

RECORD OF PROCEEDINGS

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

Held: Wednesday, November 18, 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: Kathy Gilliland, Vice Chair Gary Reiff Thad Noll
Trey Rogers Don Marostica

Vice Chair Gilliland called the meeting to order @12:00pm in Room 225: Roll call was taken to establish a quorum, and Director Gifford was excused.

Welcome New Governor Appointees Vice Chair Kathy Gilliland announced that Governor Hickenlooper made a new appointee to the Board and reappointed Director Don Marostica to a second term. She introduced Thaddeus J. "Thad" Noll, who now represents the I-70 Mountain Corridor area. Director Noll thanked the Governor and Board for his appointment, and gave a brief summary of his career which includes eleven years as Assistant County Manager for Summit County and various positions in local transportation planning and operations. The Board also welcomed back Director Marostica.

Director's Report: HPTE Director David Spector gave a quick overview of the agenda, noting that this is mostly an informational meeting. A December meeting may be held if it is necessary to consider additional adjustments to the toll rate range for the I-70 Mountain Express Lane after the opening on December 12. A special call-in meeting can be held for this purpose. CDOT Executive Director Shailen Bhatt said the Department is very focused on the Mountain Corridor lane, and that a "table top" exercise will be held in Clear Creek County on November 20 to verify operations and procedures for the local stakeholders. Director Marostica asked how tolls rental cars will be processed. Staff responded that rental company policies vary, but that many have direct accounts with ExpressToll. Customers may opt-in to the applicable rental car policy, or they may add the vehicle temporarily to their own ExpressToll account while they are using it on the Mountain Corridor. There was brief discussion regarding procedures for accidents and other logistics. Director Spector noted that the goal of the Mountain Express Lane is to deliver congestion relief, while knowing that some trade-offs may be necessary at times.

Brett Johnson, Director for the Office of Major Project Development (OMPD) gave an overview of the financing concept for I-25 North Segment 3, emphasizing the concept he is presenting to the Board enables the new express lanes to pay for themselves without tying up funding for other non-revenue projects. He said under this approach, I-25 North Segment 2 will be open and producing revenue to help pay for the extension to the north, which could go all the way to State Highway 7. He noted he expects a local match to help achieve this goal. The note could be paid back early, and coverage terms are good. Director Spector said this approach helps meet the \$33 million funding gap not covered by RAMP and other existing funds. This concept is for information only today, and that the final financing package must be approved by the Transportation Commission.

There was a short discussion among the Board to amend the Agenda to allow the swearing in of new members prior to the vote for new Board officers.

Meeting Break (12:40): The Regular Board meeting moved from Room 225 to the Auditorium.

Vice Chair Gilliland reconvened the meeting at 1:00 in the Auditorium: The Board reconvened and roll was called to re-establish a quorum. All Board Directors were present except for Director Gifford.

Swearing In of Board Appointees: Appointees Thad Noll and Don Marostica recited the Oath of Office and were officially welcomed to the HPTE Board of Directors. Vice Chair Gilliland also thanked Tim Gagen for his service to the Board, noting that he has been the longest-serving Director and was essential to the effective start-up of the HPTE.

Election of Officers: Director Reiff made a motion to elect Vice Chair Gilliland as Chair and Director Marostica as Vice Chair. Upon a voice vote of all present, the motion was approved.

Consent Agenda: Resolution #188
Approving October 14, 2015 Minutes Upon a motion by Vice Chair Marostica and second by Board Director Noll, the Consent Agenda was approved by all present.

Public Comment: There was no public comment.

Director's Report: HPTE Director Spector reported that the I-70 East project procurement is moving on schedule, and that one-on-one meetings with proposers have been held. The I-70 Mountain Corridor continues to be a priority, with an advertising campaign rolling out in the coming weeks. A recent snow and ice event on US 36 was well-managed by Plenary Roads Denver, as they will report later in the agenda.

OPMD Report: OMPD Director Johnson noted that the methodology to adjust toll rates on the I-70 Mountain Corridor will be presented today for the Board's information, noting that there are density triggers that model when adjustments should be made. He and others will meet with the Transportation Infrastructure Finance and Innovation Act (TIFIA) Office in Washington soon to discuss a low-interest loan for the I-70 East project. A similar meeting for the C-470 finance plan is also coming up soon, and he said the request for proposals (RFP) for C-470 will also go out on November 30. Later in the meeting the Board will also hear about a financing proposal for I-25 North Segment 3.

Communications Report: HPTE Communications Manager Megan Castle reported that outreach and education efforts are in full-gear for the I-70 Mountain Express Lane, including an extensive paid media campaign. The news media will be invited to a "come-and-see" event at the Traffic Operations Center on the day the new lane is opened. She also noted that the sale of switchable transponders is still brisk, and that ExpressToll has extended its weekend hours to accommodate live calls on the weekends when calls may come in about the Mountain Express Lane.

FY 2016 1st Quarter Operations Report for US 36/I-25: Terry Ostrom of Plenary Roads Denver gave the first quarterly operations report since US 36 Phase 1 opened on July 22. He reported on an extensive trash pick-up effort that will be on-going, that paving is now complete on I-25 Central as is the overlay on the 20th Street bridge. He said that seasonal traffic volumes are highest in July and lowest in September, and that lower volumes than expected occurred this quarter. He noted construction on the I-25 North Segment 2 project is the likely cause. He said HOV volumes are coming back up to the expected levels as drivers are acquiring the new switchable transponders and becoming more familiar with how to use the reconfigured lanes on I-25. Traffic on US 36 is increasing per expectations in all traffic categories. Revenues are in line with projections, with I-25 Central at \$1.26 million in revenue for the quarter, and US 36 Phase 1 at \$330,000.

Mr. Ostrom explained that with the opening of the lanes on US 36, the ExpressToll customer service center (CSC) struggled to keep up with calls at the outset, yet still managed to maintain very high customer service ratings. The CSC has added and trained additional personnel to meet the call demand. He also reported on the recent snow and ice events which were handled well and that local agencies are satisfied with Plenary's efforts to control snow and ice.

Legislative Audit Update:

HPTE Operations Manager Nick Farber reported that HPTE has completely implemented 26 of the 29 recommendations of the 3/30/15 Legislative Audit Committee (LAC) report, and that the remaining three are under way. The Public Private Partnership (P3) procurement manual is expected to be complete by the end of the year. Mr. Farber said his team will meet with the LAC on December 7 to give an update on progress. HPTE Director Spector said the HPTE audit response is highly regarded nationwide, and that the HPTE transparency policy and program have become a model for P3 implementation across the country.

C-470 Level 3 Traffic and Revenue Analysis Update:

Mariana Torres and Al Racciatti of Louis Berger Group (LBG) reported on the assumptions for the base case traffic and revenue (T&R) estimates. The HOV estimates for the full corridor (not just the Express Lanes) is 4%, which is consistent with the model projected by the Denver Regional Council of Governments (DRCOG). The LBG model determined the probability of HOV3+ users in the lanes based on origin and destination studies and travel time savings afforded by the lanes during each time period. Ms. Torres noted that HOVs often travel in the Express Lane, even if no travel time savings is realized.

I-70 Mountain Express Lane Toll Rate Adjustment Overview:

Joe Mahoney of OMPD presented the process by which toll rate adjustments will be made on the I-70 Mountain Express Lane (MEXL). He said the goal is to maintain a reliable eastbound trip during peak volumes, and that the established toll rate range will be implemented based on upstream traffic densities approaching the MEXL. The first weekend will present a learning curve, and adjustments to the procedures and rates can be made as needed as the system is subsequently fine-tuned. The lead time for the variable message signs to show updated toll rates is approximately 15 minutes.

Director Noll asked about the allowed points of ingress/egress to the MEXL, and the window of time during which drivers can exit off to Idaho Springs and re-enter the MEXL without paying a second toll. Mr. Mahoney said there is a four-hour window that allows drivers to leave the MEXL, stop in Idaho Springs for food and refueling, and then come back into the MEXL without paying a second toll.

I-25 North Segment 3 Finance Concept:

OMPD Director Johnson presented a financing concept similar to the short-term construction loan used to close the funding gap for the I-70 Mountain Express Lane. I-25 North Segment 3 has a \$33 million funding gap to complete the road north to E-470. Using approved RAMP and other existing funding, plus revenues generated by I-25 Segment 2 and a low-interest private construction loan could enable CDOT to build this portion of the roadway beyond E-470 to SH7. He emphasized that this would be an efficient reinvestment of corridor-specific toll revenues that would not tie up traditional funding sources that could be applied to other projects.

Chair Gilliland said she thinks this is a good way to move forward on this corridor. Staff will bring back to the Board the specifics of the construction loan and the back-up loan agreement with CDOT in the near future. Final approval of this approach must be given by the Transportation Commission.

Other Business:

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