

	<p style="text-align: center;">MINUTES OF THE SPECIAL BOARD MEETING OF THE BOARD OF DIRECTORS OF THE HIGH-PERFORMANCE TRANSPORTATION ENTERPRISE (HPTE)</p> <p style="text-align: center;">Held: Thursday, February 21, 2019; 12:15 am – 5 pm CDOT Headquarters, 2829 West Howard Place, Denver, CO 80204</p> <p>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:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">Don Marostica, Chair</td> <td style="width: 50%;">Margaret Bowes</td> </tr> <tr> <td>Shannon Gifford, Vice Chair</td> <td>Rocky Scott</td> </tr> <tr> <td>Anastasia Khokhryakova</td> <td></td> </tr> <tr> <td>Kathy Gilliland</td> <td></td> </tr> </table>	Don Marostica, Chair	Margaret Bowes	Shannon Gifford, Vice Chair	Rocky Scott	Anastasia Khokhryakova		Kathy Gilliland	
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Roll Call:	All Board Members, except Travis Easton, were present. The meeting began at 12:10 pm.								
Kick Off: Introductions, retreat format, and overview	<p>HPTE Director, David Spector, and the moderator, Mike Hughes, introduced the format for the Board Retreat, noted that the agenda is focused on how HPTE needs to adapt and change to upcoming challenges.</p> <p>Chairman Marostica acknowledged that HPTE is at a crossroads and encouraged HPTE Board Members to engage fully in the discussion and provide feedback on all aspects of the agenda to help decide the future direction for the organization.</p>								
Transurban Presentation	<p>Jennifer Aument (President of North America, Transurban) and Darius Eshragh (Director, Platform Engineering, Transurban) provided an overview of Transurban and how it manages its tolling operations. The presentation included:</p> <ul style="list-style-type: none"> ● Building and operating roads that keep cities moving ● Overview of Transurban <ul style="list-style-type: none"> ○ Transurban is a \$30 billion global leader in toll road financing, development, operations and technology with 900 lane-miles of toll roads, tunnels and bridges across North America and long-term transportation needs. ● Capabilities: designing and managing infrastructure for long-term ● Northern Virginia Express Lanes Network ● Operational excellence: the nation’s first real-time, dynamically-priced managed lanes ● Keeping traffic moving: how dynamic tolling works ● Pricing and congestion management: optimizing network performance through real-time data ● Active traffic management <ul style="list-style-type: none"> ○ Data and reporting information minute-to-minute adjustments based 								

	<p>on analytic inputs: queues; density; speed; value; incidents; price;</p> <ul style="list-style-type: none"> ● Monitoring and responding to external factors and customer behaviors ● Partnership coordination and lifecycle approach ● Understanding Transurban customers and implementing customer programs ● A history of innovation: driving safer operations and improved customer experience ● Tolling technology ecosystem: evolving with the technology landscape ● Government partnership – the importance of thinking long term <ul style="list-style-type: none"> ○ In the beginning, concession agreements were very prescriptive, but Transurban experience has been that if the agreement is outcome focused it allows space for innovation and flexibility. ● Transurban internal process and back office tolling overview ● Preparing for the future: roads at the center of the mobility revolution <p>Discussion</p> <p>Board Members and staff discussed HPTE Express Lane Network growth, customer-focused approach, enforcement, hybrid cars, electric vehicles and trucks, communications tools and platforms to reach customers, mobile barrier, maintenance and channelizing posts, developing platforms that are interoperable, how Uber and Lyft have changed the nature of HOV, with Transurban staff.</p> <p>Director Spector thanked Ms. Aument and Mr. Eshragh for presenting to the HPTE Board.</p> <p><i>The Board adjourned for a break at 1:57 pm</i></p>
<p>Toll Rate Setting Policy</p>	<p><i>The Board reconvened at 2:05 pm.</i></p> <p>HPTE Tolling Operations Manager, Kelly Brown, provided a presentation to the board on Toll Rate Setting Policy, which included:</p> <ul style="list-style-type: none"> ● Tolling Rate Setting Authority & Practice of Peers <ul style="list-style-type: none"> ○ Toll Roads – Public; Toll Roads – P3; Express Lanes – State; Express Lanes – P3; ● Current HPTE Toll Rate & Adjustment Practice: <ul style="list-style-type: none"> ○ Maximize traffic throughput ○ Prove travel time reliability in the Express Lane ○ Meet financial ratio requirements if financing is used ● Board Direction on HPTE Policy Goals ● Proposed HPTE Toll Rates and Adjustment Policy Process <p>Board Direction on policy goals</p> <p><u>Policy Goal #1: Establish the Current HPTE Toll Rate Setting and Adjustment Practice as a Policy Directive</u></p> <ul style="list-style-type: none"> ● Action: The Board directed staff to develop a policy directive, based on the

	<p>metrics presented, for the HPTE Board to review at a future meeting.</p> <p><u>Policy Goal #2: Revenue Maximization Vs. Throughput Maximization</u></p> <ul style="list-style-type: none"> ● Action: The Board directed staff to focus on fiscally responsible pricing. ● Board Members also expressed that focusing on and developing the customer base is also a key component of this consideration. <p><u>Policy Goal #3: AVI vs LPT Toll Rate Setting Policy</u></p> <ul style="list-style-type: none"> ● Action: The Board directed staff to continue the current practice of first determining the AVI toll rate, then adding the LPT surcharge in order to arrive at the new LPT toll rate. <p><u>Policy Goal #4: Future Dynamic Tolling Policy Considerations</u></p> <ul style="list-style-type: none"> ● Action: The Board directed staff to explore this area further and come back to them with more information. <p><u>Policy Goal #5: Toll Rate Setting Considerations for Equity</u></p> <ul style="list-style-type: none"> ● Action: The Board directed staff that there should be no discounts or credit programs, except in special circumstances agreed by the HPTE Board. <p>Discussion</p> <p>Board Members and staff discussed public engagement on the toll rate setting policy process, Express Lane discounts, HPTE staffing, policies and procedures, and toll revenue generation spending.</p> <ul style="list-style-type: none"> ● Action: Andrew Gomez (Attorney General’s Office) agreed to share the informal memo on toll revenue generation with the Board. <p><i>The HPTE Board adjourned for a break at 3:17 pm.</i></p>
<p>Colorado Clean Pass Act (HB19-1199)</p> <p>This item was not on the formal agenda, but was discussed extensively by the Board.</p>	<p>Discussion</p> <ul style="list-style-type: none"> ● Board Members discussed the Colorado Clean Pass Act that was introduced to the Colorado State Legislature on February 20th. They voiced concern that it currently includes a reduced price (50% reduction) for all electric vehicles (EVs) on all Express lanes, including lanes that do not have HOV3+ (I-70 Mountain Express Lane and C-470), which would mean toll prices would have to increase for everyone that uses the nto maintain travel time reliability. ● Board Members expressed concern that if money has to be borrowed from the state and then proves difficult to pay back, the enterprise status of HPTE would be jeopardized. ● Board Members outlined that if the Colorado Clean Pass Act goes through there will be a communications challenge to highlight what the change will mean to the public, and try to avoid a backlash. ● A fiscal note is included as part of the bill drafting process and the half-price tolls for EVs were included to make the fiscal note as revenue neutral as possible. The fiscal note looks at a three-year time period from the introduction. It does not account for toll increases and the compensation event HPTE would have to pay Plenary Roads Denver or the related back-office costs to establish the program.

	<ul style="list-style-type: none"> ● It is expected that there will be double-digit growth of EVs on Colorado roads each year. The total EVs will be capped at one hundred and twenty thousand. ● There are provisions in the bill to change or cancel the legislation if there is speed degradation or it would cause HPTE to default on a loan or other commitments. ● Action: Staff to secure a time for Chair Marostica and Shoshana Lew (Executive Director, CDOT) to meet to discuss the implications of the Bill.
<p>Active Management of Express Lanes</p>	<p><i>Board reconvened at 3:30 pm.</i></p> <p>Tolling Operations Manager, Kelly Brown, provided a presentation to the board on Active Management of Express lanes, which included:</p> <ul style="list-style-type: none"> ● HPTE’s Success Story <ul style="list-style-type: none"> ○ HPTE’s Express Lanes Growth ○ Growth in total lane miles ○ Growth in Toll Points ● How Do HPTE Express Lanes Compare to the Other States? ● Top 3 Tolling Operations Challenges <ul style="list-style-type: none"> ○ Active Management of Express Lanes ○ Data and Reporting ○ Equipment Monitoring and Maintenance ● Future Options ● Future Opportunities ● HPTE Next Steps –Board Direction <p>Discussion</p> <p>Board Members and staff discussed data and reporting, HPTE staffing, tolling equipment, back office, and concession agreements.</p> <ul style="list-style-type: none"> ● Board Members noted that there are numerous data sources for HPTE and different databases. The board also noted that responding to all data requests is not feasible with the current tools and methods. ● Action: The board directed HPTE staff to explore a data solution and come back to the board with further information and options including life-cycling out existing tolling equipment. ● Action: Board Members requested information on how much it will cost each year for staff, where the money would come from and what the breakdown would be. This analysis should include the pros and cons of full-time employees compared to contractors. ● Action: Board Members directed staff to come back to the Board with further information on C-470 staffing requirements. ● Action: Board Members agreed to consider tolling equipment and back office further, during future board meetings.

	<ul style="list-style-type: none"> ● Action: Board Members directed staff to look at additional concession agreements, particularly a cost-benefit analysis, and come back to the Board with this information.
Adjourn	<i>Board adjourned at 5.00 pm.</i>

	<p style="text-align: center;">MINUTES OF THE SPECIAL BOARD MEETING OF THE BOARD OF DIRECTORS OF THE HIGH-PERFORMANCE TRANSPORTATION ENTERPRISE (HPTE)</p> <p style="text-align: center;">Held: Friday, February 22, 2019; 8:00 am SpringHill Suites, 1190 Auraria Parkway, Denver, CO 80204</p> <p>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:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">Don Marostica, Chair</td> <td style="width: 50%;">Margaret Bowes</td> </tr> <tr> <td>Shannon Gifford, Vice Chair</td> <td>Rocky Scott</td> </tr> <tr> <td>Anastasia Khokhryakova</td> <td>Travis Easton</td> </tr> <tr> <td>Kathy Gilliland</td> <td></td> </tr> </table>	Don Marostica, Chair	Margaret Bowes	Shannon Gifford, Vice Chair	Rocky Scott	Anastasia Khokhryakova	Travis Easton	Kathy Gilliland	
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Roll Call:	All Board Members were present. The Meeting began at 7:51 am.								
Recap, an overview of today's meeting and Roll Call (Regular Board Meeting)	<p>The Moderator, Mike Hughes, provided a recap of yesterday's meeting and an overview of today's agenda.</p> <p>Board Members outlined that no official HPTE business was discussed during the Board Retreat Dinner at Tamayo. The dinner was purely social.</p> <p><u>Dynamic Pricing</u></p> <ul style="list-style-type: none"> ● Action: Board Members directed staff to push ahead with introducing dynamic pricing on the Express Lanes Network. ● Staff advised that additional resources would be required to take this forward. <p><u>Tolling advisory services</u></p> <ul style="list-style-type: none"> ● Staff advised Board Members that a tolling advisory services RFP, which Atkins currently provides, will be released later this year. 								
Discuss and Act on Resolution #287 HPTE-CDOT Equipment Financing Agreement	Budget and Special Projects Manager, Piper Darlington, provided an overview of the HPTE-CDOT Equipment Financing Agreement to the Board. It included details regarding revising the existing Master Installment Purchase Agreement (MIPA) between CDOT and HPTE to a Tolling Equipment Financing Agreement (Agreement) regarding the purchase of hardware and software equipment (the "Tolling Equipment") needed to operate Express Lanes (particularly the I-70 Mountain Express Lane Westbound).								

	<p>Board Members noted that the agreement (exhibit A: total amount available) should be adapted to include language that states “up to \$2.96 million”, instead of “up to \$2.9 million”.</p> <p>Action: Resolution #287 was updated to reflect the above change, as directed by the Board.</p> <p>Upon a motion by Vice Chair Gifford and second by Director Easton, Resolution #287 was unanimously approved.</p>
<p>Consent Agenda Resolutions #288</p>	<p>Upon a motion by Director Khokhryakova and second by Director Gilliland, the Consent Agenda Resolution #288 was unanimously approved.</p>
<p>Financial Statements</p>	<p>Enterprise Controller, Kay Hruska, presented the Fiscal Year 2017 and 2018 annual audited financial statements to the Board, noted that this was another successful year without any findings, and highlighted that hard copies are available.</p> <p>Discussion <u>Governance Committee</u></p> <ul style="list-style-type: none"> ● Staff and Board Members discussed the possibility of establishing a committee to develop internal governance documentation. ● Action: The Board directed staff to establish a governance committee, chaired by Director Scott. Vice Chair Gifford and Director Khokhryakova volunteered to join the committee. ● Action: The Attorney General’s Office agreed to compile a list of existing governance documents for the committee to facilitate discussion regarding what additional areas need to be addressed. ● Staff suggested reviewing and updating the 2013 IGA with CDOT as part of this process. <p><i>The Board adjourned for a break at 8.27 am.</i></p>
<p>HPTE past and present</p>	<p><i>The Board reconvened at 8.32 am.</i></p> <p>Nick Farber, Head of Innovative Project Delivery, delivered a presentation to the board on HPTE’s history. The presentation included:</p> <ul style="list-style-type: none"> ● Background on how and why HPTE was established ● Increased funding for transportation infrastructure that HPTE has enabled ● Key milestones in HPTE’s growth ● Timeline of key activities (1999-2018) ● Overview of Express Lanes Network ● Key questions for the HPTE Board <p>Discussion Board Members and staff discussed the presentation Director Spector gave to the</p>

	<p>Transportation Legislation Review Committee (TLRC) and communications outreach.</p> <ul style="list-style-type: none"> ● Action: Staff to share the TLRC presentation with Board Members. ● Action: HPTE communications one-pager to be shared with HPTE Board Members.
<p>Maintenance of the Express Lane Network</p>	<p>Head of Innovative Project Delivery, Nick Farber, provided an overview of current O&M on the Express Lanes Network, lessons learned from peer agencies and options to address maintenance issues on current and future Express Lanes.</p> <p>Mr. Farber noted that currently HPTE relies on CDOT Division of Highway Maintenance to provide maintenance services for the Express Lanes. With the addition of 142 miles of additional Express Lanes coming online by 2022 (bringing the total to 210) it is expected that the level of service will drop as a result if measures are not put in place to mitigate these challenges. CDOT does not have the resources to hire new staff or buy equipment to keep up with the demands of C-470 (due to open in 2019), and other Express Lanes corridors, when they come online.</p> <p>Discussion</p> <p><u>Maintenance options</u></p> <ul style="list-style-type: none"> ● Staff confirmed that if maintenance on Express Lanes was contracted out, it would not displace CDOT staff, rather it would free them up to focus on other corridors. ● Board Members discussed oversight of maintenance staff/contractors and possible ways this could be organized and funded (toll revenue etc.) ● Staff outlined possible ways to structure a pilot project contract on C-470 (Request for Qualification, Request for Information, and Request for Proposals). The RFI would be released in late spring/early summer. The tolling advisory services contract will also be released in the summer. ● Action: Board Members directed staff to explore a pilot project contract on C-470 for maintenance.
<p>Market engagement</p>	<p>Head of Innovative Project Delivery, Nick Farber, provided an overview of the current HPTE Procurement Guidelines on how HPTE assesses unsolicited proposals, a comparison with other peer agencies and options for improving HPTE’s market engagement.</p> <p>Discussion</p> <p>Board Members and staff discussed peer agencies comparison, HPTE unsolicited proposal staffing, process and costs, pre-development and non-disclosure agreements.</p> <ul style="list-style-type: none"> ● Action: Board Members directed staff to move ahead with revising HPTE’s Procurement Guidelines (predevelopment agreements and unsolicited proposals) and come back to them with further information at a future meeting.

Additional HPTE activities

Budget and Special Projects Manager, Piper Darlington, and Head of Innovative Project Delivery, Nick Farber, presented Board Members with information on current projects (non-tolling or Express Lanes related) that HPTE staff have been exploring, to seek their direction on which to continue to pursue, which included:

- Federal Boulevard & Colfax Avenue
- Parking Analysis
- Digital Billboards
- Special Districts
- Multi-Model and Transit (aviation; rail etc.)
- Creative land use projects
- Technology (RoadX collaboration; emerging Express Lane technology etc.)

Discussion

Criteria to determine other priorities

- Board Members discussed possible criteria to help narrow down the areas staff explore, which could include:
 - Can it help CDOT address a problem?
 - Is it scalable?
 - Does it present an opportunity to generate revenue?
 - Is it a big project that impacts the long term viability of the transportation system?
 - Does it support economic development?
 - Has it been tested and proven?
 - Is it focused on the long-term?
 - Is there public policy acceptability?
- **Action:** Staff to come back to the Board with a set of criteria, based on the above-identified areas, for review.

Affordable employee housing

- **Action:** Board Members directed staff to cease exploring opportunities in affordable employee housing, mainly because others have more expertise in this area and are better placed to pursue this.

Aviation

- Board Members expressed their support for exploring how HPTE could work with the Division of Aeronautics or local airports to support developing infrastructure, possibly by HPTE acting as a conduit issuer.

RoadX engagement

- Board Members and staff discussed how HPTE has engaged with RoadX and the opportunities that have been discussed and explored to date. Staff looked at each opportunity through the lens of scalability.

HPTE participation in the agreement process

- Board Members and staff discussed how agreements are developed and processed by CDOT. Staff outlined that they are starting to be included in these processes which Board Members noted is a positive step forward and a good opportunity to bring HPTE's skill set to bear.

	<ul style="list-style-type: none"> ● Action: Board Members, who are also on the Transportation Commission (TC), agreed to raise with other TC members the issue of CDOT staff engaging with HPTE staff early in the project planning process if the project could involve innovative financing. <p><u>Board Retreat feedback</u></p> <ul style="list-style-type: none"> ● Board Members thanked HPTE staff for organizing the Board Retreat. They found the sessions to be well thought out, structured and, importantly, outcome driven. ● Action: Board Members directed staff to schedule a Board Retreat each year, noting that it does not have to be eight hours but can be a half-day check-in on key priorities.
Adjourn	<i>Board adjourned at 10:37 am.</i>