

Resolution – HPTE #221

Approving HPTE January 18, 2017 regular meeting minutes

BE IT RESOLVED, that the January 18, 2017 meeting minutes attached hereto, are hereby approved by the High Performance Transportation Enterprise Board of Directors.

Signed as of February 15, 2017

Kari Grant
Secretary, HPTE Board

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

Held: Wednesday, January 18, 2017; 11:30 am
4201 E. Arkansas Ave., CDOT HQ Auditorium, 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, Chair	Jan Martin	Trey Rogers
	Thad Noll	Shannon Gifford	Gary Reiff

Chair Gilliland called the meeting to order @11:30 am: Chair Gilliland noted Vice Chair Marostica has been excused.

Director's Agenda Overview and Discussion: HPTE Director David Spector asked HPTE Communications Manager Megan Castle to report on outreach activities first. Ms. Castle updated the Board on follow up from the December telephone town hall for HOV3 along the US 36 corridor. She reported media coverage has been factual for the most part, and that use of social media and on-road signage to reach people has been key. Most of the questions from callers were about why the transition to HOV3 is necessary, and funding constraints. Next steps are to continue support to local partners who provide alternative transportation options.

HPTE Board Secretary Kari Grant presented the FY2016 Annual Report for the state legislature. The report has been posted to the HPTE website per statutory requirements. The report will be delivered to the legislature on or before February 15. HPTE Director Spector noted 2016 highlights, including national awards for the Mountain Express Lane and the US 36 Bus Rapid Transit/Express Lane projects. He noted the Project Status and Detail Summary appendix, saying this is a living document to collect essential facts and notations for HPTE projects moving forward.

HPTE Director Spector said Representative Benavidez has introduced a bill intended to apply Davis-Bacon prevailing wages for CDOT's public private partnerships (P3s), and the bill has been broadly drafted. He noted the bill, as drafted, may not apply to HPTE. Ron Papsdorf, Office of Policy and Government Relations (OPGR) spoke about the need to maintain openness and transparency on this issue and noted he and others are in regular conversation with Representative Benavidez on this topic. Board Chair Gilliland thanked Mr. Spector, Mr. Papsdorf and legislative liaison Andy Karsian for their help at the Capitol. HPTE Director Spector also noted he, Nick Farber, Ron Papsdorf, Megan Castle and CDOT Executive Director Shailen Bhatt attended the 36 Commuting Solutions annual legislative breakfast, which focused on the transportation priorities for the 2017 legislative session, impacts of effective transportation on the region's economic growth and the future of transportation in the northwest region. Mr. Spector reminded the Board that they are invited to participate in CDOT's weekly legislative update phone call.

HPTE Director Spector updated the Board on the progress to hire a Toll Operations Manager. He said the posting closes on January 31, and that a number of applications have already been received. He hopes to have someone hired by April.

HPTE Operations Manager Nick Farber gave a quick overview of the annual scope and services item on the agenda. He noted the July 2016 reconciliation and the extent of staff work on US 36. He reminded the Board that the Fee for Service Agreement with CDOT calls for a six month reconciliation and reporting cycle.

HPTE Budget Analyst Piper Frode updated the Board on the draft revenue guidelines and how they have been shaped by Board input and the Board's direction to think broadly about excess revenue. She said

the top priorities are debt repayment to the Transportation Commission and the ability to retain flexibility to address emerging opportunities and issues. HPTE Director Spector repeated that the revenue use guidelines remain subject to revision by the Board on a case-by-case basis as needed.

Central 70 Project Director Tony DeVito briefly addressed that project's status, saying his team is in conversations with the City and County of Denver on a number of project-related issues. He noted that the Final RFP will be completed in the next few weeks.

HPTE Director Spector updated the Board on the C-470 Direct Agreement item on the agenda. He said TIFIA is requiring CDOT to enter into a direct agreement with them (in addition to the standard Intra-Agency Agreement with CDOT) as a condition of HPTE's loan application. The Agreement requires CDOT to covenant to certain provisions in the TIFIA loan, such as operations and maintenance responsibilities. Mr. Farber said this item will be back in February for Board action. Director Spector pointed out the project ARE (additional elements added to the project scope), revenue projections and strong investment ratings are a good story to tell. The financing of the project is intended to generate more revenue through borrowing, much like the approach to I-25 North from 120th Avenue to Northwest Parkway/E-470. This results in an increase in borrowing, and a reallocation in RAMP funding. Mr. Spector noted that a workshop on C-470 financing with the Transportation Commission was scheduled for later in the afternoon, and the C-470 Coalition (which objects to the RAMP reallocation) was invited to participate. HPTE Board Director Reiff said that the use of RAMP dollars is a Transportation Commission matter, and that the time is now to discuss appropriation of project dollars. Board Chair Gilliland said she has heard many questions regarding possible competing priorities between I-25 South and I-25 North projects. HPTE Director Spector and OPRG Director Herman Stockinger acknowledged that it is easy for the public to confuse pots of money, and that eventual excess revenues from C-470 will be used for C-470 corridor improvements.

Board Break,
Reconvene and Roll
Call:

The Board took a five-minute break. Upon reconvening, all Board members were present.

Consent Agenda:
Resolution #218
Approving December
Minutes; Resolution
#219 Approving
2017 Calendar:

Upon a motion by Board Director Gifford and second by Board Director Noll, the Consent Agenda was approved.

Public Comment:

Chair Gilliland invited members of the public to come forward if they wished to comment. No speakers came forward.

Director's Report:

HPTE Director Spector said 2017 has gotten off to a strong start, noting the transition to HOV3 began on January 1. He said the transition has been relatively smooth, with lots of outreach prior to and after the change. There is no real data to report now, with the information we receive being anecdotal. The last step in the process is to complete toll collection software development to enable customer requests for free switchable transponders, occurring the first of April.

Mr. Spector reported that the 2017 legislative session is underway. HB17-1068 introduced by Rep. Benavidez would seek to apply Davis-Bacon wages to any P3 project receiving federal funds. Both US 36 and Central 70 projects provide more than required by the bill. HPTE does not yet have a position.

He told the Board HPTE is moving forward with the search for a toll operations manager, and that the posting will be up until January 31. Many applications have already been received. He hopes to have the process completed by March or early April.

OMPD Report:

Brett Johnson, Director of the Office of Major Project Development (OMPD), reported the RFP to banking institutions is out for the I-25 North Johnstown to Fort Collins Project. On the I-25 South project, there are public meetings coming up in Colorado Springs and Douglas County. Mr. Johnson said his team is working to expedite a solution for I-25 South.

Communications
Report:

Ms. Castle gave another quick overview of the HOV3 telephone town hall meeting in December. She said the initial HOV3 outreach is nearing the end, and that she has been mostly pleased by media coverage of the HOV3 topic. Her team is currently gauging what the next steps and additional information needs are. HPTE will continue to work with regional partners to provide commuting incentives and options. Traffic enforcement on express lanes continues to be an important topic, and additional resources are being directed there. Chair Gilliland complimented Ms. Castle and her team on the HOV3 transition effort, saying it is important to get information out ahead of controversial issues.

Annual Scope of
Work and Services
Update:

Mr. Farber quickly reviewed the scope of work and services that HPTE provides to CDOT. He noted the July 2016 reconciliation and the extent of staff work on US 36, Central 70, C-470 and other projects and programs. Staff is currently working with FHWA to increase the number of hours of operations for the Mountain Express Lane. Mr. Farber said there is a six month scope and services reconciliation and reporting cycle, and this is being presented for information only.

Draft Revenue Use
Guidelines Update:

Ms. Frode said early Board feedback on revenue use guidelines is to prioritize payments for operating loans from the Transportation Commission, and to maintain enough flexibility to direct excess funds to future innovative projects. Building up a reserve fund is also important to the Board. The three sources of revenue for HPTE are toll revenues, conduit issuer fees, and budget roll forwards, and Ms. Frode noted she did not see big changes coming with the issuer fees or roll forwards.

C-470 Financing
Update:

Mr. Farber summarized the Direct Agreement (DA) between CDOT, HPTE and TIFIA. Usually on projects that involve HPTE, Intra-Agency Agreements (IAAs) document the substantive terms of how CDOT and HPTE work together and allocate rights and responsibilities on shared projects. However, since HPTE is entering into a TIFIA Loan on this Project, but does not have the responsibility to either construct the Project or operate or maintain the Project, TIFIA has required that CDOT enter into a Direct Agreement with them and HPTE. A key provision is that HPTE pays its obligations that are due on the TIFIA before any loan obligations to the Transportation Commission can be repaid. Mr. Farber said the next steps are further comment on the draft Direct Agreement, and to make provisions conform to Colorado law. A revised IAA and DA will be presented to the Board for action in February.

Central 70 Update:

Mr. DeVito reported that the Final RFP is in review, and is expected to be released in March. He said a major focus is on meeting transparency needs for the RFP and bidder selection processes. A telephone town hall and public meeting in the community are both planned in February. The project team is working through issues with the City and County of Denver. Next month is also the quarterly project update to the Transportation Commission, with a project open house hosted at CDOT headquarters. Mr. DeVito invited the Board to drop by the open house and meet the project team.

Executive Session
pursuant to C.R.S
Section 24-6-
402(3)(a)(II) for the
purpose of receiving
legal advice
pertaining to the US
36 Phase 2 Project:

Chair Gilliland requested a motion to convene the Board in Executive Session pursuant to C.R.S. Section 24-6-402(3)(a)(II) for the purpose of receiving legal advice pertaining to the US 36 Phase 2 Project. Board Director Rogers made a motion to enter into Executive Session, with a second by Board Director Noll. The Board entered into Executive Session at 1:06 pm. Members of the public were excused.

The Board exited Executive Sessions at 1:25 p.m., and returned to the public portion of the meeting. Members of the public were invited back in to the Auditorium.

Resolution #220
Approving a Budget
Supplement for US
36 Completion:

Upon a motion by Board Director Reiff and second by Board Director Rogers, following discussion amongst the Board Directors, Resolution #220 was approved. Director Rogers said the negotiations regarding close-out of the US36 Phase 2 Project were hard, and the final result is in the best interest of

HPTE. Director Reiff noted that contingency funds should be used for the closeout, and thanked the staff for their strong financial management.

Adjourn:

There being no other business, the HPTE Board of Directors adjourned at 1:30.

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