

**Resolution HPTE #260**

**Approving HPTE February 14, 2018 regular meeting minutes**

**BE IT RESOLVED**, that the February 14, 2018 meeting minutes attached hereto, are hereby approved by the High Performance Transportation Enterprise Board of Directors.

Signed as of March 14, 2018

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Kari V. Grant  
Secretary, HPTE Board of Directors

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

Held: Wednesday, February 14<sup>th</sup>, 2018; 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:

Kathy Gilliland, Chair  
Don Marostica, Vice Chair

Shannon Gifford  
Anastasia Khokhryakova

Rocky Scott

Chair Marostica called the meeting to order @11:32 am:

HPTE Board Director Noll was excused.

Director's Agenda Overview and Discussion:

HPTE Director David Spector noted the Agenda today is brief, and asked HPTE Legislative Liaison Ron Papsdorf to give an informal overview of legislative activity. Mr. Papsdorf said it has been a quiet session so far for HPTE matters, and that there is little talk of adverse bills. He said SB18-001 (Sen. Baumgardner, Sen. Cooke, Sen. Buck) and HB18-11 (Rep. Leonard and Sen. Neville) both dedicate a portion of sales tax to transportation, but a bipartisan solution for transportation funding solutions may not come forward. He noted that a ballot initiative may be the only course. SB18-128 (Sen. Gardner, Rep. Liston) directs that fees must be voted on by the General Assembly. The bill applies to toll rate adjustments, and has implications for bonding. Mr. Papsdorf anticipates that the measure will not be approved. SB-028 (Sen. Scott, Rep. Bridges) has been introduced regarding front license plate mounting requirements. The industry has flexibility on this issue, and passage of the bill would not interfere with toll collections. It is expected to pass.

Director Spector announced that last month HPTE Board Director Kathy Gilliland attended the National Conference for Public Private Partnerships and accepted the award for US 36 Express Lanes Service and Operations. Director Gilliland noted the award is shared with Plenary Roads Denver. She said that the central focus of the conference was on the growing need for private partnerships in the face of shrinking federal funding. Director Spector noted that NCPPP provided staff training on P3s last year.

Team HPTE is the winner of the 2017 CDOT Director's Cup, Division Category. The award demonstrates HPTE's commitment and success in supporting the Healthy Multi- Modal System Peak at CDOT. Director Spector also announced that Tony Meneghetti has joined the team as the HPTE Major Projects Manager, noting he has direct experience with the US 36 and Central 70 projects. He said HPTE Budget Analyst Pat Saffo is retiring from CDOT after 21 years of service. The Board members thanked her for her contributions, and welcomed Mr. Meneghetti.

Director Spector briefed the Board on the progress for strategic action items identified at the April 2016 planning retreat. He noted most have been accomplished. Recent activity includes filling new staff positions and assessment of HPTE's debt map. Yet to be completed is the update of HPTE's unsolicited proposal guidelines and implementation.

HPTE Budget Analyst Piper Frode introduced the two budget items on the February agenda. One action item related to the Third Budget Amendment to the current FY 2017-18 budget and an informational only item for discussion related to the finalized FY 2018-19 budget. The budget amendment adds line items for a new margin rate payment and also authorizes staff to use of I-25 North Segment 2 revenues to pay off debt for tolling equipment and software incurred under the Master Installment Purchase Agreement. For the FY 2018-19 budget, Ms. Frode highlighted changes made to the draft budget for Fund 536 which reflect an adjustment for toll projections, so they are more in line with historical and actual data. Changes highlighted for Fund 537 were that there is no increase in the fee for service request and that the budget has been broken into subcategories to make the budget more user-friendly,

and to clearly tie budget categories to the type of work being done. The Board thanked Ms. Frode and staff for their efforts.

There was Board discussion of the new federal tax reform, and its impact on HPTE's outstanding loans, including the addition of a monthly margin rate payment. Director Khokhryakova asked whether the margin rate payments were mandatory Director Spector said yes, that the margin rates are mandatory. The loan agreements for both MEXL and I-25 North Segment 3, both with Bank of America Merrill Lynch (BAML) contain provisions allowing BAML to be made whole in the event there is a change in tax law that negatively impacts BAML's expected rate of return on the loans. Staff is currently working with DAF to analyze HPTE's debt and backstop exposure; bond counsel will take a detailed look at how rising interest rates may affect HPTE's financing.

HPTE Director Spector updated the Board on Central 70 recent news. The lawsuit filed against the project by the Zeppelin plaintiffs was dismissed with prejudice by the US District Court. The Sierra Club lawsuit is still outstanding with its request for preliminary injunction. Director Spector noted Angie Malpiede of the Northeast Transportation Connections (NETC) is here to update the Board on neighborhood-based transportation options for the project area.

The Board declined its usual break, and moved onto the Regular Meeting Agenda.

Board Break,  
Reconvene and Roll  
Call:

Director's Report:

HPTE Director Spector said staff is heavily engaged with strategic planning work and Express Lanes outreach. HPTE is watching community activity around the proposed redesign of the Colfax and Federal clover interchange, with the local neighborhoods and business improvement district working together. He noted this project is not ready for action, but is of long-range interest. Recently the Oklahoma DOT and Turnpike Authority and an industry group from Tel Aviv visited to share best practices and experiences and learn from HPTE. Mr. Spector noted these visits are significant indicators of international interest in HPTE. He also reported that he recently met with HPTE Board Directors Scott and Marostica and special district experts regarding large-scale alternative financial investment strategies.

Major Projects  
Update:

HPTE Operations Manager Nick Farber spoke about the recent fatality on the I-25 Central Express Lanes. A committee has been formed to identify a range of safety options for the on-ramp at 70<sup>th</sup> Ave., which contributed to the crash.

He reported that staff met with Clear Creek County stakeholders, who are requesting additional enforcement of posted speed limits along the I-70 Mountain Corridor. Radar fixed signs, roaming police enforcement, and variable speed limits are options under consideration. Mr. Farber said he would return next month with an update. He also made a presentation to the PPACG Citizens Advisory Committee recently about what Express Lanes are and how they work. HPTE Board Director Scott said a broader message than basic facts needs to be heard by citizens. A campaign that sells benefits (rather than features) to the consumer may be required.

Mr. Farber reported that crashes and traffic violations on US 36 have decreased by 33% since this past summer. Increased safety enforcement along the US 36 Express Lane corridor began in July 2017. A road safety audit for incidents and usage on I-25 North will be concluded and made available later this spring. He said early safety mitigations will likely include expanding exit gores for enforcement and pullover refuge, improved signage and possibly pace car enforcement.

Communications Update: HPTE Communications Manager Megan Castle described the series of focus groups HPTE will be hosting later this month.

NETC Report: Angie Malpiede, Executive Director of Northeast Transportation Connections (NETC), gave the first update on transportation management in the communities near Central 70. She introduced a progress report video, showing neighborhood engagement in alternative transportation options to serve daily needs. She and her team are developing trusted relationships with area businesses and residents, who are now beginning to approach NETC to find transportation connections for themselves. The Board commended NETC for their understanding of the community needs and work to date.

FY 2017 Audited Financial Statements: HPTE Accounting Manager Kay Hruska presented the FY 2017 Audited Financial Statements to the Board. She said the Audit report is final and has been released by the Legislative Audit Committee. The report had no findings despite numerous complex transactions this year. The Board thanked Ms. Hruska for a good report.

Public Comment:

Consent Agenda: Resolution #258 Approving January 17<sup>th</sup> Minutes HPTE Board Chair Marostica asked members of the public to come forward to speak. There were none. Upon a motion by Board Director Khokhryakova and second by Board Director Gilliland, the Consent Agenda was approved unanimously.

Resolution #259 Approving 3<sup>rd</sup> Amendment to FY17-18 Budget: HPTE Budget Analyst Piper Frode asked the Board to review the proposed changes to the Fund 536 budget and approve Resolution #259, authorizing the Third Budget Amendment of FY 2017-18. Upon a motion by Board Director Khokhryakova and second by Board Director Scott, Resolution #259 was approved unanimously.

Adjourn: The Board of Directors adjourned at 1:01 pm.