

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

Held: Wednesday, October 17, 2018; 8:00 am
CDOT Headquarters, 2829 West Howard Place, Denver, CO 80204

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:

| | |
|-----------------------------------|---------------|
| Don Marostica, Chair | Thad Noll |
| Shannon Gifford, Vice Chair | Rocky Scott |
| Anastasia Khokhryakova (by phone) | Travis Easton |
| Kathy Gilliland | |

Special Meeting

David Spector started the HPTE – Past, Present, and Future presentation.

Director Gilliland talked about the public distrust of CDOT and HPTE and suggested that we need to do a lot more outreach, working to build that trust. She also mentioned that HPTE needs to increase its visibility in the community as a separate entity from CDOT.

Chair Marostica stated that many people believe, incorrectly, that HPTE was set up just to get around TABOR. Director Spector remarked that enterprises were specifically created by the drafters of TABOR.

Andrew Gomez with the Colorado Attorney General's Office presented the HPTE Statutory Overview.

David Spector talked about discussions with David Ulane, Director of Aeronautics, regarding the use of HPTE resources to assist airports. They began some discussion about whether aviation and work with airports would fit within the current legislation or the legislation would need to be changed due to the phrase, "surface transportation".

There was discussion among the board members about the CTE requirement to adjust toll rates in order to regulate traffic, which was not written into the HPTE regulations when it replaced the CTE, thereby giving the Board authority over rates.

Nick Farber mentioned the statutory provision allowing HPTE to create non-profit boards. He suggested that, as we grow, HPTE would have the ability to create boards for entities such as Road X and that HPTE could create its own entity for back office duties.

There was discussion regarding the use of corridor revenue for connected corridors.

David Spector described the idea of creating a "system credit" program once all corridors are connected.

| | |
|---------------------------------|---|
| | <p>Megan Castle attended the RUC West Fall Steering Committee meeting where she learned that Utah's long-term goals include installing license plate readers and cameras that can determine the passenger count in each vehicle.</p> <p>David Spector stated that no state is currently using this technology for primary enforcement and that HPTE will continue to monitor the market for emerging technologies that are capable of both charging a user fee and for primary enforcement.</p> <p>There was discussion regarding slide 21, which describes how a metropolitan planning organization or other transportation planning region in which a proposed project will be completed has a right to participate in the planning and development of a project. David Spector summed up the discussion saying that HPTE is complying with this legislation through the approval of the STIP and TIP, however, HPTE could do a much better job of reaching out to stakeholders throughout the process.</p> <p>Director Scott believes that Colorado is inevitably headed toward a road-usage charge, which could be administered through the HPTE.</p> <p>Director Gilliland suggested the HPTE develop a strategy about how we put that in place and integrate with tolling operations.</p> <p>There was discussion about the monthly board meetings and David Spector suggested that it might be a good idea to add a workshop every month (if warranted) to talk about specific topics in more depth.</p> |
| <p>Reconvene and Roll Call:</p> | <p>The Board took a 10-minute break. The informal meeting started at 10:03 am. All Board members were present.</p> |
| <p>Informal Discussion</p> | <p>Jerry Abboud, with Powersports Dealers Association of Colorado, provided a presentation advocating larger "Motorcycles Allowed" signs and more of them on US 36 and I-25 North.</p> <p>Tony Meneghetti stated that there are currently 3 signs in each direction on US 36 that say "Motorcycles Allowed", located near entrances to the express lanes. They are 36 x 18, black letters on white background, and this is compliant with the MUTCD. Signs that are 78 x 36 would also be compliant. The length of the corridor is 16.5 miles.</p> <p>Director Gilliland would like the signs to say that motorcycles can travel the express lanes without being charged a toll. She would also like this information to be posted on the variable message signs.</p> <p>Megan Castle offered to work with Mr. Abboud's group when they are planning outreach and communications.</p> <p>Jerry Abboud would like to see signs that are between the two sizes mentioned and more than three in each direction.</p> <p>Tony Meneghetti will stay in touch with Mr. Abboud and come up with some options.</p> <p>David Spector gave the board two options for a full board retreat, January or February, prior to the monthly board meeting. Most people preferred the February option so</p> |

| | |
|-----------------|---|
| | <p>calendar invitations will go out as soon as possible to reserve the afternoon of February 19th and the morning of February 20th.</p> <p>David Spector announced that Jim Doyle of Mobility Next (formerly with Panasonic) would like to give a presentation at the November meeting regarding a collaborative effort to co-locate offices of technology companies, government agencies, and other businesses for the purpose of easing collaboration. Mike Lewis mentioned this at the Transportation Summit.</p> <p>David Spector introduced Bryan Stelmack, who works for HPTE's financial advisor Stifel, and Nick Farber added that interest rates are in flux, rising 20 basis points in the last six weeks. The Federal Reserve expects to continue to raise rates, leading to a higher interest rate environment (and thereby making it more expensive for HPTE to borrow). HPTE is considering seeking financing for I-25 Segments 7&8 next year.</p> <p>Bryan Stelmack said this pertains to treasury and municipal markets and there are several options for HPTE:</p> <ol style="list-style-type: none"> 1) Executing a "Forward" with a bank. Lock in rates early in 2019 for finance needs 6 months later. It could cost HPTE up to 7 to 8 basis points per month, but there are lower comparables in the market now. 2) Don't execute a Forward and accept the current rate at the time of financing. 3) Take all proceeds up front, earning interest until the financing is needed, to flatten the rate. Potentially no negative arbitrage with this option. 4) Request a bank commitment to loan. They will likely charge a monthly rate to hold the funds. <p>David Spector suggested that we need to decide if we are conservative or aggressive and there was discussion about being in the middle. The board can discuss options during the November meeting.</p> <p>Director Scott wants to see a risk assessment for each option. He also wants to develop a policy for handling this situation in the future.</p> <p>Bryan Stelmack said there would be no harm in talking with some of our finance partners about these options.</p> <p>David Spector offered to bring information gathered and policy examples to the November meeting.</p> |
| Regular Meeting | <p>The board did not take a break before beginning the regular meeting.</p> <p>Chair Marostica talked briefly about the P3 Hub Conference that he attended. He was asked to say a few words and then David Spector alerted him to the agenda that listed him as the keynote speaker. Don also attended the awards ceremony, where he picked up two new awards for HPTE: "Best Road/Bridge/Tunnel Project – Central 70 Reconstruction Project, USA" and "Best Financial Structure – Colorado's Central 70 P3 Project, USA". Because of HPTE's success, other states are now taking notice. For instance, Michigan is interested in how HPTE was set up and Iowa is also watching us.</p> |

| | |
|---|---|
| | <p>There was discussion about how we can communicate the value of what HPTE is doing because the awards we are receiving don't translate into value for most of the public. Director Scott suggested we compare the benefits of what we're doing with how much it would cost to raise taxes to pay for the same projects.</p> <p>David Spector discussed that the value we provide is in allowing a project to be completed long before, or with a larger scope, than would have been possible without HPTE.</p> |
| Public Comment – items not on Agenda | There were no public comments. |
| Director's Report | David Spector talked about conferences and meetings that HPTE staff had attended. Several board members spoke about the information gleaned from these and provided to the other attendees by our staff. |
| Communications Update | Megan Castle gave the communications update, informing the group about the enforcement campaign and the "When You Need It Most" campaign, which we are in the middle of right now. |
| Projects Update | <p>Tony Meneghetti used a PowerPoint presentation to do a deep dive into the North I-25, 120th to E470 project.</p> <p>Kathy Gilliland asked why the project has been delayed.</p> <p>CDOT Executive Director Mike Lewis spoke in general terms about a dispute that will be detailed in an executive session.</p> <p>Stephanie, from the project team, talked about a potential delay of over a year that includes some change orders needed for safety and quality. The new RFP will go to bid on October 25th and the team hopes to have project completion within a year.</p> |
| Legislative Update | Aaron Greco gave the legislative update, using excerpts from a PowerPoint presentation that was given to the Transportation Legislation Review Committee. |
| Consent Agenda Resolutions #275, #276, and #277 | Upon a motion by Director Scott, and Second by Vice-Chair Gifford, a vote was conducted and the Consent Agenda Resolutions were unanimously approved. |
| Recognition of Director Noll | <p>David Spector announced the departure of Thad Noll from the board and presented him with a gift that shows before and after photos of the Mountain Express Lanes corridor.</p> <p>Director Noll lauded the team and David Spector, HPTE's Director. Director Gilliland thanked Director Noll for his service to the board and to the state.</p> |
| Adjourn | There will be no meeting in December. There being no further business, the Board adjourned at 11:38 am. |