



CHESAPEAKE BAY BRIDGE AND TUNNEL COMMISSION

Regular Meeting CBBT Administration Building

September 12, 2023

9:30 a.m.

Minutes

Commission Members Present: Frederick T. Stant, III; Chris Snead; Keith Colonna; Reeves W. Mahoney; Gregory L. Duncan, Sr.; William H. Ferguson; John F. Malbon; Mark C. Bundy; Phillip R. Custis; Patrick E. Corbin; George B. Clarke.

Commission Members Telephonically Present: Thomas W. Meehan, Sr., location: Newport News, reason for electronic participation: due to a temporary disability.

Commission Member Absent: None.

District Staff Present: Jeffrey B. Holland; Thomas R. Anderson, III; Michael T. Crist, P.E.; Edward A. Spencer; Brittany E. Cannon.

District Advisors Present: Hugh L. Patterson, Commission Counsel.

Guests Telephonically Present: David Calvert, PFM Asset Management, LLC; Patricia Kellam, Eastern Shore Community College Foundation.

1. CALL TO ORDER:

The Chairman, Frederick T. Stant, III, called the meeting to order at 9:30 a.m. and welcomed everyone.

Mr. Stant introduced Mr. Thomas W. Meehan of Newport News and Mr. George B. Clarke of Virginia Beach and welcomed them to the Commission.

2. APPROVAL OF MINUTES – JULY 11, 2023 MEETING, as distributed:

Motion made by Mr. Duncan, seconded by Mr. Bundy, to approve the minutes of the July 11, 2023 Commission meeting, as distributed. The motion was approved unanimously.

3. PUBLIC COMMENT:

There were no public comments to be heard, nor any comments submitted in writing prior to the meeting.

4. RESOLUTION OF APPRECIATION FOR COMMISSIONER SERVICE:

Mr. Bundy read a Resolution of Appreciation for Mr. Ferguson for two years of dedicated service on the Commission.

**RESOLUTION OF APPRECIATION
FOR
THE HONORABLE WILLIAM H. FERGUSON**

WHEREAS, the Honorable William H. Ferguson was appointed by Governor Ralph Northam on September 10, 2021, to serve as a member of the Chesapeake Bay Bridge and Tunnel Commission representing the City of Newport News; and,

WHEREAS, Mr. Ferguson served as a member of the Finance Committee in 2023; and served on the Little Creek Real Estate Committee in 2023;

NOW, THEREFORE, BE IT RESOLVED That the Chesapeake Bay Bridge and Tunnel Commission formally expresses its deep appreciation to the Honorable William H. Ferguson for his two years of dedicated service as an honored member of this Commission, and hereby inducts him into the Chesapeake Bay Bridge and Tunnel Commission Alumni Society.

Motion made by Mr. Corbin, seconded by Mr. Bundy and unanimously carried, the Commission adopted the Resolution of Appreciation for Mr. Ferguson.

Mr. Holland presented Mr. Ferguson with a plaque and an aerial keepsake.

Mr. Duncan read a Resolution of Appreciation for Mr. Malbon for nine years of dedicated service on the Commission.

**RESOLUTION OF APPRECIATION
FOR
THE HONORABLE JOHN F. MALBON**

WHEREAS, the Honorable John F. Malbon was appointed by Governor Terry McAuliffe on January 12, 2014, as a member of the Chesapeake Bay Bridge and Tunnel Commission representing the Commonwealth Transportation Board and served with distinction until June 30, 2018; and,

WHEREAS, he was reappointed to the Commission by Governor Ralph Northam for an additional term on July 1, 2018 and served with distinction until June 30, 2023; and,

WHEREAS, he was a valued member of the Commission in the governing of the Chesapeake Bay Bridge and Tunnel District and in shepherding major capital repair contracts that have been let since 2012, as part of the Long-Term Capital Improvements Plan; and,

WHEREAS, he offered his guidance and assistance in serving as a member of the Nominating Committee in 2014, and as a member of the Finance Committee from 2014 through 2023; and,

WHEREAS, he extended his leadership and expertise as a member of the Project Development Committee from 2014 through 2016, to oversee Phase II-A and Phase II-B of the Parallel Crossing Project; and has served and continues to serve as a member of the Project Construction Committee; and,

WHEREAS, he was elected Secretary-Treasurer of the Commission from March 1, 2015 and served through February 28, 2022; and,

WHEREAS, the Commission unanimously elected him as Vice-Chairman of the Commission from March 1, 2022 and served through June 30, 2023; and,

NOW, THEREFORE, BE IT RESOLVED That the Chesapeake Bay Bridge and Tunnel Commission formally expresses its deep appreciation to The Honorable John F. Malbon for nine years of dedicated service as an honored member of the Commission, and hereby inducts him into the Chesapeake Bay Bridge and Tunnel Commission Alumni Society.

Motion made by Ms. Snead, seconded by Mr. Colonna and unanimously carried, the Commission adopted the Resolution of Appreciation for Mr. Malbon.

Mr. Holland presented Mr. Malbon with a plaque and stretched canvas of an aerial keepsake.

5. EDUCATIONAL TOLL PROGRAM UPDATE FY2023 BY ESCC:

Mrs. Kellam of the Eastern Shore Community College (ESCC) was present to provide an update to the Commission on the FY 2023 Educational Toll Fund Program and the Eastern Shore Community College. Mrs. Kellam reported that the Education Toll Fund program assists students commuting across the Chesapeake Bay Bridge-Tunnel for the purpose of furthering their post-secondary education. Mrs. Kellam reported the following highlights of the program for FY 2023:

- The top schools traveled to are ECPI, Rudy and Kelly, ODU and Empire Beauty.
- The top towns traveled from are Cape Charles, Exmore, and Melfa.
- Both FY23 2nd, and 3rd quarters trips reimbursed have increased over the same quarters in FY22. Quarter 4 decreased by 3.7% over the last year. The year to date increase is approximately 3.6%.

Mrs. Kellam thanked the Commission for their partnership and support of this program. *Mrs. Kellam left the meeting at this time.*

6. TRAFFIC & REVENUE REPORT – JULY & AUGUST 2023:

Mr. Holland reported that traffic for July 2023 totaled 508,041 vehicles, which was an increase of 8,515 vehicles or 1.7% over July 2022. E-ZPass utilization totaled 73.5%. Revenue for July 2023 totaled \$8,529,332 which was an increase of \$86,226 or 1% over July 2022. Gas prices were \$3.64 in July 2023, versus \$4.20 in July 2022. There were 13 hours of wind restrictions in July 2023, versus 5 hours in July 2022. There were 72 hours of tunnel lane closures in July 2023, versus 12.5 hours in July 2022.

Traffic for August 2023 totaled 491,591 vehicles, which was an increase of 2,727 vehicles or 0.6% over August 2022. E-ZPass utilization totaled 75.7%. Revenue for August 2023 totaled \$8,215,697, which was a decrease of \$17,964 or 0.2% under August 2022. Gas prices were \$3.68 in August 2023, versus \$3.98 in August 2022. There were 6.5 hours of wind restrictions in August 2023, versus 4 hours in August 2022. There were 68 hours of tunnel lane closures in August 2023, versus 110 hours in August 2022.

For the calendar year-to-date through August 2023, vehicles were up 3.8% and revenue was up 2.8%. For the fiscal year-to-date through August 2023, vehicles were up 1.2% and revenue was up 0.4%.

7. PFM INVESTMENT ADVISORY UPDATE:

Mr. Calvert, Managing Director of PFM, was present to provide the Commission an economic summary and an update on the District's investments. The review showed the effects on the economy and the conservative changes PFM has implemented to the Districts Portfolio due to the rising consumer price index.

8. PRELIMINARY ACTUAL TO BUDGET ANALYSIS FY 2023:

Mr. Anderson reported that projected actual expenditures for the fiscal year ended June 30, 2023, totaled \$16,886,587; budgeted expenditures totaled \$17,658,800; for a variance of \$772,213 or 4.4% under budget.

Mr. Holland reported that the Virginia Retirement System reported an approximate 6.1 % return on its investment portfolio for fiscal year 2023, ending the year with approximately \$105 billion.

9. APPROVAL OF REVISED LONG TERM CAPITAL PLAN FY 2023-2028:

Mr. Crist gave an overview of the projects for FY 2024 – FY 2029, that were refined from the previously adopted Capital Plan in May which include:

- a) Elevator Upgrades Project The total project improvement cost has increased \$1.2 million since the presentation of the preliminary estimate to a total cost of \$3.5 million. The project scope is to upgrade/replace the elevators on each of the islands with 4 total.

The original equipment is approximately 60 years old. The plan is to also add a sixth stop at a lower air plenum for better maintenance access on all of the islands.

- b) Vent Buildings Emergency Power Upgrades which has been approved in the previous plan in May. District staff is recommending making upgrades to the switch gear drainage pumps to provide new controls including adding on SCADA integration for remote monitoring and control. District staff have requested a proposal from SEI to include these upgrades.

Mr. Crist provided an update on the test concept for carbon fiber jacket system for the Pile Jacket Demonstration Project. Staff have been working with different carbon fiber jacket manufacturers to run test on different epoxy grout systems for bond and installation of the carbon fiber shells. Test have been taking place throughout the year in the Crofton Yard in Portsmouth and the Costal Pre-cast Yard in Cape Charles.

Motion made by Mr. Corbin, seconded by Ms. Snead, and unanimously carried, the Commission approved the revised and final Capital Projects Plan, FY 2024 – FY 2029. George B. Clarke abstained from the vote.

10. FINANCE PLAN- UPDATE ON ACTUAL VS. MODELED PERFORMANCE:

Mr. Anderson provided an overview of the updated quarterly financial model that is provided in compliance with the specific requirements of the bond covenants of the TIFIA Loan, VTIB Loan and 2016 General Resolution Revenue Bonds in support the of debt financing that is utilized to finance the Parallel Thimble Shoal Tunnel Project.

11. CLOSED SESSION –CONSULTATION WITH LEGAL COUNSEL

In accordance with Section 2.2-3711 of the Code of Virginia, Mr. Duncan moved that the Commission go into Closed Meeting under the provisions of Section 2.2-3711 of the Virginia Freedom of Information Act for the following purpose: Section 2.2-3711.A 8. Consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel. The motion was seconded by Mr. Corbin, and unanimously carried.

12. OPEN SESSION

A roll call vote was taken pursuant to Section 2.2-3712.D. of the Code of Virginia immediately after reconvening in Open Meeting, at which time each member certified by his vote that to the best of his or her knowledge (i) only public business matters lawfully exempt from Open Meeting requirements under this chapter and (ii) only public business matters as were identified in the motion by which the Closed Meeting was convened were heard, discussed, or considered in the meeting by the Commission. No member prior to the vote stated that he or she believed there was a departure from requirements (i) and (ii) Malbon, yes; Ferguson, yes; Snead, yes; Bundy, yes; Clarke,

yes; Meehan, yes; Custis, yes; Corbin, yes; Mahoney, yes; Colonna, yes; Duncan, yes; Stant, yes.

On motion by Mr. Duncan, seconded by Mr. Corbin, and unanimously carried, the Commission approved PCO28 for a time extension of 149 days and \$37,628,825 to be adjusted for actual unit and fixed days for the cutterhead tool replacement less: a.) any CTJV insurance proceeds from its builder’s risk policy and b.) reimbursement from CTJV of up to \$22.5 million, based on contract risk-sharing provisions, to be collected at a later date.

13. REQUEST FOR PROPOSALS FOR LEGAL SERVICES:

Mr. Holland announced that the District’s general counsel, Mr. Hugh L. Patterson of Willcox and Savage, is retiring effective January 1, 2024, and thereby the Commission and District request authorization to issue a RFP for legal services.

On motion by Ms. Snead, seconded by Mr. Duncan, and unanimously carried, the Commission granted authorization to advertise a request for proposals from Firms to serve as legal counsel to the District and its governing body, the Chesapeake Bay Bridge and Tunnel Commission.

14. GRANT AUTHORIZATION TO THE FINANCE COMMITTEE FOR ISSUANCE OF AUDITED FINANCIAL STATEMENTS:

On motion by Ms. Snead, seconded by Mr. Clarke, and unanimously carried, the Commission granted authorization to the Finance Committee for the publication of audited Financial Statements for FY2023.

15. PARALLEL THIMBLE SHOAL TUNNEL EXPENDITURES TO DATE:

Mr. Anderson presented the attached report of Project expenditures to date.

16. UPDATE ON PARALLEL THIMBLE SHOAL TUNNEL (PTST) CONSTRUCTION:

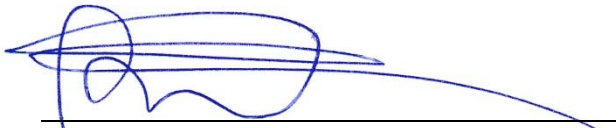
Mr. Crist reported that during recent mining operations, Chessie struck an obstruction that was determined to be a ship’s anchor. CTJV is currently developing a plan to remove the anchor as well as assess and repair the cutterhead as necessary. Once corrective actions have been complete, mining will resume. On Two Island, work on the mass excavation of the receiving pit continues as mud mats are installed and waterproofing is underway. On the south end of Two Island, the installation of the pipe pile wall continues and CTJV hopes to begin limited dredge work at the southern end of the pipe pile wall very soon.

17. ANNOUNCEMENTS:

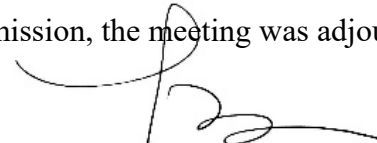
- a. Mr. Holland announced that the next Regular Commission is scheduled for Tuesday, November 14, 2023.
- b. The next Finance Committee meeting is scheduled for Monday, October 23, 2023.
- c. The next Tolling Committee meeting is scheduled for Monday, October 30, 2023.

18. ADJOURN:

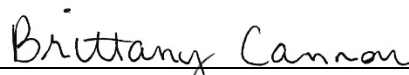
With no further business coming before the Commission, the meeting was adjourned.



Gregory L. Duncan, Sr., Treasurer



Frederick T. Stant, III, Chairman



Brittany E. Cannon, Assistant Secretary

Attachment

**Parallel Thimble Shoal Tunnel Project
Total Project Budget
As of July 31, 2023**

Project Tasks & Components	Sept 2023 Revised Budget	Total Expended To Date	Expended @ 06/30/23	Monthly Expenditures	Remaining Budget
<u>CBBT Development Phase</u>					
CBBT Development Phase Budget	<u>18,524,560</u>	<u>18,524,560</u>	<u>18,524,560</u>	-	-
<u>CBBT Financing Budget</u>					
Municipal Advisor	866,000	811,950	809,950	2,000	54,050
CBBT Financing Budget	<u>3,912,210</u>	<u>3,858,160</u>	<u>3,856,160</u>	<u>2,000</u>	<u>54,050</u>
<u>CBBT Construction Phase</u>					
Construction Mgmt	11,000,000	3,989,640	3,989,640	-	7,010,360
Project Counsel	5,000,000	300,000	294,780	5,220	4,700,000
Arbitration Counsel	-	1,885,220	1,793,890	91,330	(1,885,220)
Dispute Review Panel	1,500,000	486,050	486,050	-	1,013,950
Arbitration Panel	1,500,000	15,790	9,290	6,500	1,484,210
CNC/LUS Relocation	4,591,740	4,562,730	4,562,730	-	29,010
Garage	550,000	385,120	385,120	-	164,880
Fan Motor Control Center	4,000,000	2,544,510	2,544,510	-	1,455,490
CCTV Software Upgrade	500,000	400,940	400,940	-	99,060
Existing Tunnel Ventilation Study	250,000	-	-	-	250,000
Vent Buildings Emergency Power Upgrades	4,700,000	145,770	104,090	41,680	4,554,230
Design Mgmt/Design QA	9,583,200	6,216,280	6,216,280	-	3,366,920
Risk Management Consultant	125,000	-	-	-	125,000
District Project Management Staff	2,100,000	1,449,040	1,426,740	22,300	650,960
Commission General Counsel	125,000	15,510	15,510	-	109,490
Commission Approved District Development Expenses	550,000	365,400	364,920	480	184,600
Total CBBT Construction Phase Budget	<u>46,074,940</u>	<u>22,762,000</u>	<u>22,594,490</u>	<u>167,510</u>	<u>23,312,940</u>
<u>Design-Builder Construction Phase</u>					
Direct Construction Cost	756,703,840	470,105,660	469,207,940	897,720	286,598,180
5% Withholding	-	10,252,500	10,205,250	47,250	(10,252,500)
NCR Work Withholding	-	-	-	-	-
Total Design-Builder Construction Phase Budget	<u>756,703,840</u>	<u>480,358,160</u>	<u>479,413,190</u>	<u>944,970</u>	<u>276,345,680</u>
Project Contingency	99,575,174	-	-	-	99,575,174
Total Project Budget	<u>924,790,724</u>	<u>525,502,880</u>	<u>524,388,400</u>	<u>1,114,480</u>	<u>399,287,844</u>