

From: Calcaterra, Peter J <Peter.Calcaterra@ct.gov>
Sent: Tuesday, December 3, 2019 6:49 PM
To: Maziarz, Thomas J; McCaw, Melissa; Giulietti, Joseph J.; Beckham, Jeff R; Dach, Jonathan; Diamantis, Konstantinos; Sucato, Pamela P; Rolfe, Mark D; Elder, David C; Hill, Scott A; Sojka, Gary J
Subject: RE: Breakdown of the \$49.5M

Good Evening,

We will provide the updated annual O&M costs, annualized capital costs and revenues for both truck tolling scenarios tomorrow. As Tom mentioned, we still need to confirm a few things with the consultant in the morning. Have a great night.

Thanks,
Pete



Peter J. Calcaterra, Transportation Planner, Bureau of Policy & Planning
peter.calcaterra@ct.gov – 860-594-2166

From: Calcaterra, Peter J
Sent: Tuesday, December 3, 2019 6:00 PM
To: Maziarz, Thomas J ; McCaw, Melissa
Cc: Giulietti, Joseph J. ; Beckham, Jeff R ; Dach, Jonathan ; Diamantis, Konstantinos ; Sucato, Pamela P ; Rolfe, Mark D ; Elder, David C ; Hill, Scott A ; Sojka, Gary J
Subject: RE: Breakdown of the \$49.5M

All,

Pasted below are the estimated up-front costs for tolling. Highlighted in yellow are the truck only tolling up-front costs. Next to it are the CT2030 up-front costs to compare side by side.

Note – the below values include disaggregated categories, additional categories and additional costs than were sent previously this morning. Added to the capital costs are costs for civil design, incidentals and PMC. The below table should be a more accurate representation of total up-front costs.

Estimated Up Front Costs DRAFT December 3, 2019	CT2030 • Toll All Vehicles • 14 Tolling Locations	Truck Tolling • Toll Trucks Only • 12 Tolling Locations
Toll Zone Lane Equipment	\$ 10,155,000	\$ 8,989,000
Host Equipment	\$ 588,000	\$ 688,000
Common Equipment	\$ 4,435,000	\$ 3,035,000
Roadside Communications Systems	\$ 135,000	\$ 210,000
System Software	\$ 1,190,000	\$ 4,540,000
Spare Toll Equipment	\$ 1,193,000	\$ 926,000
Toll Equipment Installation	\$ 3,505,000	\$ 3,065,000
Toll Infrastructure Costs	\$ 5,995,000	\$ 5,615,000
System Development/Deployment	\$ 5,605,000	\$ 3,100,000
Fiber Communications Network	\$ 52,800,000	\$ 42,240,000
Subtotal	\$ 85,601,000	\$ 72,408,000
20% Contingency	\$ 17,120,000	\$ 14,482,000
Total Capital Costs	\$ 102,721,000	\$ 86,890,000
10% Civil Design	\$ 8,560,100	\$ 7,240,800
10% Incidental	\$ 8,560,100	\$ 7,240,800
PMC (NEPA/Program Management)	\$ 10,000,000	\$ 10,000,000
Total Civil Engineering & Other Costs	\$ 27,120,200	\$ 24,481,600
Grand Total	\$ 129,841,200	\$ 111,371,600

Thanks,
Pete



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From: Maziarz, Thomas J <Thomas.Maziarz@ct.gov>
Sent: Tuesday, December 3, 2019 4:55 PM
To: McCaw, Melissa <Melissa.McCaw@ct.gov>
Cc: Giulietti, Joseph J. <Joseph.Giulietti@ct.gov>; Beckham, Jeff R <J.Beckham@ct.gov>; Dach, Jonathan <Jonathan.Dach@ct.gov>; Diamantis, Konstantinos <Konstantinos.Diamantis@ct.gov>; Sucato, Pamela P <Pamela.Sucato@ct.gov>; Rolfe, Mark D <Mark.Rolfe@ct.gov>; Elder, David C <David.Elder@ct.gov>; Calcaterra, Peter J <Peter.Calcaterra@ct.gov>; Hill, Scott A <Scott.Hill@ct.gov>; Sojka, Gary J <Gary.Sojka@ct.gov>
Subject: RE: Breakdown of the \$49.5M

Melissa

Revenue Estimate. We just received the new model run from the consultant with an unadjusted gross revenue estimate. We have to review the gross revenue results and make necessary adjustments to get to a new net revenue estimate, which we'll get to you tomorrow morning. However, the initial results are promising. We believe that when we make all the needed adjustments, the net annual revenues will increase from the previous \$180 million to at least \$190 million.

Before we can confirm the net revenue estimate, we need to double check our new procedure for adjusting for 'revenue lost' due to the toll exemption for 'repeat' trips. We recently receive and are now using received the special trip data we requested from StreetLight Data for each toll location. This allows us to estimate the number of repeat trips at each toll location – and therefore lost revenue. The new method will provide a better estimate than the simple 5% loss that we estimated previously.

Cost Estimates. Tonight, Pete will be sending over the upfront capital costs and the annual operating and maintenance costs that you requested.

Tom

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-----Original Message-----

From: Calcaterra, Peter J <Peter.Calcaterra@ct.gov>
Sent: Tuesday, December 3, 2019 10:02 AM
To: Dach, Jonathan <Jonathan.Dach@ct.gov>; Maziarz, Thomas J <Thomas.Maziarz@ct.gov>; McCaw, Melissa <Melissa.McCaw@ct.gov>; Hill, Scott A <Scott.Hill@ct.gov>
Cc: Giulietti, Joseph J. <Joseph.Giulietti@ct.gov>; Beckham, Jeff R <J.Beckham@ct.gov>; Diamantis, Konstantinos <Konstantinos.Diamantis@ct.gov>; Sucato, Pamela P <Pamela.Sucato@ct.gov>; Rolfe, Mark D <Mark.Rolfe@ct.gov>; Elder, David C <David.Elder@ct.gov>
Subject: Re: Breakdown of the \$49.5M

All,

We are working with CDM Smith to update the up front capital costs for truck only tolls at 12 locations. We expect a slight reduction in up front capital costs compared to the CT2030 up front capital costs given there are fewer tolling locations in the truck only toll proposal.

The up front capital cost estimate CDM Smith conducted for CT2030 totals approximately \$103 Million. This is for tolling all vehicles at 14 locations. See breakdown below. Again, the up front capital costs for truck only tolls will likely be a little less.

- \$17,696,000 - Roadside/Host toll equipment (antennas, readers, vehicle classification equipment)
- \$3,505,000 - Toll equipment installation
- \$5,995,000 - Toll infrastructures and installation^[SEP]
- \$5,605,000 - Toll system services
- \$6,560,000 – Contingency (20%)^[SEP]
- \$63,360,000 - Fiber communications network

Thanks,
Pete

From: Dach, Jonathan
Sent: Tuesday, December 3, 2019 9:28:48 AM
To: Maziarz, Thomas J; McCaw, Melissa; Hill, Scott A
Cc: Giulietti, Joseph J.; Beckham, Jeff R; Diamantis, Konstantinos; Sucato, Pamela P; Rolfe, Mark D; Calcaterra, Peter J; Elder, David C
Subject: RE: Breakdown of the \$49.5M

Thanks, Tom. For the capital and operating costs, the governor is most interested in the upfront capital costs (although of course the revised capital and operating cost is important to the pro forma). He's trying to understand what the state's sunk costs in the system are should a court later rule against truck-only tolling. Could you please identify or have the consultant break out the construction cost of the gantries (and of the associated fiber or other physical infrastructure) and any other one-time, upfront costs (even if paid on an annualized basis) required to stand up the system?

From: Maziarz, Thomas J <Thomas.Maziarz@ct.gov>
Sent: Tuesday, December 3, 2019 8:49 AM
To: McCaw, Melissa <Melissa.McCaw@ct.gov>; Hill, Scott A <Scott.Hill@ct.gov>
Cc: Giulietti, Joseph J. <Joseph.Giulietti@ct.gov>; Beckham, Jeff R <J.Beckham@ct.gov>; Dach, Jonathan <Jonathan.Dach@ct.gov>; Diamantis, Konstantinos <Konstantinos.Diamantis@ct.gov>; Sucato, Pamela P <Pamela.Sucato@ct.gov>; Rolfe, Mark D <Mark.Rolfe@ct.gov>; Calcaterra, Peter J <Peter.Calcaterra@ct.gov>; Elder, David C <David.Elder@ct.gov>
Subject: RE: Breakdown of the \$49.5M

I just talked to the consultant team, and here is the status:

- The model run last night had an error in one module. They will rerun the failed module and get us results this afternoon.
- The new capital and operating costs are partially prepared, but they need the number of toll transactions from the model run to complete the cost estimate. They will have the number of transactions this afternoon and the new cost estimates as well.

In the meantime, the previous capital and operating costs are provided below in case you cannot wait until the new estimate is available. The new cost estimate will be based on fewer transactions, so the cost should be lower.

The \$49.5 Million annual capital & operating costs breaks down:

\$1,800,000 - Toll Support Staff
\$900,000 - Misc. Toll Maintenance Costs
\$5,850,000 - Service Center Costs
\$32,850,000 - Processing Electronic & Video Tolls
\$8,100,000 - Annualized Capital Cost for Replacements

The \$49.5 Million annual capital and operating costs is a rounded 10% haircut from the rounded \$55 Million annual capital and operating costs we used for tolling all vehicles under the CT2030 program.

Tom

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From: Maziarz, Thomas J
Sent: Tuesday, December 3, 2019 6:18 AM
To: McCaw, Melissa <Melissa.McCaw@ct.gov<mailto:Melissa.McCaw@ct.gov< span="">>>; Hill, Scott A <Scott.Hill@ct.gov<mailto:Scott.Hill@ct.gov< span="">>>
Cc: Giulietti, Joseph J. <Joseph.Giulietti@ct.gov<mailto:Joseph.Giulietti@ct.gov< span="">>>; Beckham, Jeff R <J.Beckham@ct.gov<mailto:J.Beckham@ct.gov< span="">>>; Dach, Jonathan <Jonathan.Dach@ct.gov<mailto:Jonathan.Dach@ct.gov< span="">>>; Diamantis, Konstantinos <Konstantinos.Diamantis@ct.gov<mailto:Konstantinos.Diamantis@ct.gov< span="">>>; Sucato, Pamela P <Pamela.Sucato@ct.gov<mailto:Pamela.Sucato@ct.gov< span="">>>; Rolfe, Mark D <Mark.Rolfe@ct.gov<mailto:Mark.Rolfe@ct.gov< span="">>>; Calcaterra, Peter J <Peter.Calcaterra@ct.gov<mailto:Peter.Calcaterra@ct.gov< span="">>>; Elder, David C <David.Elder@ct.gov<mailto:David.Elder@ct.gov< span="">>>
Subject: RE: Breakdown of the \$49.5M

Melissa
Yesterday we asked the consultant to:
1. Conduct a new truck-only model run with the 12 bridges using the blended toll rate of \$8.00.
2. Conduct a 2nd model run the same as #1 but with the Goldstar bridge set to a \$20 toll.
3. Provide a new capital and operating cost estimate based on scenario 1 above.
We asked to have results today (Tuesday) if possible.
I do not have the capital and operating costs for our prior toll revenue forecasts at home. I can provide them once I get into the office. But I hoping we have new cost estimates sometime this morning.

Tom

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From: McCaw, Melissa <Melissa.McCaw@ct.gov<mailto:Melissa.McCaw@ct.gov< span="">>>
Sent: Monday, December 2, 2019 7:25 PM
To: Maziarz, Thomas J <Thomas.Maziarz@ct.gov<mailto:Thomas.Maziarz@ct.gov< span="">>>; Hill, Scott A <Scott.Hill@ct.gov<mailto:Scott.Hill@ct.gov< span="">>>
Cc: Giulietti, Joseph J. <Joseph.Giulietti@ct.gov<mailto:Joseph.Giulietti@ct.gov< span="">>>; Beckham, Jeff R <J.Beckham@ct.gov<mailto:J.Beckham@ct.gov< span="">>>; Dach, Jonathan <Jonathan.Dach@ct.gov<mailto:Jonathan.Dach@ct.gov< span="">>>; Diamantis, Konstantinos <Konstantinos.Diamantis@ct.gov<mailto:Konstantinos.Diamantis@ct.gov< span="">>>; Sucato, Pamela P <Pamela.Sucato@ct.gov<mailto:Pamela.Sucato@ct.gov< span="">>>; Rolfe, Mark D <Mark.Rolfe@ct.gov<mailto:Mark.Rolfe@ct.gov< span="">>>
Subject: Breakdown of the \$49.5M

All: I'm here with the Governor and I need the breakdown of the \$49.5M in operating costs. How much is the annual cost for the gantry capital cost? How many years is this gantry capital costs being financed over? Need ASAP.

Second, please provide the federal funding amounts by year from FY2008 to FY2019. In my slide 21 that I provided earlier today, I need to see the historical STF plus federal annual funds available to compare to this revised plan.

Third, the Governor continues to want to understand from 2008 to 2019, Using number two above, how much was for SOGR vs Enhancement? I can't provide this but need the DOT team to compile. Happy to have Brian convert to a table with your FF numbers and the STO issuance numbers with a total. But I need you to describe the SOGR and Enhancement.

Fourth, the team should be directing the consultant to provide the blended rates for the \$8.00 average. I need an ETA - will we have within 1 day or so. Regarding a toll rate for the Gold Star, we have discussed consultant running the Gold Star at \$20 and need to know how much more revenue it produces as compared to our blended \$8.00. However without knowing how much the Gold Star would be within the \$8.00 blended rate structure, it is difficult to set another scenario. Commissioner G, you should choose the scenario rate that is modestly higher but not disproportionate.

Melissa McCaw, Secretary
State of Connecticut
Office of Policy and Management

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