

**MINUTES
MID-BAY BRIDGE AUTHORITY
THURSDAY, JANUARY 17, 2019**

**NICEVILLE CITY HALL COUNCIL CHAMBERS
208 NORTH PARTIN DRIVE
NICEVILLE, FLORIDA**

I. OPENING

Members present:	James D. Neilson, Jr. Gordon E. Fornell Parker Destin Victoria Harker T. Patterson Maney Bryant Paulk	FDOT Ex officio, non-voting
Also present:	Van Fuller Michelle Anchors Cathy Demoreski	Executive Director Legal Counsel Administrative Assistant

II. INTRODUCTION OF VISITORS & PUBLIC COMMENTS

Mr. Neilson welcomed all visitors and members of the press. In attendance were Representative Mel Ponder, Florida House of Representatives, District 4 and Kristie Johnson; Jason Autrey and Greg Kisela, Okaloosa County; April Day Williams and Tenille Fielding, Florida Department of Transportation (FDOT), District 3; Dwight Dempsey, FIGG; Bob Kellner and Brad Collins, HDR; William Flynn, Miramar Beach Resident; Stephanie Duffield, Niceville Resident; Bobbie Fornell, Niceville Resident; Mike Griffith, The Bay Beacon; Peyton LoCicero, WMBB News 13; Daniel Guilliot, WEAR3 News, Pensacola; and Sheri Kotzum, Destin Log/NWFDN.

Bill Flynn, a homeowner in Miramar Beach introduced himself to the Board. He reported being involved in the Regatta Bay 2002 dredge project and the Chardonay Estates issues regarding noise and water. He informed the Board that he is taking advantage of the spotlight as a result of the inspection to draw attention to his perception of lack of maintenance on the Mid-Bay Bridge. He explained that he travels all over the Florida interstate system and although today the Bridge looks the best it has in the past five years with newly painted lines and reflectors, he has had abundant communications with Eric and April with the FDOT in the past regarding his concerns. As a member of a bicycle club which normally uses US 98 east and west, they have been forced to ride north and south as a result of the current FDOT widening project along US 98 in Okaloosa and Walton counties. He pointed out that, although promised, no bike lanes have been designated on US 98 during construction. He reported that after researching toll roads in Florida there are only three toll facilities charging tolls as high as the Mid-Bay Bridge toll and is curious as to where the money goes. He believes there are creative funding options or tax money which could be used for better maintenance. With safety as the primary concern his suggestions included: installation of a call box for emergencies; daily maintenance; regular monitoring of trucks with loads; posting of emergency procedures along with phone number to call to report debris; road rangers as provided by FDOT on roadways in Pensacola; vacuuming versus blowing sand and debris; immediate removal of wreck debris; immediate placement of materials to absorb fluids as a result of wrecks; electronic signage for posting emergency information; regular delineator replacement and lighting.

Stephanie Duffield, a resident of Niceville explained that she works for Edward Jones in Destin, her husband works on Eglin and they have three children in school/daycare in Niceville, as a result they spend between \$2,000 and \$2,100 per year on tolls. She requested the Authority consider a flat rate toll for locals as the current toll structure is very expensive for people who must make several trips a day over the Bridge for work and family obligations.

III. APPROVAL OF MINUTES

A. Regular Meeting – December 13, 2018

A motion to approve the December 13, 2018 Regular Meeting Minutes was made by Mr. Destin with a second by Mr. Fornell and a 5-0 vote was taken for approval.

IV. TREASURER'S REPORT

Mr. Destin presented the Treasurer's Report for December 2018. Account balances were:

FNBT	\$ 139,209.58
Regions	\$39,190,127.61

Mr. Destin made a motion to accept the Treasurer's Report for December 2018 with a second by Ms. Harker and a 5-0 vote was taken for approval.

V. EXECUTIVE DIRECTOR

A. Traffic Operations. Mr. Fuller reported that there are still delays in traffic and revenue reporting by the Florida Turnpike Enterprise (FTE) as a result of the Centralized Customer Service System (CCSS) upgrade which occurred in June 2018, resulting in the delay in providing the monthly unaudited traffic and revenue reports and finalizing the FY2018 Financial Statements. He stated he has been in contact with the Florida Turnpike Enterprise Executive Director on the issue and has asked Southern Strategies to help communicate our concerns.

B. Mid-Bay Bridge Maintenance, Inspection, and Repair; April Williams, Structures Maintenance Engineer, FDOT, District 3. Mr. Fuller explained that for the first 20 years the Authority's Bond Indenture required two inspections per year, one a full inspection and the other a walk-thru inspection which were performed alternately by the FDOT and FIGG the Bridge design engineers annually. With the restructuring of the Authority's Bond debt in 2015 that requirement was eliminated, while also reducing projected toll collections by \$4-\$5M/year. This Authority has worked with the FDOT to continue to inspect the bridge on alternating years. He then introduced Ms. Williams, the FDOT District 3 Structures Maintenance Engineer.

Ms. Williams expressed her appreciation for the opportunity to address the Authority and explained that she would not normally address them without a formal presentation and apologized for not having had an opportunity to prepare one as a result of the emergency Bridge closure on January 8, 2019. She reported that the Bridge is inspected in coordination with FIGG and in accordance with DOT Federal Regulations every two-years in accordance with National Bridge Inspection (NBI) standards. On the off years, walk thru inspections are conducted. An NBI is approximately a week to a week and a half long inspection which includes the piers and columns in, out and underwater and requires a lot of equipment. This year, due to limited FDOT manpower, the inspection was performed by an FDOT contractor

beginning October 4, 2018 and during that time a split in a duct revealed a corroded tendon in one span. While confident in load limits, a legal permit weight-restriction was implemented as a precaution and a contract was let for emergency tendon repair. Hurricane Michael, which hit on October 10, 2018, caused a delay in commencement of work. During that delay FIGG conducted their inspection and located another tendon with corrosion in a different span and a few days later a tendon in a third span appeared distressed. A meeting was held on Monday, January 7, 2018, between Mr. Fuller, FIGG, FDOT, and their contractor to discuss the inspection, repair timeline, associated costs, and additional inspections. Following that meeting the FDOT contractor was mobilized to re-assess the damage and another four areas of concern were revealed. While one compromised tendon in two different spans is not a big deal, two compromised tendons in one span is significant, with spans over expansion joints critical. As a result, in an abundance of caution, the decision was made to close the Bridge until load ratings could be tested along with sound wave vibration and hammer testing in each span.

The life span of the Bridge and its tendons is 75 years. The cause of the degradation was directly related to the vintage of the Bridge and there would be no way to anticipate a problem such as this since all bridges age. While a cutting-edge design at the time of construction, there has been a lot learned about grouting and covering tendons. The problem is not prevalent throughout the structure and does not affect the overall health of the Bridge. It was explained that of the 912 tendons inside the Mid-Bay Bridge a total of 19 (eleven in 2001 and eight in 2019) in 25 years have required repair/replacement. Ms. Williams explained that over the next two years the Bridge will be inspected every two months. A hammer sound test will be conducted within a six-month time period (e.g., 145 tendons/month) then repeated to assess frequency. There is other technology out there to delay corrosion which will be considered for the long term. The contractor has been on-site every day and has done a fantastic job. The cost and completion timeline for the additional tendon repair is unknown currently. The current contract will be renegotiated with the contractor once a final assessment has been made and a schedule submitted. Temporary post-tensioning was installed in order to expedite reopening to 2-axle vehicle traffic as quickly as possible.

Mr. Fuller thanked the Authority members for being quick to listen and slow to speak, seeking to understand the closure circumstances and facts while providing for the safety of the traveling public by partnering with the FDOT. He further explained the relationship between the FDOT and the Authority as it relates to the creation of the Mid-Bay Bridge Authority. The Authority has a Lease-Purchase Agreement (LPA) with the FDOT to fund and execute all operations, maintenance, and life-cycle repairs on the Authority's system, while subjugating its reimbursement to the Authority's debt service. Without that guarantee, the System (SR293) would not have been constructed nor improved over the last 25 years. Mr. Fuller reported the FDOT has been providing updates twice a day and has been working at the Bridge around the clock with help from Milton, Mariana, District 2, and Tallahassee. Even with a tragedy among their workforce, they stayed focused on repairs. The Authority previously retained FIGG Engineering to provide oversight services on its behalf and they are expected to provide an addendum to the Scope of Services to include the additional support.

To address Mr. Flynn's concerns regarding Bridge maintenance, Mr. Fuller explained that the Authority's System is a state road maintained by contract, just like all other state roads in Okaloosa County. However, the Authority's system received a greater level of maintenance in accordance with the Florida Transportation Commission's toll facility performance measures (90% for toll facilities versus 80% for all other state roads). Mr. Fuller will coordinate with the FDOT regarding Mr. Flynn's comments.

VI. LEGAL COUNSEL

- A. Executive Director Authorization for Mid-Bay Bridge Authority Projects.** Ms. Anchors recommended the Board continue this authorization, in order to avoid delays awaiting review and approval by the Board or the need for special meetings at short notice, and allow the Executive Director specific authority, within the already approved Budget, to act in order to approve actions to keep the Mid-Bay Bridge Authority projects moving forward. The Sunshine Law requires that the Board members not discuss issues among themselves that could at any time require a vote, so use of e-mail to approve proposed actions is not appropriate. Acknowledging such authority formally would permit the Executive Director the latitude to address matters immediately, although such action would be subject to review and ratification at the next meeting of the Authority. This would allow the projects to advance in a timely manner. Both Mr. Fuller and Ms. Anchors confer regularly about the projects, and this suggestion is made only to continue to meet the objective of the Authority in moving the projects forward.

A motion was made by Mr. Destin with a second by Mr. Fornell to grant the Executive Director, within the approved Budget and in consult with Legal Counsel, the authority to take specific actions prior to the next duly Noticed meeting to move the Mid-Bay Bridge Authority projects forward during 2019, in lieu of a Special Meeting while continuing to keep the members informed appropriately, as may be necessary in order to advance the forward progress of the projects. A 5-0 vote was taken for approval.

VII. BOARD MEMBER COMMENTS

It was suggested by Mr. Neilson that the 32-trip frequent customer threshold be reduced to 22 for the month of January 2019 to help commuters inconvenienced during the FDOT Bridge closure as a result of the degraded tendons discovered during inspection.

Discussion included whether the Authority's debt service coverage for FY2019 would be affected as a result of the lost toll revenue from the 11-day toll suspension on SR293 due to Hurricane Michael in October 2018 and the 8-day Mid-Bay Bridge closure due to the compromised tendons in January 2019. It was reported that the lost revenue in October 2018 was approximately \$800K on the System and approximately \$275K on the Bridge with an approximate 2/3 reduction in traffic on the Parkway in January 2019. All lost revenue impacts the financial posture of the Authority and can trigger other issues at year-end; however, at this time revenues are projected to meet Bond Indenture minimum coverage requirements.

The importance of customer confidence in the reliability of the System and the frequent customer discount program was also discussed. Mitigating the inconvenience for commuters who lost qualifying transactions during the 8-day closure and lowering the monthly trip threshold for January only to 22 is a show of good faith.

Concerns regarding FDOT estimates for maintenance and a review of toll collections were addressed by Mr. Fuller. He explained that the FDOT submits its expected SR293 Operations and Maintenance (O&M) budget to the Authority annually. In accordance with the Authority's Bond Indenture, a draft budget is presented to the Authority for review in April which includes the FDOT maintenance budget along with the Authority's administrative budget. A Public Hearing is held in May for presentation of the Authority's coming fiscal year budget and consideration for approval by the Authority. The approved budget and its adopting resolution are then presented to the

Okaloosa Board of County Commissioners for review and approval prior to June 1. Unexpected repairs are costs outside of the approved maintenance and operations budget. Those costs will be paid by the FDOT and reimbursed by the Authority when funds are available or according to the annual flow of funds contained in the Indenture. The Authority's Long-Term Debt (LTD) with the FDOT is approximately \$1M. Mr. Fuller further explained that at fiscal year end and upon completion of the audited Financial Statement, the Authority's traffic and revenue consultant provides its Traffic Engineers Annual Report. This report assesses the previous years traffic and revenue in order to certify, as required by the Authority's Bond Indenture, that revenues are sufficient to meet debt service, bond covenants, and Authority policy. Mr. Fornell complimented the partnership with the FDOT, the community and the County. In response to where toll revenues go and looking ahead to the costs of the overall repair, Mr. Fornell pointed out that the Authority's funds are very restricted and driven by its Bond Indenture without much available cash allowance. The plan in place for repayment of Bond debt is one which is very strictly adhered to.

Finally, Mr. Fornell made clear that there is no policy or overall plan for bicycles on the Bridge. There has always been a "Honor Box" on the sound wall south of the Toll Plaza for collection of the suggested \$0.10 toll for bicyclists as the Authority's Bond Indenture states clearly that there will be no free passage on the Bridge. The shoulder lane is not a bike lane it is an emergency lane. SR293 is a limited access roadway with the same rules and restrictions as the interstate. Mr. Fuller will coordinate with the FDOT on bicycle use and report back at the February meeting.

A motion was made by Mr. Destin with a second by Ms. Harker to lower the frequent customer trip threshold from 32 trips to 22 trips for the month of January 2019 only and a 5-0 vote taken for approval.

VIII. GENERAL DISCUSSION

The next regular meeting of the Authority will be held on Thursday, February 21, 2019 at 9:00 a.m. in the Destin City Hall Board Room, Destin, Florida.

IX. ADJOURNMENT

The meeting adjourned at approximately 9:50 a.m.

Approved this 21st day of February 2019


Chair