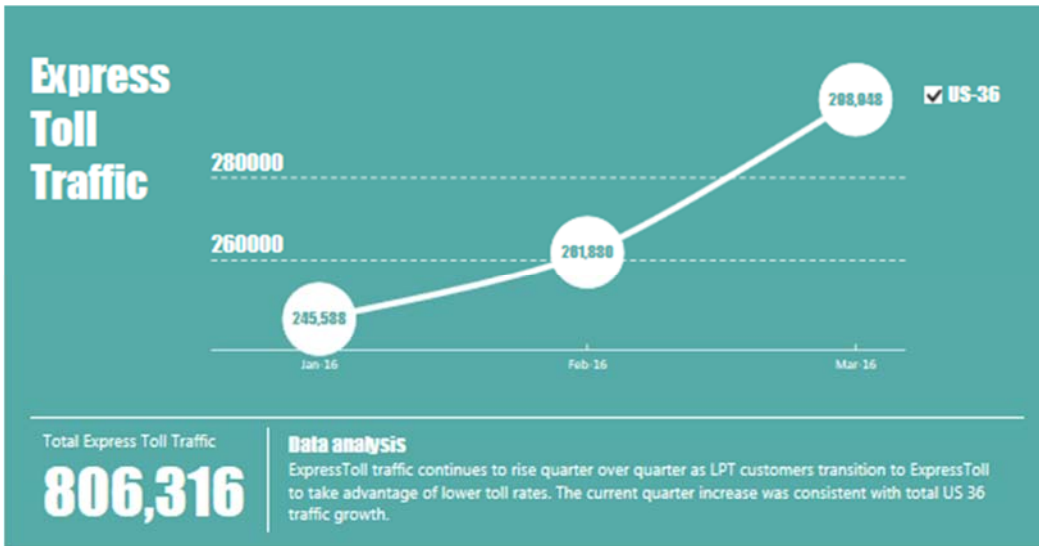
Total Traffic

1,903,693

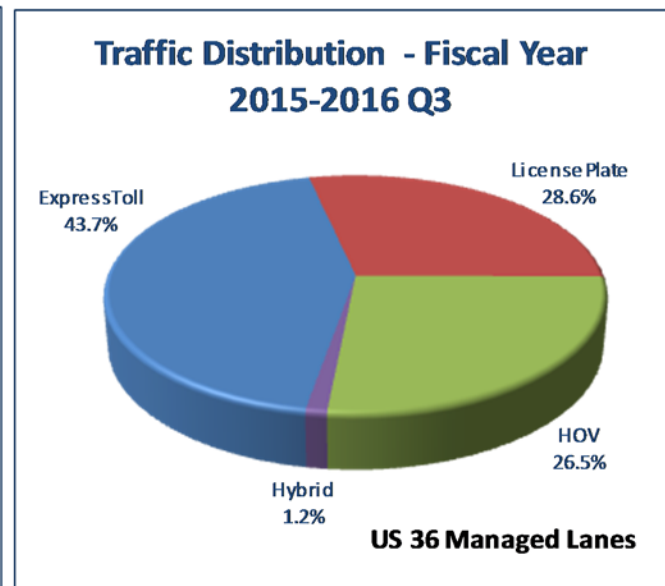
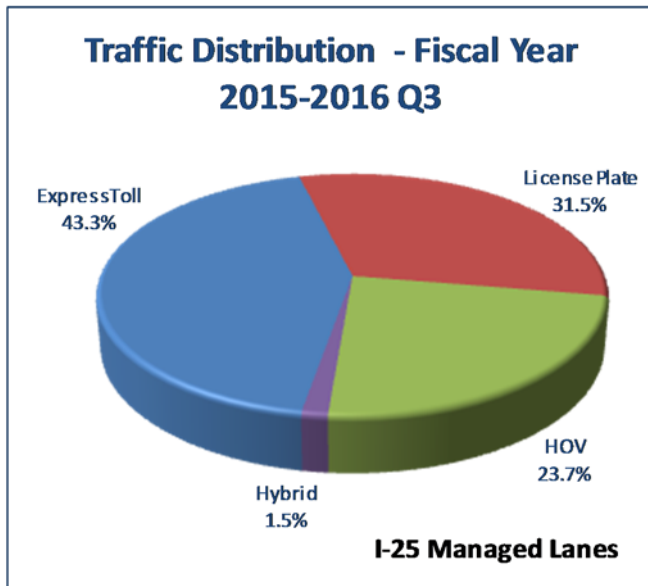
Data analysis

The US 36 Managed Lanes have been open for less than one year so there is minimal comparative analysis at this time; however, Q3 traffic counts were higher than Q2 due to reduced traffic volumes during the Thanksgiving and Christmas holidays.

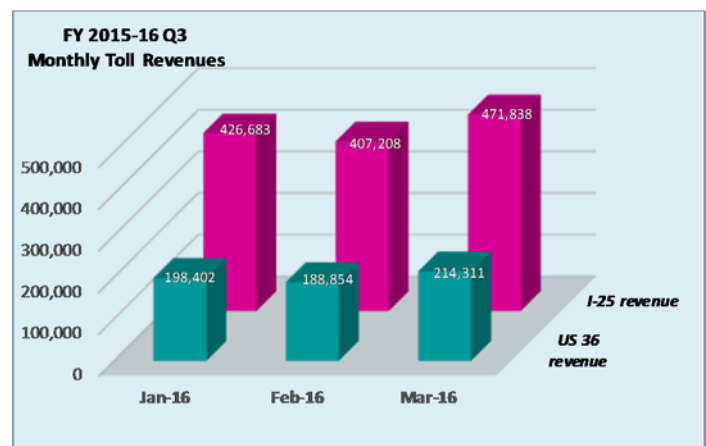








The Project collected \$1,305,729 and \$601,568 in toll revenues from users of the I-25 and US 36 Managed Lanes, respectively, during the Quarter. It is important to note that this represents the amount of revenue collected during the period, and not the amount of revenue earned in the period. For example, License Plate transactions are normally paid several weeks after the journey has taken place. If a customer completes a license plate journey in June, but pays for it in July, that revenue would be included in July's report, not June's.



On an annual basis HPTE evaluates the expected future cash flows and financial performance of the Project. If certain cash flow thresholds are achieved, HPTE may be entitled to share in such cash flows from toll revenues. The earliest this would begin would be 2020, although currently no such thresholds are projected to be surpassed.

B. OPERATIONAL INCIDENTS

There were 18 operational incidents during the quarter. All incidents were accidents without any damage to maintained elements except for three barricade arms. Details of each incident are provided in the Broadpectrum (formerly Transfield) Quarterly Report included as Appendix A.

C. NON-COMPLIANCE REPORTS FOR MAINTAINED ELEMENTS

All repairs and responses related to the Performance and Measurement Criteria Table were made within the allowable cure time during the Quarter, except for one issue which is described below.

Non-compliance Location	Nature	Cause	Steps taken to address
Promenade West Toll Point	Incorrect toll schedule applied (Sch. 6 App. 6-2, ID 6)	Incorrect toll schedule was applied during a software update on March 7 th .	On March 16 th E470 reversed toll charges to customers that have posted to accounts and applied the correct toll amounts. Schedule verification is now part of the E470 software update checklist.

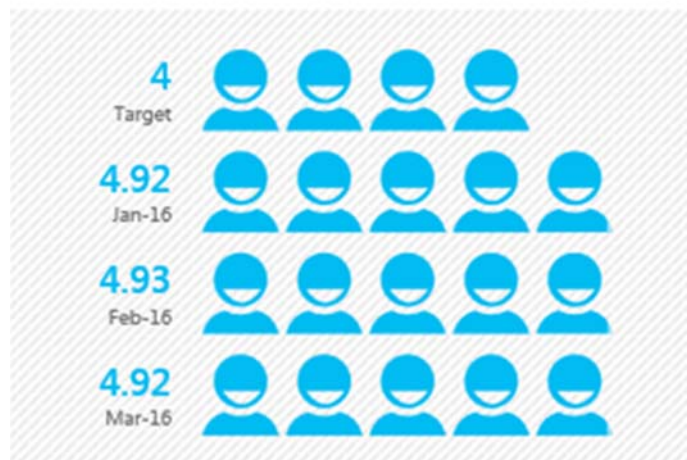
D. CUSTOMER RELATIONS ACTIVITIES

The E-470 contact center performed at a high level during the quarter and exceeded the Customer Satisfaction and Inbound Call Service Level goals. There were difficulties during the first quarter with inbound call service while managing the call volume growth from Phase 1 of the US 36 Managed Lanes and the new transponder requirements. In September 2015, E-470 completed their training facility renovation by doubling its capacity and trained several new representatives. As a result, their strong performance during the current and prior quarters reflects the benefits of the improved training and facility expansion.

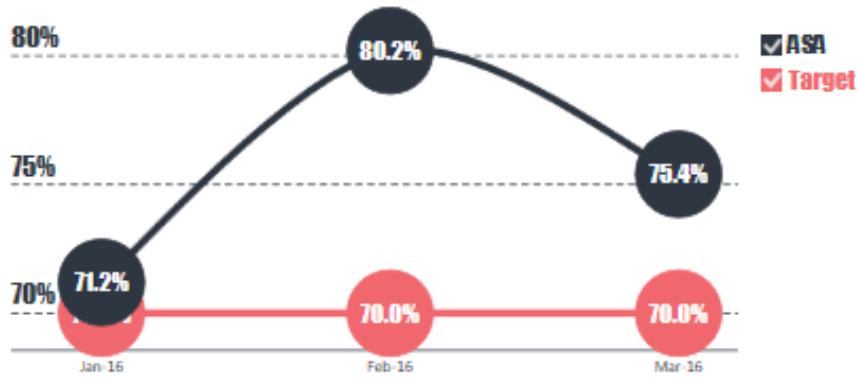
Two customers also contacted PRD or CDOT regarding their invoices or how to use the Express Lanes. Responses were made within the seven days as required by Table 3 of Schedule 10.

As our main point of contact with our customer base, the contact center’s performance is a key aspect of the overall Project. We will continuously improve this service over the life of the Project, building upon the initial success.

Customer Satisfaction



Contact Center Speed of Answer



% of Calls Answered within 30 seconds

75.6%

E. TRAFFIC REPORTS

Hourly traffic reports are available upon request. For ease of use, this voluminous data has been excluded from the base Quarterly Report.

F. QUALITY CONFORMANCE SUMMARY

As stated previously, the handover condition of the I-25 HOV/HOT lanes has been jointly inspected and evaluated by HPTE, PRD, and Broadspectrum (formerly Transfield) and numerous Category 2 defects have been identified. However, pursuant to CA Section 22.10, these Category 2 defects are being repaired as part of the I-25 Initial Work Package and non-compliance penalties do not apply at this time. These joint inspections have replaced the Audit Inspections until the I-25 Initial Works package can be constructed. The I-25 Initial Works package construction began in late March '15 and will continue through mid-summer '16. Items that are not pending the I-25 Initial Work Package are being maintained per the performance criteria listed in Appendix 6-1 of Schedule 6.

G. ENVIRONMENTAL MONITORING ACTIVITIES

No abnormal activities were observed that would have an impact on water quality, air quality, noise, wildlife, paleontology or archaeology.

H. TIGER PERFORMANCE MEASURER

Measurement of the Project's performance against the TIGER performance criteria is scheduled to commence post-construction, per the table below. July 2016 will be the first reporting month.



TIGER Performance Goal	Focus	Report Timing
Travel Time Reliability	GP Lanes	Report post construction
	Busses	Report post construction
Improved Speeds	ML Lanes	Report post construction
	ML & GP Lanes	Report post construction
Throughput	ML & GP Lanes	Report post construction
Transit Use	Busses	Report post construction
Carpool Use	ML Lanes	Report post construction
GP Lane Speeds	GP Lanes	Report post construction
GP Lane Travel Time Reliability	GP Lanes	Report post construction
Crash Rates	ML & GP Lanes	Report post construction