

MINUTES OF THE THREE HUNDRED AND FIRST MEETING
October 12, 1976

Pursuant to bylaws the Ohio Turnpike Commission met in regular session in the conference room of the Ohio Department of Transportation building at 139 East Gay Street in Columbus, Ohio at 11:00 A. M. on October 12, 1976 with key members of the staff; a representative, Harvey A. Harnden, of the Consulting Engineers; a representative, Steve Potter, of the Trustee, the Ohio National Bank; members of the press and others in attendance.

The meeting was called to order by the Chairman. The roll was called and the attendance was reported to be as follows:

Present: Richard D. Jackson, Ralph H. Anderson, O. L. Teagarden.

Absent: Daniel E. Bricker.

The Chairman announced that a quorum was present. He said he was very glad that Mr. Anderson, who had been very ill, was able to be present. He said the meeting location, which had originally been set for Berea, had been changed to Columbus in order to accommodate not only the Director of Transportation but Mr. Anderson as well. He said as everyone knew Mr. Anderson had been in hospital and the Commission Members were glad that he had recovered and was back in action with the Commission. Mr. Anderson thanked the Chairman.

A motion was made by Mr. Jackson, seconded by Mr. Anderson, that the minutes for the meeting of September 14, 1976, which had been examined by the Members and on which the corrections suggested by the Members had been made, be approved without reading.

A vote by ayes and nays was taken and all Members present responded to roll call. The vote was as follows:

Ayes: Mr. Jackson, Mr. Anderson, Mr. Teagarden.

Nays: None.

The Chairman declared the minutes stood adopted with all Members present voting in the affirmative.

The Chairman said that he was still receiving letters in regard to the rebuilding of the bridge that had been destroyed by fire on July 28. He said one of the correspondents had asked if the bridge had really been rebuilt in 24 days. The Executive Director, Allan V. Johnson, said it was true that it had been done in that time. The Chairman said with all due respect to the Director of Transportation and his remarks when he had said that no one

would be able to rebuild a bridge that quickly again, he said he wanted to say he did not agree. He said the Turnpike had demonstrated that it could be done, and while he hoped the occasion would never arise again, he felt certain it could be done again.

The Director of Transportation said it was most unusual to telephone a steel mill and find that the section of steel that was needed was being rolled. The Executive Director agreed and said the Turnpike Commission had been fortunate. The Chairman said the Commission was fortunate and that everything had unfolded perfectly and the Executive Director and the Chief Engineer, Frank A. Dutton, had moved in on the job immediately. The Executive Director said it was not always easy to find a steel mill that was rolling the section needed but it took some effort to find out that it was happening. The Director of Transportation said it had been a super job. The Chairman said it was a super job and that was why he mentioned it and he thought it was interesting that people still questioned the fact that it had been done.

The Chairman reported also that on October 5 the Trustee had purchased \$3,456,000 face amount of bonds at an average price of 99.31, thereby reducing the outstanding debt to \$80,382,000 of the original \$326,000,000 borrowed. He said additional purchases before the end of the year were expected to reduce the outstanding debt to less than \$78,000,000. He said revenues were up and it was expected that bonds would be bought again in December at which time the amount of outstanding bonds by the end of the year would be approximately \$78,000,000, so the Commission would be about \$2,000,000 ahead of its estimate.

The Chairman reported also that September revenues from all sources were \$4,267,967 which was \$544,000 or 14.6% more than revenues for the same month in 1975. He said that was a new record for September and exceeded the previous record of September, that of 1973, of \$4,134,107 by 3.2%. He said revenues for the first three quarters of 1976 had been \$36,315,300 compared to \$35,646,194 for the first three quarters of 1973, an increase of 1.9%.

The Chairman reported also that the preliminary budget for 1977 had been prepared and a resolution would be offered to adopt the preliminary budget as required by the Trust Agreement. He said Mr. Anderson would discuss the budget later and he hoped he would also introduce the resolution.

The Chairman reported also that a resolution had been prepared which would be offered to appoint the J. E. Greiner Co. - Ohio as Consulting Engineers. He said the J. E. Greiner Co. - Ohio was the successor firm to the J. E. Greiner Company, a change which had been requested by the Executive Director and the Executive Director would explain the resolution. He said it was just a matter of form in order to comply with the new organization of the J. E. Greiner Co. - Ohio. He said no additional expenditure of money was required and it was just a formality that recognized the successor firm.

The Chairman reported also that a resolution would be offered to grant permission to the Atlas Energy Group, Inc., to drill for gas and oil near the Turnpike. He said the usual royalty was provided for, which was a proportionate share, determined by area of surface owned, of one-eighth of the value of the well's production should the well prove successful. The Chairman said he hoped there would not be too many gas or oil wells along the Turnpike. The Director of Transportation said he hoped there were a lot of wells and that they all were successful. The Chairman said if the wells were all successful that would be fine but he had reservations on seeing a lot of drilling close to the Turnpike. He said he hoped the drilling worked out all right and he was not opposing it because of the fact that Ohio needed energy very badly. He said it was his understanding that the State of Ohio was also permitting such drilling. The Director of Transportation said the State certainly was.

The Chairman reported also that the annual report of the J. E. Greiner Co. had been completed. He said it was delivered in compliance with the Trust Agreement which required the Consulting Engineers report to be delivered every year on or prior to October 1. He said he had read the report and he had been concerned about some parts of it but he was sure it was going to work out all right. He said the report had gone into greater detail than he thought it would, but he wanted the J. E. Greiner Co. - Ohio to know that he read the report of the J. E. Greiner Co. on the Ohio Turnpike.

The Chairman said he hoped the Director of Transportation would be in office to accept the road when it became debt free in 1981. The Director of Transportation said he hoped to be able to be present to work towards the end of no tolls for the Turnpike.

The Chairman said the report of the Chairman was accepted as offered. He said the report of the Secretary-Treasurer would be received.

The Secretary-Treasurer, Mr. Anderson, said he was very happy to be back and that he had had one of the private nurses that Mr. Shocknessy had had when he was in the hospital. He said she was a wonderful nurse.

The Secretary-Treasurer reported that since the last meeting, the following had been sent to all Members:

1. Detail of Investment Transactions which took place in September 1976.
2. Traffic and Revenue Report as of August 1976.
3. Weekly traffic statistics.
4. Draft of the minutes of the September 14, 1976 meeting.
5. Month-end release for September 1976.

The Chairman said the report of the Secretary-Treasurer was accepted as offered. He said the report of the Committee on Budget and Finance would be received.

The chairman of the Committee on Budget and Finance, Mr. Anderson, reported that the department heads and staff members of the Committee had prepared the preliminary budget for 1977 and the budget was finally reviewed by the Director of Transportation; the Executive Director; the Comptroller, Craig Rudolphy, and by the Secretary-Treasurer on October 6, 1976.

The chairman reported further that the total amount of the proposed budget was \$18,908,590 which was \$2,111,290 or 12.6% higher than the 1976 budget of \$16,797,700. He said while the total increase might appear high, every effort had been made to control costs and only a relatively small amount of the proposed increase was attributed directly to continued inflation. He said most of the increases were for required items which could not be avoided or effectively controlled if the Commission was to continue the efficient operation of the Turnpike. He said such increases included \$201,000 in the employer's contribution to Public Employees Retirement System as a result of an increase in the employer contribution rate which would become effective on July 1, 1977; an increase of \$199,500 in the Ohio State Highway Patrol expense which was required under the Commission's contract with the Patrol; an increase of \$175,000 for upgrading and maintaining the Commission's radio communications system; and an increase of \$362,400 in toll collectors' salaries for additional full time employees needed to handle increased traffic and to reduce reliance on part time employees. He said the increases which amounted to \$937,900, were almost half the total increase and amounted to 5.6% of the total budget. He said the remaining increased costs, which would amount to \$1,173,390, included inflationary increases and the estimated cost of a general wage and salary increase for the Commission's employees and that those increases represented 7.0% of the total budget.

The Chairman reported further that the proposed preliminary budget, along with the Reserve Maintenance Fund deposit of \$10,000,000 recommended by the Consulting Engineers, and an estimated bond interest cost of \$2,420,000, resulted in estimated expenditures in 1977 of \$31,000,000 which, with the income estimated for 1977, would permit the Commission to continue on a financial course similar to the one it had followed in the past.

The Chairman reported that a resolution setting forth the Preliminary budget in the classifications requested by the Consulting Engineers and setting forth an estimate of income for the year and providing for the deposit to the credit of the Reserve Maintenance Fund of the amount recommended by the Consulting Engineers had been prepared and was in the Members' folders. He said the budget items contained in the resolution had been recommended by the Commission staff, the Committee on Budget and Finance and the Consulting Engineers and he thereby offered the resolution and recommended that it be adopted.

A resolution adopting Preliminary Budget for the fiscal year 1977 and providing for Reserve Maintenance Fund deposits during said year, was moved for adoption by Mr. Anderson, seconded by Mr. Jackson, as follows:

RESOLUTION NO. 19-1976

"WHEREAS it is provided by Section 505 of the trust agreement dated June 1, 1952 between the Commission and The Ohio National Bank of Columbus, as trustee, and The National City Bank of New York (now Citibank, N.A.), as co-trustee, that on or before the 20th day of October in each fiscal year, the Commission will adopt a preliminary budget of income and current expenses for the ensuing fiscal year;

"WHEREAS the Commission's chairman of the Committee on Budget and Finance, the executive director and comptroller have submitted a preliminary budget of income and current expenses for the fiscal year 1977 to the Commission, and have recommended the adoption thereof, and said budget is now before the Commission;

"WHEREAS all reasonable requests of the consulting engineer as to the classifications in which such budget shall be prepared have been complied with, and the consulting engineer has advised the Commission that said budget classifications meet with its approval and that it has no further requests with respect to said classifications;

"WHEREAS the consulting engineer has made a recommendation as required by Section 504 of the aforesaid trust agreement, as to the amount to be deposited to the credit of the Reserve Maintenance Fund during the ensuing fiscal year for the purpose of paying the cost of major repairs, equipment replacement, bridge painting, renewals, replacements and improvements and other purposes as set forth in Section 509 of the said trust agreement, and the amount so recommended is \$10,000,000; and

"WHEREAS the Commission desires to provide for deposits to the credit of the Reserve Maintenance Fund during the year 1977 of the amount recommended by the consulting engineer;

"NOW, THEREFORE, BE IT

"RESOLVED that the Commission, having duly and fully considered the same, hereby adopts the following:

"1977

"Preliminary Budget of Income and Current Expenses

Income		\$44,000,000
Current Expenses		
Administration & Insurance	\$	3,567,179
Operations		15,143,911
Trust Indenture Expense		<u>197,500</u>
Total Current Expenses	\$	18,908,590
		<u>Amount to be Deposited to the Credit of the</u>
		<u>Reserve Maintenance Fund</u>
Total Amount	\$	10,000,000

"FURTHER RESOLVED that the assistant secretary-treasurer is hereby instructed to file a copy of said budget of income and current expenses, and of the amount to be deposited to the credit of the Reserve Maintenance Fund during the ensuing fiscal year with the trustee and to mail copies thereof to the consulting engineer and to the principal underwriters forthwith."

The Chairman said before asking for the vote that he wished to say that the staff, the Secretary-Treasurer and the Director of Transportation had done an excellent job in estimating what confronted the Commission for 1977. He said he wanted to compliment the Committee for going into the budget so thoroughly for all departments.

In response to a question from the Chairman, the Executive Director said the \$10,000,000 in the Reserve Maintenance Fund would be derived from revenues received at the beginning of the year and no funds would be available for redemption of bonds until the Reserve Maintenance Fund was filled and that was why the Commission did not retire bonds at the beginning of the year until some time in July or August of each year. He said meanwhile the money was invested in U. S. Treasury bills and notes and earned interest until it was needed. The Executive Director said that was true of all funds that the Commission was required to maintain.

There being no further discussion, a vote by ayes and nays was taken and all Members present responded to roll call. The vote was as follows:

Ayes: Mr. Anderson, Mr. Jackson, Mr. Teagarden.

Nays: None.

The Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 19-1976.

The Secretary-Treasurer said he wished to expand on his explanation. He said that income for 1977 was estimated at \$44,000,000 and that current expenses included administrative and insurance expenditures of \$3,567,179; operations, \$15,143,911; Trust Indenture Expense, \$197,500, so that expenses totalled \$18,908,590. He said in addition there was the \$10,000,000 deposited to the Reserve Maintenance Fund. The Executive Director said that the amounts of the three major categories that Mr. Anderson had just read coincided with the recommendations that had been made by the Consulting Engineers for those accounts.

In response to a question by the Director of Transportation, the Executive Director said that the figures in the resolution did not include the amount to be paid during the year as interest on the outstanding bonds.

The Chairman said the report of the Committee on Budget and Finance was accepted as offered. He ascertained there would be no report from the Committee on Service Plazas. He said the report of the Committee on Employee Relations would be received.

In the absence of the chairman of the Committee on Employee Relations, Mr. Bricker, the vice chairman, G. Alan Plain, reported that the Committee had conducted initial meetings with spokesmen for various employee groups in order to review and hear explanations of their proposals. He said the Committee was analyzing the proposals and expected to condense them into the form of recommendations, conduct further meetings with the employee groups and to convey the Committee's recommendations to the Executive Director before the end of the year.

The Chairman said the report of the Committee on Employee Relations was accepted as offered. He ascertained there would be no report from the Director of Transportation or from the Committee on Safety. He said the report of the Executive Director would be received.

The Executive Director reported that he had attended the annual conference of the International Bridge, Tunnel and Turnpike Association from whom he had received an invitation even though the Ohio Turnpike Commission was not a member of the group. He said there were several interesting sessions which he attended, but most important, the meeting had given him the opportunity to meet other officials of toll facilities to discuss some of the problems that were common to all such undertakings. He said it would be beneficial for the Commission to continue to participate in some of the activities of the association, possibly even to join the association under some sort of limited membership. He said he was not advocating even a limited membership, but he did want to maintain the links that the Ohio Turnpike Commission had with the association, so that

when the time came that it appeared that working with it would be to the Commission's advantage, it might do so. He said he had no specific proposals but he had a feeling that the association might ask the Commission to join in some future meetings that might be held, especially in conversations that might be held with the Federal government for those toll facilities that were on the Interstate Highway System, as the James W. Shocknessy Ohio Turnpike was. He said he did not know where it might lead but he thought there might be additional attempts, such as those that had been made in the past, to involve the Federal government in financial participation on toll facilities on the Interstate Highway System. He said that would include the Ohio Turnpike, the Indiana Toll Road, the New York State Thruway, the New Jersey Turnpike and some of the eastern toll roads. He said he had enjoyed attending the conference very much.

The Chairman said he remembered the first meeting the association had had even though it had been year ago. He said it was an organizational meeting but the group failed to organize at that time. He said he had attended at Mr. Shocknessy's request to represent the Commission but he had gone with instructions that the Ohio Turnpike Commission would not become a member and that it was represented as a visitor. He said later the group did organize as an association and it might be well for the Executive Director to keep in close touch with the organization because he thought there was much to be learned from other people. He said he did not believe the Ohio Turnpike was 100% perfect and sometimes it could learn something from other turnpikes or other groups. The Executive Director said there were some limited associate memberships available in the IBTTA. He said he did not know what the conditions for membership were and until he knew that he would not recommend membership.

The Director of Transportation said he felt the Executive Director had made some very valid points. He said his own association with most organizations on the national level had been very beneficial. He said there was an opportunity to exchange ideas and to be in on the foundation of legislation. He said The James W. Shocknessy Ohio Turnpike had changed its position to some extent because it was now part of the Interstate System. He said he would encourage the Executive Director to report on the IBTTA from time to time as he might see fit. The Executive Director said he would keep in touch with the organization and mentioned that many Commission members attended the conferences.

The Chairman said the Commission was being influenced to a certain extent by Federal regulations and legislation. He said if there were a large group of people from turnpikes to fight battles when battles needed to be fought, the Ohio Turnpike Commission would be in a better position than if it were sitting on the sidelines. The Executive Director said that was what he felt.

The Executive Director reported also that the Greiner Company Annual Report was supplemented by inspection logs which were presented in great detail, especially for the bridges. He said he wanted the Members of the

Commission to know that the staff had already received the logs and was working on correcting the deficiencies noted in the detailed inspections which were summarized in the report.

The Executive Director reported also that there was a scale drawing in every Member's folder on signs proposed to be erected at the entry points to the Turnpike from Indiana and from Pennsylvania welcoming people to The James W. Shocknessy Ohio Turnpike. He said unless there was some objection, he would proceed and see that the signs were erected. The Director of Transportation said that it appeared to him that the "ames" in James was a different size from the other letters in the name. The Executive Director said that it might be a scale problem. He said the signs would be in standard letters which the sign shop made from templates and the drawing had been prepared merely to show the Commission Members the general concept. The Chairman asked where it was proposed to erect the signs. The Executive Director said the signs would be just for the entrance points and there would be only two of the signs to begin with. He said in the future it might be decided to erect one or two more signs but the present signs would merely replace the signs that now said "Welcome Ohio Turnpike." He said the signs would be mounted on the existing posts which presently held the older welcome signs.

The Executive Director reported also that it was time to print a new Ohio Turnpike Map because the present map for 1976 had a Bicentennial theme and no more were to be printed. He said it was proposed to redo the map and make any internal corrections but also to do a cover similar to one he showed. He said for the record that it had the words "Ohio Turnpike" at the top and "The James W. Shocknessy Ohio Turnpike" at the bottom of the cover. The Chairman said that treatment was similar to the New York Thruway map which had Governor Dewey's name on the lower part of the cover. The Executive Director said those were the first two things and one other thing the staff was working on was a small handout pamphlet which would give the background of the change and a brief biography of Mr. Shocknessy. He said it would be available for handout at toll plazas and service plazas, along with a great deal of other information that the Turnpike dispensed.

The Chairman said he believed the Governor had expressed a desire to have signs erected in the service plazas. He said that would be interesting, because when he had visited some of the plazas two weeks before the meeting, he had looked for a place to put signs and his inspection convinced him that it would be necessary to put a pedestal or something on the floor because there was no room on the walls except very far above the heads of visitors. The Executive Director agreed. The Chairman said when the Executive Director had a proposal for the service plazas he should submit it to the Commission. The Executive Director agreed. The Director of Transportation said that some of the color on the map looked very light.

The Executive Director said the Commission had received an acknowledgement from the Governor's office about the name change and

one from Senator John W. Bricker. The Chairman said there had been some from members of the Legislature as well and from the Lieutenant Governor.

The Executive Director reported also that there was a resolution in the Commission Members' folders about the change of name of the J. E. Greiner Co. to J. E. Greiner Co. - Ohio. He said since early in 1976 until his death, Mr. Shocknessy and he had been discussing the consulting agreement which the Commission had had for many years with the J. E. Greiner Co. and which had been renewed from time to time, as to how the arrangement might be strengthened. He said as a result of extensive discussions and exchanges between Greiner and the Commission, principally through efforts of the Commission General Counsel working with Greiner counsel, a new partnership named J. E. Greiner Co. - Ohio had been formed. He said in order to recognize the successor firm as Consulting Engineers to perform the services previously authorized by Resolution No. 28-1975, which had been passed at the December meeting of 1975, a resolution to recognize a successor firm as Consulting Engineers had been prepared. He said it was a routine matter but it should be done by resolution because of provisions in the Trust Agreement. He said the Consulting Engineers' service was a requirement of the Trust Agreement for which the Trustee had the responsibility and the Trustee's approval had been sought. He said the Ohio National Bank, the Trustee, had approved the arrangement and he had their letter of acceptance. He then delivered copies of letters of acceptance to Members of the Commission. He said the terms of the agreement were the same as the agreement with the J. E. Greiner Company and that the contract ran until the end of 1978. He said the fee remained the same and that it was proper and appropriate, and he recommended that the resolution be adopted.

A resolution authorizing acceptance of proposal of Consulting Engineering services was moved for adoption by Mr. Anderson, seconded by Mr. Jackson, as follows:

RESOLUTION NO. 20-1976

"WHEREAS J. E. Greiner Company - Ohio and the Ohio Turnpike Commission desire to enter into an agreement whereby J. E. Greiner Company - Ohio is to be employed as consulting engineers in connection with maintenance and operation of the Ohio Turnpike as required in the trust agreement between the Ohio Turnpike Commission and The Ohio National Bank of Columbus, as trustee, and The National City Bank of New York (now Citibank, N.A.), as co-trustee;

"WHEREAS the Commission had by Resolution No. 28-1975 authorized an agreement for the same services and on the same terms with the predecessor partnership, but that partnership has been reorganized to accommodate the needs of the Commission;

"WHEREAS J. E. Greiner Company - Ohio, a partnership presently comprised of Frank T. Callahan, P.E. of Tampa, Florida, James E. Sawyer, P.E. of Baltimore, Maryland, and Harvey A. Harnden, P.E. of Berea, Ohio, as partners, has submitted to the Commission a proposal for an agreement to perform the duties of consulting engineers in connection with the maintenance and operation of the Ohio Turnpike through December 31, 1978, and the trustee has approved pursuant to Section 706 of the aforesaid trust agreement; and

"WHEREAS the Commission desires to accept the aforesaid proposal;

"NOW, THEREFORE, BE IT

"RESOLVED that the executive director be, and hereby he is, authorized and empowered to accept the proposal and to enter into an agreement pursuant to the terms thereof with J. E. Greiner Company - Ohio to perform the duties of consulting engineers in connection with the maintenance and operation of the Ohio Turnpike from the date of execution of the agreement through December 31, 1978, unless sooner terminated in accordance with the terms of said proposed agreement, which agreement includes, among other things, a provision for compensation of J. E. Greiner Company - Ohio by payment to it of \$8,000 per month."

The Director of Transportation said he had one question: was the J. E. Greiner Company - Ohio an Ohio organization or licensed to do business in this State? Mr. Harnden replied that the J. E. Greiner Co. - Ohio was a Maryland organization qualified to practice in Ohio. The Director of Transportation asked whether the J. E. Greiner Co. - Ohio was an Ohio company and not a Maryland organization. Mr. Harnden said it had offices near Baltimore, Maryland.

The General Counsel, Francis K. Cole, said the J. E. Greiner Co. - Ohio was a partnership and the partnership had its principal place of business as a partnership in Maryland, but the members of the partnership were registered to practice engineering in Ohio and as a partnership the organization did not require a license to do business as a corporation would. The Director of Transportation said that should be changed so that they would have to have a license to do business in Ohio, but if he understood the General Counsel, he was saying that the same rules did not apply to a partnership and to a corporation. The General Counsel said that was correct, that there was no legal impediment to the contract.

The Director of Transportation said he understood that, but he liked to see things done in Ohio and not in Baltimore, Maryland. He said he had another question. He said he wanted to know if there was anything anywhere in the change which would require the Ohio Turnpike to pay for plans and specifications when they were transferred from one partnership to the other. He said he also wanted to know whether the right and authority and ownership to and of the plans and specifications would be lost from the control of the Turnpike Commission and that he hoped that the J. E. Greiner Co. - Ohio

would be willing to state that no such thing would occur for the record, because, in effect, the Ohio Turnpike Commission was changing Consulting Engineers. The Executive Director said it was true that the Commission was changing Consulting Engineers and that it still had to enter into the agreement with them. The Director of Transportation said his was a very valid question because the Commission had once paid for the plans and specifications and should not have to pay for them again. He said he thought that should be made very clear.

The Chairman said that he thought the Director of Transportation's question was would the J. E. Greiner Co. - Ohio agree to give the Commission a letter stating those provisos. The Executive Director said that the provisos could be included in the agreement. The Director of Transportation said it should be put in the agreement. He said that was a better way. The Chairman expressed his approval of that method.

Mr. Harnden said he could answer the question, if he understood it thoroughly. He said J. E. Greiner Co. - Ohio would do nothing differently under the new partnership than they did under the former partnership. The Executive Director said that was not the question. The Chairman said the provisos would be in the agreement. The Executive Director said he understood the question and he knew how to take care of it. The Director of Transportation said he thought the Executive Director did understand the question and he was sure that between the Executive Director and General Counsel, they would make sure that the Ohio Turnpike Commission was protected. He said he thought it was very important.

In the absence of further discussion, a vote by ayes and nays was taken on the resolution and all Members present responded to roll call. The vote was as follows:

Ayes: Mr. Anderson, Mr. Jackson, Mr. Teagarden.

Nays: None.

The Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 20-1976.

The Executive Director reported also that the Atlas Energy Group Inc. had requested permission to drill for oil and gas adjacent to the Turnpike. He said it was planned to drill on a drilling unit that included a portion of the Turnpike right of way within the pooling area. He said a resolution granting such permission had been prepared and that the Consulting Engineers had approved the permit and he recommended that it be adopted. He said before the Commission did so he could foresee that many more companies were going to want to drill wells adjacent to the Turnpike and it was awkward and cumbersome to have to come before the

Commission with a resolution on every occasion. He said he had therefore asked the Commission legal staff and the Trustee to review the matter of granting permits with the hope that it would be possible to do so without having to adopt a resolution for each specific case. He said there already was a procedure for granting permits to utility companies, many of which crossed the Turnpike which was a routine matter. He said the reason for presenting such resolutions to the Commission was that there was a provision in the Trust Agreement that required it, but he did not see any impediment to the Commission's working out an arrangement with the Trustee whereby the Commission could adopt some procedure to grant permits without having to act upon resolutions. He said he did not want to have to come to every meeting with a half a dozen or even just one such resolution.

The Chairman said if it were agreeable with the Director of Transportation and Mr. Anderson, he had no objection to a resolution being prepared for the following meeting which might authorize a simplified procedure. The Director of Transportation said the Commission might establish blanket rules and regulations. The Chairman said that would be up to the Executive Director and the Legal Department to work out.

A resolution granting permission to Atlas Energy Group, Inc. to extract oil and gas and their constituents from beneath the right of way was moved for adoption by Mr. Jackson, seconded by Mr. Anderson, as follows:

RESOLUTION NO. 21-1976

"WHEREAS Atlas Energy Group, Inc., 311 Rouser Road, Coraopolis, Pennsylvania, 15108 has sought permission to extract gas and oil and their constituents by means of wells from a drilling unit consisting of 51.75 acres which includes 13.0 acres of the right of way of the Ohio Turnpike in Jackson Township, Mahoning County, Ohio, said wells being drilled outside the Turnpike right of way upon the realty of G. Anderson, Trustee;

"WHEREAS said Atlas Energy Group, Inc. has submitted to the executive director a map of the aforesaid drilling unit showing the acreage of the Ohio Turnpike involved and the location of the wells within said drilling unit;

"WHEREAS the consulting engineer has advised the Commission that the gas and oil and their constituents to be extracted are not needed and serve no useful purpose in connection with the operation or maintenance of the Ohio Turnpike, and has approved this resolution in writing, a copy of such approval being hereto attached;

"WHEREAS said Atlas Energy Group, Inc. is willing to pay to the Commission a royalty computed by dividing the Turnpike acreage included by the total acreage of the said drilling unit and multiplying the fraction so obtained by one-eighth of the gross profits from the sale of products of said wells, which is the standard and customary method for determining and distributing such royalties; and

"WHEREAS the Commission desires to consent to the extraction of oil and gas and their constituents by means of wells as aforesaid, and to receive the royalty mentioned as compensation therefor;

"NOW, THEREFORE, BE IT

"RESOLVED that the Commission authorizes and ratifies the actions necessary to be taken or heretofore taken by the executive director to comply with said request of Atlas Energy Group, Inc. and grants to it permission to extract oil and gas and their constituents from beneath the Turnpike upon the terms and conditions aforesaid; and

"FURTHER RESOLVED that the executive director be, and hereby he is, directed to do anything necessary to carry out the terms of this resolution, including anything necessary to further assure, confirm or amend permission to Atlas Energy Group, Inc. to extract oil and gas and their constituents as aforesaid, and to obtain and receive the royalties on behalf of the Commission and report the amounts and disposition thereof to the Trustee."

The Chairman said if it were not for the real need of energy, he thought he could be opposed to the resolution, but in view of the facts that there was a need for energy, and the State of Ohio was permitting such drilling, he thought the Commission might do so.

A vote by ayes and nays was taken and all Members present responded to roll call. The vote was as follows:

Ayes: Mr. Jackson, Mr. Anderson, Mr. Teagarden.

Nays: None.

The Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 21-1976.

The Executive Director said perhaps the Turnpike should drill its own wells although he said that facetiously. He said he had no plans to start drilling wells, but some public agencies were getting into the drilling business. The Director of Transportation said drilling made sense when one owned all the acreage. The Executive Director said that was so because otherwise, the Commission would have to go out and get permission from the other owners in the pooling area.

The Executive Director reported also that it had been impossible for Mr. Bricker to be present, he had to be out of the state. The Chairman said that Mr. Bricker was in Dallas. The Executive Director said Mr. Bricker had asked to be remembered to the Members and had asked Mr. Plain to present the report of the Committee on Employee Relations.

The Chairman said the report of the Executive Director was accepted as offered. He said the report of the General Counsel would be received.

The General Counsel reported he had submitted the litigation report for the quarter ending September 30. He said the new material in the report had been marked with asterisks. He said that on October 4 the appeal and cross appeal in the Stacey case had been argued in the 6th District Court of Appeals at Bryan, Ohio. He said he and Judge Lockwood Thompson had both attended and participated in the argument and members of the local firm that represented the Ohio Turnpike Commission, had also taken part. He said Mr. Stacey was trying to induce the court to order the ditch along the south side of the Turnpike adjacent to his farm lowered. He said he hoped the court would decide the case in favor of the Commission.

The General Counsel reported also that on October 7 the Chief Engineer had made a deposition in the Vito case and that the Executive Director had also made a deposition in that case. He said discovery phase was scheduled to be closed on October 14 and the pre-trial hearing would be on October 16. He said the trial itself was scheduled for November 8.

The Chairman said he understood that a 42-inch water line was to be installed somewhere near the sewer line that had caused the problem which led to the Vito case and that the contractor had run into the same problem that Vito had done. He asked the Executive Director if that was correct. The Executive Director said the water line contractor had not yet started and that there would not be the same problem because the Commission was not going to permit the same problem to develop. He said testing showed similar soil conditions to those that Vito had encountered. He said that Vito had attempted to install a large sanitary sewer under the Turnpike by tunnelling and that there was a failure in the operation which resulted in a collapse of the median and some collapse under the westbound roadways of the Turnpike. He said the Commission had had to stop the operation and wound up finishing the project for Lucas County. He said the Turnpike had been sued by the original contractor, Vito's Trucking and Excavating Co. He said Lucas County now wanted to install a water line within a half mile of the sewer but so far all that had been done was to excavate the jacking pits outside the Turnpike right of way and nothing had been done on Turnpike property. He said some problems had been encountered but a water line was more flexible because it could be either lowered or raised which was something that could not be done with a large sewer which had to follow an established grade. He said the water line might be lowered in order to get into more stable materials or if it were necessary it could be carried on a bridge over the Turnpike.

In response to a question by the Chairman, the Executive Director said that the Commission would not allow itself to get into the same kind of situation that had developed with the sewer. He said the suit of the sewer contractor had been going on for three years. He said Armco was

the contractor for the water line and he had more confidence in Armco than he did in the contractor who botched the sewer job.

The Director of Transportation asked whether the first crossing was jacked or tunnelled. The Executive Director said the sewer job had been a tunnel. Mr. Harnden said the water line was not to be jacked under the Turnpike. He said the contractor was tunnelling by hand and putting tunnel liners in as well. The Executive Director said that had been the proposal but Armco was not doing anything yet.

In response to a question from the Chairman the Executive Director said the area was flat and the subsurface was uniform throughout a wide area so the contractor would have to make it at the location chosen.

The Chairman said the report of the General Counsel was accepted as offered. He said the report of the Consulting Engineers would be received.

Mr. Harnden said he had nothing further to report other than what was in the Annual Report, but he would be happy to answer any questions or discuss the report if any Members had any questions. He thanked the Commission for the new agreement for the services of J. E. Greiner Co. - Ohio.

The Chairman said the report of the Consulting Engineers was accepted as offered. He ascertained there would be no report from the Trustee. He said he was very glad to have the Trustee represented by Mr. Potter. He said he had expected Mr. Potter to say that the Trustee would have another \$3 million to \$4 million to purchase bonds in December. Mr. Potter said the Trustee would purchase bonds in December.

The Chairman ascertained there would be no report from the Director of Information and Research.

A resolution ratifying the actions of administrative officers was moved for adoption by Mr. Jackson, seconded by Mr. Anderson, as follows:

RESOLUTION NO. 22-1976

"WHEREAS the executive director, deputy executive director, chief engineer, general counsel, assistant general counsel, secretary-treasurer, assistant secretary-treasurer, comptroller and the director of information and research of the Commission have by various written and oral communications fully advised the members of the Commission with respect to their official actions taken on behalf of the Commission since the Commission's last meeting on September 14, 1976, and the Commission has duly reviewed and considered the same;

"NOW, THEREFORE, BE IT

"RESOLVED that all official actions taken by the aforesaid administrative officers of the Commission on its behalf since the Commission's meeting on September 14, 1976 hereby are ratified, approved and confirmed."

A vote by ayes and nays was taken and all Members present responded to roll call. The vote was as follows:

Ayes: Mr. Jackson, Mr. Anderson, Mr. Teagarden.

Nays: None.

The Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 22-1976.

The Chairman said he would like to suggest that the November meeting be cancelled and that the December meeting be held as late as possible because at that meeting the budget for 1977 would be adopted. The Executive Director said that would be a good plan because in December not only did the Commission need to adopt the final budget but it might be necessary to adjust the current budget. The Chairman said if the current budget needed adjustment that the later the meeting was held in December the better.


There being no further business to come before the Commission, a motion was made by Mr. Jackson, seconded by Mr. Anderson, that the meeting adjourn until December 14, 1976 subject to call of the Chairman. A vote by ayes and nays was taken and all Members present responded to roll call. The vote was as follows:

Ayes: Mr. Jackson, Mr. Anderson, Mr. Teagarden.

Nays: None.

The Chairman declared the meeting adjourned. The time of adjournment was 12:10 P.M.

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



Ralph H. Anderson, Secretary-Treasurer