

Louisiana Transportation Authority
Meeting
Louisiana State Capitol
Senate Committee Room E
Baton Rouge, LA
Thursday, July 14, 2011

MINUTES

I CALL TO ORDER
Senator McPherson

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

We have 5 members and a quorum.

III READING AND APPROVAL OF MINUTES OF May 19, 2011

Secretary LeBas moved to approve the minutes without objection and accepted.

IV NEW BUSINESS – Update on ETCC Litigation

Kirk Bergeron: On June 30, 2011 DOTD and ETC entered into an agreement that will resolve all claims in the litigation. It is based on a compromise of DOTD claim and ETC counterclaims in the lawsuit that DOTD filed in East Baton Rouge Parish. The dismissal is pending. DOTD released ETC from claims totaling approximately \$2M and ETC released DOTD from claims totaling approximately \$5M. The settlement agreement also provided for DOTD's payment at the time of signing the agreement of \$1,008,000 equal to the amount of a number of ETC invoices that were submitted before ETC discontinued work on the project and were approved for payment by DOTD but withheld as disputes arose at the end of 2009 and going into 2010. The agreement also provides for a future payment of \$1.5M but that will be paid in increments as ETC completes the in scope work

that was not completed as of January 15, 2010 when they discontinued work on the project. DOTD has committed to other payments that were under other agreements such as; task orders and a long term maintenance agreement but will pay only as ETC completes work. The work that they will be doing will be some pre-maintenance work that is necessary to stabilize the system and to prepare it for long term maintenance by ETC under a separate long term maintenance contract. They will also be providing some upgrades. There has been some time that has passed and there are some new upgrades that can be made to the system mostly in computer software. Mr. Herrington can provide you with the details. Again we will pay for those as they are completed and our consultant, HNTB, is conducting an assessment of those upgrades to determine whether or not we will or will not order those. ETC is committed now to complete and correct the system. That is of course the interest of LTA that we wanted to protect. This will protect LTA's interest in making sure that the LA 1 Toll Facility is completed properly and that the deficiencies in that system are corrected. The ETC is committed to long term system maintenance and making the upgrades that are ordered by DOTD. They have agreed to escrow a complete copy of the source code and all upgrades to the source code. In the event that ETC is unable to maintain the system for whatever reason we are able to access that source code from the escrow agent and it will be released to us and we will be able to maintain the system or engage someone to replace ETC to maintain the system. At no additional costs and as part of the overall settlement package they have agreed to do the work that is necessary to integrate and install the new cash lanes at the LA 1 facility that Mr. Herrington will be providing you with a presentation of the details.

Sen. McPherson: The maintenance cost that we will incur going forward, will that be a competitive deal or do we know we are getting our value there?

Kirk Bergeron: Mr. Herrington will provide you with the details but we are getting a higher level of service under the long term maintenance contract at only a minimal increased cost or no increased cost compared to the current arrangement that we have with the current maintenance contractor DTS.

Sen. McPherson: The current contractor wasn't just doing maintenance but they were trying to repair the system and I am trying to understand what the cost of this maintenance would cost us compared to the original maintenance contract and compared to what we had with this group that was supposed to come in and overhaul the whole system.

Kirk Bergeron: That is a question best answered by Mr. Herrington. He can make the technical comparison for you of the two.

Rick Herrington: We will cover that in the presentation.

Sen. McPherson: Do you cover the performance parameters are? One of the things that we are interested in is that we know we got into a financial bind on this project for two things. One, we didn't have the volume that we had anticipated and we weren't collecting on the volume we did have. So do we have performance criteria to know that we are going to collect at that 95% level or will there be some penalties for that?

Rick Herrington: What we have used in that 95% that we previously stated to you is industry standards based on the business rules and the upgrades for the efficiencies of the software and we have used industry standards to come up that 95% collection. We feel strongly that once those recommendations are implemented that you will reach that 95% level.

Sen. McPherson: Are you sure of that?

Rick Herrington: Yes sir.

Sen. McPherson: Are you guaranteeing that?

Rick Herrington: I can't guarantee it.

Sen. McPherson: Are the folks that we are paying the maintenance agreement to, are they guaranteeing it? I am asking what are the performance parameters so that we will know that we are going to reach it or that something will happen.

Rick Herrington: Once the software is implemented to the design that we feel like is to industry standards and the notifications are working properly and we have cash lanes, etc., we are going to test the lanes and test the system to make sure that it is functioning properly. What they will not have any control over and what we don't have any control over in our recommendation is that you are out of state collection and how successful that may be which is a big driver of revenue.

Sen. McPherson: National standards on that too?

Rick Herrington: Yes sir. That is what we have used. That is where we came up with the 95%.

Sen. McPherson: Do we have any performance criteria in any of these contracts that will require this group that we are going with to perform at those national standard levels? You are saying that we are paying to get up to where it should be but is there any performance criteria anywhere in there?

Rick Herrington: There is testing criteria to make sure that the system is working properly in order for you to collect the criteria. The integrator themselves are not

responsible for the collection of revenue. They are responsible for the collection of data so that your business processes then can collect the revenue.

Sen. McPherson: So the performance guarantee that they are going to give us is that the equipment works to allow you to meet those industry standards?

Rick Herrington: That is correct. The equipment and software, yes sir. There will be testing all through the process to make sure that those business rules are implemented correctly and working properly through the software code.

Sen. McPherson: Do we have any further questions on the ETCC settlement agreement? Was that all of your presentation?

Kirk Bergeron: Yes sir.

Rick Herrington: Kirk already discussed the summary of the settlement and he had several slides. I am going to start on the second bullet point on the agenda and work you through the actual items that are in the settlement agreement that ETCC has committed to do. That includes the in scope, out of scope pre maintenance work, out of scope efficiency upgrades, those business rules and industry standards that we previously talked about and walk you through the long term system maintenance and the detail of the service levels that are required to perform under and any kind of liquidation of damages and withholding of payment because of those service levels, schedule of activities and then the schedule of costs. We found seven (7) items in our assessment and ETCC also found seven (7) items in their assessment and they agreed upon that was in scope work on the original contract that were not completed. Five (5) of those items were related to system generator reports. One of those items to related to termination codes in the violation processing system which has made the collection of some violations very difficult. Then the last item is the executive dashboard is not performing as it was designed or specified to do.

Sen. McPherson: These are items that they agreed that they never got up to a functional level?

Rick Herrington: Yes sir. There is no argument these seven (7) items were absolutely in scope that are not functioning properly at this time. Now the \$1.5M of the settlement of the claim is tied to these seven (7) items. So they are not going to get paid any of their claim until they meet milestones of these seven (7) items including the design requirements, workshops to make sure all the requirements are right and then actually delivering those items into production.

Sen. McPherson: This \$1.5M represents money that was withheld from their original payments?

Rick Herrington: \$1.5M is the amount of the claims that they said they did work for but has never been paid for not the unpaid invoices, but they also submitted a claim to DOTD that said that they did this additional work and they submitted a claim and it was much higher than this and this is the total value that was settled on.

Sen. McPherson: I don't know if this is additional work or within the original scope of work?

Rick Herrington: I'll let the attorney answer that.

Kirk Bergeron: The \$1,008,000 was for in scope work that they completed by the fall of 2009. This \$1.5M is for extra work claims and extra costs claims that they submitted later and the balance of a number of other invoices they submitted that they submitted for work they did in late 2009 and into early 2010 that DOTD compromised on and never did approve. That's why it is an offset of \$2M worth of claims that DOTD made against ETCC and \$5M in claims that ETC asserted against DOTD. The cash payment sets up the offset and set up the compromise.

Sen. McPherson: \$1.5M was not withheld money but it was money that claims had been submitted for and that were not paid?

Kirk Bergeron: That is correct.

Rick Herrington: From a schedule standpoint these in scope items they will have 120 days to complete.

Sen. McPherson: And if they don't?

Rick Herrington: They don't get paid the \$1.5M. It is set up on progress milestones, so if they don't get this work done they don't get paid.

Sen. McPherson: You are not going to pull the plug because they will keep going so I don't know the relevance of the time frame other than a bench markup.

Rick Herrington: Our job as your project manager is to make sure they meet those milestones and we will be hard after them on a daily basis. The next item is out of scope pre maintenance work. During the HNTB assessment and the ETCC assessment that they did independently, we found several issues with the current maintenance of the system. Some of the lane equipment had been modified, some of the standards that is put in the software, some of the files had been modified to fix some other problems and the first thing that we asked them to do is to go back in and to get the system back into the original specifications. They are going to go back and tune every lane and optimize every lane to make sure it is back to the level of service that it was providing when they walked off in

January 2010. The second item is there is some fairly significant items that need to happen around the databases and the servers that have all the system data on them. There is a bunch of software patches that is put out by the vendors that need to be implemented and they have not been implemented to date. In order to do the upgrades and some on the in scope items we really need to get the testing environment up to speed. They need to be refreshed. Your development and testing environments need to mirror your production environment. That way when you are making changes to the system you do that in those 2 environments and make them ready to go and then you put them into production. Right now those 2 environments do not look like a production environment in which they should have. A lot of data reconciliation needs to happen and the contract time for this work is 45 days from the notice to proceed. This is critical to get this done before we do some of the efficiency upgrades and before the maintenance work could actually occur. Phase 2 of the pre maintenance is the versions of the Oracle database that is currently on the systems is about to go out of service from Oracle. A major Oracle database upgrade has to occur relatively soon so Oracle will no longer support the version of database software that is on the system. This is normal routine stuff with any kind of system as you implement it after several years these vendors are really good about putting upgrades and stop supporting older software and that is what this is. They are going to have 135 days to complete this work. Both Phase 1 and Phase 2 are being done at a cost of \$172,000 and that is just to get the system back up to maintainable level.

Sen. McPherson: In my own personal businesses I learned a long time ago to quit contracting for those things. I make them do a maintenance deal where they are responsible for the upgrades and new databases. That is not available on these types of systems?

Rich Herrington: I have seen it both ways in the industry. Sometimes a major database upgrades are in the system maintenance and some of them are not. It was not any one's maintenance contract to date so we put it in this pre maintenance. Your system life on a toll collection system is usually 5-7 years. That usually covers one upgrade. We feel that this upgrade will get us through the life of the system. Oracle should be able to maintain and provide maintenance and patches for this new version through the life cycle of this software. So we really did not want to pay for it in a separated maintenance agreement when we thought it was a one-time payment. We always have the opportunity to pay them through a time and material piece of the maintenance agreement and if at a later date we decide that we want to upgrade the databases again. This is the big item from a LA 1 revenue collection stand point. The out of scope system efficiency upgrades as I reported last time we found several things that were not up to industry standards. There were some issues with the business rules that were affecting collection of revenue and we have identified those and we worked through those with ETCC and this part of the settlement will take care of those upgrades to insure that we increase the

revenue collection and the cost of collecting revenue. In this task order there are about 15 of these items that are fully defined. I talked previously about the low balance issues in our last meeting and we prioritized several of these as they need to get done quickly to increase our revenue collection. So we have gone through what we have consider priority one's. These are poor samples of either revenue collection issues or customer issues and these are 4 of the items are a priority one. Again, we prioritize really on revenue collection and we have to get the revenue collection, as previously reported, that 29% leakage is unacceptable, we completely agree with that and that is not close to industry standards and we feel that a lot of these enhancements will help in that matter. This task order is not to exceed \$630,000. We estimate the time to complete it is about 210 days from notice to proceed and then as we go through this on each and every one of these we will do a return on investment. So ETCC will give us a price for each of these efficiency upgrades and we will do a return on investment and will advise DOTD staff if it is worth the money for the upgrades or not so that we make sure that we are not paying for things that DOTD will not benefit from. So that will protect you for long term instead of just letting them go do that and paying the bill later. We are asking them for the price upfront and they cannot move forward until we give them a notice to proceed on each of those efficiency upgrades. The long term maintenance agreement is a 5 year term with an option for an additional 4 one year options. It could be as long as 9 years but the first 5 years are set. It has an annual fee of \$915,000. You asked previously about the costs. The current maintenance provider that is doing equivalent work is \$750,000. Kirk talked about a higher level of service. There are several things in this and it is a high level or service. This is like 4.5 times equivalents. You will have 2 people on site to take care of lane equipment, preventative maintenance, and corrective maintenance. You will also have shared FT for application support and minor enhancements that will be covered under the \$915,000 and also a shared remote resource for back office maintenance of the databases and servers. So you are going from 1.5 FT's under the current maintenance to 4.5 almost 5 FT's for a minimum amount of additional cost. We also put some things in here that is not in the existing maintenance agreement with the provider you have now. There are absolutely hard service level requirements, system accuracy requirements, they have to report on all their activities and if they don't meet any of these levels there will be a price adjustment very similar to liquidated damages. It will be base on the potential revenue loss on those lanes. So if one of those lanes at CCCD or LA 1 goes down we will go back and look what that average revenue was for that lane and we will do a price adjustment for their maintenance according to that revenue loss. So this is a protection that is normal to the industry and that you have not had before. One of the other key things is that we have already asked them for a price and the ability to downsize the maintenance level if the CCCD bridge is Sunset as in current law in December 2012. So we have a reduced cost for maintenance already negotiated and in place if we need to do that in 2013. This is a schedule of activities that they requested 30 days to mobilize from the signing of the settlement. As you can see the 1st task is the pre

maintenance phase 1 and I talked about the importance of that. That is the first thing that they are going to be doing but at the same time on the in scope items and even the efficiency upgrades they are going to start all the requirement gathering immediately. So all the meetings and the workshops to find out exactly what the functional requirements are will be taking place immediately. Once they give us that information on the efficiency upgrades we will give them a notice to proceed and that what you are seeing in the timeline is from the notice to proceed and when we anticipate that until a time that they are done. The other key note on here is the in scope items are 120 days from August 1, 2011. They are doing the maintenance from August 1st till all the in scope items are done and pre maintenance phase 1 they are doing the maintenance at no cost. That is normal in the development of the system. We went back and forth on this multiple times and they have agreed that the maintenance but the contract itself won't start until December 1st or until they are through with the in scope items and pre-maintenance-phase 1. Then we will give them the notice to proceed. At that point what we will do is that we will deem the system acceptable to the original requirements of what DOTD has paid for to date. That is the goal. Once we know that DOTD go exactly what the original requirement were and what their scope of work was then we will start the maintenance. So that is the demarcation of all the in scope work that is completed. The next slide talks about the schedule of costs. They got the \$1,008,000 on the date they signed the agreement. The pre maintenance both phase 1 and phase 2 is \$172,000 total compensation. They will only get paid as they complete work on a monthly basis. The in scope items, the \$1.5M claim settlement is based on that so they will get progress milestones. As they complete some of the milestones we will release some of that settlement money and that is already in percentages and according to their schedule that we have okay'd. The maintenance agreement is \$915,000 annually with an option of \$650K annually in January 2013 if the CCCD is Sunset as currently stated in law. The efficiency upgrades are currently identified or an amount not to exceed \$630,000. That is a lot of information in a short period of time and I will be very happy to answer any further questions that you may have.

Sen. McPherson: Why does the pre maintenance continue into the other phases?

Rick Herrington: Pre maintenance phase 2 is strictly the database upgrades. We did not to wait for the database upgrades to be completed. That is a detailed process and you have to get it right. The migration of data from on older version of the database to a newer version is very complex. We wanted to make sure that we were getting the in scope items on the current database platform done as well as some of the efficiency upgrade priorities done and then they can upgrade the database in the development and test environments so that they can test everything and put it into production. So what you are seeing in the pre

maintenance that phase 2 is simply the database upgrades. The rest of the pre maintenance activities will occur as part of phase 1.

Sen. McPherson: Any other questions of the committee?

Rhett Desselle: I want to give the committee an update on where we were transitioning into the cash lanes. That is a key component for DOTD to get to the 95% collection rate is moving away from the post paid/pre pay with these kiosks.

Sen. McPherson: First Rhett, tell us why we decided that it was a mistake not to have the cash lanes. Who sold us on why we didn't need the cash lanes.

Rhett Desselle: Just looking back in hindsight, the first slide talks about the out of state drivers, our violation rates and user inconvenience. One of the things that in hindsight and look back on the original decision to go all electronic and to go with the post pay/pre pay methodology is if you give the driver an option to pay cash most of the time and pay most of the time. So we think that will do away with a lot of our out of state issues with the drivers. We also think that some of the user inconveniences and the confusion of using the kiosks are going to pay their money and go on through. A lot of the customers who use the toll facility operate more on a cash basis and they are not credit card type users.

Sen. McPherson: Is it as simple Rhett that these are irregular drivers that come from Houston or wherever related to Port Fourchon activities and they get there and are not familiar with having to pre pay and buy this and they are going through and their company receives a citation and they don't know what it is and just ignore it?

Rhett Desselle: It is a lot of infrequent users and irregular users down there and then again there is high amount of out of state use. Yes sir, the toll facility has some uniqueness's that are not common to a lot of toll facilities around the country. Most of those facilities around the country are commuter based. People are going back and forth to work every day. This is a little unique in two ways; one is that most of the toll facilities have alternate routes so if a person decides to pay a toll to use the facility. LA 1 there is no alternate route. There is one way down and one way out. We do have a lot on infrequent users. We failed to recognize early on what system to put in place down there.

Sen. McPherson: I am not trying to fix blame but somebody did not recognize that. Did we have a consultant at that time advising us or was that something that our provider was suppose to understand and we had confidence that we had bought a system that was going to look at all those things?

Rhett Desselle: I don't know if I have enough information on the history on how all this evolved because I was not involved in it when all those decisions were

being made. We did have a toll consultant that did a toll revenue study for us and that was URS. It was URS that came back at the last meeting and presented to us an update to that study. We also had ETCC as our system integrator. Again, we are the owner of that system and we were most probably making most of the key decisions and what direction to go in as far as choosing the system and going with the post pay/pre pay methodology.

Sen. McPherson: Somebody thought that was the state of the art and wave of the future....

Rhett Desselle: It was at time and that is where most of the other toll facilities were moving but again the difference is that most of the toll facilities are concentrate and cater to a commuter type business model and this is not necessarily that same model and I don't think the differences were recognized at the time those decisions were made.

Sen. McPherson: OK.

Rhett Desselle: The next slide we had talked about putting in a cash option and using the existing structure to install those cash lanes. It's the low cost alternative for us. The construction and implementation time is short and that is what we are trying to do to get those automated toll collections facilities out there so that we can do away with the kiosks. When somebody pulls up they will have a means to pay cash right there at the gantry. We are having a few issues that have developed as we are trying to do that concept. We are realizing there is a lot of wide loads that go through that area so we are having to rethink that strategy and so that is an issue that has developed as we are working that concept. We are looking at some other alternatives of instead of going with 2 cash lanes going with 1 cash lane and possibly put in the automated teller machines in series instead of parallel as our initial concept was. We are trying to work through that concept and bring it to reality. We are having a few issues that we have to work around that have been identified.

Sen. McPherson: Does a cash lane mean that you throw something in the bucket or is it going to be a toll booth operator there?

Rhett Desselle: It is going to an automated toll collection machine and you can either give cash or swipe your credit card.

Sen. McPherson: Nobody is there that could monitor how many people that are going through red lights and bells going off?

Rhett Desselle: The electronic toll facility and equipment is still going to be monitoring that and if a car pulls up and he doesn't pay we are still going to get a picture of his license plate and process it through the violation process. Yes, we

are going to close the door on violations and people who are not paying. Some other options that we are having to look at because of so many wide loads going down there is having to add some additional structure adjacent to the current structure. Either a 2 lane ramp on the north side for the cash lanes or widening the bridge deck on the south side just to give us some more deck area up there where we can add these lanes and still accommodate these wide loads. The issues with that are of course costs and delivery time. So if we have to build more physical structure out there we are looking at extra costs and a little bit longer time to get those cash lanes in place. Another option is to take the toll collection equipment and back it off the bridge structure and put it at grade which would be to widen LA 1 and add lanes to that road section and install the cash lanes at grade instead on the bridge. The issue we have identified with that option so far is that it will require additional right of way and more permits. Other than that I wanted to bring you up to date on where we were implementing the cash lanes and the cash option and that what we originally presented as a concept we are still working through but we have identified a few more issues that we had not anticipated earlier on.

Sen. McPherson: The lane width issue for the permit loads.....do you have the width on the bridge for that?

Rhett Desselle: Currently we do but once you take that width and you build and island and put in one of these automated teller lanes, the wide load cannot go through. So there are some issues that we are trying to work through and work around and address. What we had presented was our initial concept putting it all on the bridge on the existing structure we have identified the issue with the wide loads.

Sen. McPherson: How many pre pay lanes do you have?

Rhett Desselle: Right now the electronic toll collection lanes we have are two and we are hoping to add two cash lanes. But we may have to rethink than and that is what we are working through trying to first fit it on the structure itself. That is the cheapest and quickest way and so we may be looking at one electronic toll lane and one cash lane. Of course with the one cash lane we would have to put two machines in it in case one goes down you have to have a backup machine and then when you service the machines and load money and take money out you have to turn the other machine one so we are looking at options to do that and still accommodate the wide loads. There are a large number of wide loads going down to the port a whole lot more that we had anticipated when we started looking at this concept.

Sen. McPherson: Any questions? Representative Morris.

Rep. Morris: Thank you Mr. Chairman. Refresh my memory. The total cost of this system is how much?

Kirk Bergeron: The total paid by the Department prior to the settlement was \$7.25M. That was the total we had paid in response to ETC invoices.

Rep. Morris: I know everyone appreciates the fact that we got some type of settlement. What gives us the confidence that these folks are not going to walk off and leave us again and leave us that much farther behind than what we find ourselves today other than money they might collect because the money didn't bother them the first time? Why do we think that they can actually proceed? They left once and we got them back now and what makes us think that they will follow through with what they are doing other than the fact that we have an agreement?

Kirk Bergeron: The agreement builds in an incentive for them to complete this work. They have other incentives to complete this work to avoid the negative publicity from the Department spending the time to negotiate the agreement and giving them an opportunity to correct this work and to finish this system and then fail would be a real problem for ETC. But stepping back and looking back at it from a broader viewpoint this was when the Department looked at all of its options and this was the only solution to the overall problem that was available in the short to mid-term. The only other solution was a very long term and expensive solution which was to bring in a new integrator to replace that system that ETC provided.

Sen. McPherson: Any other questions? That concludes the presentation under new business.

V OLD BUSINESS – Selection of Next Meeting Date

Sen. McPherson: We need to have a selection of the November meeting date.

Sharon Lyles: We have an October date right now. October 13th is the next regular meeting.

Sen. McPherson: Did for some reason we decided we didn't need the October meeting?

Brandon Brown: We are asking to move it to a November date because we had that resolution and the URS recommendations that they were going to present and DOTD was going to present some specific actions that we were taking on behalf of that and November was going to be a better date to do that.

Sen. McPherson: Why?

Brandon Brown: We need some more time to work on that. We did not want to present half a story in October and come back in November for another meeting. We had some drop dead dates in December that we needed to meet so we wanted to make sure everything was taken care in that November meeting date and we did not want to take a half step in October.

Michael Bridges: The items that were in the set of recommendations that was in the URS study included some additional studies that needed to be done like impact on the businesses in case the tolls needed to be increased and also getting some additional data on how much traffic goes through Port Fourchon and how much goes to Grand Isle so that we can have a high degree of confidence in the traffic forecast when we set the toll schedule. We need some time to make sure that they can go through that and not be rushed. So we are asking that we can try to have the next meeting in November at which time it is our plan to have that study updated so we can present to you our recommendations. I don't think we have enough time to get it done for October.

Sen. McPherson: Where are you at with that? What are your counts showing?

Michael Bridges: Traffic is still down the forecast that was done previously.

Sen. McPherson: Have you determined the division of your traffic between Port Fourchon and Grand Isle?

Michael Bridges: No we are in the process as we speak putting an additional traffic counter out there.

Sen. McPherson: That is what you were doing last month?

Michael Bridges: Well they are working on it. We have a consultant that specializes in traffic counts and I've worked through the internal processes to get that task order done and go out there and make the counts. That count will be probably for a 7 day count and they feel like they can get enough data out of that and to provide to URS.

Sen. McPherson: We have to take action at our December meeting?

Michael Bridges: You will have to take action in your December meeting because one of the recommendations of the URS studies that unless something else changes you will need to implement that toll schedule on January 1, 2012. We want to make sure that whatever gets implemented is the right one. So we need this additional work. The other thing that we are working on is if you remember one of the recommendations was to go back and look at trying to restructure the debt including the TIFIA loan and we have had conversations with

TIFIA and also have had conversations with the director of the bond commission to see if we can use their financial advisor and has agreed. We will pay for it but we can use them rather than us having to go through a long procurement. At the bond commission meeting next week they are planning on doing the selection of the financial advisor. So we get the financial advisor on board then we can make whatever analysis we have to do to meet with TIFIA and get the debt restructured on the TIFIA side. We need some time for that also to get in place because whatever that works out to be that will be figured into whatever the toll schedule has to be to make the debt service. So we just need a little bit more time. We need all the time we can get all the way into November. We are looking at the week before Thanksgiving.

Sen. McPherson: Why don't we do this? Why don't we keep our October meeting and you can give us an update and we'll decide whether we need to have that meeting or not and see how this is progressing. I don't want to get into the holidays and get all jammed up and you will tell us what has got to happen. I don't want Baton Rouge to look like Washington, D.C. Is right now. So let's see if can't get those people out there counting the cars and truck going both different ways instead of a month passing and we have not accomplished anything. I certainly understand you got to know what we can do with the loan whether they will do some forgiveness like they did in California and whether they will agree to a longer pay out of whatever it would be. I don't see Meredith here today because she may be working of that as we speak.

Sharon Lyles: October 13th is the next regular scheduled meeting.

Sen. McPherson: Let's leave that and most likely we will grant you the additional time we will at least see where we are at that time. We may just want an update on everything at that time.

Michael Bridges: That will work.

Sen. McPherson: I just love seeing my friends. I hate to go a month without seeing you. Is that OK with everyone? This is pretty serious stuff. We made some missteps. The Secretary was not on and Rhett inherited it and was not here at that time. We want to make sure we get this put together right this time. One thing I do ask staff to do and we go forward with these next two meetings and we start talking about tolls, I want to make sure that the representative and senator for that area are here or at least invited to be ex-officio members so that they will not read about it on the front page of the newspaper since we are out of session. So we will leave our October meeting for the 13th and we will see whether we will need to have it at that time.

VI OTHER BUSINESS

Sen. McPherson: Is there anyone else that would like to be heard today?

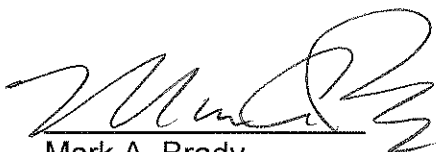
VII PUBLIC COMMENTS

Sen. McPherson: No one else to be heard.

VIII ADJOURNED at 2:00 p.m.

Sen. McPherson: Rep. Morris moved for the meeting to be adjourned.

Respectfully submitted,



Mark A. Brady
Secretary-Treasurer

DATE APPROVED 10-13-11