

Agenda Item: **MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE HIGH PERFORMANCE TRANSPORTATION ENTERPRISE (HPTE)**
Held: Wednesday, March 15, 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	Don Marostica, Vice Chair	Jan Martin
	Thad Noll	Shannon Gifford	Gary Reiff
	Trey Rogers		

Chair Gilliland called the meeting to order @11:30 am: All Board Directors were present.

Director's Agenda Overview and Discussion: HPTE Director David Spector and HPTE Legislative Liaison Ron Papsdorf gave a briefing on recent legislative activity, and noted the bills that may affect HPTE. HB1193 (Rep. Kraft-Tharp, Rep. J. Becker) and SB211 (Sen. Scott) do not significantly impact HPTE and are under consideration. HB1153 (Rep. Williams and Rep. McKean) regarding HOV policy and major project prioritization has been postponed indefinitely by the House Committee on Transportation and Energy. HB1242 (Rep. Duran and Rep. Mitsch-Bush) proposes a tax hike to support transportation, allowing up to \$3.5M in bonding capacity for roadway expansion. HB1242 has been assigned to the House Transportation Committee and is under consideration.

HPTE Director Spector updated the Board on progress to hire a new Tolling Operations Manager. He reported the search is going well and that he and CDOT Division of Transportation Systems Management and Operations Ryan Rice were conducting interviews with the top candidates.

He also announced that OMPD Director Brett Johnson is leaving CDOT. Board members expressed appreciation for his innovations and wished him well in his future pursuits.

HPTE Director Spector advised the Board on action items on today's Agenda. The item to approve the Fee for Service IAA had been provided to the Board in draft form previously, but included some modifications. The budget is projected out to 2018, allowing HPTE to respond to spontaneous needs such as the due diligence for Project Bighorn in 2016 and continuing work on projects, including Colfax/Federal and Transportation Demand Management for Central 70.

The FY18 HPTE Annual Budget was also up for approval. HPTE Budget Analyst Piper Frode noted that most of this information had been presented in February. HPTE Chair Kathy Gilliland said she would like to know about incoming scope of work changes as they develop, and a review of the HPTE work priorities that were identified in the 2017 Board Retreat.

HPTE Director Spector previewed Resolution #229, explaining that the resolution would increase the maximum allowable interest rate at which the C-470 bonds could be issued, and would also increase the maximum allowable principal amount of the TIFIA loan. Staff is proposing to increase the interest rate cushion for the financing due to the TIFIA-caused delay, rating agency and financial advisor feedback, and the potential for interest rate volatility. The board engaged in a discussion, and commented that there should be a larger policy discussion about using the financing's interest rate cushion, as it impacts the availability/flexibility of the use of RAMP funds. An understanding was reached that the resolution should only include consideration of an increase in the TIFIA principal amount.

HPTE Director Spector also introduced the planned action to approve an amendment to the C-470 Direct Agreement to add the Senior Bonds Trustee as a party to the Direct Agreement. The bond underwriters requested protections similar to those already provided to the TIFIA lender.

Board Break,
Reconvene and Roll
Call:

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

Consent Agenda:
Resolution #225
Approving February,
2017 Minutes,
Resolution #226
Approving March 3
Special Meeting
Minutes:

Upon a motion by Board Director Gifford and second by Vice Chair Marostica, the Consent Agenda was approved unanimously.

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 made a brief report covering legislative activity, the search for the new Tolling Operations Manager, recent project activities, and the departure of OMPD Director Johnson.

Communications
Report:

HPTE Communications Manager Megan Castle spoke about the IBTTA conference on communications, where she presented the HPTE outreach efforts and customer experience with the Express Lanes. She noted recent media coverage for the transition to HOV3, and said early indications are that HOV accounts for 15% of traffic in the Express Lanes (previously HOV use has been at 25%). Beginning the first week in April, switchable transponders will be provided for free for HOV-only customers. The HOV3 policy will drive a new influx of customer questions and input requiring new messaging. She reported that 124,538 switchable transponders had been sold to date.

Resolution #227
FY18 Scope/Fee for
Service IAA:

HPTE Operations Manager Nick Farber walked the Board through the major provisions of Resolution #227 approving the HPTE Fee for Service and Scope of Work IAA with CDOT for fiscal year 2017-18. He noted that the financing documents on HPTE's various corridors will require ongoing evaluation and assessment. Staff will continue to address program services and transparency, as well as Audit Committee recommendations for robust citizen outreach and ongoing training of staff and local officials for understanding of the P3 development and implementation processes. Upon a motion by Director Rogers and second by Director Noll, Resolution #227 was approved by all present.

Resolution #228
FY17-18 Annual
Budget:

HPTE Budget Analyst Piper Frode asked the Board to approve the FY17-18 Annual Budget. Upon a motion by Vice Chair Marostica and second by Director Martin, Resolution #228 was approved by all present.

Resolution #229
C-470 Financing
Parameters:

HPTE Operations Manager Nick Farber reviewed the earlier discussion of this item by the Board. Board Director Reiff made a motion to amend and approve Resolution #229, with the removal the last recital and operative provision concerning the additional rate cushion for the senior bonds, leaving only the increase to the maximum permitted TIFIA loan amount. Upon a second by Vice Chair Marostica, Resolution #229 was approved unanimously as amended. Board Director Reiff thanked staff for doing a good job navigating the project financing during very difficult market conditions.

Resolution #230
C-470 Amended DA:

HPTE Operations Manager Nick Farber reminded the Board that a prior version of the C-470 Direct Agreement among HPTE, CDOT and TIFIA had been approved in February. This Resolution approves a revised C-470 Project Direct Agreement that adds the Trustee on the senior bonds, Zions Bank, as a

party. Upon a motion by Board Director Reiff and second by Vice Chair Marostica, Resolution #230 was approved by all present.

Other Business: HPTE Board Chair Gilliland again thanked OMPD Director Brett Johnson for his contributions to HPTE.

Adjourn: There being no further business, the Board adjourned at 2:31 pm.