



E-470 Board of Directors
Chair – Commissioner Chaz Tedesco (Adams County)
Vice Chair – Commissioner Roger Partridge (Douglas County)
Secretary – Council Member John Diak (Town of Parker)
Treasurer – Council Member Francoise Bergan (City of Aurora)

April 23, 2020
9:00 a.m.

22470 E. Stephen D. Hogan Parkway
Aurora, Colorado 80018

Zoom Meeting - https://zoom.us/j/798494747
Meeting ID: 798 494 747
1-669-900-9128

All participation will be via the Zoom meeting location due to the State of Emergency declared by Governor Polis, Public Health Orders 20-23 and 20-24 (revised), Governor Polis’ March 25, 2020 Stay at Home Order D2020 017, and CDC recommendations against gathering in large groups in order to mitigate the spread of the COVID-19 virus.

- 1. Call to Order ..... Chair Chaz Tedesco
2. Zoom Overview .....Maureen Walker
3. Pledge of Allegiance ..... Chair Chaz Tedesco
4. Public Comment ..... Chair Chaz Tedesco
5. Consent Calendar ..... Chair Chaz Tedesco
a. Approve Meeting Minutes of March 12, 2020
b. Warcaba and Associates – Toll Plaza Redevelopment
6. Operations Department .....Bruce Emberley
a. Customer Service Efforts during COVID-19
7. Finance Department.....Jason Myers
a. Finance Update during COVID-19
b. KPMG 2019 Financial Statement Audit – Results and Acceptance
c. Annual Investors Report - Briefing
d. Collections RFP Selection – Approval of Vendor
e. Toll Plaza Redevelopment - Authorization to Proceed with Contract Negotiations
8. Information Technology Department..... Ken Smith
a. IT Update during COVID-19
b. Award Contract for NEXGEN Lane Toll System
9. Executive Director Report..... Tim Stewart
10. Other Business..... Chair Chaz Tedesco
11. Adjourn Meeting ..... Chair Chaz Tedesco

The next anticipated Board Meeting will be May 14, 2020
at 9:00 a.m. at the E-470 Administrative Headquarters,
22470 E. Stephen D. Hogan Parkway, Aurora, Colorado 80018

**Agenda Item 4a. Approve Meeting Minutes of April 23, 2020**

**RECORD OF PROCEEDINGS**

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MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF THE

E-470 PUBLIC HIGHWAY AUTHORITY

Held: Thursday, April 23, 2020, at 9:00 a.m. All participation was via the zoom meeting location due to the State of Emergency declared by Governor Polis, Public Health Orders 20-23 and 20-24 (revised), Governor Polis' March 25, 2020 Stay at Home Order D2020 017, and CDC recommendations against gathering in large groups in order to mitigate the spread of the COVID-19. Zoom Meeting - <https://zoom.us/j/798494747> Meeting ID: 798-494-747 1-669-900-9128.

Attendance:

A special meeting of the Board of Directors of the E-470 Public Highway Authority was held as scheduled and in accordance with applicable statutes of the State of Colorado, with the following directors present:

Chaz Tedesco, Adams County Commissioner  
Roger Partridge, Douglas County Commissioner  
Craig Hurst, Councilmember Commerce City  
Bill Holen, Arapahoe County Commissioner  
John Diak, Councilmember Town of Parker  
Francoise Bergan, Councilmember City of Aurora  
Jessica Sandgren, Mayor Pro Tem City of Thornton  
Matt Johnson, Mayor Pro Tem City of Brighton

Wynne Shaw, Councilmember City of Lone Tree (*non-voting*)  
Laurie Anderson, Councilmember City and County Broomfield (*non-voting*)  
Steve Moreno, Commissioner Weld County (*non-voting*)  
George Teal, DRCOG (*non-voting*)  
Doug Tisdale, RTD (*non-voting*)  
Kelly Brown, CDOT/HPTE (*non-voting*)

Also present were: Jon Campbell, lane systems technical manager, Jessica Carson, operations director, Geoffrey Doctoroff, risk management supervisor, Ryan Dole, senior financial analyst, Bruce Emberley, operations and tolling services manager, Terry Fabrizio, operations coordinator, Mike Hancock, procurement supervisor, Jaime Heitman, controller, Diane Lundquist, executive assistant, Jason Myers, finance director, Derek Slack, roadway maintenance manager, Ken Smith, information technology director, Matt Stephenson, product owner, Tim Stewart, executive director, Neil Thomson, engineering and roadway maintenance director, Ryan Thornton, IT infrastructure and operations senior manager, Maureen Walker, communications and public affairs manager and Chuck Weiss, engineering manager, E-470 Public Highway Authority; Benton Greer and Jack Nicholls, WSP; Michael Lund, Stifel; Tom Weihe, Kutak Rock; Jeremy Nash, KPMG; Anti Suhonen, J.P.

Morgan; Jep Seman and Simon Durboncrew, ROADIS; Pedro Costa and Benton Tempas, Northwest Parkway LLC; Mac Callison, City of Aurora; Vince Larson, E-470 Contractor; Scott Spendlove, Intermountain Corporate Affairs; Andy Warcaba, Warcaba and Associates; Tom Knuckey, Atkins; Linda Nguyen, Northwest Parkway; Frank Collins and George Allen, visitors; and Tamara Seaver, Icenogle Seaver Pogue, P.C.

Call to Order: Chair Tedesco noting the presence of a quorum of the directors, called the special meeting to order.

Pledge of Allegiance: Chair Tedesco led all present in the Pledge of Allegiance.

Public Comment: Mr. Allen addressed the Board of Directors and welcomed them to the real world, noting the private sector economy pays for E-470. He then discussed oxygen deprivation and its relation to the economy and the fact that politicians are in danger of going too far.

Commissioner Tedesco reminded the group that Mr. Allen's oversight project has no connection to the Authority and that statements made by Mr. Allen attributing comments of Commissioner Tedesco were never made by Commissioner Tedesco.

Consent Calendar: Mayor Pro Tem Sandgren moved approval of the consent agenda, comprising minutes of the March 12, 2020 regular meeting and Warcaba and Associates Toll Plaza Redevelopment. The motion was seconded by Councilmember Bergan and thereafter approved unanimously by the Board of Directors.

***Mr. Stewart addressed the group, noting that there were several presentations and asked that all questions be held until completion of each presentation at which time questions could be asked and addressed.***

Operations:  
*Customer Service Efforts During COVID-19:* Ms. Carson introduced Mr. Emberley who then reviewed with the Board first quarter trends and the COVID-19 work-from-home experience. Addressing first quarter trends first, Mr. Emberley addressed call volume, images reviewed, and information regarding ExpressToll Accounts, noting the decrease in ExpressToll® Accounts over 2019 related to COVID-19. Turning to efforts aimed at moving WSP and Authority employees to a work-from-home environment during March, Mr. Emberley noted the extraordinary teamwork involved and the minimal disruption to customers. He also reviewed the transition timeline. He reported that March 18, 2020 was the first day of the full work-from-home environment and reviewed the Authority's efforts to monitor and track the same for functionality for both customers and employees. Mr. Emberley then reported on maintaining the customer experience during the pandemic, noting the customer satisfaction ratings remained unchanged during the work-from-home time. Mr. Emberley also reported on measures taken to address individual hardships for payments and measures taken to address and work with those hardships. Following the presentation Mr. Tisdale asked about waiving fees and fines and payment plans for fee payment challenges. Mr. Emberley reported that the Authority does have payment plans. Ms. Carson also noted that fees and fines are used interchangeably and they are not considered tolls. Councilmember Bergan then commended the work-from-

home efforts and asked about the new-hires whose hiring was frozen. Mr. Emberley reported that WSP is still in contact with those individuals and that they would be contacted again once a decision was made to resume hiring.

Finance Department:

KPMG 2019 Financial  
Statement Audit:

Mr. Myers then addressed the Board regarding the Audit, noting Jeremy Nash, Managing Director for KPMG, LLP, would also address the Board. Mr. Myers reviewed the phases of the audit and the timing of the same, including finishing the audit remotely. He then reviewed the Financial Statement Report and the Required Communications Letter, noting the Authority received a clean opinion with no audit adjustments or audit findings. Mr. Nash then addressed the Board and provided a summary of the process and the audit, noting the professionalism of the Authority's staff and the clean audit opinion. Councilmember Diak, as Chair of the Finance Committee noted that he was pleased with the process and the result. Commissioner Tedesco commended Councilmember Diak and Commissioner Holen for their efforts. Thereupon Councilmember Diak moved approval of the 2019 Audit and directed its submission to the State Auditor. The motion was seconded by Commissioner Holen and approved unanimously.

2019 Annual Investors  
Report/First Quarter 2020  
Dashboard Report:

Mr. Myers reviewed a summary of the 2019 Annual Investor Report with the Board, along with a First Quarter review, inclusive of COVID-19 factors. He reviewed monthly transaction trends noting the sharp decrease in March given COVID-19 and stay at home order from Governor Polis issued in mid-March. He then reviewed the 2020 year-to-date toll revenue for the first quarter, noting the impact of COVID-19. Mr. Myers then addressed the Authority's back office toll processing transactions by agency for which tolls are collected.

Finance Update during  
COVID-19:

Mr. Myers then reviewed in detail the COVID-19 financial impacts, including the decrease in toll transactions of between 60-75% each week in mid to late March 2020. He then reported on efforts between financial advisors, bond counsel and the Finance Department to ensure the Authority is managing its unrestricted funds balances and liquidity. Mr. Myers commented on the Authority's ability to manage through the pandemic.

With respect to toll revenues, Mr. Myers noted open questions in the toll industry regarding revenues in light of COVID-19. He reported that Fitch Ratings produced some information on what toll roads might expect for 2020, including that second quarter revenues will be worse than the first quarter, and a general improvement in Q3 and Q4. He advised that CDM Smith is revisiting the current toll projections for the Authority. With respect to Authority's 2020 operating and capital budgets, he noted that the entire staff has re-evaluated their budgets and costs in an effort to manage expenses as closely as possible, and that the 2020 operating budget has been revised downward by approximately 16%. He also addressed the revenue needed to meet the minimum 1.30 times coverage ratio required by the Authority's bonds and what is being done to ensure the availability of that revenue, including applying funds in the unrestricted Senior Bonds Defeasance Fund to payment of current year debt service, which is legally allowed per bond counsel.

Mr. Myers then reviewed the 2020 Capital Budget and the 13% revised budget decrease in the same. He noted the Road Widening project and the Quincy Interchange project are moving forward as scheduled. Other projects will be

put on hold or delayed to future years, depending on future budget planning. He then reported on rating agency updates, noting his extensive discussions with all three agencies. He noted Moody's has not taken any formal action for the Authority, S&P put all toll roads in the country on "negative outlook" given COVID-19 and Fitch reaffirmed the Authority's rating and outlook or "A" and "stable", respectively.

Finally, Mr. Myers noted that the COVID-19 pandemic will impact the 2020 and the 2021 bond transactions.

***Commissioner Moreno departed the meeting at this time.***

Commissioner Tedesco expressed respect for the way the finance items are being handled. Councilmember Diak noted the planning and constant monitoring of financial plans have put the Authority in a position to manage the impacts of COVID-19. Mr. Teal commended Mr. Myers and his staff and asked about timing of bond issuance and market factors. Mr. Myers responded to Mr. Teal's comments and questions and noted the open issues with respect to markets. Following additional Board discussion, Mr. Stewart commented on the financial data and continued monitoring and encouraged Board members to continue to remain engaged.

Collections RFP Selection: Mr. Myers introduced Mr. Hancock who then reviewed with the Board the Collection Services request for qualifications in late 2019, resulting in 3 firms being shortlisted for the subsequent request for proposals in early 2020, one of which dropped out during the RFP stage of the procurement. Proposals were submitted by Linebarger, Goggan, Blair & Sampson (LGBS) and Southwest Credit. Mr. Hancock noted the proposals were evaluated based on a best value basis including not only pricing considerations but also experience, qualification and other relevant factors. He reported that the Authority requested best and final offers be submitted to achieve the best pricing possible. He then reviewed the pricing of both proposers noting that LGBS dropped their collection rate per account allowing the Authority to save on future collection costs. Beyond the monetary factors, Mr. Hancock noted LGBS's exemplary performance, lack of transition costs, and lower price and reported staff's recommendation is to award the contract to LGBS.

Commissioner Holen moved that the Board of Directors approve award of a collection agency services contract to-Linebarger Goggan Blair & Sampson, LLP on the terms presented by Authority staff, and that the final contract form be subject to review and approval by General Counsel and the Executive Director. The motion was seconded by Councilmember Bergan and approved unanimously by the Board.

Toll Plaza Redevelopment: Mr. Hancock addressed the Board and reviewed with the Board the RFP for a private sector partner to design, build, finance and operate 8 sites at toll plazas A, B, D, and E. Mr. Hancock reviewed the challenges presented by the development, including the lack of historical sales and fuel volumes and the relative novelty of on-highway services in western states and within urban tollways. Mr. Hancock reported on significant private sector interest in the RFP and then reported that two proposals were received by the Authority from Applegreen and 7-Eleven. He noted that the Authority's staff conducted

extensive review of references and detailed analysis of all aspects of the proposals, and that best and final offers were requested. Mr. Hancock then introduced Mr. Warcaba who reviewed with the Board the detailed elements of the two proposals, first noting the project goals related to “best value”. He reviewed the significant differences in amenities offered by 7-Eleven and Applegreen, noting Applegreen is offering a wide array of customer support services, notably including a safety pull-off area, DIA information, a wide variety of food and beverage options, play areas and meeting areas for local use. Mr. Warcaba expressed his admiration for the professionalism of Mr. Stewart and the Authority’s leadership team. Mr. Hancock then opened the floor to questions. Councilmember Diak made comment about his beliefs as to what E-470 was and should be, noting the Authority was a single purpose entity, the project is too complex and the road too small for the proposed development, the customer survey does not fully support customer need for the services and his recommendation is not to engage in the project. Councilmember Bergan commented as Chair of the Roadway Committee and noted that Applegreen is better positioned than 7-Eleven but expressed concern about the need for so many sites. She asked if they might be able to reduce from the current number of sites and she noted she wanted to consider COVID-19 as well. Mr. Stewart addressed Ms. Bergan’s questions and the origin of the project. Mr. Tisdale inquired about demand for the facilities and Messrs. Hancock and Stewart responded. The Board then engaged in extended discussion related to the matter.

***Mayor Sandgren left the meeting at 11:31 a.m. during the Board discussion.***

Following Board discussion, Commissioner Holen moved that the Authority authorize commencement of negotiation of a memorandum of understanding with Petrograd Group Us, Inc. (Applegreen) for the redevelopment of Toll Plazas A, B, D and E and that the Board authorize the Executive Director to execute the MOU, subject to review and approval of General Counsel. Councilmember Bergan seconded the motion which passed by a vote of 6 out of 7, with Councilmember Diak voting against the motion.

## Information Technology

### Operations:

IT Update during COVID-19: Mr. Smith addressed the Board of Directors and provided an update regarding the IT Department and challenges presented by COVID-19 as well as actions and extraordinary round the clock efforts made by all those in the IT Department. Mr. Smith noted the exemplary cooperation of the Operations Department and WSP USA Services Inc. Mr. Smith then reported on the current state of IT operational matters and both hardware and software infrastructure being developed to address all operational needs. He noted that his team is proceeding with new phases for an optimized longer-term solution to the many work-from-home needs. Mr. Smith addressed the need for video communications and the assessment performed by the Authority’s security consultant which revealed safety features available with Zoom to alleviate most security concerns.

### Award Contract for NEXGEN Lane Toll System:

Mr. Smith then addressed the Board of Directors regarding the genesis of the current toll system, including the current aging, proprietary system. He described support concerns and traffic volume changes since the system was

designed. Mr. Smith noted that Atkins North America, Inc. as the Authority's general technology consultant performed a formal assessment and turned the matter over to Mr. Knuckey. Mr. Knuckey reported on the Atkins study regarding technology, obsolescence and risk issues associated with the current aging system as well as the Authority's organizational strategies. He then reported that HPTE joined in the Authority's procurement process to attain an updated toll system. He noted there were seven responses to a request for information which the Authority used to narrow the field to five qualified vendors for a Request for Proposals ("RFP"). He reported that three proposals were received, but one vendor then withdrew due to other contract commitments. Mr. Hancock reported on the RFP timeline and the 2 remaining vendors, Electronic Transaction consultants Corporation ("ETCC") and Neology.

***Mr. Seman left the meeting at 12:08 p.m.***

Mr. Hancock noted that staff recommended ETCC as the preferred vendor and that Ms. Seaver and her team, Mr. Knuckey and his team, and special intellectual property counsel, had spent considerable time working through the complexities of the contract. Mr. Hancock then reviewed the RFP process and methodology as a best value procurement. Mr. Knuckey then reviewed evaluations of the two vendor's experience, technical design, and personnel, including testing process for the design. He then reviewed the system capabilities, features and functionality proposed by ETCC's technology as well as impacts on Authority staff, resourcing requirements and integration with the Authority's tolling partners and the proposed cutover plan to alleviate revenue loss.

Councilmember Bergan moved that the Board of Directors approve Contract No. EX-20-ETCC-1 in an amount not to exceed \$24,800,000 subject to the final review and approval of the Executive Director and General Counsel, and further that the Board authorize the Executive Director to execute same. Commissioner Partridge seconded the motion which passed unanimously.

Executive Director Report: Mr. Stewart elected to send his report by email given the length of the meeting.

Other Business: Ms. Walker asked for identification of several phone numbers and Jaime Heitman and Matt Stephenson confirmed their attendance.

Adjournment: There being no further business to come before the Board, Chair Tedesco adjourned the meeting at 12:25 P.M.

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Chair of the Meeting