

MINUTES OF THE 569th MEETING OF THE OHIO TURNPIKE COMMISSION

February 28, 2011

Vice-Chairman: (10:00 a.m.) Will the meeting will come to order? Will the Assistant Secretary-Treasurer please call the roll?

Assistant Secretary-Treasurer: Vice-Chairman Regula

Mr. Regula: Here

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Here

Assistant Secretary-Treasurer: Mr. Pakush

Mr. Pakush: Here

Assistant Secretary-Treasurer: Mr. Smith is not here, Senator Patton. Oh you are here.

Senator Patton: Here

Assistant Secretary-Treasurer: Representative Goodwin

Representative Goodwin: Here

Vice-Chairman: Mr. DiNapoli will be sitting in for Mr. Cole from OBM and Commission Member Dixon and Mr. Smith of DOD called to say they would not be able to attend today's meeting. We have a number of guests here today and as in keeping with usual practice we will go around the room and have you introduce yourselves.

Those in attendance: Martin Seekely, CFO/Comptroller, Ohio Turnpike; Eric Erickson, Fifth Third Securities; Debby Sideris, Executive Office, Ohio Turnpike; Jennifer Diaz, Legal Department, Ohio Turnpike; Kathy Weiss, Director of Contracts Administration and Government Affairs, Ohio Turnpike; Dave Miller, Director of Audit, Ohio Turnpike; Chris Zurcher, Ohio State Highway Patrol; Joe Disantis, Right of Way Coordinator, Ohio Turnpike; Doug Hedrick, Assistant Chief Engineer, Ohio Turnpike; Neil Gresham, URS; Mike Burgess, URS; Tim Ujvari, Maintenance Engineer, Ohio Turnpike; Chris Hopkins, KeyBank; Robin Carlin, Director of Human Resources, Ohio Turnpike; Don Glosser, Crawford Murphy & Tilly; Vic Spinabelli, Hill International; Alysia Lorincz, HNTB; Kara Majidzadeh, Resource International; Kamran Majidzadeh, Resource International; Karl Berghauer, Resource International; Don Taggart, IUOE Local 18; Frank Lamb, Huntington Bank; Glen Stephens, G. Stephens; Lauren Hakos, Public Affairs & Marketing Manager, Ohio Turnpike; Sharon Isaac, Director of Toll Operations, Ohio Turnpike.

Vice-Chairman: Well good morning ladies and gentlemen. Also want to note that Representative Bruce Goodwin is not here but from our....

Assistant Secretary-Treasurer: He is here.

Vice-Chairman: Oh I am sorry. He is our new Representative that has been appointed, so we welcome you to our meetings and your input as well. This is the 569th Meeting of the Ohio Turnpike Commission. We are meeting here at the Commission's headquarters as provided for in the Commission's Code of Bylaws for a Special Meeting. Various reports will be received. We will act on several resolutions, draft copies of which have been previously sent to the Members and updated drafts are also in the Members' folders. The resolutions will be explained during the appropriate reports. Motion to adopt the Minutes of the January 24, 2011?

Mr. Kidston: So moved.

Vice-Chairman: Have a second?

Mr. Pakush: I second it.

Vice-Chairman: All those in favor.

Assistant Secretary-Treasurer: You have to call the roll.

Vice-Chairman: I am used to my township meetings, we don't have to call roll.

Assistant Secretary-Treasurer: Sounds like the minutes were approved.

Vice-Chairman: If there are no questions we will proceed with the report of the Secretary-Treasurer.

Assistant Secretary-Treasurer: Thank you Vice-Chairman Regula, Mr. Dixon called as you know couldn't be here, so as Assistant Secretary-Treasurer the following items have been sent to the Members since the last scheduled meeting of the Commission on January 24, 2011.

1. Minutes of the January 24, 2011, Commission Meeting
2. Traffic and Revenue Report, January, 2011
3. Total Revenue by Month and Year, January, 2011
4. Investment Report, January, 2011
5. Traffic Crash Summary Report, January, 2011
6. Financial Statement, January, 2011
7. Various News Articles

That concludes the report of the Assistant Secretary-Treasurer.

Vice-Chairman: Any questions or concerns? I guess we will have the report from the Executive Director as well

Executive Director: Thank you Mr. Regula, a couple of things I want to report on, one is first and foremost we are working on a program for a retail sale of transponders, we're in-house now calling it E-ZPass On-the-Go. With the installation of the E-ZPass technology in October of 09', the Ohio Turnpike Commission has issued more than 90,000 transponders to date. The Ohio Turnpike Commission feels that a retail-based program would expand our program and potentially generate more E-ZPass customers. We have made great strides in providing multiple payment options for customers. The Turnpike is presently considering various options with regards to possibly making E-ZPass transponders available for purchase in retail locations along the Turnpike Corridor. While there are currently several ways to obtain the Ohio Turnpike E-ZPass transponder a retail option would reach out to the casual traveling customer or customers who feel more comfortable with point-of-purchase sales. The Turnpike is currently researching different types of retail programs focusing mainly on the programs in the following toll agencies: the Indiana Toll Road, Pennsylvania Turnpike Commission, and the New York Thruway Authority. These agencies have had a retail program in place for several years and will be reviewed when developing a retail program that will best suit the Ohio Turnpike and its customers. Below are key areas of importance I want to touch on for the retail program, obviously deal with vendor selection, the retail tag production, customer support and software upgrades, just as a note we have a meeting scheduled for Wednesday this week with our consultant from TransCore to look at perhaps what needed software changes might be necessary in order to accommodate a retail program. In summary, we are dedicated to providing our customers with an absolute best product with the development of E-ZPass On-the-Go retail program the Turnpike will strive to honor that commitment and continue to be the road of choice for the travelers across Northern Ohio. Another thing I would like to report on Vice-Chairman Regula and Commission Members is on our Disabled Vehicles Services. First and foremost I want to point out that our research shows that we provide one of the best responses for disabled vehicles, we have provided an excellent service, they have all the equipment for all the vehicles, to hand all different types of vehicles on the Turnpike, but keep in mind that since we are a limited access system it was necessary for us to encumber those contracts. So we are very satisfied with the current providers, as was reported in The Plain Dealer and I don't see them exactly here today and they did not necessarily get it completely right, I just want to inform you that our Safety Director has resigned in January, we have hired a new one that will be starting here next week, Dan I believe?

Chief Engineer: The first yes.

Executive Director: I had a chat with him after we accepted his resume and made appropriate steps to get him here that he will provide this Commission with a report that will look at all other toll roads, look at state DOT's, look at the county highway departments and the cities to examine if what we do can't be done better. I just want to let you know that that is under review and that we will be reporting back to you shortly. Another thing I want to report on and I am going to kind of turn to Kathy Weiss for this, Kathy traveled last week and sat in on a hearing in the Ohio House on House Bill 40, that bill purposes to require the Turnpike to

maintain the slopes on the approaches to the many bridges that cross the Turnpike. Kathy if you could just briefly give a summary of what, where we are at and where we are heading with this.

Director of Contracts Administration: Sure, good morning Commission Members. Legislation requiring the Commission to take on perpetual major maintenance and repair grade separations with county and township roads over the Turnpike has been reintroduced as House Bill 40 during the 129th General Assembly. The legislation, if passed, would create a huge new burden and cost for the Commission. This change would negate 55-year old agreements that the Commission has with counties through which the Turnpike traverses, under which the counties and townships agreed they are responsible for maintaining the approaches to the bridges including slope embankments, guard rail and resurfacing of the road outside of the Turnpike's right-of-way fences and that the Commission will maintain the actual bridge structure carrying the road over the Turnpike. There are a 134 grade separations where county or township roads go over the Turnpike, however this legislation both in the past and at present is strictly in response to an issue that Sandusky County has had with slope failures. The Commission opposes the legislation for the following reasons; first the aforementioned agreements with the various counties dictate that the Turnpike will maintain the structural components of the bridges and that the counties do the rest. The agreements were entered into in the 50's to avoid a dead-end at the grade separation of certain county and township roads. Under the agreements the counties agreed to the Commission's adopted policy for maintenance of the grade separations and no other county as ever disputed the policy. Two different opinions were rendered by the Ohio Attorney General's office, one formal and one informal, concluding that the Ohio Turnpike Commission is not responsible for repairing bridge embankments and guardrails on county or township roads. The more recent informal Attorney General's opinion from 2005 bolstered the original opinion rendered in 1953 and concluded:

“That the embankments and guardrails on county and/or township roads in areas that approach the bridges over the Turnpike are not structural components of such bridges and therefore the Ohio Turnpike Commission is not responsible for any repairs that are required to be made to them”.

Although the intent of the legislation is to help one county with an ongoing problem the language would apply to all 13 counties. The language would require the Commission to become perpetually responsible for all major maintenance on any grade separation of a county or township road intersecting with the Turnpike. So forcing the Commission to pay for such repairs really transfers one county's funding problem to the Turnpike. Depending on the level of failure, the cost to repair one failing township or county grade separation is estimated to cost the Commission between \$600,000 to \$1,000,000 dollars per quadrant, and there are usually four bridge quadrants depending on how many slopes are failing, that could be very, very expensive. Passage of House Bill 40 would have a long term significant negative impact on the Commission's Capital Budget, funding needed to adequately maintain the Turnpike mainline and facilities would be diverted to fix failing slopes that since the toll road was built were not its responsibility. That said as Commission Members are likely aware, numerous meetings have been held with Sandusky County officials to try to find viable solutions to their problem. In 2010, the Commission contracted with BBC & M Engineering to engineer a solution that would resolve the slope failure at Jacobs Road, which is one of four grade separations currently closed

in that county. The reason the Commission is considering performing the Jacobs Road repair is because work was done by the Commission on this bridge back in 2000 to re-deck it and slopes started to fail there after the harsh winter of 2005. A few legislatures, including Senator Patton, have tried to help mediate a solution to this ongoing problem. In the past the Commission has endeavored to offer a solution that would allow for more of the failing slopes in Sandusky to be repaired, but those discussions had broken down when county officials have refused to drop their legislative effort which encompasses the entire Turnpike. The most recent bill has had two hearings, sponsor testimony, as well as proponent testimony. Understandably the proponents painted a picture implying that the grade separations would not be there but for the Turnpike and that these road closures are having a negative impact on the local residents from an economic and safety standpoint. I am planning to offer the Commission's opposition testimony this Wednesday, March the 2nd and while we oppose the legislation, I also intend to make it clear to the House Transportation Committee that the Commission strives to be a good neighbor and to provide excellent service to our customers who reside in the 13 counties through which we traverse, but that we simply cannot afford to take on a new liability for 134 overpasses that have always been the responsibility of others. I'd be happy to answer any questions or Noelle, Dan, Director are all very familiar with this issue if you have any questions as to our proceeding with our proponent testimony this week.

Executive Director: Vice-Chairman Regula that concludes my report. I am sure between Kathy and I if it has to do with grade separation or the bridges of Sandusky County as I call them, we would be happy to answer any questions on anything we have reported.

Vice-Chairman Regula: Have we seen this type of deterioration in any of the other counties and/or complaints from other counties with this type of problem? Or could this have been the fact that there was a lack of upkeep of those slopes, and this is why there was a failure problem.

Director of Contracts Administration: Mr. Chairman, I'm going to just say that I personally have not received any complaints from legislators or other counties, but I think I am going to defer to the Chief Engineer to talk to you about what is going on with the slopes across the mainline.

Chief Engineer: Mr. Chairman we have had isolated slope failures along the entire road, nothing to the magnitude that is in Sandusky County. I think the primarily reason, well it has been proven from the initial test reports that the initial reason for the failures is the type of soils through that area.

Vice-Chairman: That was used to initially build the ramps.

Chief Engineer: Yes.

Vice-Chairman: And if we were to take on the responsibility of fixing all 130 of these in the future, approximately what kind of financial ramifications could that have for us down the road?

Executive Director: Mr. Chairman I will answer that, we had looked at it last year when the Chief Engineer, and I and Kathy went out and actually visited with the residents of Sandusky County and their County Engineer. It could be well over a billion dollars. Now that wouldn't be all, right at once obviously we don't have signs, and Dan correct me if I am wrong here, of others that are failing in other counties we do know there are 11, I believe now, in Sandusky County, and now that we have concluded that study, we believe it is because of the soil types that was used to make those slopes.

Chief Engineer: Mr. Chairman also you may also recall when I presented the report from BBC & M back last summer, the estimate for construction of Jacobs Road based on the repair method we chose at that time was \$680,000, we are getting within a couple of weeks here of opening the bids on that contract, depending on when the next meeting, our March meeting is I may have actual construction costs for that one structure.

Mr. Pakush: Are there any drainage issues in addition to the soil issues?

Chief Engineer: Mr. Chairman, Commission Member Pakush well that, all these bridges that are failing are curb off the approach slabs. There have been problems with maintenance of the curbs, which exacerbates the problem of the soils.

Mr. Pakush: Those curbs were constructed as part of the bridge?

Chief Engineer: That's correct.

Mr. Pakush: But there, but maintenance responsibility of the curbs on the approach are the local communities responsibility?

Chief Engineer: As we interpret the Attorney General's Opinion, yes.

Mr. Pakush: Then the guardrail themselves, the guardrails that are there, what is the current maintenance practice of the guardrail approaches approaching the structures?

Chief Engineer: Also Commission Member Pakush the guardrails are the responsibility of the local authorities in accordance with the Attorney General Opinions.

Mr. Pakush: And where the guardrail attaches to the structure, do the local maintenance authorities, are they permitted to work on our structure on the attachment or how do they?

Chief Engineer: Mr. Chairman, Commission Member Pakush we have always attached to the abutments, with a type one attachment, yes. We have done those.

Mr. Pakush: We have seen that the guardrails also, the drainage and the guardrails are there also to protect the bridge, itself structure, the integrity of the structure itself, so it is critical on the ODOT structures that the guardrail approaches, the guardrails also that connect to the bridge are almost considered integral part of the bridge structure. I am not sure if that is how it's interpreted here or not.

Chief Engineer: Commission Member Pakush I believe the Attorney General Opinion spoke specifically of the approach guardrail was the responsibility of the local municipality.

Vice-Chairman: Senator.

Senator Patton: First of all I want to commend Director Distel and Kathy, and Dan; two years ago Senator Gillmor brought this situation of the 11 bridges of that area, by my math, 134 minus 11 is 123 bridges that we don't need to be considering and I wish that, you know negotiations like this, should be careful, should be deliberate, and I applaud the administration of the Turnpike for addressing Senator Gillmor's concerns and working with Senator Gillmor on the one pilot project to do the one road and currently there or since that time three other roads have shutdown. And I do agree that there have been unique soil problems that probably date back to the beginning of it and I think that makes it separate and different from the 123 other bridges because as we point out they have all been an isolated problem, but not like 11 consecutive bridges in a row. My hope would be, and the reason we did not initiated similar legislation in the Senate was because we felt confident with the good neighbor approach, for lack of a better term that this administration has brought forward I think to try to pass, you know this legislation which is not made it way over to our chamber and I respect the House for, you know, thinking this was the best way to address it, clearly it has not made it out of committee, so it still not soup yet as they call it, you know I prefer from our perspective you know to continue to work with the administration, with Senator Gillmor who has more of a, I think a more fair minded approach to how this should be resolved, let's take a look at the 11 that seemingly have a very similar soil issue, identical in kind, it's not like well two, you know three have this problem, they all have the same problem, and I think you know of going back to whenever the bridges whenever the last significant work was done on that stretch, I don't want to say it was done in 1955 till now, but it would be my recommendation, simply as a non-voting member here to, I do think Kathy should go down and testify to this extent that it would be a billion dollar expenditure to take care of what is really a very isolated problem. And my only hope is that we continue rather to have very positive discussions with these folks, getting one of the eleven bridges fixed, you know which as Dan pointed out is in the loop is one thing, I think we need to determine what, if there is four bridges closed, there's a problem, at least with four bridges, if the bridges extend to 11, but I would like to offer much like study that is going to be done on public safety on other aspects that you mentioned before that a more speed of business type study be done and perhaps make House Bill 40 not necessary. You know so that before it has to come over to be addressed in the Senate, you know we look at that isolated 11 bridges and do the good neighbor approach, get it fixed up to scope, but then having said that in fairness, you know this perpetuity which is also built into House Bill 40 which would make this an ongoing obligation of this Commission for the 134 bridges, you know, forget the billion dollar number that is just short, this is going to be in the future, so in short I know that you and I applaud Director Distel and Kathy, and I recall having had the initial meeting with Senator Gillmor and from the very beginning you have reach to try to say we want to do the right thing. I think we just need to kind of get that sped up, you know Senator Gillmor has worked very, very hard on this project and to have this bill slid in and kind of for lack of a better term, break up what looked to be like we

were arriving at an agreement, it seems untimely, so that's my remarks on the bridges of Sandusky County as you put it.

Executive Director: Mr. Chairman if I can just add, you know Tom you are absolutely right we did go out, we were looking for a solution and we were working with Senator Gillmor to try and I think Representative Wagner at the time to try and come up with a solution. I believe before I got here, I really can't speak to it although I have read some of the attempts to try and rectify the situation without setting dangerous precedent and again as Director of the agency I am very careful to not set a precedent that really could obligate us to long term maintenance. You know we will continue to meet with them, be happy to, if you would pass on to Senator Gillmor if she would like to perhaps facilitate some meeting with them to come up with some kind of amicable solution to the 11 that we are talking about, without setting that dangerous precedent, I would certainly bring that back to the Commission with perhaps a recommendation on how to proceed. Perhaps after Ms. Weiss travels to Columbus on Wednesday and does obviously testify as an opponent, perhaps maybe some of those conversations can ensue, but you know I am always being very careful not to over commit the Turnpike and not to set that dangerous precedent and obviously we can only do so much as administration without the knowledge that the Commission Members themselves who do approve these expenditures would give us the direction to proceed. So we will keep talking with them.

Senator Patton: Thank you.

Vice-Chairman: One last question for the Chief Engineer. Is this going to require a disassembling of the ramp per se, taking out all the pavement and in essence rebuilding them?

Chief Engineer: Yes Mr. Chairman the Jacobs Road solution basically has removing the majority of the embankment leading up to the structure, including the roadway pavement and reconstructing it.

Vice-Chairman: And obviously since there is a dirt problem there in that region, that product is going to have to all be trucked in, correct?

Chief Engineer: That's correct, you may recall Mr. Chairman there was two solutions for the repair on this one. We choice the granular embankment solution, which was a little bit more expensive but also more reliable, so this is all going to be trucked in from a remote source.

Vice-Chairman: And specifically for the other three that are currently closed, is that the case with them or can it be shored up and/or a product, for lack of a better word, injected into it, so we don't have to dismantle it and rebuild it?

Chief Engineer: Mr. Chairman prior to preparing any reconstruction plans for any other structure we will do an engineering study and there are alternate methods for repair, and one of them as you say is called soil nailing, where you actually drive reinforcement into the slopes to hold it, we just don't know the extent of the failure on the other structures at this time.

Vice-Chairman: Anyone else?

Mr. Kidston: Well I will make a comment on this maybe throwing up another red flag, every job we do we have what appears to be tons of money in consulting, engineering fees, and soil testing, and you know I am wondering where the consultants were on this job, if in fact the soil proves that it was unstable to begin with, that in effect is what I am hearing today. If it is not unstable soil then I think we have to be very careful about being fair to all the other County Engineers that our road, flows through so that you know if it is a lack of maintenance on Sandusky's part that is one question. If it is unstable soil because of the way we constructed it in the beginning that's another decision and I am hearing that it is unstable soil, and so I guess have we gone back to the consultants that supervised that project or those projects and asked them the question?

Chief Engineer: Mr. Chairman, Commission Member Kidston of the 11 bridges that are currently failing and we have had failures on the mainline in Sandusky County, I believe 2 of the 11 have been reconstructed since original construction of the Turnpike. The other remaining ones were back in the early 50's. Now of the two that we found the one that we did the studies on, Jacobs Road, the consultant has found that the moisture content was higher than the original specification, the compaction is lower than the original specification. You can't say for certain if that was due to the original construction or due to the failure, I would say when you have a break in the curbs and the water comes down and percolates with the material that's going to raise the moisture content, when it starts moving that's going to reduce the compaction. So you know all we can do is go by what the reports say.

Mr. Kidston: Well and we pay them dearly for the report in the beginning and overlooking the projects and that is my point I guess, we need to hold them accountable to a certain degree on this if in fact it was constructed inappropriately in the beginning. I just want to throw up that red flag as a way of, future jobs that we do let's, if we are going to pay these people to represent us out in the field let's get our money's worth, I guess is my point.

Executive Director: Mr. Chairman, Mr. Kidston you can't, I did look at what occurred ten years ago when we did Jacobs Road, we the Turnpike, to the best of my knowledge it met the spec at the time we accepted and paid our final payment on that project as far as compaction and moisture. Hard to say what precipitated it to fail, but I do know this that after the study that we did to get to Jacobs Road, the soil types in Sandusky County are just not the type of soil you should use for these kinds of slopes. Whether or not they were constructed 50 or 60 years ago, what were most of the overpasses and these approaches were created, I really can't say, so to try and fault, I have tried to see very clearly, see was there something wrong, did we do something wrong here at the Turnpike, and I could find no evidence of it, they met the specs they did it correctly, you know over a ten year period of time well we see what's happened on Jacobs Road. You know we used this study, we believe similar soils are on those other ten, so now we know we have a soil problem and the compaction and moisture level is just too high for it to hold the grade. So you know we will continue to work with them, talk to them and obviously I would never make any kind of offer for any type of settlement before consulting with the Commission and hopefully we will have some kind of recommendation back to you as these hearings proceed and after we sit down perhaps with Senator Gillmor on how to proceed in the future.

Vice-Chairman: Senator.

Senator Patton: Moving off the bridges of the county and back to your retail program, I know I have mentioned this once before, I sat on a commission regarding BMV and other road issues that the state last General Assembly and they're trying to look for other things that our BMV offices could provide and I appreciate the opportunity to sell some of these along the Turnpike, but I think that the average Ohioan generally every year or so, unless they are mailing in, but sooner or later they got to get their driver's license picture taken are walking into a BMV, and I still believe that would be a tremendous opportunity with a sister agency to keep that type of work or retail operation and afford the BMV, cause one of the challenges the BMV has is so many of us will mail in and get our stickers. So their foot traffic is starting to slow down to a point they need to think outside the box, we need a retail site and operation, at least not necessarily the BMV offices in throughout the State, because I can't imagine the traffic in Cincinnati to buy the transponders would be great at all, but clearly we know the corridor that we serve and we can do maybe even a half dozen test pilots to see how well it does, how well it moves that would be something I would offer as a suggestion publicly, that I know I have done with you privately, but for the record.

Executive Director: Senator Patton to answer your question or to kind of comment on your remarks, we have not only considered working with the BMVs, but also with AAAs, and kind of branching out from there, so we are exploring all avenues, it just makes good sense to try and have them in the Bureau of Motor Vehicles.

Senator Patton: And again Director, no disrespect to the folks at AAA, but that is a private company and we would rather give it a shot to keep it, make it more of an intermural project by keeping it in the family, so to speak first and if it turns out that is not sufficient, you know if there's, I know that AAA would love to have it, you know but what we are trying to do is provide you know for the success of our BMV operations, so we can keep as many of them open as we can and not make people have to drive, you know longer than necessary because we have to cut them back. You know I hear what you are saying about the AAA, but I'd make that like the fourth choice, I would make BMV first, second and third choices.

Executive Director: Well noted.

Vice-Chairman: Any other comments?

Representative Goodwin: Can we go back to the bridges just for a second, I am just curious and maybe this is history, you guys know it and I don't but when those bridges were built what was the life expectancy at that time? And what kind of schedule was there in place to rework these over the, you know, I am assuming over a period of years because I don't think there is probably a full life expectancy was there?

Chief Engineer: Mr. Chairman, Representative Goodwin, the actual structures themselves we began replacing the actual bridge decks and structures in the early mid-eighties.

The embankments actually you would not expect to have to get in there and reconstruct those embankments for any foreseeable maintenance cycle.

Representative Goodwin: So there was no plan?

Chief Engineer: There was no plan to reconstruct them.

Vice-Chairman: Anyone else? Thank you. We have several resolutions for consideration, our Chief Engineer will start.

Chief Engineer: Thank you Mr. Chairman, I have four resolutions for your consideration this morning. The first is awarding Contract No. 59-11-01, this is for resurfacing the mainline roadway from Milepost 14.8 to Milepost 27.5 in Williams County. This project was on our 2011 budget that was approved by the Commission in December. The Commission may recall that this was also the project that we were forced to reject last spring due to the total bid amount. Again this year we received one bid in response to the contract. It was submitted by Gerken Paving, Incorporated of Napoleon, Ohio in the amount of \$11,560,682.30. The total amount bid is within 1.9% of the engineer's estimate and this contractor has performed satisfactorily in the past for the Commission. This resolution also includes the provisions to assign DGL Consulting Engineers of Maumee, Ohio to the project for performing construction inspection and TTL Associates Incorporated of Toledo for performing material testing and inspection in accordance with their 2011-2012 Miscellaneous Engineering Services Agreements. If the General Counsel would please read the Resolved.

General Counsel: RESOLVED that the bid of **Gerken Paving, Inc. of Napoleon, Ohio**, in the amount of **\$11,560,682.30** for the performance of Contract No. 59-11-01 is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said Contract, and is accepted, and that the Chairperson and Executive Director, or either of them, hereby is authorized to: 1) execute a Contract with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid; (2) direct the return to the bidder of its bid security, when appropriate, and 3) take any and all action necessary or proper to carry out the terms of said bid and of said Contract; and

FURTHER RESOLVED that the Commission hereby authorizes the Executive Director and the Chief Engineer to assign **DGL Consulting Engineers, LLC of Maumee, Ohio** to Contract No. 59-11-01 for the purpose of performing construction inspection, and **TTL Associates, Inc. of Toledo, Ohio** for the purpose of performing material testing and inspection, with such assignments in accordance with the 2011-2012 Miscellaneous Engineering Services Agreements between the Ohio Turnpike Commission and said engineering firms; and

FURTHER RESOLVED that Project No. 59-11-01 is designated a System Project under the Commission's 1994 Master Trust Agreement.

Vice-Chairman: Motion to adopt?

Mr. Kidston: So moved.

Mr. Pakush: Second.

Vice-Chairman: Is there a second? Comments?

Mr. Kidston: So was this bid lower or higher than what we rejected?

Chief Engineer: Mr. Chairman, Commission Member Kidston if you look at the total gross bid amount it is approximately \$400,000 higher; however there was a change in the specification. Not only the change but our asphalt prices are a little higher now this year than they were last year, also there was a change here where the contractor is providing the temporary traffic control barrier between the opposing lanes of traffic because the barrier that we had purchased in the early nineties no longer meets the standards for impact. We are looking at either purchasing more barrier here next year depending on when we see where these prices are.

Mr. Kidston: My second question is do we encourage in our specifications the recycle of the asphalt? I mean is that getting more and more....

Chief Engineer: Mr. Chairman, Commission Member Kidston we recycle not only in the base course, but also in the surface course.

Mr. Kidston: Okay, thank you.

Vice-Chairman: Any other concerns? Call the roll.

Assistant Secretary-Treasurer: Mr. Regula

Mr. Regula: Yes

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary-Treasurer: Mr. Pakush

Mr. Pakush: Yes

RESOLUTION NO. 4-2011

Resolution Awarding Contract No. 59-11-01

WHEREAS, the Commission has duly advertised according to law for bids upon a Contract for Repairs and Resurfacing, Eastbound and Westbound Roadways, from Milepost 14.8 to Milepost 27.5 located in Williams County, Ohio, herein designated **Contract No. 59-11-01**; and

WHEREAS, expenditures for the award(s) to be made under Contract No. 59-11-01 will exceed \$150,000.00, and, therefore, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission action is necessary for said Contract award; and

WHEREAS, the Commission received one (1) bid for the performance of said Contract, and said bid has been reviewed and analyzed by the Commission's Chief Engineer, whose report concerning such analysis is before the Commission; and

WHEREAS, the Chief Engineer reports that the bid received from **Gerken Paving, Inc.** of **Napoleon, Ohio**, in the amount of **\$11,560,682.30** for the performance of Contract No. 59-11-01, is responsive and responsible, and he, therefore, recommends that the bid be accepted by the Commission; and

WHEREAS, the Commission has also been advised by the Director of Contracts Administration that bids for Contract No. 59-11-01 were solicited on the basis of the same terms and conditions and the same specifications, that the bid of Gerken Paving, Inc. for Contract No. 59-11-01 conforms to the requirements of Ohio Revised Code Sections 5537.07, 9.312 and 153.54, and that a performance bond with good and sufficient surety has been submitted by Gerken Paving, Inc.; and

WHEREAS, the Commission's Executive Director has reviewed the reports of the Chief Engineer and the Director of Contracts Administration and, predicated upon such analysis, has made his recommendation to the Commission to award Contract No. 59-11-01 to the lowest responsive and responsible bidder, Gerken Paving, Inc.; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the bid of **Gerken Paving, Inc.** of **Napoleon, Ohio**, in the amount of **\$11,560,682.30** for the performance of Contract No. 59-11-01 is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said Contract, and is accepted, and that the Chairperson and Executive Director, or either of them, hereby is authorized to: 1) execute a Contract with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid; (2) direct the return to the bidder of its bid security, when appropriate, and 3) take any and all action necessary or proper to carry out the terms of said bid and of said Contract; and

FURTHER RESOLVED that the Commission hereby authorizes the Executive Director and the Chief Engineer to assign **DGL Consulting Engineers, LLC** of **Maumee, Ohio** to Contract No. 59-11-01 for the purpose of performing construction inspection, and **TTL Associates, Inc.** of **Toledo, Ohio** for the purpose of performing material testing and inspection, with such assignments in accordance with the 2011-2012 Miscellaneous Engineering Services Agreements between the Ohio Turnpike Commission and said engineering firms; and

FURTHER RESOLVED that Project No. 59-11-01 is designated a System Project under the Commission's 1994 Master Trust Agreement.

Chief Engineer: Thank you the second resolution is awarding Contract No. 59-11-03 also for mainline resurfacing from Milepost 205.2 to Milepost 209.55 in Portage and Trumbull Counties. This project was also on the 2011 tentative budget approved in December. We received two bids in response to this contract. The apparent low bid was submitted by the Shelly Company of Twinsburg, Ohio in the total amount of \$4,473,575.05. The total amount bid is below the estimate for this project and this bidder has performed satisfactorily in the past for the Commission. Again this resolution also includes provisions to assigned GPD Group of Akron, Ohio to the project for construction inspection and ACA Engineering Incorporated of Boardman, Ohio for materials testing and inspection in accordance with their Miscellaneous Engineering Services Agreements. If the General Counsel would please read the Resolved.

General Counsel: RESOLVED that the bid of **The Shelly Company of Twinsburg, Ohio**, in the amount of **\$4,473,575.05** for the performance of Contract No. 59-11-03 is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said Contract, and is accepted, and that the Chairperson and Executive Director, or either of them, hereby is authorized to: 1) execute a Contract with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid, (2) direct the return to the bidders of their bid security, when appropriate, and 3) take any and all action necessary or proper to carry out the terms of said bid and of said Contract; and

FURTHER RESOLVED that the Commission hereby authorizes the Executive Director and the Chief Engineer to assign **GPD Group of Akron, Ohio** to Contract No. 59-11-03 for the purpose of performing construction inspection, and **ACA Engineering, Inc. of Boardman, Ohio** for the purpose of performing material testing and inspection, with such assignments in accordance with the 2011-2012 Miscellaneous Engineering Services Agreements between the Ohio Turnpike Commission and said engineering firms; and

FURTHER RESOLVED that Project No. 59-11-03 is designated a System Project under the Commission's 1994 Master Trust Agreement.

Vice-Chairman: Motion to adopt?

Mr. Pakush: So moved.

Vice-Chairman: Second?

Mr. Kidston: Second.

Vice-Chairman: Comments? Questions?

Mr. Kidston: Dan are you aware is there any common ownership between Shelly Sands and the Shelly Company?

Chief Engineer: Mr. Chairman, Commission Member Kidston no as far as I am aware there is not, we have checked this out in the past.

Vice-Chairman: Call the roll.

Assistant Secretary-Treasurer: Mr. Regula

Mr. Regula: Yes

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary-Treasurer: Mr. Pakush

Mr. Pakush: Yes

RESOLUTION NO. 5-2011

Resolution Awarding Contract No. 59-11-03

WHEREAS, the Commission has duly advertised according to law for bids upon a Contract for Repairs and Resurfacing, Eastbound and Westbound Roadways, from Milepost 205.2 to Milepost 209.55 located in Portage and Trumbull Counties, Ohio, herein designated **Contract No. 59-11-03**; and

WHEREAS, expenditures for the award(s) to be made under Contract No. 59-11-03 will exceed \$150,000.00, and, therefore, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission action is necessary for said Contract award; and

WHEREAS, the Commission received two (2) bids for the performance of said Contract, and said bids have been reviewed and analyzed by the Commission's Chief Engineer, whose report concerning such analysis is before the Commission; and

WHEREAS, the Chief Engineer reports that the lowest responsive and responsible bid for the performance of Contract No. 59-11-03 was submitted by **The Shelly Company of Twinsburg, Ohio**, in the amount of **\$4,473,575.05**, which bid he recommends be accepted by the Commission; and

WHEREAS, the Commission has also been advised by the Director of Contracts Administration that bids for Contract No. 59-11-03 were solicited on the basis of the same terms and conditions and the same specifications, that the bid of The Shelly Company for Contract No. 59-11-03 conforms to the requirements of Ohio Revised Code Sections 5537.07, 9.312 and 153.54, and that a performance bond with good and sufficient surety has been submitted by The Shelly Company; and

WHEREAS, the Commission's Executive Director has reviewed the reports of the Chief Engineer and the Director of Contracts Administration and, predicated upon such analysis, has

made his recommendation to the Commission to award Contract No. 59-11-03 to the lowest responsive and responsible bidder, The Shelly Company; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the bid of **The Shelly Company of Twinsburg, Ohio**, in the amount of **\$4,473,575.05** for the performance of Contract No. 59-11-03 is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said Contract, and is accepted, and that the Chairperson and Executive Director, or either of them, hereby is authorized to: 1) execute a Contract with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid, (2) direct the return to the bidders of their bid security, when appropriate, and 3) take any and all action necessary or proper to carry out the terms of said bid and of said Contract; and

FURTHER RESOLVED that the Commission hereby authorizes the Executive Director and the Chief Engineer to assign **GPD Group of Akron, Ohio** to Contract No. 59-11-03 for the purpose of performing construction inspection, and **ACA Engineering, Inc. of Boardman, Ohio** for the purpose of performing material testing and inspection, with such assignments in accordance with the 2011-2012 Miscellaneous Engineering Services Agreements between the Ohio Turnpike Commission and said engineering firms; and

FURTHER RESOLVED that Project No. 59-11-03 is designated a System Project under the Commission's 1994 Master Trust Agreement.

Chief Engineer: Thank you the third resolution is awarding Contract 77-11-01. This is for construction of the third lane from Milepost 178.0 to Milepost 185.3. This project was also on the tentative budget approved. We received five bids in response to this contract. The apparent low bid was submitted by Shelly & Sands Incorporated of Akron, Ohio in the net bid amount of \$30,595,432.12. This project is also below the estimate and this bidder has performed satisfactorily in the past for the Commission. This is a two year project beginning this year and completing in 2012. At the completion of this project there will be one segment left in the original 160 miles programmed of the third lane from Milepost 64 to 59 in Lucas and Wood Counties. Again getting back to this project this also includes a provision to assign URS Corporation of Akron, Ohio for performing construction administrative services as they were previously authorized under Resolution 33-2010 and Solar Testing Laboratories Incorporated of Brooklyn Heights, Ohio for the purposes of performing materials testing services. If the General Counsel would please read the Resolved.

General Counsel: RESOLVED that the bid of **Shelly & Sands, Inc.** of Akron, Ohio, in the amount of **\$30,595,432.12**, for the performance of **Contract No. 77-11-01** is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said Contract, and is accepted, and that the Chairperson and Executive Director, or either of them, hereby is authorized to: (1) execute a Contract with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid, (2) direct the

return to the bidders of their bid security, when appropriate, and (3) take any and all action necessary or proper to carry out the terms of said bid and of said Contract; and

FURTHER RESOLVED that the Commission hereby authorizes the Executive Director and the Chief Engineer to assign **URS Corporation of Akron, Ohio** to Contract No. 77-11-01 for the purpose of performing construction administration services in accordance with the agreement specific to this Project as previously authorized under Resolution 33-2010, and to assign **Solar Testing Laboratories, Inc. of Brooklyn Heights, Ohio** for the purpose of performing materials testing and inspection with such assignment in accordance with the 2011-2012 Miscellaneous Engineering Services Agreement between the Ohio Turnpike Commission and said engineering firm; and

FURTHER RESOLVED that Project No. 77-11-01 is designated a System Project under the Commission's 1994 Master Trust Agreement.

Vice-Chairman: Motion to adopt?

Mr. Pakush: So moved.

Vice-Chairman: Second?

Mr. Kidston: Second.

Vice-Chairman: Questions? Senator.

Senator Patton: Just explain Dan if you can, obviously the bid talks about, I can read through the different, from Shelly & Sands, but near the bottom when you select URS for construction administration services and Solar Testing to do the materials, soil testing I am sure that is what it is, how do they arrive at being awarded, are they part of a bid that I don't see here?

Chief Engineer: No Mr. Chairman, Commission Member Patton. URS Corporation responded to a RFP back when we began the third lane project, there was a technical award process back then, due to the length of the third lane construction which began in the late nineties up until now we reaffirmed that award last year as part of Resolution 33-2010. The test labs we have a prequalification process that we put out every two years for any engineering or testing lab that is interested in working with us. We take a look at not only their technical responses, but also their proximity to the projects and they are assigned those projects off the responses.

Senator Patton: No more questions.

Vice-Chairman: Just curious here, the specs for this would it be similar to in terms of the subsurface and the lane itself, would it be similar to what our replacement specs would be for lanes where we are rebuilding the original concrete and blacktop surface?

Chief Engineer: Mr. Chairman no it is not the same. The third lane out of the 160 miles of third lane that we have programmed all but I believe 15 miles is full depth asphalt. There are 15 miles that is composite which is concrete with an asphalt overlay in Sandusky County. The reason for the full depth asphalt is that the trucks are prohibited from traveling in the third lane except under maintenance of traffic procedures, so there is less axle loading on this pavement. The base replacement project that we are working on that we'll hopefully have an award on the first segment next month that is proposed design is a composite section with a concrete base with an asphalt surface.

Vice-Chairman: So approximately how many inches will these lanes be then?

Chief Engineer: Mr. Chairman, Doug help me out here, is it 17, 18 inches?

Assistant Chief Engineer: Total pavement thickness, yes.

Vice-Chairman: But the preparation of the sub-soils and aggregate you put down first before you put the blacktop would that be similar to the lanes we are going to be replacing?

Chief Engineer: Yes, there is further work on the sub-grade material, we take a look at that sub-grade to see what condition it is in, if it has to be replaced or if we may stabilize it with lime or cement before we put the pavement on it.

Vice-Chairman: Thank you, anything else? Call the roll.

Assistant Secretary-Treasurer: Mr. Regula

Mr. Regula: Yes

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary-Treasurer: Mr. Pakush

Mr. Pakush: Yes

RESOLUTION NO. 6-2011

Resolution Awarding Contract No. 77-11-01

WHEREAS, the Commission has duly advertised according to law for bids upon a Contract for third-lane construction from Milepost 178.01 to 180.4 (PART A) and Milepost 180.04 to 185.32 (PART B) located in Summit County, Ohio, (including MSE retaining wall repairs (PART C) and a utility crossing structure (PART D), herein designated **Contract No. 77-11-01**; and

WHEREAS, expenditures for the award(s) to be made under Contract No. 77-11-01 will exceed \$150,000.00, and, therefore, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission action is necessary for said Contract award; and

WHEREAS, the Commission received five (5) bids for the performance of said Contract, and said bids have been reviewed and analyzed by the Commission's Chief Engineer, whose report concerning such analysis is before the Commission; and

WHEREAS, the Chief Engineer reports that the lowest responsive and responsible bid for the performance of Contract No. 77-11-01 was submitted by **Shelly & Sands, Inc. of Akron, Ohio** in the total amount of **\$30,695,432.12 (with a \$100,000.00 proposed temporary access credit that reduces the bid amount to \$30,595,432.12)**, which bid he recommends be accepted by the Commission; and

WHEREAS, the Commission has also been advised by the Director of Contracts Administration that bids for Contract No. 77-11-01 were solicited on the basis of the same terms and conditions and the same specifications, that the bid of Shelly & Sands, Inc. for Contract No. 77-11-01 conforms to the requirements of Ohio Revised Code Sections 5537.07, 9.312 and 153.54, and that a performance bond with good and sufficient surety has been submitted by Shelly & Sands, Inc.; and

WHEREAS, the Commission's Executive Director has reviewed the reports of the Chief Engineer and the Director of Contracts Administration and, predicated upon such analysis, has made his recommendation to the Commission to award Contract No. 77-11-01 to the lowest responsive and responsible bidder, Shelly & Sands, Inc.; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the bid of **Shelly & Sands, Inc.** of Akron, Ohio, in the amount of **\$30,595,432.12**, for the performance of **Contract No. 77-11-01** is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said Contract, and is accepted, and that the Chairperson and Executive Director, or either of them, hereby is authorized to: (1) execute a Contract with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid, (2) direct the return to the bidders of their bid security, when appropriate, and (3) take any and all action necessary or proper to carry out the terms of said bid and of said Contract; and

FURTHER RESOLVED that the Commission hereby authorizes the Executive Director and the Chief Engineer to assign **URS Corporation of Akron, Ohio** to Contract No. 77-11-01 for the purpose of performing construction administration services in accordance with the agreement specific to this Project as previously authorized under Resolution 33-2010, and to assign **Solar Testing Laboratories, Inc. of Brooklyn Heights, Ohio** for the purpose of performing materials testing and inspection with such assignment in accordance with the 2011-

2012 Miscellaneous Engineering Services Agreement between the Ohio Turnpike Commission and said engineering firm; and

FURTHER RESOLVED that Project No. 77-11-01 is designated a System Project under the Commission's 1994 Master Trust Agreement.

Chief Engineer: Thank you the final resolution I have this morning is awarding Invitation 4154 for furnishing hot-pour, ready-mixed joint sealant, approximately 495,000 pounds for use by our maintenance forces on the roadway. We received three bids in response to this invitation, the apparent low bid was submitted by McAsphalt Industries Limited of Toronto, Ontario. The bid was below the estimate and this supplier has supplied satisfactorily in the past. The maximum amount of the award is \$152,286.75 which includes the 5% manufacturing variance. The Director of Contracts Administration has advised that this bidder qualifies for the Commission Domestic and Ohio Preference Policy. If the General Counsel would please read the Resolved.

General Counsel: RESOLVED that the bid of McAsphalt Industries Limited for Invitation No. 4154 is deemed by the Commission to be the lowest responsive and responsible bid received and is accepted, and the Executive Director and Director of Contracts Administration, or either of them, is hereby authorized to: 1) execute a Contract with **McAsphalt Industries Limited of Toronto, Ontario, Canada** in the form heretofore prescribed by the Commission pursuant to the aforesaid Invitation, 2) incur expenditures under the Contract in the quantities estimated by the Maintenance Department's staff for the purchase of hot-pour, ready-mixed joint sealant, 3) direct the return to the other bidders of their bid security at such time as McAsphalt Industries Limited has entered into a Contract, and 4) take any and all action necessary to properly carry out the terms of said Contract.

Vice-Chairman: Motion to adopt?

Mr. Kidston: So moved.

Mr. Pakush: Second.

Vice-Chairman: Second? Questions or comments? Call the roll.

Assistant Secretary-Treasurer: Mr. Regula

Mr. Regula: Yes

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary-Treasurer: Mr. Pakush

Mr. Pakush: Yes

RESOLUTION NO. 7-2011

**Resolution Awarding a Contract for the Purchase
of Hot-Pour, Ready-Mixed Joint Sealant**

WHEREAS, the Commission has advertised for bids for Invitation No. 4154 for furnishing to the Commission of approximately 495,000 pounds of hot-pour, ready-mixed joint sealant; and

WHEREAS, expenditures of the Commission for hot-pour, ready-mixed joint sealant under Invitation No. 4154 may exceed \$150,000.00 and, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission action is necessary for the award of such Contract; and

WHEREAS, three (3) bids were received in response to the Invitation; and

WHEREAS, the bids were reviewed by the Maintenance Engineer who has reported that the lowest responsive and responsible bid was submitted by **McAsphalt Industries Limited of Toronto, Ontario, Canada**, and that this bidder proposes to furnish materials and services in accordance with the Commission's specifications; and

WHEREAS, the Maintenance Engineer has recommended award of the Contract to McAsphalt Industries in the amount of **\$152,286.75** (the bid amount plus a five percent manufacturing variance); and

WHEREAS, the Director of Contracts Administration has advised the Commission that McAsphalt Industries qualifies for consideration under the Commission's "Domestic and Ohio Preference" Policy; and

WHEREAS, the Commission has also been advised by the Director of Contracts Administration that all bids for Invitation No. 4154 were solicited on the basis of the same terms and conditions and the same specifications, that the bid of McAsphalt Industries for Invitation No. 4154 conforms to the requirements of Ohio Revised Code Sections 5537.07 and 9.312, and that a bid security in the form of a certified check of good and sufficient surety has been submitted by McAsphalt Industries; and

WHEREAS, the Executive Director has reviewed the reports of the Maintenance Engineer and the Director of Contracts Administration and, predicated upon such analysis, has made his recommendation to the Commission to award the Contract for Invitation No. 4154 to McAsphalt Industries Limited; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the bid of McAsphalt Industries Limited for Invitation No. 4154 is deemed by the Commission to be the lowest responsive and responsible bid received and is accepted, and the Executive Director and Director of Contracts Administration, or either of them, is hereby authorized to: 1) execute a Contract with **McAsphalt Industries Limited of Toronto, Ontario, Canada** in the form heretofore prescribed by the Commission pursuant to the aforesaid Invitation, 2) incur expenditures under the Contract in the quantities estimated by the Maintenance Department's staff for the purchase of hot-pour, ready-mixed joint sealant, 3) direct the return to the other bidders of their bid security at such time as McAsphalt Industries Limited has entered into a Contract, and 4) take any and all action necessary to properly carry out the terms of said Contract.

Chief Engineer: Thank you that is all I have this morning Mr. Chairman.

Vice-Chairman: General Counsel.

General Counsel: Mr. Vice-Chairman, Commission Members I have two proposed resolutions for your consideration. The first resolution would authorize the Executive Director to issue permits for the drilling for oil and natural gas within the right-of-way of the Commission. The Commission has previously adopted resolutions that authorize the Executive Director to issue permits to grant approval for the Commission to be included in pooling units for the extraction of oil and gas drilling on other neighboring properties on our right-of-way. The Commission is authorized by Ohio Revised Code Section 5537.04 and the provisions of the Master Trust Agreement with Huntington National Bank to enter into agreements for the disposal of property or other interest that it determines are no longer useful or necessary to the operations of the Commission, so long as the Consulting Engineer consents to such action in writing. The Commission has received a request to permit the drilling activity on its right-of-way or within its right-of-way and the Commission wishes to encourage in the development of new energy sources in the State of Ohio, so long as this activity does not interfere with the safe operations of the Commission or the safety of the traveling public. The resolution authorizes the Executive Director to grant such permits subject to the review recommendation of the Consulting Engineer and the Engineering Department as to those terms and conditions that the Commission should require to ensure the safe drilling activities on the Commission property. In addition, the Legal Department is in the process once this resolution is adopted authorizing such action to develop legal terms and conditions and draft agreements to proceed with this type of activity. We are also in the process of reviewing insurance requirements, you may be aware of the fact that a lot of municipalities are allowing drilling on their property. There are state limit insurance requirements imposed on these types of companies that engage in this activity. There's insurance minimums, but we will be reviewing with our insurance consultant what insurance requirements should be imposed on companies if the Commission were to proceed with authorizing this type of activity to make sure the Commission's risk management practices are the maximum that we should impose on these companies. With your permission Mr. Vice-Chairman?

Vice-Chairman: Please.

General Counsel: RESOLVED that the Commission hereby authorizes the Executive Director to take those actions necessary to effectuate this resolution, and to request that the Engineering Department and Consulting Engineer make recommendations as to those terms and conditions that the Commission should require to ensure the safe drilling of gas or oil on its property; and

FURTHER RESOLVED that Executive Director and General Counsel are authorized to negotiate and execute permits that allow the drilling of oil or gas on Commission property subject to those general liability insurance requirements recommended by the Commission's risk management consultant and in the form recommended by the Legal Department; and

FURTHER RESOLVED that the Executive Director is authorized to collect those fees and royalties due to the Commission under said agreements.

Vice-Chairman: Motion to adopt?

Mr. Kidston: So moved.

Vice-Chairman: Second?

Mr. Pakush: Second.

Vice-Chairman: Questions, comments?

Mr. Kidston: I am wondering if we would include, is this specifically for oil and gas, or if someone wanted to build solar panels, for instance along our right-of-way, would that?

General Counsel: Mr. Vice-Chairman, Commission Member Kidston we have been approached and have had discussions I believe with companies that were interested in maybe leasing Turnpike right-of-way. I think there is limited opportunity as long the Turnpike, but this resolution is limited specifically to allowing oil and gas drilling on Turnpike property. I don't, I think the Executive Director can speak.

Executive Director: Thank you Noelle, Mr. Kidston I have not received any requests from anyone for using any Turnpike property for solar on the Turnpike. We had one time talked about incorporating it into some of our service plazas, you know those discussions still ensue and the cost of them is still somewhat prohibited, if you will for the amount that you return so we didn't proceed any further. But again this one has my understanding is clearly for oil and gas only and if there were some request to do some solar configuration I believe that would have to come back to the Commission.

Mr. Kidston: I am fine with this I just like, windmills or any type of green energy we own a lot of real estate, and you know I just don't want to overlook some other possibilities if there are for energy production.

Vice-Chairman: Are we probably looking at this for properties east of for example 71, where the Marcellus Shale supposedly is or would we be doing this on a corridor way type of arrangement?

General Counsel: I think the companies, there are two or three companies that have approached us, it was east of....

Executive Director: They are all east of Lorain.

Chief Engineer: Mr. Chairman these, obviously this resolution would cover the entire Turnpike, obviously with the geography we are more apt to get into well producing areas east of where we are here. And it just so happens the drillers that have approached us thus far with specific sites in mind on the right-of-way are conventional vertical wells. They are not the Marcellus Shale that you spoke off.

Vice-Chairman: But are we going to look at leasing down to those because Clinton Shale is quite a bit more shallow than Marcellus and then there is also a difference in the drilling process. You know the old Clinton Shale Wells you could put on, the drilling process takes about three acres the larger ones are about ten acres.

Chief Engineer: Right.

Vice-Chairman: Because of the fracking process.

Chief Engineer: This would also allow for that.

General Counsel: That is correct Vice-Chairman, Commission Members. Actually the next resolution talks about a property that we need to acquire for the services plazas in Mahoning Valley/Glacier Hills. We became aware late in the week last week that there is an consortium that is interested in doing this, going into the deep drilling for the Marcellus and we may be included in that pool. The actual drilling would not be on Turnpike property, if we were to do it.

Vice-Chairman: So we would not.

General Counsel: That is we do know there is interest out east in doing this deeper drilling or the Marcellus Shale area.

Vice-Chairman: So the thought process has been and this is a very hot topic down in my area because we are just on the fringes of it, our thinking would be that we would not allow specific drilling on our property we would just be pooled in a group of acreage that would be covered under that well or maybe we haven't gotten to that point.

Chief Engineer: We, Mr. Chairman we haven't gotten to that point yet, this resolution would permit for a deep well. Looking at Mr. Pakush's suggestion last week when I discussed this resolution with him, he had me contact Director Wray's office and there is a

fellow down there that is working on this Marcellus slate-type shale type drilling using ODOT right-of-way, so we hope to get some information from ODOT also on this, but that type of well would lend itself more to drilling off the right-of-way and using our right-of-way in the drilling pool.

Vice-Chairman: Any other comments or concerns? Senator.

Senator Patton: I know that one of the issues in the law that allows for the permit to, that was voted on was 20 acre, minimum 20 acres, to be able to build a well on, then last year on the subject of pooling we changed it so that the contractors, the drillers are limited to one pooling, you know although that can be quite honestly gotten around by just forming another LLC and do it under a different name. I understand and support the fact that we need to get our oil and gas out of Ohio, and but I am just wondering in your mind's eye is this going to be something we are going to be doing solely on Turnpike property or are we going to be part of where we then go out into the neighborhoods to people who aren't as thrilled at the idea of having a oil well or a derrick, no matter how well they do a nice job of trying to hide it and board it up and put some shrubbery around it. The idea of having it that close have we taken that into account, I am not sure, this doesn't speak to, this is going to be solely on Turnpike property or are we going to be part as you indicate maybe perhaps in some other areas.

General Counsel: Mr. Vice-Chairman, Commission Members and Senator Patton it is my understanding, we have not moved forward on this very far, so we still have some information to gather. However, I believe that the companies that have approached us have reached pooling agreements with neighboring property owners. So we are still part of a pool and it is incumbent on them to go out and talk to the neighbors and we are sensitive to the fact that there is some noise involved in this drilling and it is something that we are going to have to kind of move forward cautiously to make sure that our neighbors are not upset by us agreeing to allow this, so it is probably one of the terms and conditions are that we're going to have to have you know meetings with the neighbors, neighboring property owners to get their feedback and to put some terms and conditions on these companies to make sure that we are not wreaking havoc on the neighboring communities.

Senator Patton: If I could clarify what pooling is, is when someone that they need a piece of their parcel to be part of the project, they pool them, you know as to compared to pull, they pool them into it, you know we have received in North Royalton for example, is a lot of complains, Broadview Heights a lot of complaints from people that you know quite honestly, it's the guy across the street that is in the, I haven't gotten a lot of phone calls from people complaining that are part of the project and are going to get royalties, which half of the people that surround the area that still hear the same noise and sometimes smell the same fumes and that's where the good neighbor policy of the Turnpike is going to be tested, it would be so much easier if the 20 acres was Turnpike exclusive and you're not infringing on someone who is being forced into this and I just wanted to know was the plan to utilize just Turnpike property or if you're going to be part of you know 16 other homes plus the Turnpike. Some of the cities have done this, some of the cities allowed them to use the actual road, this happened in Broadview Heights, I know where they let them use some of their street roads to make up that 20 acre, and so you know one of the things that I felt bad about, they voted can we let people build you know

oil wells on 20 acre plots and I think that George was in legislature at the time, excuse me Director Distel and I think everybody just kind of assumed that it was going to be out in Ashtabula or Medina or place that had big tracts of land, we didn't think it was going to be in a subdivision that had 500 homes that you know 34 of them were going to be pooled together and 32 of them like the idea and 2 of them didn't and everybody around it didn't like the idea because what they did was take a 1964 law that allowed for pooling, oh it is like buying a horse that was what we agreed to when we voted on it, the saddle that went on the horse was 1964 law which changed the outcome ultimately and that is what is creating even now you can't go very far without Strongsville schools wanting to build one. Some of the folks, matter of fact they did it in the North Royalton schools, the former school superintendent said tell you what, pass levies and we won't put up gas wells. I mean it was almost that confrontational, so obviously the Turnpike wants to maintain their good neighbor status, I am just pointing that out as we move forward that you have to move carefully in that regard.

Vice-Chairman: Representative.

Representative Goodwin: Just curious about the revenue structure, if there was some success in this drilling would the revenues be only attributed to the Turnpike use or would the State of Ohio have access to any major revenue also, or is the entity protected from that, just curious?

General Counsel: Mr. Vice-Chairman, Commission Members, Representative Goodwin actually under these royalty agreements the proceeds, these are typically standard arrangements with standard percentage going to the property owner. Sometimes when the well is on the property owner's property they can also negotiate to receive natural gas for the purpose to be utilized for heating. Because the Commission is, has this bond indenture agreement with Huntington National Bank the proceeds from the royalties under these agreements would go to the Turnpike Commission it would not revert back to the State of Ohio, although the property is titled to the State of Ohio for the benefit of the Ohio Turnpike Commission, so to respond to your question it's typically the revenue stream comes back to the Commission and we report to the Trustee for the bondholders on what arrangements have been received and what royalties will be generated from the disposal of these mineral rights.

Representative Goodwin: Chairman, may I ask a follow-up question?

Vice-Chairman: Certainly.

Representative Goodwin: Then I guess, you say typically is that hard and fast, the state in a budgetary situation that we're in could say wow there's been something worthwhile going on up there that we might be able to tap into and in my experience during a budgetary situation, you know the state is looking at every possible revenue source, so when you say typically that means that, it that hard fast or is that?

General Counsel: Of the top of my head I think the royalties would not generate, would not revert back to the State of Ohio, we are not talking about a lot of money; we are talking about really a minuscule amount of money relative to the size of our operations. We are

not talking about millions of dollars here. The royalties generated, I can get you information about generally, I think we get probably; the Right-of-Way Coordinator is in the audience, probably under \$10,000 a year.

Right-of-Way Coordinator: I believe last year total for all the wells that we have right now and that we're a part of pooling arrangements, if we got close to \$100,000 we were lucky.

General Counsel: Sorry.

Representative Goodwin: Okay.

Vice-Chairman: To add to your statement, though the one thing that is a little different with the Marcellus drilling and then with other more traditional drilling is there are signing bonuses to tie up the leaser for five to ten years, depending on that and as you go in Southeastern Ohio those signing bonuses per acre for five acres, or a five year lease are somewhere's between a \$1,000.00 to \$2,000.00 an acre. That's upfront and then there is also a percentage given to the landowner if a well is drilled in the royalty aspect of it, so there is two different revenues, possible revenue sources here. And the other question is because of the fact traditionally this is not hot item west of Berea for that, would we consider segmenting, you know crossing at a milepost and leasing everything just east of that and not tying up the western portion? Is that something you would foresee as a possibility or are you looking at this as a take it all type of.

General Counsel: Mr. Vice-Chairman, Commission Members typically we are approached by individual companies that are, that have done first of all they have put together the pool of property owners...

Vice-Chairman: Right.

General Counsel: that are needed, I was under the impression that you still needed 25 acres to be part of a pooling agreement and they have done the research, they have done the geological studies to determine that there is a violable, you know source to do the drilling so these are like kind of piecemeal arrangements. We can certainly look at it, but we have these existing pooling agreements along the Turnpike at individual locations and with different companies.

Vice-Chairman: So there are some existing leases that might prevent us from doing any additional leasing, currently?

General Counsel: Correct.

Vice-Chairman: That's good, call the roll.

Assistant Secretary-Treasurer: Mr. Regula

Mr. Regula: Yes

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary-Treasurer: Mr. Pakush

Mr. Pakush: Yes

RESOLUTION NO. 8-2011

**Resolution Delegating Authority to Issue Permits for the
Drilling of Wells for the Extraction of Oil and Gas and
Their Constituents on Commission Property**

WHEREAS, the Commission wishes to encourage and cooperate in the development of new energy sources within the State of Ohio in order to further promote economic development so long as it does not have an adverse effect on the operations of the Turnpike System; and

WHEREAS, the Commission has the authority under O.R.C. Section 5537.04 to make or enter into agreements necessary or incidental to the performance of its duties, and to acquire, hold and dispose of property necessary or incidental to the exercise of its powers; and

WHEREAS, the Commission adopted Resolutions 26-1976 on December 14, 1976 and Resolution No. 1-2008 on February 11, 2008, to delegate authority to the Executive Director to issue permits granting approval for Commission property to be included in pooling units for the extraction of oil and gas and their constituents; and

WHEREAS, Section 5.08 of the current Master Trust Agreement between the Commission and Huntington National Bank dated February 15, 1994, authorizes the Commission by resolution to dispose of such property or any interest therein that it determines is no longer useful or necessary for the operations or maintenance of the Turnpike System if the Consulting Engineer consents to such action or disposition in writing; and

WHEREAS, the Commission has received requests to permit the drilling of gas and oil within its right of way, which it intends to grant subject to the imposition of certain safety and risk management requirements.

NOW, THEREFORE, BE IT

RESOLVED that the Commission hereby authorizes the Executive Director to take those actions necessary to effectuate this resolution, and to request that the Engineering Department and Consulting Engineer make recommendations as to those terms and conditions that the Commission should require to ensure the safe drilling of gas or oil on its property; and

FURTHER RESOLVED that Executive Director and General Counsel are authorized to negotiate and execute permits that allow the drilling of oil or gas on Commission property subject to those general liability insurance requirements recommended by the Commission's risk management consultant and in the form recommended by the Legal Department; and

FURTHER RESOLVED that the Executive Director is authorized to collect those fees and royalties due to the Commission under said agreements.

General Counsel: The second resolution for your consideration this morning is a resolution that would authorize the filing of eminent domain proceedings to acquire one parcel of property that is necessary for the expansion, for the renovation of the Mahoning/Glacier Hills Service Plazas. I have a few slides for you. The first slide I believe is the engineering rendering of the north side Mahoning Valley Service Plaza, this indicates where the existing footprint of our property lines are, you will see the dotted line it is really just kind of a half circle and in order to renovate the service plazas we do need additional property for expanded truck parking and also for the installation of retention basins required to satisfy EPA storm water requirements. This is the north side of the renovated plaza. The next slide is the south side which also shows the existing footprint which is about a half circle, you can see the footprint of the existing service plaza and then to the right of that reflects additional acreage that is needed for truck parking and also the retention basin. We have four property owners that were affected by this projected and I am happy to report that on the north side we have reached a settlements with three of the four property owners. However on the south side, if you show the next, these are the parcels on the north side, the next slide shows the approximately five acres that are marked in pink and purple that are necessary from the property owner Richard and Jill Molnar. We have been negotiating with this property owner, this particular property is currently being used for agriculture purposes and farming and we have not been able to reach an agreement and in order to keep the project on time and on schedule, and proposing that the Commission adopt this resolution that would authorize the filing of eminent domain proceedings if we cannot reach an agreement with the property owner to have him authorize a right-of-way authorization permit for construction purposes so that we can continue negotiations regarding the financial settlement, but at the same time keep the project on schedule. We have been negotiating with the property owner for several months; we have been unable to reach an agreement primarily because we're not just talking about acreage, but also loss of income from his ability to farm the property. The resolution has a description of the exact piece of property that we need to acquire and with your permission Vice-Chairman I will read the Resolve.

Vice-Chairman: Okay.

General Counsel: FURTHER RESOLVED that the general counsel be, and she is hereby instructed to do or cause to be done all things that may be necessary in the premises in order that proceedings for the appropriation of the property described above may be commenced.

General Counsel: I would be happy to answer any questions.

Vice-Chairman: Motion to adopt?

Mr. Kidston: So moved.

Senator Patton: What are they growing? If I may what type of?

General Counsel: I think he grows soybeans, but he also grows corn and he has indicated to us I guess he's got his own farmers market, that this is a hybrid sweet corn variety that is unique and I am not sure if it is just these particular segments of his property that he is growing this on, but I know that when we acquired the Grobe Fruit Farm we had a difference of opinion as to valuation of the property that we were acquiring because they were looking for compensation not just for the acreage, but also the loss of income from the crop. So I think it is something that we have to revisit and we are going to continue to revisit with him and his attorney to try to come up with fair compensation, but in the meantime we have proposed that he sign a right-of-way authorization that allows the project to proceed on schedule.

Senator Patton: To follow up to that, has he provided or have he and his wife, have they provided us with income statements or tax returns to show what profit or how much money?

General Counsel: Part of the problem is we have not gotten that information that we requested, so it is kind of ongoing, going back and forth with the owner.

Senator Patton: Got it. Thank you.

Vice-Chairman: Any other questions since we are open already? Concerns?

Assistant Secretary-Treasurer: Mr. Vice-Chairman we need a second. I have a first.

Mr. Pakush: I second the motion.

Assistant Secretary-Treasurer: Thank you.

Vice-Chairman: Call the roll.

Assistant Secretary-Treasurer: Mr. Regula

Mr. Regula: Yes

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary-Treasurer: Mr. Pakush

Mr. Pakush: Yes

RESOLUTION NO. 9-2011

**Resolution Declaring the Necessity of Appropriating
Property and Directing that Proceedings to Effect
Such Appropriation be Begun and Prosecuted**

RESOLVED that the Commission has negotiated for a reasonable time for the purchase of real estate described herein with the owners, but has been unable to enter into an agreement and has complied with the provisions of section 163.04 of the Revised Code by sending a formal notice of the intent to acquire; and said property is necessary for the reconstruction of the Mahoning Valley and Glacier Hills Service Plaza, and other related public roadway improvements, in the Township of Springfield, Mahoning County, Ohio;

BE IT FURTHER RESOLVED that proceedings be begun and prosecuted to effect the appropriation of the fee title and necessary easements on the following described property from the owners and persons having an interest therein, to wit:

<u>Owners</u>	<u>Parcel</u>
Richard K. Molnar	3744 Columbiana Road New Springfield, Ohio 44443
Jill A. Molnar	3744 Columbiana Road New Springfield, Ohio 44443
Michael V. Sciortino Mahoning County Auditor	120 West Market Street Youngstown, Ohio 44503
Lisa A. Antonini Mahoning County Treasurer	120 Market Street, 1 st Floor Youngstown, Ohio 44503

The aforementioned property to be appropriated is described as follows:

Parcel 01-119-0-002.00-0– Fee Simple

The legal description of the parcel is attached as Exhibit “A”;

FURTHER RESOLVED that the general counsel be, and she is hereby instructed to do or cause to be done all things that may be necessary in the premises in order that proceedings for the appropriation of the property described above may be commenced.

General Counsel: I have nothing further Mr. Vice-Chairman.

Vice-Chairman: CFO/Comptroller.

CFO/Comptroller: Good morning Mr. Chairman and Commission Members. I have an update on our traffic and revenue for the month of January. This first chart shows the monthly passenger car miles traveled on the Ohio Turnpike over the past two years. Passenger car vehicle miles traveled decreased slightly in January and were .1% less than total from 2010. Commercial traffic continues to rebound with the improving economy and as a result commercial vehicle miles traveled increased in January and were 6.3% higher than last year. This chart shows the total vehicle miles traveled for the month of January during each year over the past decade. Total vehicle miles traveled January were 3.1% above the amount from last year. And this chart shows the percentage of vehicle miles traveled in January that used E-ZPass as a payment method. The percentage of passenger car miles traveled that used E-ZPass increased from 28.7% in January of 2010 to 35.3% in January of 2011. And the percentage of commercial vehicle miles traveled that used E-ZPass increased from 71.4% in January of 2010 to 74.3% in January of 2011. This chart shows the monthly passenger car toll revenue generated on the Ohio Turnpike over the past two years. Even though the amount of passenger car miles traveled in January was almost equal to the amount of miles traveled in January of last year the increase in E-ZPass usage caused the passenger car toll revenue in January to decrease 2.2% from January of last year. This chart shows the monthly commercial vehicle toll revenue generated on the Ohio Turnpike over the past two years. Commercial vehicle toll revenue for the month of January increased 5.6% from January of last year. And this last chart shows toll revenues for the month of January during each year over the past decade. Toll revenues for January were \$373,000 or 2.4% above the amount for last year. That completes my report Mr. Chairman, I would be happy to answer any questions you might have.

Vice-Chairman: Thank you, our Financial Advisor.

Financial Advisor: No report today Mr. Chairman.

Vice-Chairman: General Counsel. Trustee.

Trustee: No report Mr. Chairman.

Vice-Chairman: Consulting Engineer.

Consulting Engineer: No report today Mr. Chairman.

Vice-Chairman: Ohio State Highway Patrol.

Captain Zurcher: No report today Mr. Chairman.

Vice-Chairman: That's a good thing. Yes you will mark on your calendars the next meeting will be Monday, March 21st at 10:00 a.m., if there is no further business I will accept a motion to adjourn.

Mr. Pakush: So moved.

Mr. Kidston: Second.

Assistant Secretary-Treasurer: Vice-Chairman Regula

Mr. Regula: Yes

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary-Treasurer: Mr. Pakush

Mr. Pakush: Yes

Time of adjournment is 11:13 a.m.

Approved as a correct transcript of the proceedings of the Ohio
Turnpike Commission

George F. Dixon, Secretary-Treasurer