

**Louisiana Transportation Authority**  
Meeting  
Louisiana State Capitol  
John J. Hainkel, Jr. Room  
Baton Rouge, LA  
Thursday, January 13, 2011

**MINUTES**

**I CALL TO ORDER**  
Senator McPherson

**II ROLL CALL**  
**Board Members Present:**  
Senator Joe McPherson  
Sherri LeBas  
Mark Brady  
Paul Sawyer  
Rep. James Morris  
Jackie Adcock  
**Board Members Absent:**  
Sen. Joel Chaisson  
Rep. Nita Hutter  
Kevin Davis

We do have a quorum and can conduct business.

**III READING AND APPROVAL OF MINUTES OF October 14, 2010**

Rep. Morris moved to approve the minutes without objection and accepted.

**IV NEW BUSINESS – ELECTION OF OFFICERS**

Sen. McPherson: Sharon Lyles advised me that the by-laws suggest we should have a vice chairman and a secretary/treasurer. Do I hear nominations at this time?

Nominations of Vice Chairman to be the chairman of the alternating committee, in this case it would be Rep. Hutter – Motion by Rep. Morris without objection.

Secretary/Treasurer: Mr. Brady – motion by Rep. Morris without objection.

## V OLD BUSINESS – UPDATE ON ETC LITIGATION

Brandon Brown: Kirk Bergeron, DOTD Attorney, will make that presentation.

Kirk Bergeron: Since the last meeting of the Authority in October of last year, the Legal Department has continued its investigation of the claims and defenses that have been asserted in that case. The Legal Department has completed a preliminary review of the project files maintained by the Crescent City Connection Division. We have continued interviews of key operations personnel so that we can gather as much information as we can. What we are really doing at this point is preparing for depositions that are set for next week, specifically the deposition of Electronic Transaction Consultants (ETC), the contractor that delivered the defective toll system to begin with. Those depositions will be taken next week and we will learn a lot. We will have much more information about their positions and how they intend to approach the litigation and after we complete the depositions and we can generate those reports. The only other matter that should be reported is that we are still waiting for the court of appeal to make a decision with respect to the appeal by Application for Supervisory Relief that the Department filed in response to the preliminary injunction that was granted by Judge Fields. For the members that were not here, ETC sought an injunction to prevent us from using one part of the software system. We defended that as best as we could and Judge Fields granted the injunction for that one part. We applied to the Louisiana 1<sup>st</sup> Circuit Court of Appeals for relief. They stayed the injunction. They said the injunction would not be enforced pending their further review of the case. That review is ongoing.

Sen. McPherson: What would happen if the Court of Appeals upheld Judge Fields injunction?

Kirk Bergeron: The Department would have to weigh the few options that would be available. The most obvious is that the Department would pay the \$195,000 licensing fee which ETC claims was not paid. This is the basis of their suggestion that DOTD lacks the authority to use this one part of the Violation Processing Software. The alternative is to seek Writs of Review with Louisiana Supreme Court.

Sen. McPherson: We were told that there was an outstanding balance on the contract to ETC. This is the first time that I've heard it called a licensing fee. Were we told it was a licensing fee?

Kirk Bergeron: I believe so. The minutes should show the way the claim changed. It went from an injunctive relief demand to a global demand that was based on the fact that they say DOTD did not pay them everything was due.

They initially said the since DOTD did not pay us everything that was due on our contract that DOTD did not have the right to use any of their software.

Sen. McPherson: On Page 2 the quest for injunctive relief was based on allegations that DOTD had not paid the full contract price.

Kirk Bergeron: That was their initial claim in their pleadings. By the time of the hearing they had changed their claim and they had narrowed it down to a single part of the system and they based their demand for an injunction of just that one part on the claim that DOTD did not pay one of several components of the licensing fee.

Sen. McPherson: When they bought it they based this on a proprietary system of theirs and that is where a licensing agreement came into effect. Wasn't that in the contract initially?

Kirk Bergeron: If I recall correctly, the contract did not specifically provide for licensing. It was later after the contract was signed and task orders were issued giving specific instructions to ETC that they attach to an invoice specific licensing fees. A licensing fee in one amount for the customer service center application and another licensing fee for the web services application. The total of all licensing fee applications that we were invoiced for and did pay was \$478,500. We paid that amount in licensing fees. There was a separate invoice issued later for just the \$195,000 and that invoice was not paid by DOTD, however, by the time they issued the later invoice, they were already out of contract time.

Sen. McPherson: Were these licensing fees spelled out in the original contract that we agree to?

Kirk Bergeron: I will have to go back and look at the contract and the individual task orders. The contract and tasking orders are in a book and I will have to go back and take a look at it and I will be happy to get back to you on that.

Sen. McPherson: Send it to the entire authority and will put it on the public record.

Kirk Bergeron: I will do that.

Sen. McPherson: One of the questions and we talked about this last time on our agenda is the outsourcing Louisiana Toll Operations update. I asked how we were going to do that while we still have ongoing litigation. Mr. Bridges explained at that time that DOTD hoped that the two would be at the same time. We would settle with ETC at the same time of the outsourcing. Is that still the case or do we think that time schedule changed? Do we have a concern there?

Kirk Bergeron: I will have to defer to Mr. Bridges. I handle only the litigation and I don't think it is appropriate for me to participate in the consultant's review of the potential for outsourcing toll services at either one of these facilities. I believe that should be conducted independently of the litigation that we are conducting.

Sen. McPherson: It's great to say that but if we are relying on outsourcing their system that we are in litigation over it gets inner twined.

Kirk Bergeron: I don't doubt that at some point that everyone who has information in respect to this system will be brought in to confer with HNTB, the consultant who's doing the study, but so far I have not been involved.

Sen. McPherson: Mr. Bridges is it appropriate for you to give us your thoughts on that as this time?

Mr. Bridges: That will be part of our presentation in new business.

Sen. McPherson: Are you through with the ETC Litigation?

Kirk Bergeron: Yes I am.

Sen. McPherson: Does anyone have a question on that?

## **VI OTHER BUSINESS**

### **6a Outsourcing LA 1 Toll Operations Update**

Mr. Bridges: I will ask Mr. Rhett Desselle. Rhett Desselle is the Assistant Secretary of Operations and he is handling that particular initiative.

Rhett Desselle: On November 1, 2010 we entered into a contract with HNTB for a retainer contract for our trust indenture services and engineering services for LA 1. We issued a task order for advance order to proceed to HNTB on January 7, 2011 to come in and look at the system and determine the most effective and efficient measures for correcting, repairing or replacing the incomplete defective ETC system. That will include a system assessment of the ETC system for functionality and performance and identify problems and to recommend repairs. The task order also includes the development of a detail plan of action to outsource the LA 1 Toll Operations and well as to repair or replace the integrated ETC system. The consultants will also develop a line item proposal for a low bid selection which will include plans, specifications and specific measurable performance requirements for the toll collection operation,

toll system repair or replacement and the toll system maintenance and the customer service operations.

Sen. McPherson: Rhett, in that, with the uncertainty about the ETC and where we will wind up with them, will part of their analysis say with the thought that you could use some portion of this current hardware and software or you may have to replace the whole system?

Rhett Desselle: Yes sir. The consultant will do a system assessment and they will be there next week. They spend 2 days here between Christmas and New Years' just doing a high level review of the system. They will have 4 of their toll experts that are familiar with each of the different aspects of an electronic tolling system here next week and they will start to evaluate the existing system and determine what needs to be repaired, how much could be salvaged to use in the future and also determine from the system assessment how to craft the invitation for bid language in the proposal to get the best possible bid to outsource these services.

Sen. McPherson: HNTB, we all know who they are. They have particular expertise in toll operations?

Rhett Desselle: Yes sir they do.

Sen. McPherson: Any other questions? Michael, we still haven't answered the particular question about the litigation and know where we are. The more we get settled on the ETC side the more firm we will be on our RFP. Correct?

Mr. Bridges: That is correct. We anticipate to accomplish the bidding of this outsourcing initiative around the end of the fiscal year. We are hoping that the ETC litigation will be further along by then. I don't know if it will be resolved by then, I personally don't think so, but whether it is or not we have got to do something with that system.

Sen. McPherson: When did you say you hope to go out with your RFP?

Mr. Bridges: It is in process right now. I think they are talking about another 30-60 days to get it on the street.

Rhett Desselle: The deliverables in the tasking order are about 150 days for the total outsourcing plan and the outsourcing proposals. I've talked with the consultants and they think that after they do their evaluation of the system, which will take about 2 weeks, in about another 60 days they can have plans, specifications and proposals ready to go out for advertising.

Sen. McPherson: So what does that put us up too?

Rhett Desselle: Somewhere around March or April.

Mr. Bridges: Then we go through the bidding/advertising process and then award it.

Sen. McPherson: Is that a 60 day process?

Mr. Bridges: Right and then we have do an evaluation and then award and they have to be given a certain amount of time to mobilize and if they have to replace the system to get the system in place. So we would them a notice to proceed date or start date. I'm thinking it will probably be around the 1<sup>st</sup> of the fiscal year.

Sen. McPherson: You are about a year away of having a new system in place.

Mr. Bridges: It's the first of the fiscal year not the calendar year. We are hoping to get it done in place and operating by the 1<sup>st</sup> of fiscal year.

Sen. McPherson: Any other questions? You have indicated that you already have a few people who have expressed interest in coming in and doing this. They are people with national proven expertise.

Mr. Bridges: We have actually had a couple of them that have approached us. I know there are a lot of firms and electronic tolling systems in place in major metropolitan areas. There are a lot of companies out there that do that and I think we are going to get a lot of interest.

Sen. McPherson: You will cover what our expectations are of this process with whoever the successful bidder is under your toll revenue briefing?

Mr. Bridges: We can touch on that right now. Rhett may be talk about some on the things that we are putting into the bid solitication to hold them accountable.

Rhett Desselle: We will look at performance measures as far as response time to phone calls. How quick they turn around notices that have to be sent out. How well they respond to the violation enforcement efforts and things like that. We haven't identified all the measures yet but we are starting to come up with how we are going to hold them accountable with performance measures. If the measures are not met the contract

requirements will have damages. There will be damages included in the contract for not meeting their measures.

Sen. McPherson: What will the damages entail?

Rhett Desselle: This will be low bid selection it will have a performance bond. The contractor will be required to have one. In addition to that there will be performance measures in the contract that will have damages if he doesn't meet those measures.

Sen. McPherson: So if you don't collect this money for us we will only pay this much?

Rhett Desselle: I am not sure.

Sen. McPherson: Give me an example if it is not that?

Rhett Desselle: It would how timely they respond to phone call, response to getting out notices, how they handle their enforcement efforts.

Sen. McPherson: Would one of them be about how much money they collect for us?

Rhett Desselle: I am not sure that will be a measure. We haven't discussed that.

Sen. McPherson: Isn't that the whole emphasis behind going to an outside vendor on this.

Mr. Bridges: We are still working on the bid specs. One of the performance measures could be that they are expected to collect a certain percent of what actually goes through the toll entry times the toll schedule. That is a confirmed number. It reads axles, it classifies vehicles and can multiply that by an appropriate toll schedule. So that is a good number. One of the performance measure is that a collect at least 85-90% of that. Toll industry standards kind of a rough standard you should be able to collect about 90%. So if we put that in there that they don't that could be one of the damages.

Sen. McPherson: Let me try this approach. Why are we doing an RFP? What's the purpose behind it? Is it because we weren't responding to telephone calls promptly?

Mr. Bridges: Its two fold. Rhett, do you want to speak first? Let me say what 2 reasons we have. One is we have a problem with the toll collection

system and we are in litigation with the provider of that toll collection system. We don't know when we are going to resolve that and if we are ever going to resolve it.

Sen. McPherson: You are in litigation because you are not able to collect your tolls?

Mr. Bridges: That is correct.

Sen. McPherson: The reason you are in litigation is because you are not collecting your tolls which is your first reason for doing this. You just explained No. 2 is why No. 1 is not happening.

Mr. Bridges: One, we have a defective toll system and we have to do something with it and this may be an avenue for us to replace the systems or fix the system. We haven't made up our mind.

Sen. McPherson: Again, that is wrong with the system is that it doesn't allow us to collect the tolls and generate our revenue.

Mr. Bridges: That is correct. The other one is that the system was set to where it was the back office work for the Crescent City Connection Division bridge and LA 1 was all being done in the same back office area and that was done for efficiency sake but there is a perception that there is a co-mingling of the money and what we want to do is that we split that out totally in two different systems.

Sen. McPherson: We don't think there any additional costs to that? We won't lose efficiencies that we sought to achieve by doing that.

Mr. Bridges: We don't believe so. We have yet to see what it is going to be whenever we get the bids in.

Sen. McPherson: That will prove that. You have an accounting now and you think you know what the cost is on the Crescent City Connection and you'll compare that with the costs with this other group to administer. So I guess they will have to break that out in their bid. Again, do you understand my point. He lists what his parameters of what the performance measures are going to be and I heard nowhere in there that it is going to achieve performance on toll collection and that is our whole problem. That's why we are suing the software manufacturer and that's why we are outsourcing this stuff. I, as one, but I will be disappointed if that is not a performance measure. I would think you would have in there you do this and here is what I am willing to pay your low bid amount. But if you don't do that you are not going to just make the money. It's going to



cost you what it's costing me. That will give them a little incentive to perform. We need to collect the tolls and that is what we are talking about. Why are you struggling with that so much?

Sherri LeBas: I agree with you and the performance measures need to be included in there and we need to include the percentage of making sure that we have a performance in there for the collection of tolls. I recommend and offer that HNTB, we are looking to them to be the tolling experts, they will be creating this and looking at the systems and coming in and defining these performance measures and when they have that bidding document (RFP) we can certainly distribute it to the members and let everyone look at it to see if it meets the expectations of this LTA group. So that is what I would like to offer.

Sen. McPherson: OK.

Rep. Morris: Are we going to have oversight over the contractors or is that the Department's responsibility to put it out and accept and move forward.

Sen. McPherson: I think what we were told is that it falls back to the Department.

Mr. Bridges: It does. There is a cooperative endeavor agreement between the DOTD and the LTA and DOTD is responsible for toll collections. So we will be the one to issue the contract, because we are ultimately responsible for collecting the tolls.

Sen. McPherson: Let's move on to what you are currently doing with tolls.

## **6b Toll Revenue Briefing**

Mr. Bridges: In your packet you will have a power point presentation and I will like to go through that. It is not displayed. On page 2 is the monthly revenue for the 2010 calendar year. There is a graph of monthly revenue for the calendar year. Calendar year is set up in the bond document so that is why we are not using the fiscal year. The top line is the URS forecasted revenue for each month. That is the toll revenue study that was done in 2004. The middle line is the expected revenue that is the calculated toll revenue based on the actual number of vehicles that pass through the toll gantry and the toll schedule. That is what I was explaining earlier. They have electronics that count the axles and classify the vehicle and then you take that and multiply it by the toll schedule. So that is what I say the maximum you could ever expect. We are hoping to get back the URS to do the update. We haven't gotten that finalized yet. We are in the process.

Sen. McPherson: If they missed it this bad the first time why would we want to get them back?

Mr. Bridges: Well, if you hold that question let me step through this and I will address that. The next chart, on Slide 3, Page 2, a cumulative chart with the same three lines but adding up by month. Total revenue for 2010 calendar year includes the URS forecasted revenue, the expected revenue and collective revenue. I have other dotted lines on chart. The lower line is what we need to just meet that service. You can see on the far right that the collective revenue meets up with the dotted line. We have enough collections to pay debt service without going into the debt service reserve fund.

Sen. McPherson: January 2010 is about when we started collecting tolls.

Mr. Bridges: No, this is calendar year. We started collecting tolls in August of 2009. So I am showing you one calendar year. What we collected in 2009 is not shown on this graph.

Sen. McPherson: They must have been pretty flat in 2009 to be so low.

Mr. Bridges: They were but the issue is that for 2009 that we didn't have any debt service. There are 2 other dotted lines. The bottom line is what we needed for debt service and we have been able to pay our debt service without getting into the debt service reserve fund. The upper line is the 1.2 times coverage that is required by the bond documents. We must collect at least 1.2 times the debt service to meet the coverage requirements in the bond documents. If you don't it triggers some events.

Sen. McPherson: The expected revenue line is that 100%.

Mr. Bridges: Yes it is.

Sen. McPherson: Which you can't collect.

Mr. Bridges: No. You will always have plates you cannot read, some dirty plates, obscured plates, out of state plates and that type of stuff. The next slide 4 is a monthly graph of the auto traffic count that is at the toll gantry. The upper dotted line is the URS forecasted count and the bottom line is the toll gantry count. As you can see toward the latter part of the year the actual autos were close to the URS forecast. Overall for the whole year it averaged 89% of the forecast. You can see it started off low but then it merged together. So we are getting the forecasted auto traffic.

Sen. McPherson: Why does auto traffic count move that much. Is it because of summertime and people going to Grand Isle?

Mr. Bridges: Yes it is. That is exactly right. The truck traffic count is the next one on Slide 5, Page 3. The upper line is the URS forecast and the bottom line is the toll gantry count. Truck traffic averaged 45% of forecast. Slide 6 that is part of explanation as to why. That's a graph of the Dow Jones industrial average and you can see where the stock market bottomed out at the first part of 2009 and we opened this toll road in August of 2009. The economy affected the offshore activity and slowed down offshore traffic. Port Fourchon is the main generator of the trucks. 90% of their business is the deep water activity. The economy caused the oil companies to slow down so that is part of it. Then you can see the red line is when the oil spill occurred. The point of this slide is the increasing truck traffic was affected by the economy, the oil spill and the oil spill moratorium. Hopefully it will come back once things are worked out. Back in 2004 when we did the toll revenue study they looked at the long range forecast for activity offshore and that is where they come up with their predictions. To answer your previous question as to whether or not their forecast was good, back in 2003 they were one of three companies in the country that you could get a toll revenue forecast from because the rating agencies would not accept it from anyone else. We went through many meetings with rating agencies and URS and others in state government to go over this project and everyone at the end of it agreed with their assumptions that they were reasonable and to their defense no one could have predicted what happened to the economy in 2009 which I believe is a major factor. So, I believe that their credibility is still there and if we can get them to agree to update their study and their projections. What they would do is come in and look at the same indicators they used before which was a combination of population growth, unemployment and lot of other economic indicators. Not just with what is going on offshore but a lot of economic indicators for south Louisiana. If we can get them to come back and do the update, I believe we can get it done a lot faster. We have in the bottom documents some timing that we have to pay attention to. It requires us that as soon as we notify you and the trustee that we did not meet debt service requirement of the 1.2 that we have 30 days to engage a toll consultant. We are working on that right now. We are still within that 30 day window. Once we retain them they have 60 days to complete their study and submit recommendations to the LTA. LTA has 60 days to act upon those recommendations. So there is a clock ticking to get this done to stay in compliance with the bond documents. The point of this is because it will be faster if we use URS. If not, and we go another one of the other companies, they will not use URS data and will use their own data. This could possibly take longer.

Sen. McPherson: You seem to be indicating and your graphs show that the BP oil spill had a dramatic effect on the truck traffic. If that is the case, why don't we have a claim against BP like everyone else does?

Mr. Bridges: We were considering that. We don't have all the data and I can't see whether or not it will eventually pan out as to whether we do or don't have a claim that will be supported with data.

Sen. McPherson: Will the LTA be the entity that would make that claim?

Brandon Brown: I think the claim brought by the LTA or DOTD since we are the agency responsible for the collection of tolls. I think we would have the cause of action or the LTA could have the cause of action. We will research that. We will certainly explore any avenue to make up for losses.

Sen. McPherson: Do you represent LTA in your staffing of the authority?

Brandon Brown: We do. We provide the service of organizing the meetings and things of that nature. That is definitely something DOTD and we are authorized by the statute to do that.

Sen. McPherson: Mr. Morris. Motion to have DOTD to look into the filing of a claim against BP.

Brandon Brown. We can do that. I can certainly make a presentation to the LTA at the next meeting on the viability of that kind of claim.

Mark Brady: As we start to deal with at comprehensively looking at all the different claims of the BP oil spill for the state, across the board for all the executive departments, this certainly will be one to look at. The propensity that the administration has is to obviously include whatever you can include that you have the rationalization to include....bottom line. I think we will look deeper into this but that will be our propensity to do that.

Sen. McPherson: I will call on Rep. Morris and with the LTA not being an executive department and with the right to bring a claim on its own and that is what we ask that they look at. If you look at DOTD as an executive department bringing a claim then we'll just double claim.

Sen. McPherson: Is there any objection to Mr. Morris' motion? I hear no objection so that motion is adopted.

Rep. Morris: Looking at the information that he has given us if we had collected above the 71% and hit the goal you were talking about the 90%, where would this chart look like at that particular time? Chart 7

Mr. Bridges: I will get into those figures and tell you what it would do if we met that. Slide 7 on page 4. This is a summary. 71% of the toll revenue from the vehicles that passed through the gantry was collected in the 2010 calendar year. Those are the numbers that go along with that chart of Slide 3. 71% of the toll revenue from vehicles that passed through the gantry was actually collected. If 86% of the toll revenues from the vehicles that passed through the gantry was collected the debt service coverage requirement would have been met. The difference in the amount collected and what we stated went through the gantry was 1.3M for the calendar year. So if we had collected about half of that we would have met the 1.2 times coverage and we would not have triggered any of these events. The next slide will give you the figures. Bond documents require 1.2 times coverage on annual on senior lien debt service and 1.1 times on total debt service. The collections for the 2010 calendar year plus interest was \$3,414,175. The debt service payments for the 2010 calendar year on senior lien bonds was \$3,403,675. So you see we had enough pay the debt service on the senior. The total debt service which includes not just the senior lien bonds but the TIFIA loan and we are not paying the debt service of the TIFIA but we are paying an annual service fee (\$10,500). That is why it is just a little bit more.

Sen. McPherson: When do we have to start servicing it?

Mr. Bridges: December 2013 is when the debt service will start. So for the calendar 2013 there will be a half year debt service which is about equal to what we are paying right now for the senior lien bonds.

Sen. McPherson: One of the things that BP would assert is that in the slow down of the oil fields was a result of the moratorium and not because of their leak. I know the oil companies would have been happy to keep drilling. TIFIA is federal. Shouldn't we have a discussion with them to ask for some help or forgiveness or relief? If we can make a case that they contributed to our inability to meet their requirements?

Mr. Bridges: We will be talking with TIFIA in the near future. I did notify TIFIA along with the rating agencies and they acknowledged receipt of the letter and they want to be notified when we get the results of the toll consultants.

Sen. McPherson: How did you phrase that letter? As a direct result of your moratorium actions we were unable to meet your payback requirement?

Mr. Bridges: No sir. We will have some conversation with them. I can't predict on how it will go.

Sen. McPherson: OK. When will those conversations happen?

Mr. Bridges: We will try to see them in the near future. We do not have anything set up yet.

Sen. McPherson: Any thought on what their reaction will be?

Mr. Bridges: No. They are a federal agency and it's hard to predict what you are going to get out of them. A lot of it depends on politics.

Sen. McPherson: We got 2 issues. One is being able to collect the tolls that we could and the second issue whether short term or long term is this decrease in truck traffic that we feel is related to the BP oil spill either directly or indirectly through the moratorium. So you are handling one of these issues through the new toll collection provider. The second issue is a claim against BP and or the federal government with their moratorium. So we are tackling in on both fronts. That is really the 2 major issues we have in regard to the LA 1 toll system.

Mr. Bridges: You summed that up correctly. Slide 8 we had enough money to pay the debt service so we did not have to go into the debt service reserve fund but there was not enough money to meet the toll coverage requirement and that's what triggered the events that are on Slide 9 page 5. The action required that when you have a material event which this is according to the bond documents where we notify the LTA which we are doing. We notify the trustee which is the Bank of New York. You have a copy of the letter we sent to them. We engage a toll consultant within 30 days and we are in the process of doing that. They have to report back within 60 days and the LTA has to act within 60 days after that.

Sen. McPherson: Is the action the RFP.

Mr. Bridges: We have to get the actual recommendations back from the toll consultant and that is different than outsourcing the LA 1 toll collections. This is the one that we are working with HNTB to see if they can sub to URS to update the toll state. That is what we are hoping to get in place very soon so they can start working on updating the toll state.

They have 60 days to do that. This coincides with the quarterly meeting of the LTA. So we are hoping to get that information back for your next meeting so that you can consider it. Then we have to post a notice of material event on the bond disclosure website. I have been working with Meredith and that should be posted today. We have to notify the rating agency's insurer and TIFIA and we've done that except for the insurer. I'm still trying to find a contact on that and will be going out soon. I have to notify the bond commission and I have talk with Mr. Whit Kling, Director of Bond Commission, earlier this week. One of the rating agencies asked to have a conference call to find out a little more detail. I had that this morning with them with the state's financial advisor GFA, Mr. Kling , Meredith, myself and Moody's and the conference call went very well. I think we answered all their questions. They are satisfied with our plan of action. They did not indicate that they will take any action at this time. They will wait and see. We have done everything that we were supposed to do at this particular time. The rest of the packet is just background information for you to refresh your memory of the bonds and bond documents. Open to questions.

Sen. McPherson: Any questions from the committee members. You did an excellent job in covering this all for us.

**6c: Meeting Schedule**

Sen. McPherson: Is April 14<sup>th</sup> during the Session? We may need to look into and see if it is during the session.

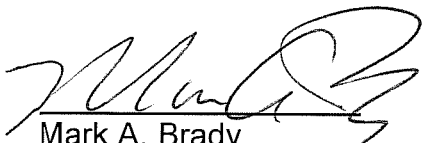
**VII PUBLIC COMMENTS**

Sen. McPherson: Anyone in audience that would like to be heard? OK.

**VIII ADJOURNED at 2:03 p.m.**

Sen. McPherson: Secretary LeBas moved for the meeting to be adjourned.

Respectfully submitted,

  
Mark A. Brady  
Secretary-Treasurer

DATE APPROVED 5-19-11