

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF THE

E-470 PUBLIC HIGHWAY AUTHORITY

Held: Thursday, February 11, 2021, at 9:00 a.m. All participation in this meeting was via online and telephone conference in order to preserve the health, safety, and welfare of the public in light of the imminent threat caused by the COVID-19 pandemic and due to the state of emergency declared by Governor Polis, as amended and extended, corresponding executive orders and public health orders, as amended and extended, and CDC recommendations against gathering in large groups in order to mitigate the spread of the COVID-19 virus. Zoom Meeting - <https://us02web.zoom.us/j/84979922142> - Dial in Information: 253-215-8782 Webinar ID: 849 7992 2142.

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
George Teal, Douglas County Commissioner
Craig Hurst, Councilmember Commerce City
Bill Holen, Arapahoe County Commissioner
John Diak, Councilmember Town of Parker/DRCOG
Francoise Bergan, Mayor Pro Tem City of Aurora
Jessica Sandgren, Mayor Pro Tem City of Thornton/DRCOG

Wynne Shaw, Councilmember City of Lone Tree (*non-voting*)
Laurie Anderson, Councilmember, City and County Broomfield (*non-voting*)
Lori Saine, Commissioner, Weld County (*non-voting*)
Kelly Brown, CDOT/HPTE (*non-voting*)
Peggy Catlin, RTD (*non-voting*)

Also present were: Jeff Baker, Commissioner, Arapahoe County (alternate); Susan Noble, Councilmember, Commerce City, (alternate); Laura Hefta, Councilmember, Town of Parker (*alternate*); Jim Brady, construction manager, Jessica Carson, operations director, Geoffrey Doctoroff, risk management supervisor, Ryan Dole, senior financial analyst, Bruce Emberley, operations and tolling services manager, Mark

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Ferguson, ePMO; Mark Gronowski, solutions delivery manager, Mike Hancock, procurement supervisor, Jaime Heitman, controller, Moss Levenson, financial analyst 2, Diane Lundquist, executive assistant, Jason Myers, finance director, Derek Slack, roadway maintenance manager, Ken Smith, information technology director, Tim Stewart, executive director, Briana Summers, accounting supervisor, Cassandra Sulmeisters, marketing specialist, 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; Jack Nichols and Susan Ermisch, WSP; Michael Lund, Stifel; Dave Kristick, Atkins; Kristin Sullivan, Director, Public Works, Adams County; Mac Callison, City of Aurora; Jep Seman, ROADIS Counsel; Scott Spendlove, Intermountain Public Affairs; Darryl Davis and Dan Kurz, Morgan Stanley; Pedro Costa and Mark Shotkoski, NWP LLC; Michael Jewell, Jewell and Jimmerson; Melissa Kuiper Blake, BHFS; Antii Suhonen, JP Morgan; Jiyeon Koo, visitor; and Tamara Seaver, Icenogle Seaver Pogue, P.C.

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

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

Public Comment: None.

Consent Calendar: Commissioner Holen moved approval of the consent agenda, comprising meeting minutes of January 14, 2021, Colorado State Patrol IGA amendment, Grizzly Petroleum mineral rights lease, Compri Consulting contract extension, and 2020 Benesch contract NTE increase. The motion was seconded by Mayor Pro-Tem Bergan, whereupon Councilmember Hurst asked that the Grizzly mineral rights lease be removed from the consent agenda. Commissioner Holen and Mayor Pro-Tem Bergan modified their motions as amended and the Board thereafter approved the Consent Calendar, excluding the Grizzly Petroleum mineral rights lease. The revised motion and second was approved unanimously by the Board of Directors.

Mr. Thomson then addressed the Board of Directors regarding the proposed 14 net mineral acre lease with Great Western/Grizzly. He noted it was on the Authority's standard form of lease agreement, with the same terms as previously approved by the Board which Mr.

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Thomson then reviewed with the Board. Commissioner Tedesco addressed the Board of Directors noting that the no new wells would be brought in to effectuate the lease. Kristin Sullivan, Director of Public Works, Adams County addressed the Board and confirmed that no new well pad sites would be needed for the lease. Councilmember Hurst inquired about the directional drilling and its location and Ms. Sullivan addressed the question noting she expected those areas to be within Brighton and Adams County, but she was not certain of that matter. Councilmember Hurst noted the importance of him speaking to his council on these matters given the nature of oil and gas matters and differing opinions regarding the same. Mayor Pro-Tem Bergan asked about the legal requirements for approval of the lease and Ms. Seaver addressed the question recognizing Councilmember Hurst's political issues and Mr. Jewell and Ms. Sullivan then confirmed well site location and names. Following discussion, Commissioner Teal moved approval of the proposed mineral lease with Grizzly Petroleum mineral rights lease. The motion was seconded by Commissioner Holen and approved unanimously by the Board.

At this point, Commissioner Tedesco left the meeting and turned the meeting over to Councilmember Diak to run the meeting.

Finance

Department:

2020 Year End Financial Results

Mr. Myers addressed the Board and provided an overview of the Finance Department matters to be covered during the meeting. Mr. Myers then provided a summary of the 2020 financial goals as of year-end, including meeting the debt service coverage ratio goal and self-funding of the capital program. Mr. Myers then reported on the monthly transactional trends, including a monthly comparison to 2019. Commissioner Teal inquired about the definition of "Transaction" and Mr. Myers noted it was a single transaction at a ramp or toll plaza. Mr. Myers reviewed transactions as contrasted with the original budget and with revised CDM Smith May 2020 projections. Commissioner Holen commented on the trends and noted it might correlate to DIA traffic and Mr. Myers advised it was similar. Mr. Myers then provided an update regarding toll Transactions by location. Various members of the Board inquired about correlations among various traffic trends and related matters. Mr. Myers reported on January 2021 transaction trends, trust account fund balances and trending in unrestricted funds.

Ms. Heitman reviewed with the Board the 2020 Operating Budget summary, 2020 Toll Revenue, a Gross Toll Revenue Breakdown. She

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then turned to the capital side and provided a 2020 Capital Budget summary, historical debt service coverage trends, following which she reviewed various operating statistics and E-470 back office transactions processed.

2020 KPMG
Audit Update:

Thereafter Ms. Heitman provided an update regarding the Authority's fiscal year 2020 audit and an audit timeline. Councilmember Diak and Commissioner Holen both commented on the various financial matters, the fine work done by the Finance Department, and by KPMG as the auditor.

Debt Management
Briefing for 2021
Bond Transaction:

Mr. Myers then provided a briefing on the Authority's overall debt composition, the changes to the same because of the 2020 debt restructure and the Authority's credit ratings. Mr. Lund then addressed the Board of Directors and provided information and potential scenarios for the anticipated 2021 bond transaction. He noted that by June of 2023 LIBOR will be completely phased out and alternative indices are currently being considered. Mr. Lund reported on the interest rate Swaps and next steps toward the 2021 transaction and Mr. Myers made a few concluding comments, noting that there are several scenarios on the table that all show minimal to modest savings, unlike the 2020 bond deal that saw significant savings due to the restructuring and planning. Commissioner Teal then commented on the report and commended Mr. Stewart, Mr. Myers and other Authority staff for their adjustments during a challenging year.

Operations
Department:
2020 Annual
Customer Survey
Results:

Ms. Carson introduced Mr. Emberley who reviewed the results of the annual 2020 Customer Experience Survey with the Board, noting it comprised around 50 questions on various topics. He mentioned the importance of customer retention and satisfaction and touched on some direct positive customer feedback and interactions. Mr. Emberley then provided a comparison to 2019 results noted the high levels of customer satisfaction in 2020. He mentioned that time savings remains the most important to the Authority's customers and that first call resolution stayed level with 2019 at 98.6%. Mr. Emberley then provided demographic breakdown, travel pattern information and commutation preferences. Following the presentation, Mr. Emberley reviewed with the Board some opportunities for communications and operational improvements going forward, including using a chat/SMS service to match customer preferences. Mayor Pro-Tem Bergan inquired about how customer information comes to the Authority and Mr. Emberley

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responded to the same, noting Mr. Thomson was very helpful in customer response to roadside issues. Mayor Pro-Tem Sandgren noted a positive customer interaction and immediate resolution from the Authority's staff. Commissioner Saine asked about incentives and following Ms. Carson's response, Councilmember Wynne noted the parking partnerships and price savings for ExpressToll customers.

Executive Director

Report:

E-470 Board

Committee

Appointments:

Mr. Stewart addressed the Board of Directors and applauded the efforts of all departmental teams during the COVID-19 Pandemic. He then commented on the 2021 committee assignments, noting the next scheduled Operations Committee meeting was moved to February 24, 2021. Mr. Stewart then reminded the Board of Directors regarding the April Board Retreat, (April 14th – 15th) with two days reserved and the possibility of concluding short of the full two days.

Board Binders:

Ms. Walker then reported on the Board Member Binders and 2021 updates as well as delivery of the same. She then introduced a short video regarding the most recent road widening project which was on time and under budget. Councilmember Diak noted for himself and Commissioner Tedesco that Board engagement is important and committee involvement is valued and desired.

Other Business:

None.

Adjournment:

There being no further business to come before the Board, Councilmember Diak adjourned the meeting at 10:51 a.m.



Chair of the Meeting