

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

OF THE

E-470 PUBLIC HIGHWAY AUTHORITY

Held: Thursday, December 8, 2022, at 9:00 a.m., at 22470 E. Stephen D. Hogan Parkway, in the Board Room, Aurora, Colorado.

Attendance:

A regular 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:

John Diak, Councilmember Town of Parker
Francoise Bergan, Mayor Pro-Tem City of Aurora
Chaz Tedesco, Adams County Commissioner
George Teal, Douglas County Commissioner
Bill Holen, Arapahoe County Commissioner
Jan Pawlowski, Councilmember City of Brighton
Craig Hurst, Councilmember City of Commerce City

Wynne Shaw, Councilmember City of Lone Tree (*non-voting*)
Deborah Mulvey, DRCOG (*non-voting*)

Also present were: Shawn Burk, IT infrastructure and operations senior manager, Jessica Carson, toll operations director, Wanda DeVargas, roadway maintenance supervisor, Anne Disney, senior accountant, Geoffrey Doctoroff, risk and administrative services manager, Ryan Dole, senior financial analyst, Ted Gies, team lead, IT service desk, Mark Gronowski, senior solutions delivery manager; Michael Hancock, tolling operations manager, Jaime Heitman, controller, Tiffany Jackson, marketing specialist, Kris Kellim, procurement manager, Jacob Kramer, HR manager, Diane Lundquist, executive assistant, Beau Memory, executive director, Tricia Morales, customer service manager, Jason Myers, director of finance and administrative services, Derek Slack, roadway maintenance manager, Ken Smith, information technology director, Briana Summers, accounting manager and Neil Thomson, engineering and roadway maintenance director, E-470 Public Highway Authority; Josh Sender, Adams County Public Works; Tim Stewart and Dave Kristick, Atkins Global; Pedro Costa and Brenda Schuler, NWPLLC; Robyn Moore, Piper Sandler; Bryan Stelmack, Stifel; Linda Sexton, R&K Consultants; Susan Ermisch and Jack Nicholls; and Tamara Seaver, Icenogle Seaver Pogue, P.C.

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Call to Order: Councilmember Diak, noting the presence of a quorum of the directors, called the regular meeting to order at 9:01 a.m.

Pledge of Allegiance: Councilmember Diak 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 November 10, 2022; Amendment #1 to Contract IT-19-TRACT-1 with Sign In Enterprise (formerly Traction Guest); Mineral Lease with PDC Energy; Holiday Event Sponsorship with the City of Brighton; and TerraCare Snowplow 2022 NTE Increase. The motion was seconded by Mayor Pro-Tem Bergan and approved unanimously by the Board.

Toll Operations

Department:

Mittera Contract
2022 Budget
NTE Increase:

Ms. Morales presented information to the Board regarding the requested increase in the Mittera Contract for printing and postage. She provided historical data and the rationale for the requested increase. She noted the increase produced no overall increase to the 2022 Operations Budget. Mayor Pro-Tem Bergan moved to approve the Sixth Amendment to the Mittera Colorado LLC Contract, increasing the Contract not-to-exceed amount for calendar year 2022 from \$6,500,00 to \$7,150,000, and to authorize the Executive Director to negotiate and execute the Sixth Amendment, subject to the review and approval of General Counsel. Councilmember Pawlowski seconded the motion which was approved unanimously by the Board.

Tolling Services
Updates
Briefing:

Mr. Hancock then provided a brief update with respect to tolling services provided to HPTE/CTIO. He also reported regarding the Marshall Fire Relief Program for the Northwest Parkway. Commissioner Tedesco inquired about the scope of the Marshall Fire Relief Program and Mr. Hancock responded. Commissioner Holen commended staff for their efforts in participating in the program.

Engineering and Roadway Maintenance

Department:

JHL Contract
Amendment 2 for
CMF:

Mr. Slack reviewed with the Board of Directors the proposed JHL Construction Package Contract Amendment 2 for the Authority's new Central Maintenance Facility ("CMF"). He addressed plans for the new CMF and provided background leading to the need for the project.

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Mr. Slack noted the overall plans are 95% complete, with some plan subsets already approved by the City of Aurora, including erosion control which will commence as early as the third week of December. He presented several architectural renderings of the various components of the CMF. He then provided a summary of the contract status with the CMF contractor, JHL Constructors. He reported on a delay in the barn building plans and the reserved funds for any price escalations in attaining 100% plan approvals. He reviewed the other elements of the proposed scope of Contract Amendment 2, noting the original plan to utilize existing solar panels was not feasible due to panel damage. He reported that the Authority is investigating alternatives and the buildings are being constructed as solar accessible.

Mr. Slack reported on the nature of JHL's CM/GC contract process, including open book pricing and transparent and competitive subcontractor procurement. Commissioner Holen inquired about electric vehicle charging stations and Mr. Slack reported that 4 were being installed and additional conduit will be laid to allow for future additional installations. Councilmember Pawlowski inquired about possible groundwater and Mr. Slack reported on assessments which revealed no groundwater.

Mayor Pro-Tem Bergan moved that the Board approve Construction Package Amendment 2 to the JHL Contract EN-21-CMGC-2 for the CMF CM/GC Project in the amount of \$19,246,430.00, and authorize the Executive Director to execute the Contract Amendment subject to the review and approval of General Counsel. The motion was seconded by Councilmember Pawlowski and approved unanimously by the Board.

Finance and
Administrative
Services

Department:
2023 Toll Rates
and Budget
Briefing:

Mr. Myers provided an overview of changes in 2022 traffic projections versus actual numbers through November, and adjustments to the 2023 toll revenue budget estimate to reflect the recent improvements in actual traffic, and financial fluctuations seen throughout 2022 due to economic conditions and volatility. With respect to financial fluctuations, Mr. Myers reported on 2023 escalating operating, debt, and capital expenses including additional estimated increases into 2024 and 2025. He then reviewed recent significant inflation increases and the impact on the Authority's capital plan including the comparison of the capital plan as of December 2021 to the updated capital plan for 2022-2025 as of December 2022. This includes project cost increases averaging 20-29%, and noted the Authority is moving some projects out of the 2024-25 capital plan to

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help accommodate with current and on-going capital projects and their new updated and revised cost estimates. He then reviewed key Authority financial goals for calendar years 2023 – 2025 including the estimate of the year ending 2022, and reported that several key goals are in jeopardy given all of the recent financial fluctuations and impacts on cost increases for operating expenses and capital projects. He then provided additional detail relevant to the key goals and how they are projecting to the end of 2025.

Mr. Myers then re-reviewed the 3-year Toll Rate Schedule adopted via Resolution 21-02 in November 2021. He referenced prior reports and made staff's recommendations to hold the current 2022 Toll Rates into fiscal year 2023, with re-evaluation in the first and second quarter of 2023.

Councilmember Diak noted he was in close contact with Messrs. Myers and Memory on this topic and expressed his conclusion that the extreme capital cost escalations on top of current economic volatility mitigate in favor of holding rates at 2022 levels in 2023, pending re-evaluation with 2023 financial data. He noted the importance of maintaining and presenting updates to the Authority's financial goals. Commissioner Teal thanked Mr. Myers for his presentation and expressed his support for the staff recommendation and emphasized the need to be rigorous in re-evaluation in 2023. Mayor Pro-Tem Bergan noted she was also in favor of holding the toll rates given the totality of the circumstances presented. Commissioner Holen agreed with the prior comments and mentioned the importance of providing the flexibility to re-examine key metrics in 2023. Councilmember Pawlowski echoed the prior comments. Councilmember Hurst also concurred with the remaining Board members. Commissioner Tedesco reported he had misunderstood the motion at the November Board meeting, and that he was supportive of adopting the proposed resolution as per staff recommendation.

Toll Rates Policy
Resolution
22-02:

Commissioner Tedesco thereafter moved to approve Resolution 22-02 "Regarding 2023 Toll Rates and Toll Rate Schedule" for the E-470 Public Highway Authority. The motion was seconded by Commissioner Teal and approved unanimously by the Board.

2023 Budget
Revisions:

Mr. Myers commenced reporting on final 2023 Budget revisions from what was presented at the October 13th budget workshop. He first addressed the 2023 proposed Operating Budget, highlighting changes therein with respect to revenues and expenses. Commissioner Tedesco inquired as to the interplay with the 2022 Mittera Budget increase and Mr. Myers and Mss. Carson and Seaver responded, noting that was for 2022 and not of impact in 2023. Mr. Myers then reported on the 2023 proposed Capital Budget, again highlighting changes therein with respect to revisions and updated capital costs and timing for several projects.

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2023 Budget
Public Hearing: Councilmember Diak then opened a public hearing on the Authority's 2023 budget at 10:18 a.m. He then called for public comment. No members of the public addressed the Board.

Councilmember Diak closed the public hearing at 10:19 a.m.

2023 Budget
Appropriations
and Approval
Resolution
22-05: Commissioner Teal moved that the Board of Directors adopt Resolution 22-05 approving the 2023 Budget for the E-470 Public Highway Authority, and appropriating all sums reflected therein. The motion was seconded by Councilmember Hurst and approved unanimously by the Board of Directors.

Approve 2023
Budgeted
Contracts NTEs: Mr. Myers then addressed the Board regarding 2023 contract Renewals and reviewed the list of contractors, by department, with the Board. Councilmember Hurst moved that the Board approve the appropriations and annual contracts amounts in 2023 for the contracts listed in Attachment A appended to the minutes. The motion was seconded by Commissioner Holen and approved unanimously by the Board.

Information
Technology
Department:
Service Order
with RAM Info:

At this point Commission Holen and Councilmember Pawlowski left the meeting.

Mr. Gronowski addressed the Board and presented background on RAM Info. He noted the work RAM Info does for the Toll Collection System and the various systems interlinked with the Toll Collection System. He then reviewed the RAM Info work between 2022 and 2023. He reviewed the scope contained in the proposed 2023 budget ranging from routine matters to CUSIOP and significant support of HPTE/CTIO roadways. He reviewed the specifics of the work breakdown, extension of the contract term, as well as the increase to the 2023 not-to-exceed amount for Service Order 1.

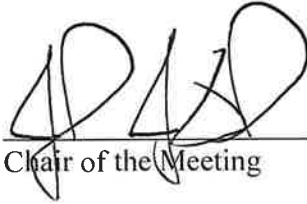
Councilmember Hurst motioned to approve an extension of the current contract with RAM Info from March 31, 2023 to December 31, 2023 and an increase in the contract's Service Order 1 in a not-to-exceed amount to \$6,341,000, and to authorize the Executive Director to execute the necessary contract amendment, subject to review and approval of General Counsel. The motion was seconded by Commissioner Teal and approved unanimously by the Board.

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Executive Director Report: Mr. Memory addressed the Board and thanked staff for all of their prep for the meeting. He then reported that the Authority's staff shortened the emergency roadside assistance number to *470, to make it easier for the Authority's customers to connect to traffic management center. He also reminded the Board of the jurisdictional appointments to E-470 or 2023. Finally, he encouraged the Board to reflect while driving home on the significant development along the corridor.

Other Business: None.

Adjournment: There being no further business to come before the Board, Councilmember Diak adjourned the meeting at 10:30 A.M.



Chair of the Meeting