



**Jefferson Parkway Public Highway Authority
Regular Board Meeting Agenda
Thursday, October 17, 2019
Arvada City Hall
8101 Ralston Road, Arvada, CO 80002**

**Regular Board Meeting
4:00 p.m.
Council Chambers, 2nd Floor**

- I. Call to Order
- II. Pledge of Allegiance
- III. Approval of Minutes
 - A. September 19, 2019 Regular Board Meeting (Attached)
- IV. Consent Items
- V. Report from Executive Director
 - A. Report on Meeting with CDPHE
 - B. Discussion of 2019 JPPHA Budget (Attached)
 - C. Presentation of Proposed 2020 JPPHA Budget (Attached)
 - D. Motion to set public hearing on proposed 2020 JPPHA Budget: December 19, 2019
- VI. Report of the General Counsel
- VII. New Business
- VIII. Report from the Board of Directors
- IX. Informational Items
- X. Public Comment
- XI. Adjournment

DRAFT



JEFFERSON
P A R K W A Y

**Jefferson Parkway Public Highway Authority
Regular Board Meeting Minutes**

**Thursday, September 19, 2019
Arvada City Hall
8101 Ralston Road, Arvada, CO 80002**

**Regular Board Meeting
4:00 p.m.
Council Chambers, 2nd Floor**

I. Call to Order

Chairman David Jones called the meeting of the Jefferson Parkway Public Highway Authority (JPPHA) to order at 4:00 p.m. Present in addition to Chair David Jones were Director Randy Ahrens, Director David Beacom, Director Libby Szabo and Director Marc Williams. Also in attendance: Bill Ray, Exec. Director; Ed Icenogle, Legal Counsel to the Board; Kevin Standbridge, Broomfield Deputy City and County Manager; Kim Sorrells, Jefferson County Attorney; and Rachel Morris, Arvada City Attorney's Office.

II. Pledge of Allegiance

Executive Director Ray said that the city is conducting an active shooter training starting at 5 p.m.

Director Williams moved to adjourn the meeting by 4:50 p.m. Director Ahrens seconded the motion.

The following votes were cast on the Motion:

Those voting Yes: Ahrens, Beacom, Jones, Szabo, Williams

III. Approval of Minutes

A. August 15, 2019 Regular Board Meeting

Jefferson Parkway Public Highway Authority
Board Meeting Minutes
September 19, 2019

Director Ahrens moved that the August 15, 2019 Regular Board Meeting minutes be approved. Director Williams seconded the motion.

The following votes were cast on the Motion:

Those voting Yes: Ahrens, Beacom, Jones, Szabo, Williams

IV. Report from Executive Director

A. Budget Discussion – 2019 Estimated Year End and 2020 Calendar

Bill Ray, Executive Director, explained that he is required by State Statute to produce a budget no later than October 15. He said because of the uncertainty of the project, this budget will focus on three priorities: completing the soil sampling and resampling, working in cooperation with the Colorado Department of Public Health and Environment (CDPHE) to move forward with a memorandum of understanding which both parties would agree would be of mutual benefit, and making sure we are keeping the community, our partners and member governments informed on latest developments.

Mr. Ray then referred to the project cost analysis that was forwarded to the board and said there is a major investment that has taken place in the development of the RFP documents and at such time as the board determines to move forward with that process, there will still be a significant ramp up cost associated with that. Mr. Ray said that he is not suggesting that we are going to budget for that but wants the board to be aware that for any future actions, there will be a need for supplemental funding at that time.

Mr. Ray said the RFP is 90% complete and 95% of the technical specifications are complete. He said the concession agreement is pretty much in final form, so the front end there won't be much to get that completed. He said there will be a series of monthly one-on-one conversations with the proposers, where they will have questions, be proposing proprietary alternatives, and there will be intense negotiation that will lead to formal addenda to the RFP. He said once an RFP response is submitted, there will be a very intense analysis, from both engineering and financial perspectives, in order to advise the board of what is recommended as the best proposal.

Mr. Ray said there are enough funds for the next couple of months, but the soil sampling continues to be ongoing in addition to the costs that were already reported to the board. He said if there is a need for additional funding, he will notify the board as soon as possible. In addition, he said Don Hunt, our Strategic Advisor, understands the financial condition of the board and has volunteered to suspend his relationship until there is additional funding.

Director Szabo asked when a decision will be made regarding the funding from Broomfield. Mr. Ray said they are waiting on the final soil samples which will be some time after Thanksgiving. He said initial results should be available by the end of October. Once the results are all in, there will be a review by CDPHE and that process will take a month. Mr. Ray said depending on those results, Broomfield will make their decision then. Mr. Ray said as part of the due diligence, we are sampling the right of way adjacent to Rocky Flats which is about 65 acres,

Mayor Ahrens said that Broomfield will, predicated on the results of the soil samples, determine whether or not Broomfield decides to move forward.

B. Status Update on Soils Sampling

Mr. Ray said that there are two other groups working in or adjacent to Rocky Flats, who have also had sampling done. He reminded everyone that earlier this year as part of the Authority's due diligence process and prior to issuing the RFP, we voluntarily initiated and undertook a sampling of the right of way adjacent to Rocky Flats. He said those samples were taken in late May and June with approximately 250 samples in total taken over about 65 acres that constitutes that part of the roadway. He said the bottleneck is the physical time it takes to physically analyze those samples and that it is a chemical process that can't be rushed. Mr. Ray said we received a report of an anomalous sample at which point we requested a close-in sample to understand if this is one single anomalous incident or whether there is some concentration that we need to do and, if necessary, work with CDPHE and the U.S. Government in remediation efforts. He said the close-in sampling has been either at or near background levels consistent with all previous samples taken both in 2006, as part of the closure process, and the other sampling currently underway have shown. Mr. Ray said the Rocky Mountain Greenway group has been in the process of doing some analysis and they reported out last week that they had taken some additional samples at the entry points for the Rocky Mountain Greenway onto the wildlife refuge. They had taken 27 samples and those were entirely consistent with all previous readings. He said they show a high of fourteen and that the mean and the medium values of all of these were actually lower on average than when a similar sample analysis was tested in 2006. Mr. Ray referred to a graphic previously provided and said the blue dot in the center shows the anomalous sample of 264 and then the 1.75 for a different portion of that same dirt sample. Mr. Ray said he requested that a close-in grid be taken and that the results are in draft form because they still need to be confirmed and validated by CDPHE. He said it should be noted that 16 or the 25 additional samples in the 75' by 75' square, have a reading of less than one.

Jefferson Parkway Public Highway Authority
Board Meeting Minutes
September 19, 2019

Mr. Ray said that 75% of the 250 samples have been processed at this point and that the next highest sample that was shown after this anomalous sample was 2.25. He said the standard that had been established through CDPHE, the Rocky Flats Stewardship Council, and local governments, was that anything in excess of 50 would be considered potentially actionable. He said he is not a soil sample expert but that one isolated incident does not necessarily trigger any action and that is the point of working in cooperation with the Colorado Department of Health and Environment to seek their guidance. He said they are the public health agency and that we are reporting these data to them and looks forward to their direction to us. Mr. Ray said there is a fourth sampling that was also taken by the U.S. Fish and Wildlife Service. He said they collected 48 samples along the route of the Rocky Mountain Greenway, including in that area that is proximate to where we are, and of those samples there are about one-third below the minimum detectable concentration levels, or in other words, there was nothing that was detectable. The range of the average was from about one-tenth of one picocurie to a high of about 3.5. Mr. Ray said we have one single anomalous sample and a lot of concurrent and historic data that indicates this seems very much to be an outlier far outside the range of below or near normal background levels. He said all of this information is being transmitted to CDPHE and that we will sit down and have this conversation with them in the near future.

Mr. Ray said a meeting has been set with CDPHE for October 7 in order to begin discussion of a memorandum of understanding about construction and mitigation techniques. He said the obvious implications to him are that they believe that this was simply an anomalous sample and that our time is well spent by moving forward in terms of determining what the role of CDPHE would be going forward, what kind of construction techniques and mitigation measures they are going to recommend and other items that might be of mutual interest. He said he should be able to report back at the October meeting about how that conversation went.

Mr. Ray said that CDPHE has been very cooperative in terms of working with us and is very pleased that they initiated the conversation to begin talking about a memorandum of understanding and their perception of the viability of this project moving forward.

V. Report of the General Counsel - None

VI. New Business

A. Presentation of 2018 JPPHA Audit and Amended 2017 JPPHA Audit

Bill Ray introduced Erin Brannan with Haynie & Associates who presented both the 2018 Audit Report and discussed the 2017 Audit Report.

Jefferson Parkway Public Highway Authority
Board Meeting Minutes
September 19, 2019

Director Ahrens moved to direct staff to file the 2017 supplement and the 2018 JPPHA Audit Report with the State Auditor. Director Szabo seconded the motion.

The following votes were cast on the Motion:

Those voting Yes: Ahrens, Beacom, Jones, Szabo, Williams

VII. Report from the Board of Directors - None

VIII. Information Items

IX. Public Comment

A. Dr. Sasha Stiles addressed the board regarding soil samples and asked the board to invite Dr. Ketterer to explain the concerns and significance of the results of the hot sample.

B. Dr. David Wood addressed the board regarding the hot particle and said to go to rockyflatsneighbors.org which has a document devoted to precisely the significance of hot particles, how often or how rarely they occur and what their radiation dose significance is. He said calculations indicate that you should be able to inhale something like 400 8.8 micron particles to raise your cancer risk by 1% and that the chances of inhaling even one hot particle are very slim. Dr. Wood said this is an extremely rare and non-dangerous event.

X. Adjournment

Adjournment: Meeting was adjourned at 4:40 p.m.

David Jones, Chair

Kristen R. Rush, Recording Secretary
Recording Secretary

Revised 2019 Budget and Proposed 2020 Budget

	<i>2018 Actual</i>	<i>Adopted 2019 Budget</i>	<i>Estimated 2019 Year End</i>	<i>Proposed 2020 Budget</i>
<i>Beginning FB</i>	\$ 489,560	\$ (89,525)	\$ (89,525)	\$12,854
REVENUES				
Member Contributions to date*	\$ 1,700,000	\$ 7,000,000	\$ 3,775,000	\$210,000
additional 2019 member contribution			\$ 376,000	
Interest	\$ 13,847	\$ 70,000	\$ 9,327	\$ 1,000
	<u>\$ 1,713,847</u>	<u>\$ 7,070,000</u>	<u>\$ 4,160,327</u>	<u>\$ 211,000</u>
EXPENDITURES				
Trainings and Meetings	\$ 7,146	\$ 7,500	\$ 1,400	
Print/Mail/Supplies		\$ 1,500	\$ 20	
Dues	\$ 327	\$ 500	\$ 75	
Insurance (CIRSA)	\$ 2,713	\$ 2,800	\$ 2,584	\$2,700
Haynie/Audit	\$ 5,800	\$ 5,800	\$ 5,800	\$5,800
Misc	\$ 4,266	\$ 5,000	\$ 8,000	\$5,000
PROFESSIONAL SERVICES				
Executive Director	\$ 70,943	\$ 150,000	\$ 120,000	\$40,000
Support Staff	\$ 32,869	\$ 50,000	\$ 49,000	\$7,500
Icenogle	\$ 98,018	\$ 20,000	\$ 60,000	\$10,000
Squire Patton Boggs	\$ 15,634	\$ 100,000	\$ 190,000	\$25,000
Jones and Keller (H. Kenison)	\$ 137,818	\$ 25,000	\$ 86,000	\$25,000
Clifton	\$ 1,789	\$ 2,000	\$ 1,200	\$0
HC Peck		\$ 5,000	\$ 14,500	
Peak Facilitation	\$ 13,309	\$ 10,000	\$ 14,500	
The Antero Company	\$ 110,984	\$ 100,000	\$ 70,000	
Venable LLP	\$ 135,968	\$ 12,000	\$ 142,000	
CDM Smith	\$ 160,278	\$ -		
Ernst & Young	\$ 449,132	\$ 1,250,000	\$ -	
Ames and Gough	\$ 4,052		\$ 3,750	
Ostrander & Dingess	\$ 1,240		\$ 8,300	
HDR Engineering - w/ RF & RMMA	\$ 400,210	\$ 500,000	\$ 1,000,000	\$30,000
GBSM Inc		\$ 50,000	\$ 72,000	\$20,000
LS Gallegos				
<i>ROW Work</i>	\$ 108,287	\$ 100,000	\$ 30,000	
<i>1601 Process oversight</i>				
Development/Implementation				
<i>Project Feasibility Phase</i>				
<i>RFQ/RFP Documents (Ashurst LLP)</i>	\$ 530,132	\$ 1,400,000	\$ 906,239	
<i>RFP Analysis/contract negotiations**</i>		\$ 2,000,000		
<i>Land and Easement Acquisitions</i>		\$ 1,200,000	\$ 1,071,580	
CDOT Sec 1601 Oversight	\$ 2,016	\$ 15,000	\$ -	
3% Emergency Reserve			\$ 121,000	\$6,000
Contingency (2% of Budget)			\$ 80,000	\$ 28,500
	<u>\$2,292,931</u>	<u>\$ 7,012,100</u>	<u>\$4,057,948</u>	<u>\$205,500</u>
<i>Ending FB</i>	-\$89,525	\$ (31,625)	\$ 12,854	\$ 18,354

* includes \$500,000 Arvada prepay 2019

** prior Board approval needed to spend



JEFFERSON P A R K W A Y

October 10, 2019

Members of the Board -

The 2019 year has been a study in contrasts. At the beginning of the year, there was substantial momentum to proceed with the procurement process. The Authority's procurement team was in place, three extremely qualified private sector teams had been short-listed and Jefferson Parkway was conceivably a year away from construction start. At present, the project is on hold awaiting the final results from the extensive soils testing on the Rocky Flats portion of the right of way and the direction from the member governments on next steps, but that is not new with the Jefferson Parkway. Below is a discussion of the current year budget and a modest proposal for 2020.

2019 revised budget

On December 20, 2018, the Board unanimously adopted Resolution 18-3 approving the 2019 budget of \$7,012,100. This one-time surge in expenses was adopted in anticipation of issuing the Request for Proposal. The three short-listed teams were selected by the Board at that same meeting, following an extensive Request for Qualifications process that resulted in five submissions.

In accordance with the budget and the direction of the Board, the procurement team began drafting the Instructions to Proposers, the Technical specifications, and the draft concession agreement during the spring. Those documents were substantially complete in early May of 2019. On that timeline, the RFP process would have concluded at the end of 2019 with an identified preferred private partner. The cost to produce those documents for RFP release in May was in excess of \$1.7 million, which was consistent with our budgetary expectations.

Right of way work proceeded throughout last spring, both with the acquisition of the Hotchkiss II parcel and the negotiation for the transfer to the Authority of lands being held by the City of Arvada and the Jefferson Center Metropolitan District for right of way. In addition, detailed surveying, mapping and legal descriptions for the entire right of way corridor took place. These activities cost \$1.35 million in total. Again, this cost was consistent with our budgetary expectations.

The FAA made an unexpected re-appearance in February regarding the status of Rocky Mountain Metro Airport lands already released for non-aviation uses available for right of way. The legal and engineering work to resolve this to the FAA's satisfaction (again) was an unexpected \$250,000 in expenses and this detour delayed progress by about three months.

As part of the due diligence for the right of way, the Board initiated a soils re-sampling program for the right of way adjacent to the Rocky Flats Wildlife Refuge in the expectation that the member jurisdictions would share in those costs, which were not budgeted for 2019. Some 250 samples were taken and one anomalous result was identified from a single sample site near the Indiana Street right of way. The Colorado Department of Public Health and Environment (CDPHE) was contacted to provide guidance on how to determine whether this sample result was anomalous and on how to address any health-related challenges. An additional 25 samples in proximity to the anomalous sample site have been taken and analyzed. Those results were unremarkable and consistent with all other soil samples that have been taken in the same area. While the analysis of all 250 samples is not complete at the time of writing, those results should be available toward the end of October. It is expected that the total soils sampling costs, which of course were not included in the Authority's budget for 2019, will be in excess of \$460,000. This is problematic absent additional funds from the members since this would result in a negative fund balance of -\$162,000 at year-end.

In summary, our expense experience for 2019, as of today, is consistent with our budget for the year, excepting only two unanticipated events: the reemergence of the FAA as a factor in our planning, and the 250 sample soils testing program, identification and response to a single anomalous particle arising from that soil sampling process.

Each member jurisdiction chose a different manner to provide their share of the funding to support the adopted 2019 JPPHA budget. Jefferson County budgeted their \$2.5 million share within their overall 2019 County budget adoption. Arvada and Broomfield each chose to fund their commitment through a supplemental budget appropriation in 2019. Arvada provided \$500,000 in late 2018 for cash flow into 2019 and approved the \$2 million balance in a supplemental budget approved in April, 2019. To date, the advances provided to fund 2019 JPPHA expenditures are:

Arvada - \$2,500,000
Jefferson County - \$1,775,000
Broomfield has yet to act.

Because the Authority has not received anticipated funding from all of its members, and to a lesser extent the unbudgeted expenses for the airport and soils testing, the funds of the Authority have been depleted. As of October 1, there was about \$150,000 cash on

hand. Anticipated expenses for 2019 total \$3,856,948 vs. year to date revenues of 3,784,327, and an unfavorable beginning fund balance of - \$89,525. As a result of these numbers, the Authority will suffer a deficit of expenditures over revenues for the year of -\$162,146 at year's end, with no contingency and a zero fund balance if no action is taken. To cover this deficit, an additional \$175,000 will be needed by December just to pay its anticipated bills.

In addition to covering the deficit, the 2019 budget will need to provide for a 3% emergency fund per audit standards and should show a modest 2% contingency to cover unanticipated expenses. To accomplish these ends the Authority will need total revenues for 2019 of \$4.1 million vs. the \$3,856,848 currently projected. If this \$4.1 million were divided equally, each member would be obligated to advance a total of \$1.36 million for 2019, as opposed to the actual varied member contributions shown above. Alternatively, the three member governments could cover the costs of the current soils testing program which would keep the Authority in a positive cash position for 2019.

2020 Proposed budget

Attached to this communication is a spreadsheet showing both the revised 2019 budget and the proposed 2020 budget. The 2020 budget does not anticipate, at least at the current time, that the Authority will operate at a level needed to fully implement the RFP process. Rather, given the current state of affairs with regard to soils testing, the proposed 2020 budget has been developed with the following three goals in mind:

- completing the currently planned soils analysis and performing the anticipated follow-up related to that analysis needed with the Colorado Department of Public Health and Environment (CDPHE)
- initiating negotiations with CDPHE on a new Memorandum of Understanding; and,
- maintaining clear and consistent communications with the community, the media, the procurement team, and our short-listed private partner teams.

We believe that these three minimum goals are critical to the continued operation of the Authority on a short term basis pending the outcome of final soils testing. In addition, we believe this level of activity is consistent with, and required by, our responsibility to complete the current soils analysis and to respond to the feedback and guidance of CDPHE.

To that end, and assuming the fund balance will equal two months operations, the proposed budget for 2020 is recommended at \$199,500. The line item details are in the attached budget. The proposed budget will provide funds sufficient for the legal, technical, and administrative support needed to achieve the goals listed above. It will

not, of course, provide funds sufficient to pursue full-scale development activities with regard to the Parkway, nor will it provide sufficient funds to issue the RFP or pursue the developer selection process.

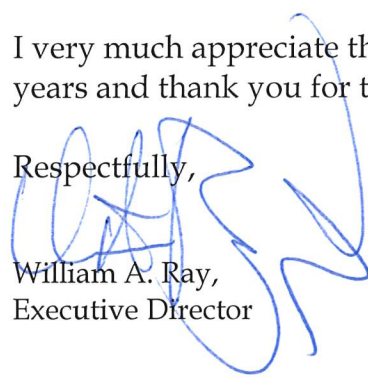
Looking forward, the Authority Board has always operated on the expectation of eventual success for the project. At whatever point the Board elects to proceed with the RFP issuance, there will be a need for approximately \$500,000 in funds in addition to the \$199,500 mentioned above, to update and issue the RFP documents, participate in one-on-one meetings with the short-listed developers and complete the selection process based on current expectations. The timing and availability of that funding from the members will dictate the speed of the RFP process.

The timing of future member funding, and of the Authority's developer selection process will be important. To date, I do not detect any significant discomfort among the short-listed proposers with the efforts of the Authority to deal with issues and concerns that, while unanticipated, are nonetheless serious matters requiring our attention. In fact, I believe the short-listed proposers believe that the efforts of the Authority to address these concerns are reflective of the serious manner in which the Authority has conducted its affairs with regard to the project.

Of course, we cannot expect that an extended delay will not have a negative impact on the views of the short-listed proposers or on the prospects for success of the Project. With that in mind, it would be my recommendation to the board that it revisit these issues if an RFP has not been issued by the middle of 2020.

I very much appreciate the support shown by the Board for this project over the last 12 years and thank you for the opportunity to serve.

Respectfully,


William A. Ray,
Executive Director