

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF THE

E-470 PUBLIC HIGHWAY AUTHORITY

Held: Thursday, May 13, 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/86228128530> Dial-In Information: 253-215-8782 Webinar ID: 862 2812 8530.

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

Laurie Anderson, Councilmember, City and County of Broomfield
(*non-voting*)
Wynne Shaw, Councilmember, City of Lone Tree (*non-voting*)
Peggy Catlin, RTD (*non-voting*)

Also present were: Jessica Carson, operations director, Wanda DeVargas, maintenance supervisor, Annie Disney, staff accountant, Geoffrey Doctoroff, risk management supervisor, Ryan Dole, senior financial analyst, Bruce Emberley, operations and tolling services manager, Terry Fabrizio, operations coordinator, Mark Ferguson, project manager/ePMO, Mike Hancock, procurement supervisor, Jaime Heitman, controller, Jacob Kramer, HR manager, Moss Levenson, financial analyst 2, Diane Lundquist, executive assistant, Tricia Morales, operations analyst, Jason Myers, finance director, Derek Slack, roadway maintenance manager, Ken

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Smith, information technology director, Tim Stewart, executive director, Cassandra Sulmeisters, marketing specialist, Briana Summers, accounting supervisor, Neil Thomson, engineering and roadway maintenance director and Ryan Thornton, IT infrastructure and operations senior manager, E-470 Public Highway Authority; Kirk Strassman, Joy Jacob and Chris Gilligan, Conduent Transportation; Dave Kristick, Atkins; Michael Lund and Bryan Stelmack, Stifel; Jack Nichols and Susan Ermish, WSP; Tom LaFleur, Piper Sandler; Pedro Costa and Benton Tempas, NWPLLC; Helen Atkeson, Hogan Lovells; Antti Suhonen, J P Morgan; Jeremy Nash and Stephanie Hayes, KPMG; Darryl Davis, Morgan Stanley; 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 at 9:05 a.m.

Pledge of Allegiance: Councilmember Hurst 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 April 8, 2021 special meeting, minutes of April 22, 2021 special meeting and increase to GMCO NTE by \$400,000. The motion was seconded by Commissioner Teal and approved unanimously by the Board.

Finance Department: Mr. Myers introduced the various financial items to be discussed with the KPMG 2020 Board. He then introduced Ms. Heitman who introduced the 2020 Audit Financial Statement Audit: Mr. Heitman then noted that the financial statement report, issued on April 21, 2021, and the required communications letter were available for review on BoardPaq. Mr. Nash then reviewed KPMG's audit strategy and provided the Board with an executive summary of the process and procedures. Ms. Hayes then presented the audit results, noting that audit resulted in an unqualified opinion with no audit findings or proposed adjustments, and that COVID-19 impacts on traffic levels were evaluated as part of the audit process. Ms. Hayes then reviewed various aspects of the audit with the Board of Directors. Commissioner Teal inquired regarding the sampling of transactions and Mr. Nash reported that additional areas for sampling were added in 2021 to understand the components of the various transactions. Thereafter, Ms. Hayes described the sampling process. Councilmember

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Diak expressed his appreciation for staff and KPMG in working through the audit with the Audit Committee. He also expressed appreciation for the KPMG team's sampling. Commissioner Holen echoed these comments.

Councilmember Diak moved to accept and release the 2020 Financial Statement Audit, the motion was seconded by Commissioner Teal and approved unanimously by the Board.

E-470 Annual Report Briefing: Mr. Myers then reported to the Board of Directors regarding the 2020 Annual Investor Report, required by the Authority's outstanding bonds. He noted the full report was included in BoardPaq.

Traffic and Revenue Projections:

Mr. Myers then reviewed the April 15, 2021 'Bring Down' letter from the Authority's traffic and revenue consultant, CDM Smith updating the May 2020 full investment grade study. He noted the bring down letter provided a slightly lower toll revenue than the 2020 Report for fiscal year 2021, and reviewed the transaction projections at three percent less than the May 2020 investment grade study. He reported that the differences related to the projected "V" shaped recovery from COVID in the May 2020 Report versus the actual results from the past 12 months were more like a "K" shaped recovery. He then reviewed the toll revenue comparison to the 2020 investment grade study and to the 2021 budget. Mr. Myers then reported on the impacts in 2021 with a debt service coverage ratio budgeted at 1.90 to around 1.83 with the reduced toll revenues. Commissioner Tedesco inquired about the ratings impacts of the bring down numbers and Mr. Myers noted the Authority's ratings were reaffirmed and he would be describing that during the presentation on the 2021 Bonds.

Dashboard Report for 1st Quarter – Financial Condition Briefing:

Ms. Heitman then reported on monthly transaction trends, 2021 year-to-date monthly transactions through Q1 and through April 30th. She then presented the 2021 transactions versus budget and projections as well as 2021 year-to-date weekly traffic through May 8th. Ms. Heitman provided 2021 year-to-date reports through Q1 regarding: the operating budget, toll revenue, gross toll revenue, capital budget, unrestricted funds, and general surplus. Mayor Pro Tem Bergan inquired about recent trends in the pandemic including vaccinations and projected travel and whether they were included in the analyses. Mr. Myers and Ms. Heitman reported that those elements were factored into the analysis. Councilmember Diak reported that the Finance Committee is enthused to see traffic trends over the summer and associated evaluations.

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Series 2021
Bond
Resolution:

Mr. Myers introduced the finance team members on the zoom call and briefed the Board regarding the 2021 Bond Transaction. Mr. Myers then reviewed the state of the current 2019A and 2017B bonds and the need to refund the same and associated savings. Mr. Lund expanded on the transaction details, beginning with a summary of the interest rate swaps, and then moving into a summary of LIBOR changes with LIBOR being phased out in favor of SOFR. Mr. Lund then updated the Board regarding the Authority's current reaffirmed rating of A from S&P and A2 from Moody's, with S&P upgrading the Authority to "stable". He also presented the Authority's historic ratings.

Mr. Lund then reviewed the various members of the financing team and transaction timeline, culminating in an anticipated June 3, 2021 closing.

Mr. Myers reviewed the bond documents, including among others, the bond resolution, preliminary official statement and bond purchase agreement and noted they were on BoardPaq for Board review. He also noted postings of the various documents would be done later in the day on EMMA and various related matters. Mr. Myers then reviewed the Series 2021A (SIFMA) and Series 2021B (SOFR) Supplemental Bond Resolution in detail with the Board, which resolution authorizes the various documents to be entered into related to the transaction. The Authority plans to try and sell SOFR floating rate notes with a term of 3-4 years, depending on marketing and investor feedback which will start after the board's approval.

Councilmember Diak moved to approve a resolution authorizing the issuance of the Authority's Senior Revenue Bonds, Series 2021A and Series 2021B, for the purpose of refunding the Authority's outstanding Senior Revenue Bonds, Series 2017B and Series 2019A; providing for certain amendments to the amended and restated Master Bond Resolution and the First Supplemental Bond Resolution; authorizing amendments to certain related interest rate Swap Agreements; providing various covenants, agreements and other details relating thereto; providing other matters relating thereto; ratifying action previously taken and relating thereto; providing the effective date; and authorizing Authority representative to sign any and all document relating thereto, the motion was seconded by Councilmember Hurst and approved unanimously by the Board.

Operations
Department:

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WSP Extension: Ms. Carson noted she was willing to table the Q1 Quarterly Operations Dashboard if desired by the Board. Commissioner Tedesco asked that the item be tabled and emailed to the Board.

Mr. Emberley then addressed the Board and reported on the contract extension with WSP USA Services Inc.

Commissioner Teal moved that the Board approve the Second Amendment to the 2017 Customer Services Contract and attendant Vehicle Lease Agreement with WSP USA Services, Inc., to extend the contract terms through December 31, 2024, and to authorize the Executive Director to execute the contract, subject to the review and approval of General Counsel. The motion was seconded by Mayor Pro Tem Bergan and approved unanimously by the Board.

**Operations Q1
Dashboard
Report:** Tabled.

**Executive
Director Report:** Mr. Stewart noted that Authority staff and counsel are working through a large amount of bills introduced in the 2021 legislative session as well as commenting on the ETRP rule making. He then reported on a communication with the City of Aurora inquiring about the 48th Avenue Interchange and that Authority staff was seeking clarification regarding the same. Mr. Slack introduced Wanda DeVargas as the new maintenance supervisor for the Authority and reviewed her background and experience. Ms. DeVargas then addressed the Board and expressed her enthusiasm for joining the E-470 team. Mr. Stewart reported on upcoming committee meetings and the hope for an in-person June Board meeting.

**Executive
Session:** Mayor Pro Tem Sandgren then moved that the Board convene in Executive Session, pursuant to C.R.S., Section 24-6-402(4)(b) and Section 24-6-402(4)(e), for the purposes of receiving legal advice on specific legal questions and determining positions relative to matters that may be subject to negotiations regarding the Authority's Tolling Services Agreements with the Colorado Department of Transportation and the High Performance Transportation Enterprise and future actions related thereto.

Councilmember Hurst seconded the motion, which was approved by the Board at 10:16 a.m.


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The Executive Session included all voting members of the Board, Miss. Seaver, Catlin and Carson, and Messrs. Stewart, Myers, Smith and Thomson.

Commissioner Tedesco reconvened open session at 10:52 a.m.

Other Business: None.

Adjournment: There being no further business to come before the Board, upon motion by Commissioner Teal and second by Commissioner Holen the Board adjourned the meeting at 10:58. a.m.



Vice Chair of the Meeting