

LOUISIANA TRANSPORTATION AUTHORITY

Held on March 1, 2021

At the State Capitol Building

John J. Hainkel, Jr. Room

900 North Third Street

Baton Rouge, Louisiana

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1 APPEARANCES:

2 MEMBERS:

3 CHAIRMAN SENATOR RICK WARD, III

4 JASON P. AMATO

5 SENATOR PATRICK P. "PAGE" CORTEZ

6 BARBARA GOODSON

7 CHRISTOPHER MATTHEW JOHNS

8 CHALIN O. "COP" PEREZ, JR.

9 REPRESENTATIVE VINCENT J. PIERRE

10 SHAWN D. WILSON, PH.D

11 ALSO APPEARING:

12 BARRY KEELING, UNDERSECRETARY, DOTD

13 DEIDRE ROBERT, EXECUTIVE COUNSEL, DOTD

14 CHRISTINA STEWART, SECRETARY, DOTD

15 DR. ERIC KALIVODA, DEPUTY SECRETARY, DOTD

16

17 Reported by:

18 Kelly S. Perrin, Certified Court Reporter

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1 P R O C E E D I N G S

2 CHAIRMAN WARD:

3 All right. We're going to go ahead and
4 get started. I believe we have a quorum.

5 Madam Secretary, if you could call the
6 roll?

7 MS. STEWART:

8 Mr. Amato?

9 (No response.)

10 MS. STEWART:

11 Senator Cortez?

12 (No response.)

13 MS. STEWART:

14 Ms. Goodson?

15 MS. GOODSON:

16 Here.

17 MS. STEWART:

18 Mr. Johns?

19 MR. JOHNS:

20 Here.

21 MS. STEWART:

22 Ms. Mitchell?

23 (No response.)

24 MS. STEWART:

25 Mr. Perez?

1 MR. PEREZ:

2 Here.

3 MS. STEWART:

4 Representative Pierre?

5 REPRESENTATIVE PIERRE:

6 Here.

7 MS. STEWART:

8 Senator Ward?

9 CHAIRMAN WARD:

10 Here.

11 MS. STEWART:

12 Secretary Wilson?

13 (No response.)

14 MS. STEWART:

15 We have a quorum.

16 CHAIRMAN WARD:

17 All right. We'll start off by approval
18 of the minutes. Is there a motion to approve
19 the minutes?

20 REPRESENTATIVE PIERRE:

21 So moved.

22 MR. JOHNS:

23 Second.

24 CHAIRMAN WARD:

25 So approved. We're going to move on now

1 straight into the update on LA1.

2 MR. KALIVODA:

3 Good afternoon. Eric Kalivoda, Deputy
4 Secretary at DOTD. We're just going to give
5 you a brief update. And my colleague,
6 Undersecretary Barry Keeling will come up and
7 chime in where he needs to.

8 Can we have the slides? There we go.
9 Okay. All right. Okay. DOTD has undergone
10 another audit, Legislative audit on LA1 and
11 the audits required for the bond documents and
12 just for a general accountability of public
13 funds and how we're running the facility. We
14 have had no audit findings or observations for
15 the seventh consecutive year. So we're doing
16 extremely well on our operations of LA1.

17 As you know, the State is backing the
18 bonds now for whatever we cannot collect
19 through tolls. And so the State has had to
20 pay approximately \$2.9 million toward the \$8
21 million debt service due to that gap between
22 what we collect in toll revenues and what the
23 debt service is.

24 In Fiscal Year '21, the toll revenues are
25 expected to be even less than what we

1 collected previously. And so the State's
2 portion of that is going to be up a little bit
3 more to make debt service. So it will be
4 about \$4 million that we're going to be short.
5 And then our shortfalls are expected to
6 continue into the future. The debt service is
7 gradually going to increase.

8 Okay. This is a slide that shows our
9 number of tags that we have, active tags at
10 LA1. Most of those are standard or corporate
11 tags. There are some non-revenue tags and
12 some government tags on there, but the bulk of
13 them are just our regular tags for either
14 citizens or companies.

15 These are the number of tags that have
16 had activity. And it's not much different
17 from the previous slide. Most of them are
18 standard tags and corporate tags.

19 This is the slide of the traffic
20 statistics; a little bit difficult to read. I
21 realize that's very, very small, but that's
22 our manual and our AVI lane. And the second
23 lane is -- the left lane is just AVI only. So
24 we have our cash collection and our AVI
25 collections.

1 Our operations have been disrupted a
2 number of times from tropical storms and
3 hurricanes this past year, and so we've
4 suspended toll operations during those time
5 frames. That's our typical procedure. So we
6 lost out on any revenues we would have
7 collected during that time frame.

8 CHAIRMAN WARD:

9 Whenever you go down for a few days like
10 that, let's say June 6th through 9th, do you
11 have any idea how much that normally cost in
12 terms of less money received?

13 MR. KALIVODA:

14 I don't. We'd have to look at the
15 average daily collections on that.

16 Barry, do you know offhand what that is,
17 roughly is?

18 MR. KEELING:

19 I don't. I'd have to get that, but...

20 MR. KALIVODA:

21 Yeah, we can get that for you. It's
22 easy, yeah, but --

23 CHAIRMAN WARD:

24 That's fine.

25 MR. KALIVODA:

1 -- you know, we have a certain average
2 collection depends on what -- it varies --
3 it's going to be varied by day of week. So
4 we'd have to see exactly what the time frame
5 is, if there's any weekends in there or not
6 because that's going to impact the amount of
7 revenues we collect.

8 MR. KEELING:

9 We're down bout 400,000 because of the
10 storms.

11 CHAIRMAN WARD:

12 Okay. Thank you.

13 MR. KALIVODA:

14 Okay. We had our annual inspection by
15 HNTB on our toll collection system. We've got
16 an emergency generator installed at our
17 Customer Service Center in Golden Meadow. I'm
18 not sure about these vehicles here, new state
19 vehicles for Toll Collector and Customer
20 Service Teams.

21 Are you familiar with that, Barry?

22 I'm sorry about that. I didn't prepare
23 this, so I'm delivering it on behalf of the
24 Secretary. As I mentioned earlier, our audits
25 have been clean for seven years in a row now,

1 so we're doing extremely well in that. And
2 we're migrating out of Bank of America to U.S.
3 Bank and to a different financial institution.

4 Now, Phase 2, that's -- we did extremely
5 well on our INFRA application, as I'm sure
6 you're well aware, to go ahead and construct
7 phase two. That's -- it's going to be a
8 two-lane viaduct, very similar to the existing
9 facility in Phase 1, 8.3 miles in length,
10 elevated. It's got to be, what's called in
11 non-construction. In other words, we have to
12 build a segment, extend the cranes out, drive
13 more piles, put another section of the deck
14 on, move the cranes out, drive more piles, put
15 another section of the deck on. And that's
16 how it has to be built in that in
17 non-construction in order to comply with the
18 environmental requirements.

19 So here's our schedule for that: In
20 Phase 1, we started in March of 2006. We
21 opened the facility in July of two thousand --
22 I'm sorry. The Leeville Bridge opened in
23 2009. The facility -- the whole project was
24 completed in December of 2011. We got funding
25 this summer through our successful INFRA grant

1 application. In June of 2020, we got notice
2 of that award.

3 We intend to take bids this fall. We
4 were just about done with the design anyway.
5 So we're going to take bids this coming fall.
6 And then, we're looking at just over a
7 six-year construction period for that. So
8 it's going to be a long construction period,
9 but end-on construction is going to take a
10 long time. So that's just part of the problem
11 with that.

12 So but here's the funding for Phase 2:
13 Act 443, the BP settlement money, there was
14 \$150 million that was secured through that
15 revenue source, \$25 million per year for the
16 first six years, and then we got an INFRA
17 Grant for \$135 million. We'd asked for 185
18 and they came back with \$135-million offer.
19 And so we accepted that and we said we would
20 proceed with the project if we can get that
21 much. We'll make up the gap some other way,
22 so we have that. Local and industry support
23 was supposed to come up with \$50 million.
24 They've only come up with a little bit over
25 \$36 million so far. We're still leaning on

1 them to come up with the rest like they said
2 they would. And now, we have \$95 million in
3 the General Obligation Bond Program to come to
4 us. It doesn't all have to come at once
5 because it's going to be a secured
6 construction period, but we are going to have
7 to have that money over that time frame to
8 finish this.

9 So our estimate is over \$400 million as
10 it stands right now. So we'll have to see
11 what the bids actually come in at and how fast
12 the contractor wants to go. He's going to be
13 looking at inflation costs in his materials
14 and labor to decide whether it's worth trying
15 to build from both ends toward the middle or
16 just start at one end. Because if he builds
17 from both ends, he's got to have twice the
18 equipment too, so he's got to invest in all of
19 that, cranes and such. And is that more
20 cost-effective in order to get a shorter time
21 frame and therefore save on inflation costs
22 and such for materials or is it better just to
23 use the one-crane operation?

24 CHAIRMAN WARD:

25 On some of these larger projects, is

1 it -- can the inflation get you to such a
2 large number that, if you can shave a year or
3 two off, it makes a tremendous difference?

4 MR. KALIVODA:

5 I think it may. And that's the decision
6 they're going to have to make. Because if
7 they want to go from both ends, they can go
8 quicker. It won't take them six years, but
9 they got to have twice as many people and
10 twice the equipment. So he's got to invest in
11 all that.

12 CHAIRMAN WARD:

13 And, look, I'm not trying to --

14 MR. KALIVODA:

15 Uh-huh.

16 CHAIRMAN WARD:

17 -- pin you down to a specific number,
18 but, like, on things of this significant size
19 in the past, how much have you seen inflation
20 grow over the course of the project, I mean?

21 MR. KALIVODA:

22 Well, you know, generally, it's a --

23 CHAIRMAN WARD:

24 I know it varies.

25 MR. KALIVODA:

1 Yeah. It's going to -- a lot of it
2 depends on World Market demand for steel and
3 such and such. But, you know, generally, our
4 inflations run at two and a half,
5 three percent a year. But, you know, you get
6 spikes. I mean, when we took bids on -- we
7 took bids on Phase 1 in July of 2005, and we
8 rejected those bids because we thought they
9 were too high. And then Katrina happens in
10 August of 2005; prices went through the roof.
11 And so, you know, it's -- you never know when
12 there's going to be a spike.

13 And if worldwide demand for, you know,
14 concrete and steel and stuff goes up, then it
15 drives the prices up. And there's, you know,
16 discussions about wage hikes, you know,
17 minimum wage hikes and such, which would
18 probably result in wage hikes across the
19 board. So those are going to be labor costs
20 that the contractor has to anticipate that as
21 well when he's thinking about how quickly he
22 wants to proceed on his project. He's got
23 to --

24 CHAIRMAN WARD:

25 So --

1 MR. KALIVODA:

2 -- account for that. And then you've got
3 to house people down there too. I mean,
4 you're not right next to an urban area where
5 they can go home every night. They're going
6 to have to be housed there. So he's got to
7 provide housing for his crews.

8 CHAIRMAN WARD:

9 So, on -- really, on any large-scale
10 project, the faster we can move, generally,
11 speaking --

12 MR. KALIVODA:

13 Generally speaking, yes.

14 CHAIRMAN WARD:

15 -- for their costs --

16 MR. KEELING:

17 Yep.

18 MR. KALIVODA:

19 Generally speaking, yes. Fuel is another
20 issue as well; although, we do have a fuel
21 adjustment in our bids that we allow and we'll
22 make adjustments if the price of fuel goes up
23 dramatically or down dramatically, there's an
24 adjustment that goes into that. But that's
25 something they got to account for as well. If

1 they're burning a lot of diesel fuel or
2 something, then they've got to think about
3 that as well. So, anyway, we were extremely
4 successful with that INFRA Grant. It's really
5 good news for LA1 in particular.

6 So as I mentioned, we're going to let the
7 project this fall. That's our anticipated
8 letting date is in October. So we're going to
9 have everything in place to do that. All the
10 Cooperative Endeavor Agreements will be in
11 place for us to accept the local
12 contributions. The Transportation Improvement
13 Program will be adjusted to reflect this is a
14 Federal document that we have to do that will
15 show when the Federal funds are going to be
16 used. So we should be in -- we should be
17 ready to go in good shape.

18 We are going to relocate the tolling
19 system from where it is now to near Golden
20 Meadow right at the beginning of the
21 structure. So that operation will be
22 relocated as part of the project.

23 There's an option in the Belle Chasse
24 Tunnel and Bridge Replacement Project, PPP,
25 for that same company to take over operations

1 of the LA1 tolling. And so we've been working
2 with them to see if we can come to some
3 agreement that will either be the same or less
4 costs for us if they take over the operation
5 of LA1. And they would install their own
6 equipment and such and collect the tolls and
7 still make the debt payments and things like
8 that. So we're still working with them on
9 that.

10 I'm sure Secretary Wilson has got some
11 comments on that he may wish to make, but I
12 just want to let you know that we're still
13 engaged with them. We haven't come to a
14 decision yet on what we're going to do.

15 CHAIRMAN WARD:

16 Secretary Wilson?

17 MR. WILSON:

18 Thank you. I apologize for my lateness.
19 There's a little thing called traffic on I10.
20 So with regards to this last slide, we are
21 having good discussions in terms of just the
22 operating costs. And I just want to show you
23 that none of this really affects the toll
24 revenue from what we have to pay for the TIFIA
25 loan and other debt for the structure. The

1 operating costs currently come out of the TTF
2 to help do our portion.

3 And so we've also had some discussions
4 with the primary stakeholder down there.
5 Because we would have to continually
6 recapitalize equipment and manage that system,
7 we are looking at ways of being more efficient
8 and downsizing some of those operational
9 costs, just as it relates to the toll
10 collection system. And so we will be coming
11 back. Once we can resolve the agreement,
12 we'll be coming back to this body and to the
13 public to talk about what that looks like in
14 terms of the tolling equipment.

15 And right now, for example, I think there
16 are 13 different configurations and rates.
17 And there's got to be a way to simplify that,
18 because the fewer of those we have, the less
19 it will cost to operate the overall structure
20 as long as we can produce no revenue loss; or
21 if there's an opportunity, because of traffic,
22 has some revenue increase and still manage all
23 of our obligations of the TIFIA and to the
24 public. So just as an FYI, that's the only
25 thing I wanted to add.

1 MR. KALIVODA:

2 And just so you know too, our tolling
3 system down there, if we don't reach an
4 agreement with Plenary to do it for us, we're
5 going to have to invest a lot of money to redo
6 it. It's worn out. It needs to be replaced.
7 Again, that doesn't affect -- the toll
8 revenues don't get used for that. That comes
9 out of our regular budget; but still, it's a
10 sizable investment to replace the tolling
11 system. So...

12 CHAIRMAN WARD:

13 Mr. Johns?

14 MR. JOHNS:

15 I forgot what I was -- before you went
16 on. I'm sorry. The previous slide, you
17 mentioned that the project would need to be
18 approved through the TIP. So this is in the
19 infield area for Houma/Thibodaux?

20 MR. KALIVODA:

21 Only the very top northern piece of it.
22 It's just barely within their TIP, yeah.

23 MR. JOHNS:

24 Okay. You don't foresee any issues --

25 MR. KALIVODA:

1 Oh, no, no.

2 MR. JOHNS:

3 -- getting it approved? I'm guessing not
4 since they generated \$36 million already.

5 MR. KALIVODA:

6 Yeah. Well, the thing about it is, you
7 know, the TIP nor the STIP had this \$135
8 million grant in there, so that's got to be
9 added in.

10 MR. JOHNS:

11 Yes, sir.

12 MR. KALIVODA:

13 I mean, so, yeah, it affects the TIP just
14 in the very northern part as you get into
15 Golden Meadow.

16 MR. JOHNS:

17 Okay.

18 MR. KALIVODA:

19 But then the STIP is -- of course, the
20 TIP and the STIP have to match, so --

21 MR. JOHNS:

22 Yes, sir.

23 MR. KALIVODA:

24 -- but that's not a big deal, no.

25 MR. JOHNS:

1 All right. Thank you.

2 CHAIRMAN WARD:

3 All right. The Board is clear. I
4 believe that's it. No one else has any
5 further questions on that?

6 So we can move on to any new or old
7 business. Secretary?

8 MR. WILSON:

9 Just as a point of information for the
10 members of LTA --

11 CHAIRMAN WARD:

12 Hold on a second.

13 MR. WILSON:

14 Can you hear me now?

15 CHAIRMAN WARD:

16 Yeah. Well, maybe slide over there. Try
17 that.

18 MR. WILSON:

19 All right. Can you hear me now?

20 CHAIRMAN WARD:

21 Yes.

22 MR. WILSON:

23 So just as a matter of record, I've
24 gotten the request from the Commissioner or
25 Authority member to my right, Mr. Perez, about

1 getting kind of a tour of the LA1 facility and
2 kind of a walk-through the operation. We'll
3 be happy to do that for any member of LTA that
4 may not have seen it. You may have gone
5 across the bridge, but to maybe get a
6 behind-the-scenes tour of the tolling
7 operation and how that works might be of
8 interest. So we will coordinate an
9 opportunity to do that with the members. And
10 just keep in mind, if you'd like to do it,
11 we'll be happy to have you.

12 CHAIRMAN WARD:

13 Sounds good. All right. Is there any
14 public comments that anyone would like to
15 make?

16 MS. ROBERT:

17 Might want to just call the roll.

18 CHAIRMAN WARD:

19 Call the roll?

20 MS. ROBERT:

21 Yes.

22 CHAIRMAN WARD:

23 I just thought we were getting an update.
24 I didn't know we were taking action on it.

25 MS. ROBERT:

1 No, but just because we have the reporter
2 so we can make sure that the minutes are
3 accurate, the court reporter.

4 CHAIRMAN WARD:

5 We called roll to start with.

6 MS. ROBERT:

7 Oh, we did?

8 CHAIRMAN WARD:

9 Yes.

10 MS. ROBERT:

11 Okay. Great. Thank you.

12 CHAIRMAN WARD:

13 All right. Well, I'll entertain a motion
14 to adjourn.

15 MR. CORTEZ:

16 So moved.

17 CHAIRMAN WARD:

18 We are adjourned.

19 (WHEREUPON, THE MEETING ADJOURNED.)

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1 R E P O R T E R ' S C E R T I F I C A T E

2 I, KELLY S. PERRIN, a Certified Court
3 Reporter, Certificate #23035, in good standing with
4 the State of Louisiana, as the officer before whom
5 this meeting was taken, do hereby certify that the
6 foregoing 23 pages;

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9 Transcription, transcribed by me or under my
10 personal direction and supervision, and is a true
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