

**Louisiana Transportation Authority  
Meeting**

Louisiana State Capitol  
Senate Committee Room A  
Baton Rouge, Louisiana  
Thursday, January 14, 2010

**MINUTES**

**I CALL TO ORDER**

Senator Joe McPherson welcomed everyone and called the meeting to order at 1:00 p.m.

**II ROLL CALL - Deferred**

**III READING AND APPROVAL OF MINUTES 8/12/09**

Chairman announced that the roll call and reading of previous minutes will be delayed until a quorum was present.

**IV OLD BUSINESS**

**A. LA 1 Update**

Michael Bridges, Undersecretary for LADOTD provided a presentation on the status of the LA 1 Toll Project. (Slide) The project location is due south of New Orleans, beginning in Golden Meadow and ending at Port Fourchon. The part constructed and open is the portion at Leesville. The approaches and high level crossing over Bayou Lafouche and the section that is below from the south connector down to Port Fourchon is under construction. (Slide) Several photographs were presented showing the signage, letting the motorist know that they are approaching a toll road; the electronic tolling system gantry showing the cameras and detection equipment; the high level crossing over Bayou Lafourche; southbound on the toll road; construction photograph of Phase 1A; Customer Service Center in Golden Meadow; Kiosk locations (also available on the [www.geauxpass.com](http://www.geauxpass.com) website) where you can prepay your toll.

Senator McPherson inquired about a Kiosk at the Griffiths Exxon station, Representative Gisclair requested the location.

Connie Standige, Assistant Secretary LADOTD informed that the process of making sure the correct phone lines and working agreement to install the Kiosk at that location was underway.

Mr. Bridges provided (Slide) summary of the project status Phases 1B and 1C, the Bayou Lafourche Approaches and High Level Crossing. The construction contract was awarded to Massman/Traylor Joint Venture. Construction started in May of

2006, and the contract required completion and open to traffic by December 1, 2009. It was opened on July 6<sup>th</sup> of 2009. Contractor earned a \$1.6 incentive for early completion and tolling began on July 27<sup>th</sup> but was suspended due to technical difficulties and restarted on August 3<sup>rd</sup>. The removal of the existing bridge will be completed in February of 2010. As soon as the new facility was opened for tolling, the old bridge was closed. Phase 1A is the elevated roadway to Port Fourchon. It is six miles long with full shoulders from the south connector to Junction of LA1 and LA3090. It was constructed using "end-on" method to minimize disturbance to the environment. Construction contract was awarded to James Construction Group, signed on February 9, 2007. Currently it is 37% complete, 54% time elapsed. Completion and opening to traffic is estimated to be in the fall of 2011. Project engineer did not estimate that there was going to be any additional time granted and stipulated damages would be charged on this project. Phase 1D Open Road Tolling System, Lighting and ITS systems. The Contract for the Customer Service building lighting, toll electrical system was awarded to E.P. Beaux Electrical. The Open Road Tolling System vendor is ETCC. The Customer Service Center is located in Golden Meadow. The temporary Customer Service Center opened on June 1, 2009 and the permanent Customer Service Center opened in August of 2009. The self-service kiosks (taking both cash and credit cards) were deployed in December of 2009. (Slide) The Source of Funding for Phase 1 was \$136,400,000 from the Bonds and the TIFIA loan; Federal earmarks were \$81,598,000; Federal Formula Funds were \$40,675,000; State TTF \$12,951,000; State General Fund Surplus \$63,000,000; NOAA Grant \$1,700,00; Local Funds 273,000; State GO Bonds \$60,000; and the CIAP (Coastal Impact Assistance Program) Funds \$35,000,000 for a total of \$371,657,000. Port Fourchon contributed \$3.5 million for dredging and mitigation which was not included in the total. Project Cost - Phase 1 was Engineering, Right of Way, Utilities, and the different costs for Phase 1A, 1B, 1C and 1D to match up with the \$371,657,000. Project Cost Phase 2 from Leeville up to Golden Meadow. Through the efforts of many, primarily the LA1 Coalition, money has been secured and pledged: \$2 million - State General Fund Surplus (FY07); \$1 million - FHWA annual appropriation bill (2009); \$1.2 million - Lafourche Parish grant (2009); \$500,000 - Offshore Revenue sharing (2009); \$50,000 - Greater Lafourche Port Commission grant (2009), \$1.2 million - Lafourche Parish grant (2010); \$1 million - Lafourche Parish grant (2011); \$974,00 - FHWA annual appropriation bill (2010); \$50,000 - Greater Lafourche Port Commission Grant (2010); OCS Revenue Sharing Funding application has been applied for. Phase 2 still in need of over \$300M for the project. The LA1 Coalition is the main driver for the project and has been attempting to locate funding. Bonding information was provided. \$164M sold in May 2005, \$95M Senior Lien Bonds which were composed of \$78M of current interest bonds and \$16M of capital appreciation bonds. \$69M was sold in bond anticipation notes with the idea that they were short term, good interest and that they were paid out whenever we activated the TIFIA loan. The TIFIA loan was activated in August 2009 right on schedule. A draw was made on the TIFIA loan and used to pay the bond anticipation notes. (Slide) Overview of Senior Lien Bonds shows the first semi-annual debt service payment on these bonds will be due on June 1, 2010 in the

amount of roughly \$1.7M. The payments will be every June 1<sup>st</sup> and December 1<sup>st</sup> according to the debt service schedule. The last payment will be on June 1<sup>st</sup> 2030 unless excess revenues pay off the debt ahead of time. All of the toll revenues in this project is trapped within the project and cannot be used for anything except for debt service. If more tolls are generated than are required, the excess on a yearly basis will be used to pay off the most expensive bonds. The first annual debt service payment on the TIFIA loan is due on 12/1/2013 in the amount of \$1.9M. TIFIA loan payments are every June 1<sup>st</sup> and December 1<sup>st</sup> according to the debt service schedule. The last payment on the TIFIA loan will be due on 12/1/2040. Tolls and Interest earnings in each Fiscal Year must equal to at least 120% of debt service due on the Senior Lien Bonds and 110% on the debt service due on all bonds. This is typical of toll road debt service. The rating agencies when they look at your bond issue and are coming up with a rating, they want to have assurance that you are going to be able to make the debt service, so they want to have a cushion. By April 1<sup>st</sup> of each year the Authority shall prepare and submit to the Trustee a report as to whether Revenues for the current Fiscal Year and for the immediate succeeding Fiscal Year will be sufficient to comply with the coverage requirements. LTA has to submit a report to the Trustee which is the Bank of New York that basically certifies the requirement has been satisfied. If the rate covenant is not met the Authority shall engage a Toll Road Consultant to conduct a study and, within 60 days of such engagement, deliver a written report to the Authority and the Trustee containing the results of such study and the recommendations of the Toll Road Consultant as to the actions required in order to provide sufficient Revenues in each subsequent Fiscal Year to comply with the rate covenant. The Authority shall take the actions recommended by the Toll Road Consultant in such report no later than 60 days after the receipt of such report. Cooperative Endeavor Agreement dated May 1, 2005 between the Department of Economic Development, Louisiana Transportation Authority and DOTD/DOA, is part of the bond documents. The Cooperative Endeavor Agreement requires the DED to request funding from the Legislature if there is insufficient toll revenue to meet debt service up to \$18 million per year. If toll revenues fall short of debt service requirement and some of the \$18M debt service reserve fund is used, the LTA notifies the DED, the DED makes a request of the Legislature for funding to fill up the debt service reserve fund in the succeeding year. The reserve fund is partially funded with cash, some of it was funded with an insurance policy. If any is drawn upon, LTA notifies DED and DED must request the Legislature for funding to fill it back up. (Slide) Toll schedule presented that was approved when the bonds were sold and the progression of increases basically every five years and one point to make is that the resident toll stays at 50 cents throughout the schedule. There are different tolls for the different vehicle classes. The Monthly Toll Revenue is actual information that DOTD has received based on accounts and collections. Toll collections have ranged between 75% and 88% of forecast for August through December. If toll collections continue to average 80% of the forecast, the debt service coverage requirements will be met and there will be no need to adjust the rate schedule. The first Toll Revenue Report is due to the Trustee in April 2011. There were some questions at the last meeting about the impact of the

downturn in the economy and the impact of the oil industry, the primary driver for this project. (Slide) Lafourche Corridor, and its emphasis that it is of National and Statewide significance. Port Fourchon currently serves over 90% of the Gulf of Mexico deepwater oil production. (Slide) Existing Deepwater Structures, and Structure Type. Port Fourchon is growing. Permits for a new 7,000ft slip are expected to be in hand this month. (Slide) 250 companies operate and utilize the Port. 15,000 people travel from the Port to offshore platforms per month. Trucks and boats use the Port and it is a large regional economic impact. There is a planned expansion of the Leonard Miller Airport north of Golden Meadow, that will provide a way for companies to transport their personnel to that area. (Slide) Website [www.geaupass.com](http://www.geaupass.com) link and the Toll Free number.

Paul Sawyer questioned the outcome if DED's request to the Legislature to replenish what has been drawn down was not approved.

Meredith Hathorn, bond Attorney with Foley & Judell, informed that under the Cooperative Endeavor Agreement, there is an agreement of the State to include the request in the Budget to replenish that reserve fund. Because it is a Cooperative Endeavor Agreement and it is not a "debt" of the State then obviously the State has the ability to yes or no with respect to making that replenishment. It is not a default by the State if they do not replenish. At some point, when that reserve fund has been drawn on and it is down to zero and if the State does not replenish the tolls are insufficient then there will be a default. Just so that you all know the amount of the debt service that we are talking about, it is an accelerated schedule, that amount is included in that State tax supported debt. So when the State talks about its debt limit, it is already included but, obviously their expectation is that hopefully they will never have to make the payments and that all payments will come from the tolls.

Senator McPherson requested explanation that even though it is appropriated by the Legislature, is it still under the debt service?

Meredith Hathorn affirmed that there are a few categories of what constitutes a State tax supported debt and it included revenue bonds that are secured by a secondary source of payment from the State. But the expectation obviously is that you hopefully will not have to use State monies to pay the debt. It was a conservative matter, it has been included and I think under that definition it is clearly a secondary source of revenues is money from the State from an appropriation because it does talk about appropriated debt in that definition.

Representative Morris, referring to Slide 14, questioned that by finishing the one phase about four months early, should we not have savings of construction costs there? Were tolls being collected earlier?

Mr. Bridges explained that originally the schedule was to have the facility open in August of 2008. Bonds were sold in 2005 with the idea that construction would take

“x” amount of time, and would be opened in 2008. Two hurricanes caused a re-design not from a standpoint of anything to do with safety or structure or size. It had to do with cost, because the bid that was received was very high. The project was split up for better pricing which would also afford smaller contractors to be able to bid. Therefore the project was delayed roughly eighteen months, so when the project was finally bid, incentives were included, that the quicker the facility is open, the sooner toll collection begins. The new date was set for December 1, 2009 and it opened to traffic July 6<sup>th</sup>, so the incentive was earned. What that did for us was it allowed us to be able to start collecting tolls earlier, so the partial answer to your question is yes, it did offset some of the incentive that we paid to the contractor because we got it opened earlier.

Representative Morris referring to slide 15, 37% completion with 54% time lapsed, questioned whether there is a concern from the aspect that maybe the portion being worked on is more difficult and will the contractor catch up?

Mr. Bridges explained that the first part, Phase 1 B & C which were completed and the contractor earned an incentive were critical to start tolling. The public is getting on Phase 1 B & C crossing over Bayou Lafouche and then being put back on the old LA1 south of the old bridge. Phase 1A, which is referred to on slide 15, is not critical to begin tolls. It is going to be finished in the latter part of 2011, which will take the traffic all the way down to Port Fouchon.

Cheryl Duvieilh, Executive Counsel LADOTD responded that in the contract, it is built in. Now contractor is at 50 something percent. When contractor reaches a certain percentage over, it will be disqualified from bidding on any further DOTD jobs until it catches up on this job. That is the incentive for the contractor to catch up and stay on schedule. The contractor will be disqualified.

### **B. GeauxPass**

Connie Standige, Assistant Secretary LADOTD discussed the next agenda item. [www.geauxpass.com](http://www.geauxpass.com) is the website and on that website the public can purchase single trip passes, transponders, pay violations. It is a very comprehensive website. Transponders can be used for the Crescent City Connection or the LA1 bridge. Geauxpasses can be purchased at the kiosks.

Cheryl Duvieilh added that regarding the website, the Louisiana Transportation and Development has a link where all the minutes that have been approved are posted. There is a Louisiana Transportation Authority website up and running also.

### **C. Violation Procedures**

Sharon F. Lyles, Deputy General Counsel DOTD discussed the next agenda item, violations. Basically, if the public does not pay the toll, a picture of their license plate is taken and turned in. What is collected is a toll which is based on the vehicle schedule an administrative fee of \$25.00, then there are a series of late charges for

late payments. If they don't pay timely the first late charge is \$5.00, \$15.00 and \$20.00 there is notice given along with that. Who has to pay the toll, the Statute says that the registered owner is responsible. The registered owner is the person who is registered with the Office of Motor Vehicles, they check those to make sure that they have the right one. The only exception to that is if the vehicle is reported stolen prior to the time that it violates the toll lane or if it is reported within 48hrs after the registered owner is aware of the theft then that is an exception to the registered owner having to pay the toll. Violation notices are sent out. The notices are sent by a Violation Clerk by First Class mail. The notice has to contain the name and address of the registered owner, the amount of the toll or the toll not paid, the registration number of the vehicle or the trailer involved, the date and approximate time of the failure to pay the toll, the administrative fee and a notice to pay within 30 days or appeal and a means and content of the response for payment or how to file an appeal. There is also a provision in the Statute that says that LTA has a registered owner who has ten or more toll violations that they do not have to send notice anymore. The time for payment is 30 days after the issuance of the violation notice to the registered owner. They either have to pay or file an appeal by mail or written dispute or they can request a hearing. If they appeal by mail, it is handled by the LTA Violation Clerk. The Statute requires that registered owner would send a signed statement that would have his name and address, the violation notice number, the date of the violation, and explain the basis for why he disputes the ticket and then he will also have to attach statements of witnesses, police officers, government officials or other relevant parties as to why he is not liable for the toll. It is an informal process, the rules of evidence and the administrative procedure act do not apply. The violation clerk has authority to either dismiss or uphold the violation and must notify the registered owner of the disposition of his written dispute within 60 days. The Violation Clerk is authorized to waive the administration fee for good cause. If they deny the written dispute they are supposed to give reasons and also tell them why it was denied. The decision is subject to a hearing and judicial review. So if you filed a written dispute and it is denied, then you can also ask for an appeal hearing before a Hearing Officer. In order to do that, a statement is submitted to the Violation Clerk requesting a hearing before a Hearing Officer. The Violation Clerk then sends a notice of the date the time and the place of the hearing within 30 days of receipt of the request. Failure to appear results in an automatic denial of the appeal. The Hearing Officer is authorized to waive administrative fees in whole or in part by good cause shown. It has to issue a written notice and notify the registered owner who filed the appeal. The appeal decision has to contain reasons why it was either upheld or denied and the decision is final subject to judicial review.

Senator McPherson questioned how many violations have we had so far? Connie Standige stated that about 15,000 notices that have gone out.

Senator McPherson questioned whether it was because the public does not understand the system and whether that number is expected to increase?

Connie Standige stated that some of the violations were because people did not understand, the administrative fees were waived through November 15<sup>th</sup>. Signs will be adjusted to say "No Toll Booth." A lot of the violations were accidental and after speaking to the public and explaining, they are paying the violations.

Senator McPherson questioned how would first timers to Grand Isle know? Connie Standige replied that more public outreach with signs and radio is taking place, there are now 17 signs. We have signs for the kiosks at Cash Magic and the different locations as they are driving down the road. We are getting fewer violations now.

Senator McPherson confirmed that staff responsible is DOTD's and questioned whether the camera system was complete.

Michael Bridges stated that there is still some ITS that needs to be completed and it will be very soon. It is not necessarily the camera equipment for the tolling system, it is the intelligent transportation system message boards and cameras for monitoring the whole area.

Cheryl Duvieilh added the Department feels that LTA needs to promulgate some rules and regulations and give people notice. For the next meeting, DOTD intends to have draft rules and regulations for the Board to consider. Consideration that most of the violators possibly are from out of town and perhaps LTA wants to afford an opportunity to have a hearing there, or in Baton Rouge. We will have certain recommendations for you at the next meeting with regard to rules and regulations.

## **V OTHER BUSINESS**

### **A. AG Opinion**

Cheryl Duvieilh discussed the next item on the Agenda, Attorney General Opinions were rendered with regard to the toll facility. The first one, spoke to the constitution to charge residents different rates than non residents. The Attorney General Opinion (September 2009) ruled in favor of the Transportation Authority and the Opinion was researched before the Board decided to charge a different fee, and found that it was constitutional. The second Opinion was rendered in October 2009, Opinion 09-0155, and addressed that under 48 "all publicly owned vehicles and any vehicles used in connection with mass transit." There was an old Opinion that agreed with what the Crescent City Connection was doing but was reversed that same day by a request of Inspector Lynch. This Opinion obviously came out upheld the older Opinion that stated "all public vehicles" were exempt. DOTD did meet with the Attorney General and discussed that the Department should request a reconsideration of this Opinion, or seek Legislative action this session to clarify the law. That it was never intended to exempt all public vehicles.

Senator McPherson agreed that legislation should just delete "and any" on the first line and that will take care of it.

Senator McPherson requested public Comments. None made. No other business came before the board.

**VI Roll Call**

**Board Members Present:**

Michael Bridges, designee for William D. Ankner, Ph.D.,  
Senator Joe McPherson acting Chairman  
Jackie Adcock  
Representative James Morris, designee of House Speaker Tucker  
Paul Sawyer, designee for Secretary Stephen Moret, DED

**Board Members Absent:**

Camille Conaway, Secretary-Treasurer  
Senator Joel T. Chaisson, II  
Representative Nita R. Hutter  
Kevin Davis  
Stephen Moret

**Speakers Present:**

Michael Bridges, Undersecretary LADOTD  
Connie Standige, Assistant Secretary LADOTD  
Cheryl Duvieilh, Executive Counsel LADOTD  
Meredith Hathorn, Bond Attorney with Foley & Judell  
Sharon F. Lyles, Deputy General Counsel LADOTD

Senator McPherson: Let the record reflect that we had two proxies.

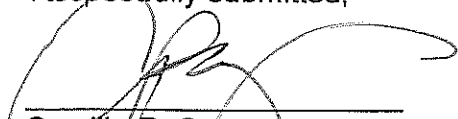
**VII READING AND APPROVAL OF MINUTES 8/12/09**

Senator McPherson: If Representative Morris would move to adopt the Minutes of the August 12<sup>th</sup> 2009 meeting, and there are no objections, I will second.

Senator McPherson: The Minutes are adopted and the meeting is adjourned.

The Meeting adjourned at 2:00 p.m.

Respectfully submitted,

  
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Camille P. Conaway  
Secretary-Treasurer

Date approved: 10-14-10