

RECORD OF PROCEEDINGS

MINUTES OF THE LUNCH MEETING WORK-SESSION OF THE BOARD OF DIRECTORS OF THE HIGH PERFORMANCE TRANSPORTATION ENTERPRISE (HPTE)

Held: Wednesday, February 19, 2014; 12:00pm
4201 E. Arkansas Ave, Denver, CO 80222

Lunch Meeting Work Session begins @: 12:05pm

Chair Gagen explained the proceedings about to take place. The work session will take place at 12 noon; the official Board meeting at 1pm; roll will be called for each session. The regular meeting agenda has been extended by an additional hour to allow for sufficient public comment on the U.S. 36 project. CDOT staff has provided speaker sign-up sheets for those wishing to speak. Guidelines for speakers were also distributed. Legislative items will take place during the official Board meeting beginning at 1:00pm.

Transportation Chair and Director on the HPTE Board, Doug Aden added that the Transportation Commission monthly workshops will take place immediately following, with an informational session on I70 viaduct replacement with a potential P-3 procurement. For the benefit of the audience, Chair Aden explained that aside from himself, two other Transportation Commission members sit on the HPTE Board, Director Reiff and Director Gilliland. Also attending from the Transportation Commission are Directors Peterson, Barry, Connell, Gifford, Hoffmeister, and Zink.

Attendance: Tim Gagen, Chair Don Marostica Brenda Smith
Kathy Gilliland, Vice Chair Gary Reiff
Doug Aden Trey Rogers

Director Update: HPTE Director Cheroutes conveyed that HPTE Board members are invited to attend the I70E viaduct Transportation Commission workshop. On the HPTE budget report, he reported that annual expenditures are within projections, I25 revenues remain strong, regular payments are being made to the construction firms working on U.S. 36 Phase 1 and RTD is making substantial payments on Phase-1. At the regular meeting, delegated signature authority, subject to ratification, will be proposed for the CDOT CFO in the director's absence.

OMPD Update: OMPD Director Ben Stein reported that preliminary work to develop projects continues on:
C470: awaiting level 2 traffic and revenue study
I25N: looking at the RAMP program for segment 3
I70W: has a level 1 traffic and revenue study and is looking at peak-period shoulder lanes
The office is:
looking to have a position approved shortly for a professional engineer
working with a financial services advisor
issuing a tolling advisor task order
interviewing for an engineering services consultant this week
Director Cheroutes stressed the importance of OMPD functioning in partnership with CDOT.

U.S. 36 Update: Director Cheroutes gave an overview of the circumstances causing delays in the mutually agreed finance package with PRD due to the cautious and thorough federal government process, the government shut-down last fall, and allowance for the Christmas holiday. It is now set to close by the end of the month subject to actions that may be taken today. Over the past two weeks, at the request of legislators, the entire concession contract has been disclosed (minus proprietary, confidential information that Plenary requested be held back). Three well-attended public forums have taken place to answer questions, as well as attendance at a joint transportation legislative meeting. An internally prepared, plain-English report has been posted on the HPTE website comparing the value of the financing alternatives, P-3 being favored and supported.

Consultant presentations (w/ Q&A by BOD):

A brief overview of the financial close collateral agreements followed, with presentations by consultants Mike Matheou of Hogan Lovells, and Michael Thomas and Thomas Weihe of Kutak Rock. Mr. Matheou outlined the agreements associated with financial close and the amended and restated concession agreement.

Consultants Michael Thomas and Thomas Weihe presented on behalf of Kutak Rock on the bond issuance, loan assumption, and associated documents, as well as David Scott of Hogan Lovells on the completeness and accuracy of the bond disclosure documents.

Director Cheroutes explained the involvement of HPTE in order to maintain the tax exemption status of the bonds, the limited liability of HPTE and CDOT, and the limited role of Goldman Sachs in the bond transaction.

Mr. Matheou began the second portion of his presentation.

Interruption by Karen Hammer:

Karen Hammer interrupted during Mr. Matheou's presentation to offer public comment regarding notice requirements. Chair Gagen advised that public comment would be appropriate and welcome at the regular board meeting following, and to please follow point of order. Ms. Hammer continued to introduce herself. Director Reiff asked counsel if open meeting notification had been given. Kathy Young, First Assistant Attorney General, explained the posting was for a noon lunch workshop followed by the regular meeting at 1pm.

Consultant presentations cont'd:

Mr. Matheou then continued to offer information on the transfer of risks to the concessionaire associated with interest rates, meeting conditions precedent, and transfer of debt service reserve fund.

Chair Gagen calls regular board meeting to order @ 1:05pm

Chair Gagen interrupted the final presentation to call to order the regular board meeting for the 1:00pm start time.