

**High Performance Transportation Enterprise
Board of Directors Meeting Minutes
CDOT Headquarters Building, Conference Rm. 225
November 19, 2010**

PRESENT: Charlotte Robinson
Trey Rogers
Doug Aden
Tim Gagen
Stan Matsunaka

ABSENT: Heather Barry
Dan Cleveland

ALSO PRESENT: Russell George, CDOT Executive Director
Michael Cheroutes, HPTE Director
Peggy Catlin, CDOT Deputy Executive Director
Pam Hutton, Chief Engineer
Ben Stein, CFO
Reza Akhavan, Region 6
Michelle Halstead, Government Relations
Kathy Young, Chief Transportation Council
Marina Krasny, HPTE Accountant

AND: Debra Baskett, City and County of Broomfield,
Other staff members, organization representatives, the public, and the news
media. 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 9:35 a.m.

2. Public Comment.

Debra Baskett thanked HPTE Board and staff for the work they are doing to move US 36 project along.

3. Board Members' Comments.

Director Aden stated that the Private Public Partnership financing workshop for local government officials was very informative and helpful. He thanked all of those responsible for putting this even together.

4. HPTE Director Report.

HPTE Director Mike Cheroutes reported that he continues to work on moving US 36 Project along. He has been meeting with various organizations and individuals including US 36 Coalition, RTD and Mayor of Aurora in regard to potential projects. He also stated that he is participating on the Transition Committee for the Department of Transportation.

Mike Cheroutes reported that the Private Public Partnership workshop for local government officials was very successful. Director Matsunaka asked for the list of workshop attendees to be distributed to the Board. Director Gagen also asked for the handouts from the workshop to be provided to all Board members.

5. Discuss and Act on the Regular Meeting Minutes for October 22nd, 2010.

Chairwoman Robinson asked for consideration of the October 22nd, 2010 HPTE regular meeting minutes. Director Gagen moved for adoption of the meeting minutes. Director Rogers seconded the motion and on the vote of the Board, the minutes were adopted.

Resolution Number HPTE-31

BE IT HEREBY RESOLVED, the High Performance Transportation Enterprise Board of Directors' Regular Meeting Minutes for October 22nd, 2010 are hereby approved.

6. Discuss and Act on items related to US 36 Project.

Michelle Halstead reported on the current status of the US 36 Project. She went over the revenue estimates for three different scenarios prepared by Wilbur Smith: Pecos to Wadsworth, Pecos to West Flatiron, and Pecos to Table Mesa. Next she presented project funding overview. Current funding sources include CDOT, RTD, DRCOG, and TIGER grant. There is still a funding gap that needs to be closed. There are some funding policy decisions that will need to be made eventually by HPTE Board such as HOV 2+ or HOV 3+ and use of I-25 HOV/HOT revenues for US 36 project.

Scott Balice has prepared several debt financing scenarios including stand alone TIFIA, stand alone bonds and a combination of TIFIA and bonds. The goal is to maximize funds available to build the project.

Phoebe Selden added that the interest rate is continuously changing. The analysis presented today will need to be updated as the rate fluctuates. The assumptions presented today are based on the 1.25 coverage rate. However, there are many moving parts involved and it may change as we get further in the process. TIFIA credit assistance charge is estimated at 15% and it can also change.

Michelle Halstead reviewed TIFIA Loan application fees and draft schedule. Our goal is to submit the loan application in by the end of January 2011. TIFIA rate will be locked in at the time we have the Loan Term Sheet agreed upon around May 2011. Deadline to obligate the funds for this activity is September 2011.

a. TIFIA Loan Application Fees

Mike Cheroutes asked for the Board's approval to move forward with TIFIA loan and commit the application fees and additional consulting services fees associated with the this process.

Director Matsunaka made a motion to move forward with the TIFIA application process and commit necessary funds as stated by Mike Cheroutes. Director Rogers seconded the motion and on unanimous vote, the Board directed HPTE staff to continue with TIFIA application process.

b. TIFIA Loan Credit Rating Process

Mike Cheroutes asked for the Board's approval to initiate the credit rating process, including rating agency fees and funds for consultants and travel associated with this process.

Director Matsunaka made a motion to initiate the credit rating process. Director Rogers seconded the motion and on unanimous vote, the Board directed HPTE staff to initiate credit rating process.

c. Request for Proposal for Underwriting Financial Services and/or P3 Advisory Services

Mike Cheroutes asked for the Board's approval to publish Request for Proposals seeking underwriting and/or P3 advisory services to help us finalize the financing plan to be used for the TIFIA application process.

Director Gagen made a motion to issue the RFP for underwriting and /or P3 advisory services subject to HPTE Director's approval. Director Aden seconded the motion and on unanimous vote, the Board directed HPTE staff to issue Request for Proposals seeking underwriting and /or P3 advisory services.

d. Wilbur Smith Task Order #4

Mike Cheroutes asked the Board to approve Task Order #4 for Wilbur Smith. This Task Oder will allow them to work on the investment grade analysis for the TIFIA application.

Director Aden made a motion to authorize Task Order #4 as outlined in the letter dated September 16th, 2010. Director Matsunaka seconded the motion and on unanimous vote, the Board directed HPTE staff execute Task Order #4 with Wilbur Smith.

e. Legal Services Contracts

Mike Cheroutes asked the Board to authorize Legal services contracts with Kutak Rock, Hogan Lovells, and Ballard Spahr. The evaluation committee concluded that any of these firms could perform services that HPTE was seeking. As the services are needed, the individual Task Orders will be issued under those contracts.

Director Aden made a motion to authorize legal services contracts with Kutak Rock, Hogan Lovells and Ballard Spahr. Director Matsunaka seconded the motion and on unanimous vote, the Board authorized legal services contracts.

Mike Cheroutes discussed the preferred scenario for US36 project. The TIFIA application should be prepared based on the base scenario from Pecos to Wadsworth. However, in parallel with getting the base scenario done, we need to be exploring the opportunities to complete extra

portions of US36. He would like to have a consensus from the group on whether this is a preferred approach or we need to be going in the different direction.

Director Aden stated, the priority is to get the base scenario project completed. At the same time we shouldn't miss the opportunity to explore options for completing other segments while political consensus exists in the corridor.

Mike Cheroutes suggested formalizing and documenting this approach in the near future.

7. I-25 HOV/HOT – Civil Penalty Fee Structure Change.

Mike Cheroutes reported that he and Peggy Catlin attended Interoperability meeting with E-470 and Northwest Parkway. E-470 is a toll collector for I-25 HOV/HOT lanes. HPTE is required to maintain interoperability for transponders and other technology with E-470 and Northwest Parkway. During the meeting it surfaced that E-470 has changed the Civil Penalty fee process effective June 1st 2010 and HPTE's business rules have not yet been revised to make a similar adjustment.

Peggy Catlin reported that E-470 and I-25 HOV/HOT lanes share some of the customers. Currently, if a customer receives a citation on E-470 it is different from a citation received on I-25 HOV/HOT lanes. It would be less confusing to the customers if the processes were aligned.

Peggy Catlin presented a handout outlining E-470 process and comparing it to I-25 HOV/HOT process. E-470 was collecting a very small percentage of the penalty fees. They felt that if they lowered the Civil Penalty fee, they might have more success in collecting those fees. Once E-470 switched to License Plate Tolling, they reduced the Civil Penalty fee to \$25 per transaction. Previously, they had a \$70 Civil Penalty Fee per unpaid transaction plus \$5 administration fee per transaction plus the toll. We had left it at \$70 per transaction plus \$5 administrative fee. Since we are not collecting very many of those, this would be the opportunity to mirror E-470 process from the policy perspective.

This process only applies to the License Plate Tolling customers who represent around 10% of I-25 HOV/HOT customer base. License Plate Tolling allows people without a transponder to pay the toll. So the citations that generated Civil Penalty Fee are not issued as much as before.

As a side note, Peggy mentioned that E-470 is currently assisting with the state of preference survey for US 36 Traffic and Revenue investment grade study. They received 1600 responses within the first 24 hours after distributing the survey, which are 500 more responses than they were expecting to receive overall. This is an indicator that there is a great interest in US 36 corridor and we will be able to get good data for the Traffic and Revenue study. They have not tabulated the survey information yet, so the results are unknown at this time.

8. Other Matters.

No other matters were discussed.

9. Adjournment.

Chairwoman Robinson adjourned the meeting at 10:35 a.m.