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December 4, 2024

To Council on Bond Oversight Board
Via Treasurer Russ and Alexandra Edwards
By Email

Re: Objection to consideration of Item 5 of COBO Agenda for 12/5/2024 Meeting

Dear Treasurer Russ and other COBO members:

I am an attorney representing Oklahomans for Responsible Transportation (ORT) as well as Oklahomans for Transparency in Government (OTG). As such, I feel it is vital that we air our strong objections to COBO's plan to consider Item 5 from the Agenda that you published just yesterday for tomorrow's COBO meeting.

Specifically, as you know, Item 5 says that COBO will be considering the approval of the Oklahoma Turnpike Authority's (OTA) request to proceed with another \$1,632,000,000 in additional public bonds. This consists of:

\$1,175,860,725 in Second Senior Revenue Bonds, Series 2025A; and
"up to \$456,070,000 in Refunding Second Senior Revenue Bonds, Series 2025B"

My clients fail to understand what is the urgency to get this vast amount of additional bond tranches approved now when the OTA still has over \$300MM on hand from last fall's \$500MM issue.

To refresh your memory about the OTA and its ACCESS adventure, here is the backdrop.

On February 22, 2022, the OTA Board approved a plan for \$5 Billion¹ worth of new toll roads in Oklahoma with no questions asked, no due diligence and no consideration for the costs of their poor decision-making on the people of Oklahoma.

¹ Within 20 months of Governor Stitt's 2/22/22 ACCESS Rollout, the OTA has now acknowledged that the price tag will actually be more like \$8.6 Billion in principal debt, which of course ignores billions of additional dollars in bond interest.

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You will forgive me for saying so, and I pray I am wrong, but it now appears that the Council is likely planning to rubber stamp a new \$1.632 Billion Turnpike Authority bond offering with no due diligence, putting investors at risk and unfairly penalizing Oklahoma drivers with exponential toll increases for projects that are not economically viable and appear doomed to fail.

Researchers at ORT have ascertained that the proposed ACCESS Oklahoma turnpike projects will have a deficit cash flow approaching \$10 billion over the 30-year life of the bonds, even before any operations or maintenance costs are added.

The proposed 2025 bond issue also violates several key clauses of the Authority's master trust agreement, does not include required documentation from the consulting engineer, and outlines a disastrous financial plan that will force Oklahoma drivers to pay over \$20 billion in debt service costs alone for highway projects that have been unanimously rejected by the City of Norman.

Accordingly, Oklahomans for Responsible Transportation and Oklahomans for Transparency in Government request that the Council of Bond Oversight **postpone any decision on the proposed OTA bond offering until a full feasibility study and compliance review can be completed by an outside third party. We also request that any future OTA bond offerings be postponed until the State Auditor completes the investigative audit ordered by the Attorney General.**

Sincerely,



Attorneys for Oklahomans for Responsible
Transportation and Oklahomans for Transparency in
Government

cc: State Auditor Cindy Byrd
Attorney General Gentner Drummond
Megan Winburn, State Auditor's Office
Melissa Capps, State Auditor's Office
Brad Clark, AG's Office
Sen. Mary Boren, District 16
All via Email

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