



## MEMORANDUM

**TO:** HPTE BOARD OF DIRECTORS  
**FROM:** KELLY BROWN, TOLLING OPERATIONS MANAGER  
**DATE:** JULY 18, 2018  
**SUBJECT:** REQUEST FOR APPROVAL OF CORRECTED 2018/2019 LPT TOLL RATE ADJUSTMENTS FOR I-25 NORTH (US 36 to 120<sup>th</sup> Ave.)

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### **Purpose and Requested Action**

This memorandum requests that the High Performance Transportation Enterprise (HPTE) Board of Directors APPROVE the corrected 2018/2019 southbound LPT toll rates for four time periods in the toll rate schedule for I-25 North (US 36 to 120<sup>th</sup> Ave.) (“Segment 2”). The toll rate schedule approved by the Board in June 2018 contained four erroneous entries that did not reflect the intended 5.886% increase.

### **Background and Details**

At the June 20, 2018 HPTE Board meeting, the HPTE Board of Directors approved a Toll Rates table that should have reflected a 5.886% toll increase for the Segment 2 Express Lanes. However, staff later discovered that the Toll Rates table that was included as part of the supporting documentation in the May 2018 and June 2018 Board Packets contained incorrect information. The Toll Rates table contained four incorrect southbound LPT rate entries due to an input error in one of the columns of the Excel workbook that was used to calculate the toll rates. One rate entry was higher than the intended 5.886% increase, and three other rate entries were lower than the intended 5.886% increase. All other toll rates on the table approved by the Board were correct and reflected a 5.886% increase as intended.

Staff discovered the error on Monday, July 2, 2018, the first day the approved rate structure was in effect. Staff took immediate steps to ensure that no drivers were charged a rate higher than the rates approved by the Board in June, or than the intended 5.886% increase (whichever was lower). For example, during the 6:45 – 7:15 am period, the approved, incorrect rate was \$5.89, when the correct rate should have been \$4.22. During this period, Staff adjusted accounts to ensure that drivers were charged the lower rate. For the three time periods where the approved, incorrect rates were lower than the intended 5.886% increase, drivers were charged the lower, approved rates. For the thirteen days, southbound LPT drivers during those four time periods have been charged the lower of the incorrect rate that was approved or the rate that should have been charged.

As a result of the error, staff estimates that HPTE has lost approximately \$3,120.00 between July 1, 2018 and July 18, 2018, which equates to approximately 0.45% of total average monthly revenues.

### **Recommended Corrected Rates**

Staff has corrected the erroneous entries in the approved Toll Rates table so that the southbound LPT toll rates correctly reflect the intended 5.886% toll rate increase. Table 1 below reflects the incorrect, approved rates, in the center column, and the recommended, corrected rates in the right hand column.

**Table 1**

I-25 North Segment 2 Southbound LPT Rates		
Time Periods	What the LPT Column showed on the May/June Board Docs	What the LPT Toll Rate for the time period should have been to reflect a 5.886% increase
6:45 am-7:15 am	\$5.89	\$4.22
7:15 am - 8:15 am	\$4.64	\$5.89
8:15 am - 8:45 am	\$4.22	\$4.64
8:45 am - 10:00 am	\$3.79	\$4.22

**Board Options and Recommendations**

Staff requests that the Board approve the corrected southbound LPT Toll Rates in the right hand column of Table 1 for the time periods shown above.

- If the corrected southbound LPT toll rates are approved by the Board, the corrected toll rates for those periods will go into effect on July 20, 2018. **RECOMMENDED OPTION**
- If the Board does not adopt the corrected southbound LPT toll rates, the Board could choose to keep the current approved, incorrect southbound LPT toll rates that are lower than the intended 5.886% increase until the next annual toll rate adjustment and only correct the southbound LPT toll rate for the 6:45 – 7:15 am period, thus reducing the approved southbound LPT rate from \$5.89 to the correct rate of \$4.22. The overall annual estimated loss in expected toll revenues would be approximately \$85,000 for fiscal year 2018-2019.

**Next Steps**

- If approved, Staff will implement the revised I-25 North Segment 2 Southbound LPT Toll rates on July 20, 2018 and update the toll rates page of the Express Lanes website.
- If not adopted, all toll rates that are currently in use will remain unchanged until the next annual toll rate adjustment. For the 6:45 – 7:15 am time period, the approved southbound LPT toll rate will officially be \$4.22.

**Attachments**

Resolution #270 Approving a Corrected Toll Rate Schedule for I-25 North Segment 2

**Resolution – HPTE # 270**

**Approving a Corrected Toll Schedule for I-25 North Segment 2**

**WHEREAS**, pursuant to Section 43-4-806, *et seq.*, C.R.S., the General Assembly of the State of Colorado created the Colorado High Performance Transportation Enterprise (“HPTE”) as a government-owned business within the Colorado Department of Transportation (“CDOT”) to pursue innovative means of more efficiently financing important surface transportation projects that will improve the safety, capacity, and accessibility of the surface transportation system; and

**WHEREAS**, pursuant to Section 43-4-806(2)(c)(I), C.R.S., the HPTE Board of Directors (the “Board”) has the authority to establish user fees for the privilege of using surface transportation infrastructure; and

**WHEREAS**, HPTE, in partnership with CDOT, completed construction and commenced tolling operations in July 2016 on the I-25 North Express Lanes (Segment 2) (“Segment 2 Express Lanes”), consisting of one tolled express lane in each direction between approximately US 36 and the Wagon Road Park-n-Ride at 120<sup>th</sup> Avenue; and

**WHEREAS**, at the June 20, 2018 regular Board meeting, HPTE staff submitted for recommendation a toll rate adjustment to the Segment 2 Express Lanes; and

**WHEREAS**, the Board engaged in a robust discussion to consider the toll rate adjustment, including opening the meeting up for public comment and deliberating the merits of the toll rate adjustment; and

**WHEREAS**, the Board reviewed the range of user fee rates in the Segment 2 toll schedule, and based on the information available, considered the proposed toll rates to be reasonable and appropriate, with updated rates to be effective July 1, 2018; and

**WHEREAS**, on July 2, 2018, an error was discovered in the toll schedule affecting four time-of-day slots for southbound License Plate Tolling (“LPT”) rates that did not reflect the intended adjustment; and

**WHEREAS**, HPTE staff took immediate steps to ensure that no customer was charged the erroneous rates as a result of the error; and

**WHEREAS**, finding the error harmless, the Board now wishes to correct user fee rates for Segment 2, attached hereto and incorporated herein as **Exhibit A** (the “Segment 2 Corrected Toll Schedule”), with all other toll rates to remain unchanged, submitted by HPTE staff; and

**NOW THEREFORE BE IT RESOLVED**, the Board hereby approves and adopts the corrected user fee rates for the I-25 North Express Lanes (Segment 2), with all other toll

rates to remain unchanged, set forth in the Corrected Toll Schedule attached as **Exhibit A**, to be effective as of July 20, 2018.

Signed as of July 18, 2018

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Anthony Meneghetti  
Interim Secretary, HPTE Board of Directors

**Exhibit A to HPTE Resolution #270  
(I-25 North Segment 2 Toll Schedule)**

I-25 North Segment 2 Southbound LPT Rates		
Time Periods	What the LPT Column showed on the May/June Board Docs	What the LPT Toll Rate for the time period should have been to reflect a 5.886% increase
6:45 am-7:15 am	\$5.89	\$4.22
7:15 am - 8:15 am	\$4.64	\$5.89
8:15 am - 8:45 am	\$4.22	\$4.64
8:45 am - 10:00 am	\$3.79	\$4.22