

RECORD OF PROCEEDINGS

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

Held: Wednesday, August 19, 2015; 12:00pm
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:	Tim Gagen, Chair	Kathy Gilliland, Vice Chair	Shannon Gifford
	Don Marostica	Trey Rogers	Gary Reiff

Chair Gagen called the meeting to order @12:00pm in Room 225: Roll call was taken to establish a quorum, and it was noted that the absence of Board Director Smith was excused.

Director's Report: HPTE Director Michael Cheroutes said he is leaving HPTE on October 1, 2015. The selection of a new Director will be a consensus decision with the CDOT Executive Director. He anticipates interviews will be held the week of September 7, with possible Board action at the September 16 meeting. The review/interview committee will consist of CDOT ED Shailen Bhatt, Herman Stockinger or Michael Lewis, Michael Cheroutes, and Board members Kathy Gilliland and Trey Rogers, with Gary Reiff as backup if needed.

HPTE Director Cheroutes updated the Board on the outcomes of the I-70 East telephone town hall on August 18, offering the public an opportunity to weigh in on the public-private partnership (P3) developer selection process. He thanked Shannon Gifford for her participation in the meeting.

He said Agenda item #11 is regarding an Open Records Policy for P3 procurements and corresponding amendments to the Transparency Policy to facilitate public understanding and anticipation of documents pertaining to that process. He said the new proposed policy goes above and beyond what other states have in place for the Statement of Qualifications (SOQ) to Request for Proposal (RFP) process. Assistant AG Brent Butzin noted that the policy eases the tension between the public need for transparency and the private sector need for confidentiality.

HPTE Director Cheroutes briefly described the progress toward opening US 36 Phase 2 in January. Board Director Reiff stated that the surcharge for license plate tolling (LPT) on US 36 is higher than the surcharge on E-470. Staff responded that this is a per-segment charge to cover third-party processing costs. Additionally, the surcharge is an incentive for customers to obtain a switchable transponder and convert to an ExpressToll (AVI) account.

HPTE Director noted the agenda item to discuss a possible range of tolls for the I-70 Mountain Express Lanes. CDOT is still working on a program to reliably make adjustments in toll charges based on real-time traffic conditions.

CDOT Chief Financial Officer Maria Soboda described her team's efforts to clarify carryover obligations from the Colorado Tolling Enterprise (CTE). She said these obligations will be noted as a transfer, and not a liability. She thanked Board member Smith for her assistance during this effort.

Meeting Break (12:50): The Regular Board meeting moved from Room 225 to the Auditorium.

Chair Gagen reconvened the meeting at 1:00 in the Auditorium: The Board reconvened and roll was called to re-establish a quorum. All directors except Ms. Smith were present.

Oath of Office for Shannon Gifford: Shannon Gifford read and accepted the Oath of Office to the Board for the High Performance Transportation Enterprise.

Consent Agenda: Approving July Minutes Resolution #177: Upon a motion by Board Director Marostica and second by Board Director Gilliland, the Consent Agenda was approved by all present.

Public Comment: There was no public comment.

Director's Report: HPTE Director Michael Cheroutes noted his pending departure from CDOT, saying a selection process is in place for a timely appointment of a new director. He said the selection will be a consensus decision of the selection committee and the CDOT Executive Director. He also briefly described the outreach on the I-70 East project in anticipation of the RFP process. HPTE Chairman Tim Gagen thanked him for his service to the organization.

OPMD Report: OMPD Director Brett Johnson gave brief updates on toll equipment installation on I-70 Mountain and I-25 North express lanes projects. The RFP for I-70 East is expected to go out in September to the shortlisted teams. The project team for the C-470 express lanes project is now analyzing the investment grade traffic and revenue (T&R) study and is drafting the RFP for the design-build project. Board Director Reiff inquired about the scope of that project, and staff explained that won't be entirely settled until the analysis of the T&R is complete.

Communications Report: HPTE communications manager Megan Castle described the series of public meetings for the I-70 East project, noting that the in-person town halls are sparsely attended, however the telephone town hall reached approximately 3,300 people. She said the telephone town hall was successful and people were asking well-informed questions. She said an ExpressToll customer survey shows 54% of drivers are getting their information about the US 36 project from billboards and TV. The communications team is continuing its grassroots outreach at festivals and service clubs as well as through social media, variable message signs (VMS) along the roadway and other means. She anticipates a swell of public inquiry when the LPT bills go out at the end of August. One persistent complaint from the public concerns reports of drivers weaving in and out of the express lanes, which is an enforcement issue. She also noted that the Board will be presented with action at the October meeting on Phase 2 tolls and special event rates.

Adopting P3 Open Records Policy and Amended Transparency Policy Resolution #178: HPTE operations manager Nick Farber introduced the Resolution to approve a new Open Records policy for P3's, noting that this is in response to a legislative audit recommendation. He said this lays out the process clearly, and puts the onus on the proposers to identify what information must be proprietary. The policy balances the needs for transparency with confidentiality in a competitive bidding process. He described the four stages of the process, which helps the public understand the timing of documents that will be released. The current Transparency Policy is also being amended to be in conformance with the Open Records Policy. Staff anticipates the P3 Open Records Policy will become a national standard for other states to follow. Upon a motion by Board Director Gilliland and a second by Board Director Rogers Resolution #178 adopting the P3 Open Records Policy and Amended Transparency Policy was approved by all present.

US36 Phase 2 Tolling Discussion: Plenary Roads Denver Project Manager Terry Ostrom described the proposed toll rates, which are similar to Phase 1. He said Plenary will be back before the Board requesting action on the Phase 2 rates and special events rates in October. The special events rates will take place on days for CU home football games and graduation at the two Phase 2 toll points if bus traffic is slowed by traffic congestion.

These will occur on Saturdays when rates are already set low for the weekend. The key is to be able to guarantee the 45 mph travel speed for buses.

Mr. Ostrom also addressed the LPT surcharge at this time, noting that it is a cost recovery for 3rd party processing of those tolls, which requires human oversight and decision-making, which results in a higher cost associated with LPT than AVI. He said that bad debt associated with LPT's is around 40%, and that the surcharge is intended to incentivize conversion to AVI use. Board Director Reiff said the US 36 surcharge for LPT is \$0.20 more per toll point than what E-470 charges their customers, which he feels is unfair. Board Director Gilliland asked why the LPT bad debt percentage is so high. Mr. Ostrom said the biggest part of the problem is with temporary license plates, which the cameras often cannot read. This, coupled with the practices and lack of reciprocal agreement with adjacent states' DMV's is the source of the problem. He said new Colorado law for improved temporary plates should help relieve the LPT bad debt problem. There was discussion among the Board members about allowing LPT at all, and Mr. Ostrom said there is a good business case for doing so as long as the Colorado public highway authorities (E-470 and the Northwest Parkway) continue to allow them. He said that if most users would shift to the less expensive AVI protocol, then the toll recovery rate could be as high as 99% overall. Board Chairman Gagen said for the Board consideration of the Phase 2 and special event rates in October that more information regarding the LPT surcharge and a breakdown of bad debt is needed. It is important for the Board to know exactly what benefit the surcharge provides.

I-70 Mountain
Express Lane
Operations, Toll
Range and Outreach
Discussion:

OMPD project manager Peter Kozinski presented a preview of the public information at the upcoming I-70 Mountain express lanes town hall meetings. He gave an overview of the lane operational characteristics, noting they would only function on 72 days per year, per agreement with FHWA for the interim (20 year) highway improvements. He said specific rules for HOV, recreational vehicles, trailers and truck traffic still need to be determined. The Mountain express lanes will only operate during periods of highest demand.

It is anticipated that the lanes will open in mid-December, and that CDOT will need some flexibility and experience to establish the best rates during real-time traffic demand. Board Chairman Gagen noted the demographic use of this corridor will be different than others, with LPT and rental cars presenting a challenge. The Board generally discussed the need for the LPT surcharge and how that will apply on this corridor. Due to the unique nature of the traffic demographic, there was agreement that LPT will be necessary for traffic congestion management. Mr. Kozinski noted that public outreach will be robust, with a specific component addressing pre-season ski traffic. Outreach and public meetings will take place in September, and staff will come back to the Board with a recommendation for traffic rules and toll rate range in October.

Other Business:

Plenary Roads Denver Project Manager Terry Ostrom noted that the 4th Quarter I-25 Operations Report is in the Board packets, and said he was available to answer any questions about that.

Adjournment:

There being no further business to come before the Board, the meeting was adjourned.