

**High Performance Transportation Enterprise  
Board of Directors Meeting Minutes  
CDOT Headquarters Building, Auditorium  
July 20<sup>th</sup>, 2011**

**PRESENT:** Charlotte Robinson  
Trey Rogers  
Doug Aden  
Dan Cleveland  
Tim Gagen  
Heather Barry  
Stan Matsunaka (by phone)

**ALSO PRESENT:** Michael Cheroutes, HPTE Director  
Kathy Gilliland, Transportation Commissioner  
Debra Perkins-Smith, Director DTD  
Laurie Freedle, Manager OFMB  
Tony DeVito, Director Region 1  
Johnny Olson, Director Region 4  
Reza Akhavan, Director Region 6  
John Schwab, Region 6 US 36 Project Director  
Lizzie Kemp, Region 6 Environment & Planning  
Herman Stockinger, Director Government Relations  
Angie Drumm, Government Relations  
Kathy Young, HPTE Counsel  
Marina Krasny, HPTE Accountant  
Kari Grant, HPTE Program Deputy  
Jane Hickey, HPTE Executive Assistant

**AND:** Other staff members, organization representatives and public.  
All supporting documents are filed in the HPTE office.

**1. Call to order and Roll Call**

Chairwoman Robinson convened the HPTE Board of Directors regular meeting at 10:05 a.m.

**2. Public Comment.**

No Public Comment.

**3. Board Members' Comments.**

Chairwoman Robinson spoke about the untimely death of a long-time engineering community member, Jay Brasher of Jacobs Engineering. She also congratulated HPTE

Accountant Marina Krasny on her recent promotion to Deputy Controller of the Center for Accounting.

#### **4. HPTE Director Report.**

HPTE Director Mike Cheroutes reported that he and other staff members made a two-day trip to Washington state to tour and learn about the tolling and managed lanes system there. WashDOT is able to finance much of its infrastructure through sales tax and toll revenues. Mike said he and others will continue to research and learn from other systems across the country that are similar to ours, notably projects in Minnesota.

He also reported that HPTE made a presentation recently to the C-470 Policy Committee. They were interested to learn that the Enterprise can borrow without voter approval, among other powers. Overall, the Policy Committee was enthusiastic to have the HPTE on board as they consider options to improve C-470.

#### **5. Discuss and Act on the Regular Meeting Minutes for June 15<sup>th</sup>, 2011.**

Chairwoman Robinson asked for consideration of the June 15<sup>th</sup>, 2011 HPTE regular meeting minutes. Director Rogers moved for adoption of the meeting minutes. Director Aden seconded the motion and on the vote of the Board, the minutes for June 15<sup>th</sup>, 2011 meeting were adopted. The motion passed unanimously.

#### **Resolution Number HPTE-46**

BE IT HEREBY RESOLVED, the High Performance Transportation Enterprise Board of Directors' Regular Meeting Minutes for June 15<sup>th</sup>, 2011 are hereby approved.

#### **6. Briefing on CDOT MBUF Pilot Study.**

Mike introduced Jake Kononov, Director of Transportation Research, and David Reeves, also with the Division of Transportation Research. He noted they were here to introduce some new ideas to help the HPTE explore innovative alternatives in finance, safety and mobility. He said the Board should consider Jake as an informational resource, and that he is not advocating for any particular course of action.

Jake began by saying CDOT began researching mileage-based user fees (MBUF) at the urging of the Transportation Finance Implementation Panel (also known as the Blue Ribbon Panel). He said MBUF generates revenue for the maintenance and operation of highway infrastructure because it provides a connection between use of the facilities and payment for them. He noted that the MBUF Pilot Study under way must answer a number of questions including:

- What MBUF schedule would be appropriate to generate revenue to maintain infrastructure?
- Should MBUF vary based on vehicle characteristics?
- Should MBUF vary geographically?

He said the MBUF pilot project is in a very preliminary phase, and will identify what this type of user fee may mean for Colorado. Issues of concern include:

- Privacy
- Environmental justice
- Cost of implementation
- Equity of rural and urban impacts
- Time required for implementation

Jake presented some “back of the envelope” calculations based on overall VMT in the state, and showed that congestion pricing alone won’t generate enough revenue for highway maintenance, but it can be incorporated into a MBUF fee structure. He said MBUF has the potential to reduce VMT, along with reducing greenhouse gas emissions.

The MBUF pilot study will be guided by policy and technical oversight panels, and the consultant is in the process of identifying appropriate Colorado stakeholders. Director Aden spoke up, saying that Club 20 is very interested in MBUF as a topic, and suggested that Jake reach out to them as a stakeholder for the study.

Jake then explained that some related research is under way, pertaining to maximizing safety and mobility with limited resources. A concept known as “hard shoulder running” (or HSR) has been in practice in Europe for years, and to a lesser extent here in the states. This tool allows travel on hardened highway shoulders during times of peak use. Combined with active traffic management and traveler information, HSR alleviates congestion and may be used in concert with tolling techniques.

He said his staff has been studying the relationship between congestion and safety, when HSR is being used. Despite the perception among motorists that a lack of available highway shoulder is a safety problem, a British study shows that personal injury accidents have been reduced 55.7% since HSR was introduced.

Using regional highways and interstates as examples, Jake demonstrated research calculations that indicate HSR combined with active speed management controls can improve both mobility and safety for high volume roads. HSR can be implemented at much less cost than new lane construction.

Chairwoman Robinson thanked Jake for the presentation, saying it was very timely and interesting information. Director Aden agreed, and said it is important for the staff and Board to know about developing tools like MBUF and HSR, and asked Jake to keep us up to speed on his research.

Director Aden said the HPTE should join the MBUF Alliance, in order to keep up with developments in the field. Director Barry said it is not only a priority of the Board to join, but also with the Transportation Commission for the Enterprise to become a member of the MBUF Alliance.

## **7. US 36 Project Update.**

John Schwab said the project is in exciting times now. They are on schedule to release the design-build RFP in September. They have received 8 statements of qualifications from possible proposers, and hope to pare that down to 3 or 4 for the RFP. John said his team is vetting a draft RFP, and although he could not disclose the details, he said it contains a number of exciting items. He promised he would provide more details at the next Board briefing.

Mike then asked if he might speak out of order, and welcomed Utah DOT Deputy Director Carlos Braceros to the meeting.

Mike then described his trip to Washington DC to meet with TIFIA officials. He was happy to announce the TIFIA Credit Council has approved our loan request. A closing date of August 30 has been set, and there is a lot of work ahead to assemble supporting documents for the close.

**8. Discuss August Special Meeting to Approve the Master Trust Indenture and TIFIA Loan.**

Mike requested the Board make itself available for a special meeting in August to approve the Master Trust Indenture and the TIFIA Loan Agreement. He said he will target the regular third Wednesday date, for the convenience of the Transportation Commissioners who are also members of this Board.

**9. Discuss TIFIA Closing Schedule.**

A closing date of August 30<sup>th</sup>, 2011 has been set.

**10. Other Matters.**

Mike reported on some preliminary analysis by consultant KPMG on a P3 solution for Phase 2 (also known as Segment 3) of US 36. Updated traffic and revenue data, and operations and maintenance costs have been developed. It appears this section of the highway will lend itself to a P3 financing solution.

Mike also said there will be an investors forum on this subject on September 8 and 9. At that time there will be a more detailed strategy to present to the audience of developers and investors.

**11. Adjournment.**

Chairwoman Robinson adjourned the meeting at 10:55 a.m.