

MINUTES OF THE 524th MEETING OF THE OHIO TURNPIKE COMMISSION
July 31, 2006

Pursuant to the bylaws, the Ohio Turnpike Commission met for a special meeting at the Commission's Administration Building at 10:18 a.m. on July 31, 2006, with members of the staff: Gerald Pursley, Deputy Executive Director, Dan Castrigano, Chief Engineer; Noelle Tsevdos, General Counsel; James T. Steiner, CFO/Comptroller; Kathleen Weiss, Director of Contracts Administration; W. R. Fleischman, Assistant Chief Engineer; Dave Miller, Internal Audit; Laura Hakos, Public Affairs Manager; Heidi Jedel; and Jennifer Diaz.

Chairman: Assistant Secretary-Treasurer please call the roll.

Assistant Secretary-Treasurer: Mr. Balog, Mr. Regula, Mr. Dixon, Mr. Kidston, Mr. Darwish, Senator Armbruster and Representative Buehrer. All members are present.

Chairman: We have a number of guests here today, I would like to welcome everyone. I'd like everyone to introduce themselves as we customarily do: Eric Erickson, Fifth Third Bank; Bobby Everhart, URS; Jacob Merriman, HNTB; Tim Reidy, National City; Mike Burgess, URS; State Representative Kenny Yuko; Frank Lamb, Huntington Bank; Mark Fisher, A. G. Edwards; John Petty, National City Investments; Stephen Szanto; John Conner, Key Bank; Dave Sabol, PSI; Floyd Jeffries, Ohio Operating Engineers; Captain Roger Hannay, OSHP; Howard O'Malley, B&T Express; Tom James, IUOE 18; Ken McGlashaw, IUOE 18; John Fiola CT Corporation; Glen Hughes; Robert Hagstrom, AVI; Jim Easinger, Cleveland Plain Dealer; Dave Hatala, WEWS; Glenn Stevens , G Stevens and Jimmy Hreha, Qwest.

Chairman: This is the 524th meeting of the Ohio Turnpike Commission, and we are meeting here in the Commission's Headquarters as provided for in the Commission's Code of Bylaws for a special meeting. Various reports will be received, and we will act on several resolutions, draft copies of which have been previously sent to Members and updated drafts are also in the Members' folders. The resolutions will be explained during the appropriate reports.

Chairman: Could I have a motion to adopt the minutes of the June 26, 2006 Commission Meeting?

Commissioner Dixon moved and Commissioner Kidston seconded. All other Members voted in the affirmative, and the minutes were adopted.

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

Secretary-Treasurer: The following items have been sent to the Members since the last scheduled meeting of the Commission on June 26, 2006:

1. Minutes of the June 26, 2006 Commission Meeting
2. Traffic & Revenue Report, June 2006
3. Total Revenue by Month and Year, 2006
4. Investment Report, June 2006
5. Financial Statements, June 2006
6. Six Months Budget Report, June 2006
7. Traffic Crash Summary, June 2006
8. Various News Releases

Mr. Dixon: That completes my report Mr. Chairman. I will be happy to answer any questions.

Chairman: Any questions for Mr. Dixon? Thank you very much. Executive Director, Gary Suhadolnik.

Executive Director: Yes Mr. Chairman and Members of the Commission. I have one resolution to present. As Members of the Commission are no doubt aware, the temporary toll reduction now in effect will expire on December 31, 2006 and the old rates will automatically take effect. Based upon the discussion we had at the June Commission Meeting, I believe the Commission wants to continue every reasonable effort to keep tolls low and to keep truck traffic on the Turnpike. The Resolution I am presenting will allow the Commission staff to hold the required three public hearings necessary prior to making any revisions or adjustments to toll rates. The proposed adjusted rates to be presented at those public hearings will be 1¢ more per mile than the current temporary rates for commercial vehicle classes 4-9 and ½¢ per mile more than the current rates for vehicles in classes 1-3. All rates are being rounded to the nearest 25¢, including classes 10-11, to help improve the efficiency of our toll collection process. As a result of this rounding, most of the current 50¢ tolls paid by daily commuters will remain at 50¢. Another example is a fully-loaded 18-wheeler under the temporary rates pays \$31.00 to travel across Ohio. The proposed toll adjustment will make that rate \$33.50, which is still nearly \$9.00 less than the old 1999 rate of \$42.45. So, this is an adjustment in toll rates Mr. Chairman, because some of our customers will pay a little more, some will pay less and some will pay the same. Overall, Mr. Chairman, this is a permanent toll reduction and if the Commission adopts these toll rates later this year, we will be giving up \$12 million per year in revenue. Finally, if these rates are adopted, the

adjusted rates will take effect January 1, 2007. I am presenting the Resolution to authorize the hearing process to begin.

Mr. Chairman: Noelle, do you want to read the Resolved?

General Counsel: Yes, Mr. Chairman.

General Counsel read the Resolved as follows:

RESOLVED, that the Commission hereby authorizes the executive director or his designee to issue public notice and to conduct any public hearings required by law regarding a proposal to make the attached changes to the current schedule of toll rates for Classes 1 through 11 effective January 1, 2007; and

FURTHER RESOLVED, the Executive Director and the CFO/Comptroller are directed to retain an Independent Consultant for the purpose of preparing a report and recommendation regarding the attached proposal setting forth estimates of the Gross Revenues, System Pledged Revenues, Supplemental Payments and Series Payments for the then current year and each future fiscal year during which any Bonds are scheduled to be outstanding, which may take into consideration, among other things, the additional use of the System projected to result from the proposed schedule of tolls; and

FURTHER RESOLVED, that the Executive Director shall prepare a report to the Commission after issuing public notice and holding the public hearings required by law, and after receiving a report and recommendation from the Independent Consultant.

Chairman: Motion to adopt?

Commissioner Regula moved and Commissioner Kidston seconded.

Chairman: Discussion or question on the motion? Let me point out we've changed the Resolved from the draft that the Commission Members previously received.

General Counsel: Correct.

Chairman: Previously, the resolved in the second line talked about conducting any public hearings required by law regarding its intention, referring to the Commission's intention to implement the rates. It now reads "public notice to conduct any public hearings required by law regarding a proposal." I think we need to be careful that we don't go too far out on this. We see that we need the additional income, we need the additional revenue, so I would like to go ahead and start that process and have the public input and the public comment in that

process. Also, I asked Noelle to change from the previous draft that was provided to you in the 6th "WHEREAS." Previously, it read "WHEREAS the Commission desires to implement an overall aggregate reduction to the schedule of tolls." I proposed that the language now reads, and what the resolution we are proposing to pass today reads, "WHEREAS the Commission is reviewing and considering a proposal to implement an overall aggregate reduction to the schedule of tolls." So, I think that we would like to make it very clear at the meeting here today, to the staff and to the general public is that we've looked at the finances and we need to do something. We are also aware that if we do nothing, the trucking rate goes back up to approximately 18¢ per mile from its present 12.5¢ per mile. So we need to do something, otherwise on January 1st we are going to have a very serious problem with the trucks leaving the Ohio Turnpike again. I believe this is a very measured response and an appropriate response, but I would like to make sure everyone understands that what we are doing is starting this process. We need to get public comment, public input, the legislature, the Senate, the House, their involvement, the administration, things of that nature. At least this will start the process and show what our intentions are, and then we can move forward after our public hearing process. Any comments from any other members?

Senator Armbruster: The conversation with the public, is that based on the proposal?

Chairman: As I looked at the statute, I think in order to go ahead and go forward with a public hearing, you need have a proposal of what the rates are going to be. We will have attached to this the language in the resolved that is required by law regarding a proposal and the proposal will be attached. We have the proposal attached to the notice and to this resolution, which increases the automotive by ½¢ per mile and affects the permanent decrease for the trucking of about 4¢ per mile.

Senator Armbruster: Mr. Chairman, I guess the question I have is, if you have the three meetings and these meetings take place over the next several months, and through the independent consultant and through the finances of the Turnpike, there is a decision, or there is a possibility that there's a change in the rates, does that mean you have to have three more hearings out with the public?

Chairman: I would yield to Noelle on that.

General Counsel: Mr. Chairman, Commission Members, and Senator. The question is, would we have to confer with the Attorney General's Office because of the language in our governing statute? Ohio Revised Code Section 5537.26 does have this 90-day public hearing, public notice requirement. We have already begun discussions with the Attorney General's Office to get their advice and direction. As of right now, it is our impression that we have to have a

concrete proposal and you would have to start that time clock over if the Commission wanted to adopt a different proposal. I think the jury is out on that and we are having a dialogue with them about it.

Senator Armbruster: So you are not sure?

General Counsel: We are not sure, but I can get you a definitive answer by the next meeting. Our drop-dead date is really the beginning of September for that 90-day hearing requirement when you look at the two-weeks advertising notice in the statute and the advertising deadline. The Commission, based upon the advice of the Attorney General's Office, revised this resolution and started the public hearing notice process.

Chairman: If we would pass this today, we would implement that process. We have a meeting set, at least what I have heard the Commission Members talking about, is that they would like to have the meeting set for the end of August, which I believe would be August 28, 2006. We would be in a position by that time if we need to do something different, to go ahead and take further action. At least this would start the process.

General Counsel: We can request that opinion from the Attorney General's Office on an expedited basis and depending on what the advice is from them. If they do say we do have flexibility, then you know you can change that schedule as far as the meeting date.

Chairman: I guess I look to the other Commission Members, I think what you are saying is that you can potentially table this until the 28th, have I heard that correctly?

General Counsel: Correct.

Chairman: Or we could pass it and if we need to go ahead and change it, we can go ahead and change it at a later date. Any other comments? David?

Commissioner Regula: I think at this point we have to move forward with this. I think with the other rate increases in Indiana and Pennsylvania that this still puts us in a good position with the traveling public as to what the costs are to get on our Turnpike. I think we have to look at long-term basis as to moving ahead and keeping the present pavement in the condition that it is and that we are going to have to do this at some point.

Chairman: I think the Commission still needs to remember that, if we don't do anything, trucks go up and commercial vehicles go up on January 1st, back up to almost 18¢ per mile. Further comments anybody?

Representative Buehrer: Thank you Chairman. I certainly commend the Commission for taking, as you say, the measured approach that you are bringing forward today. I also commend you for going public with this proposal. I do think we need a full vetting of it for the public and certainly the hearing process would do that. I would say as one who, with Senator Armbruster, went through the wars when we did the fuel tax increase a couple of years ago, I would still vote for that increase, just as I did two years ago. The reason was because, through the vetting process, I think we were able to defend that. ODOT certainly had tightened its belt, cut staff and we were able to show a compelling need to improve the roadways in the state and continue the commitment to that. I hope those type of factors come out as we go through this process. It is never easy to raise fees, or rates, or taxes if that is the other ugly word, but there are times when that has to be done. This may, or may not be, one of those times. I hope we address all of those staple groups you mentioned, Mr. Chairman, in your comments a moment ago as we take this out and wholly vet it to the public. I do hope we are also conscious about the pinch the traveling public already has with higher fuel rates and higher travel costs. I certainly hope that we adhere to the age-old do no harm in terms of driving people off our roadway by going with rates that would scare them away. Although, you are right, none of us wants to revert to the higher rates, especially with the commercial vehicles. Thank you Chairman.

Mr. Chairman: Thank you. Call the roll please.

Resolution Authorizing the Executive Director To Issue Public Notice and Hold Public Hearings Regarding a Proposal to Revise the Ohio Turnpike Commission's Schedule of Tolls for Classes 1 thru 11 was moved for adoption.

Executive Director: Mr. Regula

Mr. Regula: Yes

Executive Director: Mr. Kidston

Mr. Kidston: Yes

Executive Director: Mr. Balog

Mr. Balog: Yes

Executive Director: Mr. Dixon

Mr. Dixon: Yes

Executive Director: Mr. Darwish

Mr. Darwish: No

Executive Director: There are four yeas. The Resolution is adopted.

RESOLUTION NO. 30-2006

**Resolution Authorizing the Executive Director
To Issue Public Notice and Hold Public Hearings
Regarding a Proposal to Revise the Ohio Turnpike Commission's
Schedule of Tolls for Classes 1 thru 11**

WHEREAS, the Commission, by Resolution 38-1955, established a schedule of tolls and classifications of weight which was effective October 1, 1955; and

WHEREAS, the Commission by Resolutions 40-1956, 16-1981, 16-1995, 18-1995, 56-1995, 59-1995 and 1-2004, has adopted several different revisions in the schedules of toll rates which imposed changes in the schedules of toll rates then in effect; and

WHEREAS, the Commission by Resolution 62-2004 implemented a temporary reduction in the schedule of tolls for Classes 4 thru 9 beginning on January 1, 2005 which has resulted in an increase in commercial traffic volumes using the System; and

WHEREAS, the Commission by Resolution 1-2006 implemented another temporary reduction in the schedule of tolls for Classes 2 thru 9 for the period July 1, 2006 thru December 31, 2006; and

WHEREAS, the temporary schedule of tolls implemented by Resolution 1-2006 will automatically expire effective December 31, 2006 at 11:59 PM, Eastern Standard Time; and

WHEREAS, the Commission is reviewing and considering a proposal to implement an overall aggregate reduction to the schedule of tolls for Classes 5 thru 11 vehicles, as reflected in the attached proposal, in order to continue to encourage commercial carriers in Classes 5 thru 11 to utilize the Turnpike instead of using state routes that are located adjacent to the Turnpike, and to impose a modest increase in the toll rates for Classes 1 thru 4 vehicles that have not incurred any increase in tolls since January 1, 1999 in order to maintain sufficient revenues as required by the Master Trust Agreement, dated as of February 15, 1994, as supplemented by fourteen Supplemental Trust Agreements (collectively, the "Trust Agreement"); and

WHEREAS, the Master Trust Agreement allows the Commission to effect a reduction to the schedule of tolls that it deems to be necessary and proper, so long as the Commission provides thirty (30) days' notice to the Trustee and provides the Trustee with a Certificate from an Independent Consultant setting forth estimates of the Gross Revenues, System Pledged Revenues, Supplemental Payments and Series Payments for the then current year and each future fiscal year during which any Bonds are scheduled to be outstanding, which may take into consideration, among other things, the additional use of the System projected to result from such reduction in the Schedule of Tolls, and a favorable recommendation from the Independent Consultant that such proposed reduction be placed in effect; and

WHEREAS, the provisions of Ohio Revised Code Section 5537.26 require the Commission to issue notice and conduct a series of public hearings prior to taking any action to change the toll rate structure.

NOW, THEREFORE, BE IT

RESOLVED, that the Commission hereby authorizes the executive director or his designee to issue public notice and to conduct any public hearings required by law regarding a proposal to make the attached changes to the current schedule of toll rates for Classes 1 through 11 effective January 1, 2007; and

FURTHER RESOLVED, the Executive Director and the CFO/Comptroller are directed to retain an Independent Consultant for the purpose of preparing a report and recommendation regarding the attached proposal setting forth estimates of the Gross Revenues, System Pledged Revenues, Supplemental Payments and Series Payments for the then current year and each future fiscal year during which any Bonds are scheduled to be outstanding, which may take into consideration, among other things, the additional use of the System projected to result from the proposed schedule of tolls; and

FURTHER RESOLVED, that the Executive Director shall prepare a report to the Commission after issuing public notice and holding the public hearings required by law, and after receiving a report and recommendation from the Independent Consultant.

(Resolution No. 30-2006 adopted July 31, 2006)

Chairman: Anything further?

Executive Director: That's all I have Mr. Chairman.

Chairman: Chief Engineer.

Chief Engineer: Thank you Mr. Chairman. I have three resolutions for your consideration this morning. The first is a Resolution awarding Contract No. 59-06-04 for the resurfacing of Interchange 161 ramps located at Milepost 161.8 in Cuyahoga County. This project was on the preliminary budget adopted by the Commission in December. We received three bidders in response to the contract. The apparent lowest responsive and responsible bid was received by Burton Scot Contractors LLC of Novelty, Ohio in the total amount of \$1,119,000.00. The total amount bid is below the engineer's estimate. Although this bidder has not worked for the Commission in the past, we have received favorable references. This Resolution also contains provisions to assign CT Consultants of Willoughby, Ohio to the contract for the purposes of performing construction inspection and Geo-Sci, Incorporated of Berea, Ohio for performing materials testing. If the General Counsel would please read the Resolved.

General Counsel read the Resolved as follows:

RESOLVED that the bid of **Burton Scot Contractors, LLC** of Novelty, Ohio, in the amount of **\$1,119,000.00** for the performance of **Contract No. 59-06-04** 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: (1) to execute a Contract with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid; (2) to direct the return to the bidders of their bid security, when appropriate, and (3) to 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 CT Consultants of Willoughby, Ohio to Contract No. 59-06-04 for the purpose of performing construction inspection. Such assignment shall be in accordance with the 2005-2006 General Engineering Services Agreement between the Ohio Turnpike Commission and CT Consultants; and

FURTHER RESOLVED that the Commission hereby authorizes the executive director and the chief engineer to assign Geo-Sci, Incorporated of Berea, Ohio, to Contract No. 59-06-04 for the purpose of performing materials testing. Such assignment shall be in accordance with the 2005-2006 General Engineering Services Agreement between the Ohio Turnpike Commission and Geo-Sci, Incorporated; and

FURTHER RESOLVED that Project No. 59-06-04 is designated a Fuel Tax Project under the Commission's 1994 Master Trust Agreement.

Chairman: Motion to adopt?

Commissioner Kidston moved and Commissioner Regula seconded.

Chairman: Discussion on a motion before the Commission? Please call the roll.

The Resolution Awarding Contract No. 59-06-04 was moved for adoption.

Executive Director: Mr. Kidston

Mr. Kidston: Yes

Executive Director: Mr. Regula

Mr. Regula: Yes

Executive Director: Mr. Dixon

Mr. Dixon: Yes

Executive Director: Mr. Balog

Mr. Balog: Yes

Executive Director: Mr. Darwish

Mr. Darwish: Yes

Executive Director: There are five yeas, the Resolution is adopted.

Resolution No. 31-2006

Resolution Awarding Contract No. 59-06-04

WHEREAS, the Commission has duly advertised according to law for bids upon a contract for repairs and resurfacing of the Interchange 161 ramps located at Milepost 161.8 in Cuyahoga County, Ohio, herein designated **Contract No. 59-06-04**; and

WHEREAS, the Commission received bids from three (3) bidders for the performance of said Contract; and

WHEREAS, said bids have been reviewed and analyzed by the Commission's chief engineer, and he has submitted a report concerning such analysis, which report is before the Commission; and

WHEREAS, the chief engineer reports that the lowest responsive and responsible bid for the performance of Contract No. 59-06-04 was submitted by **Burton Scot Contractors, LLC** of **Novelty, Ohio** in the total amount of **\$1,119,000.00**, which bid is below the engineer's estimate and which bid he recommends be accepted by the Commission; and

WHEREAS, the Commission has also been advised by the director of contracts administration that all bids for Contract No. 59-06-04 were solicited on the basis of the same terms and conditions and the same specifications, that the bid of Burton Scot Contractors, LLC for Contract No. 59-06-04 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 Burton Scot Contractors, LLC; 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 analyses, has made his recommendation to the Commission to award Contract No. 59-06-04 to the lowest responsive and responsible bidder, Burton Scot Contractors, LLC; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the bid of **Burton Scot Contractors, LLC** of Novelty, Ohio, in the amount of **\$1,119,000.00** for the performance of **Contract No. 59-06-04** 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: (1) to execute a Contract with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid; (2) to direct the return to the bidders of their bid security, when appropriate, and (3) to 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 CT Consultants of Willoughby, Ohio to Contract No. 59-06-04 for the purpose of performing construction inspection. Such assignment shall be in accordance with the 2005-2006 General Engineering Services Agreement between the Ohio Turnpike Commission and CT Consultants; and

FURTHER RESOLVED that the Commission hereby authorizes the executive director and the chief engineer to assign Geo-Sci, Incorporated of Berea, Ohio, to Contract No. 59-06-04 for the purpose of performing materials testing. Such assignment shall be in accordance with the 2005-2006 General

Engineering Services Agreement between the Ohio Turnpike Commission and Geo-Sci, Incorporated; and

FURTHER RESOLVED that Project No. 59-06-04 is designated a Fuel Tax Project under the Commission's 1994 Master Trust Agreement.

(Resolution No. 31-2006 adopted July 31, 2006)

Chief Engineer: Thank you. The second resolution is a Resolution awarding Invitation No. 4052 for furnishing to the Commission its requirements for sodium chloride roadway rock salt for the upcoming winter estimated at approximately at 69,400 tons. This contract was split into fourteen individual items for delivery to fourteen storage locations across the Ohio Turnpike. We received a total of five bids in response to the subject invitation. The bidding documents also allow for the purchase by the Commission of up to 150% of the quantities estimated for each delivery location. The apparent low bids in response to Items 1, 2, 3 & 5 were submitted by Detroit Salt Company of Overland, Kansas. The apparent low bids in response to Items 4, 6, 7, 8, 9 & 11 were submitted by Cargill, Inc., of North Olmsted, Ohio and the apparent low bids in response to Items 10, 12, 13 & 14 were submitted by Morton Salt Ice Control Marketing Department of Chicago, Illinois. All bidders have performed satisfactorily for the Commission in the past. You'll notice that on the Resolution, there is a bid amount based on estimated quantities and another column for 150% of the estimated bid quantities, which would be Detroit Salt Company for the total amount \$476,550.00; Cargill in the amount of \$1,555,912.50; and Morton in the total amount \$1,336,635.00. Just for informational purposes, the aggregate prices are approximately 3% increase over the contract awards in 2005. If the General Counsel would please read the Resolved.

General Counsel read the Resolved as follows:

RESOLVED that the bids of the following companies:

<u>Items</u>	<u>Company</u>	<u>Bid Amount based on Estimated Quantities</u>	<u>150% of Estimated Quantities Bid</u>
1, 2, 3 & 5	Detroit Salt Company Overland Park, Kansas	\$317,700.00	\$476,550.00
4, 6, 7, 8, 9 & 11	Cargill, Inc. Deicing Technology North Olmsted, Ohio	\$1,037,275.00	\$1,555,912.50
10, 12, 13 & 14	Morton Salt Ice Control Mktg. Dept. Chicago, Illinois	\$891,090.00	\$1,336,635.00
Total Awards reflecting 150% of estimated quantities bid:			\$3,369,097.50

for Invitation No. 4052 are, and are by the Commission deemed to be the lowest responsive and responsible bids received and are accepted and the chairperson and executive director, or either of them, is hereby authorized: (1) to execute a Contract with each successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid Invitation, which Contract awards reflect 150% of estimated quantities bid for each individual delivery destination; and (2) to direct the return to the bidders of their bid securities at such time as the successful bidders have each entered into a Contract; and (3) to take any and all action necessary to properly carry out the terms of said Contracts.

Chairman: Motion to adopt?

Mr. Darwish moved and Commissioner Kidston seconded.

Chairman: I saw that you reviewed DAS. How much cheaper are these bids versus DAS?

Chief Engineer: Mr. Chairman, the bids that we received were significantly less than the DAS contract. I don't have the percentages. I don't know if Kathy does, but the DAS contract was set up for smaller delivery lots, smaller entities and we got a price based on the quantity. Do you have the percentages Kathy?

Director of Contracts Administration: Mr. Chairman and Commission Members, I would say roughly 40% cheaper in some cases, and the tonnage cost that DAS quoted did not include the freight charges. So, for a number of reasons, we got a much better deal from the direct quotes.

Chairman: Thank you. Not to beat a dead horse but from a rate increase standpoint, I know we have talked and talked and talked but, Dan your comment was that these are pretty good prices. They are only up 3% from last year. That's 3% and when you are dealing with income, this is a significant number. That is another \$100,000.00. I mean these things just continuously add up. Any comments?

Commissioner Dixon: Does this price include delivery by the purchasing company?

Chief Engineer: Mr. Chairman and Commission Member Dixon, the contract prices are delivered to our locations. As far as actual delivery, the trucking is the contractor's responsibility to deliver it. They may deliver it with their own trucking, or they may subcontract it out. It's up to the contractor.

Commissioner Dixon: In most cases, do they subcontract it out?

Chief Engineer: I would say probably over 50% of the time, that's correct.

Commissioner Dixon: But we have no control over that part of it?

Chief Engineer: That's correct.

Commissioner Dixon: And then when they deliver it to our destinations, then we use our vehicles to move it where we want it from that point.

Chief Engineer: No. Commissioner Dixon, it is delivered right into our storage locations and put in our domes. The next time we handle it we spread it on the road.

Commissioner Dixon: Alright, tell me what this means Kathy. "In my opinion, the bids submitted by low bidders of each item are proper and legal. Accordingly, if you are satisfied on the basis, other-than-legal considerations, that the bids as listed above are the lowest responsive and responsible bids received, you may lawfully award the Contract to the three aforementioned companies." Tell me what that means.

Director of Contracts Administration: Mr. Chairman, Commissioner Dixon, the language I always place at the end of the letter indicates that all of the procedures have been followed by statute in terms of how the contract was bid. In terms of Invitation No. 4052 that it was properly advertised, the bids were properly received, the terms and conditions were all the same for everyone or so, unless there was some anomaly that the Commission noticed, that we did not notice, I am telling you and advising you that it is okay to award the contract to the identified responsive and responsible bidders.

Commissioner Dixon: Unless I am reading it incorrectly, we can give it to the other three and still be within the law, one of the others that we want.

Director of Contracts Administration: No.

Commissioner Dixon: You say that you may lawfully award contracts to the three aforementioned companies for these items. So, if we don't want to give it to the lowest bidder, we can give it to the next one. There is more than the bidders that didn't get the contract for most of these. That is what I am trying to figure out. Do we have to by law give it to the lowest bidder?

Director of Contracts Administration: By law, you are to award the contract to the lowest responsive and responsible bidder. You also have the option, as a Commission, to reject all bids. If there was some other reason that the Commission were to find that they didn't, for some reason, think the Contract

should be awarded as we have indicated, they could reject. However, we have told you who the lowest responsive and responsible bidders are.

Commissioner Dixon: So, by the laws that we work under, on some contracts you show who bid it and you say we give to this lower bidder. If we don't give it to that bidder and we give it to the number two lowest bidder, then we are breaking the law.

Director of Contracts Administration: If you found some other reason why the second bidder was the lowest responsive and responsible bidder, other than what we have told you, I would say that it would not likely be a good decision to do that Mr. Chairman and Commissioner Dixon. But, there is nothing in this resolution that indicates this situation.

Commissioner Dixon: I am not just talking about this resolution. That language is in most of the resolutions and I am trying to get an understanding.

Director of Contracts Administration: Mr. Chairman and Commissioner Dixon, I would be happy to take a look at that language for you and adjust it.

Commissioner Dixon: No it's clear. I thought it was clear. I don't want you to change it. I am just looking for some opportunities. I am looking at the numbers that we spend in a day, the millions of dollars we spend in a day, and I am not seeing much opportunity for minority businesses to get any of those dollars and I am trying to find some opportunity to get some minority contractors in here. You know, we have a lot of minority truckers that move salt and that sort of thing on a regular basis. The contract we just had is from a city that I know has no minorities. What is the name of the city from that last bid?

Chief Engineer: Novelty.

Commissioner Dixon: Novelty, Ohio. I have never heard of that, so I don't think there are any brothers there. I am just trying to create some opportunity here that's all.

General Counsel: Mr. Chairman and Commission Member Dixon, actually I believe one or more of these companies do have some MBE participation. I don't know what component of their bid is, I will get that information to you after the meeting.

Commissioner Dixon: That would be great. I appreciate that Noelle, thank you.

General Counsel: We have increased our numbers as far as MBE/FBE registrations. We have been doing everything we can on a voluntary basis to try to increase our numbers.

Commissioner Dixon: Noelle, I thank you for that. I know you have, but every now and then I just have to remind you that I am over here, so that you notice.

General Counsel: Correct, I hear you. I will give you that information after the meeting.

Commissioner Dixon: Thank you dear. I should not have said "dear". Thank you General Counsel.

Chairman: Mr. Darwish.

Mr. Darwish: I just want to make a comment. Even with the 3%, the fuel escalation is a good price. I think you got lucky. You got a good deal.

Chief Engineer: Mr. Chairman and Commission Member Darwish, I think we saw a decrease in the raw materials this year, but an increase in the freight component which balanced out to a 3% increase.

Mr. Darwish: I think they still have extra from last year. I think that is why. Plus Mr. Chairman, just to clarify, the DAS bid is different from ODOT bids. We did not bid ours yet and the prices vary district by district, and county by county. So, you are going to see that variation in the prices based on the location.

Chairman: Thank you. Call the roll please.

Resolution Awarding Invitation No. 4052 was moved for adoption.

Executive Director: Mr. Darwish

Mr. Darwish: Yes

Executive Director: Mr. Kidston

Mr. Kidston: Yes

Executive Director: Mr. Dixon

Mr. Dixon: Yes

Executive Director: Mr. Regula

Mr. Regula: Yes

Executive Director: Mr. Balog

Mr. Balog: Yes

Executive Director: There are five yeas, the Resolution is adopted.

Resolution No. 32-2006

**Resolution Concerning Award of Contracts for Sodium Chloride (Rock Salt)
Pursuant to Invitation No. 4052**

WHEREAS, the Commission has advertised for bids for Invitation No. 4052 for furnishing to the Commission its requirements for sodium chloride (rock salt) estimated at approximately 69,400 tons; and

WHEREAS, it is anticipated that the expenditures of the Commission for sodium chloride under Invitation No. 4052 shall 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 contracts; and

WHEREAS, five (5) bids were received in response to the Invitation which included quotations for rock salt, freight charges and any additional "piler" and/or "conveyor system" charges, if needed; and

WHEREAS, the bidding documents allow for the purchase by the Commission of up to **150%** of the quantities estimated for each individual delivery location and, because the severity of the snow and ice season for 2006/2007 is unpredictable, the maintenance engineer recommends that the Commission authorize the executive director to purchase up to 150% of the estimated quantities bid for each designated delivery location, if warranted; and

WHEREAS, the bids were reviewed and analyzed by the maintenance engineer, whose report concerning such analysis is before the Commission; and

WHEREAS, the maintenance engineer states that the following companies have submitted the lowest responsive and responsible bids:

<u>Items</u>	<u>Company</u>	<u>Bid Amount based on Estimated Quantities</u>	<u>150% of Estimated Quantities Bid</u>
1, 2, 3 & 5	Detroit Salt Company Overland Park, Kansas	\$317,700.00	\$476,550.00
4, 6, 7, 8, 9 & 11	Cargill, Inc. Deicing Technology North Olmsted, Ohio	\$1,037,275.00	\$1,555,912.50
10, 12, 13 & 14	Morton Salt Ice Control Mktg. Dept. Chicago, Illinois	\$891,090.00	\$1,336,635.00
Total Awards reflecting 150% of estimated quantities bid:			\$3,369,097.50

WHEREAS, as noted above, all bidders have included in their bids the added freight costs for delivery of the rock salt to the Commission's various designated facilities along with additional charges for piler and/or conveyor system usage, if needed, and all bidders propose to furnish materials and services in accordance with the Commission's specifications; and

WHEREAS, should quantities of rock salt required for the 2006/2007 snow and ice season exceed 150% of the estimates, Commission approval will be requested for such additional expenditures; and

WHEREAS, the Commission has also been advised by its director of contracts administration that all bids for Invitation No. 4052 were solicited on the basis of the same terms, conditions and specifications, that the bids of Detroit Salt, Cargill and Morton Salt each conform to the requirements of Ohio Revised Code Sections 5537.07, 9.312 and 153.54, and that performance bonds of good and sufficient surety have been submitted by said bidders; and

WHEREAS, the executive director has reviewed the reports of both the maintenance engineer and the director of contracts administration and, predicated upon such analysis, has made his recommendation that Contracts be awarded to the lowest responsive and responsible bidders: Detroit Salt Company; Cargill, Inc. Deicing Technology; and Morton Salt Ice Control Mktg. Dept.; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the bids of the following companies:

<u>Items</u>	<u>Company</u>	<u>Bid Amount based on Estimated Quantities</u>	<u>150% of Estimated Quantities Bid</u>
1, 2, 3 & 5	Detroit Salt Company Overland Park, Kansas	\$317,700.00	\$476,550.00
4, 6, 7, 8, 9 & 11	Cargill, Inc. Deicing Technology North Olmsted, Ohio	\$1,037,275.00	\$1,555,912.50
10, 12, 13 & 14	Morton Salt Ice Control Mktg. Dept. Chicago, Illinois	\$891,090.00	\$1,336,635.00
Total Awards reflecting 150% of estimated quantities bid:			\$3,369,097.50

for Invitation No. 4052 are, and are by the Commission deemed to be the lowest responsive and responsible bids received and are accepted and the chairperson and executive director, or either of them, is hereby authorized: (1) to execute a Contract with each successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid Invitation, which Contract awards reflect 150% of estimated quantities bid for each individual delivery destination; and (2) to direct the return to the bidders of their bid securities at such time as the successful bidders have each entered into a Contract; and (3) to take any and all action necessary to properly carry out the terms of said Contracts.

(Resolution No. 32-2006 adopted July 31, 2006)

Chief Engineer: The final resolution this morning is a Resolution awarding Invitation No. 4053 for disposal and testing of slag leachate wastewater. As the Commission is aware, the Ohio Turnpike Commission is under orders from the Ohio EPA to contain and remediate slag run-off as a result from one of our construction projects. We received three bids in response to this contract. We received two identical low bids in the amount of \$197,500.00 from both CleanHarbors Environmental Services of Norwell, Massachusetts and AKE Laboratories, Inc. of Bedford, Ohio. Both bidders have performed satisfactorily for the Commission in the past. Since we had two identical low bids, in the presence of both bidders, the Executive Director determined the apparent low bidder by the result of a coin flip. The result of that was awarded to CleanHarbors Environmental Services. We have set up the blanket order amount in the estimated quantity of \$250,000.00 to allow for fluctuations in the material collected over the contract term. If the General Counsel would read the Resolved.

General Counsel read the Resolved as follows:

RESOLVED that the bids of **CleanHarbors Environmental Services of Norwell, Massachusetts** and **AKE Laboratories, Inc. of Bedford, Ohio** in the amount of \$197,500.00 under Invitation No. 4053 are, and are by the Commission deemed to be the lowest responsive and responsible bids received, and by virtue of the tie-breaker conducted by the executive director in the presence of both low bidders, the bid of **CleanHarbors Environmental Services** is deemed accepted, and the chairperson and executive director, or either of them, is hereby authorized: (1) to execute a blanket order Contract in the amount of **\$250,000.00** with the successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid Invitation; (2) to direct the return to the bidders of their bid security at such time as CleanHarbors Environmental Services has entered into a Contract; and (3) to take any and all action necessary to properly carry out the terms of said Contract.

Chairman: Motion to adopt?

Commissioner Dixon moved and Commissioner Regula seconded.

Chairman: Any questions or discussion on the resolution?

Mr. Darwish: Hopefully everybody has the same question. Same prices from Massachusetts and Ohio, why are we not going with the Ohio firm?

Chief Engineer: Mr. Chairman and Commission Member Darwish, I do know that Massachusetts CleanHarbors has a Cleveland office that they are working out of with this bid. I don't know if Noelle can address it any further.

Mr. Darwish: They are a local then?

General Counsel: Mr. Chairman and Commission Member Darwish, I have previously issued a memorandum to Commission Members in response to a question, I think by Commission Member Dixon. We do not currently have a policy in place that would allow us to do that, but as I think I explained in the memo, even under DAS' policy and guidelines, if a company that is headquartered out-of-state has a significant presence in Ohio, they will be qualified to receive the bid. I think we have confirmed that this company does have a significant presence in Ohio, so the standards are pretty low.

Commissioner Darwish: They have a presence here and that makes a difference?

Commissioner Dixon: That makes a difference, but I would still much rather give it to an "Ohio" company. Would it be illegal for us, in the tie-breaker sense, would it be illegal for us to say that automatically the Ohio company gets it in the case of a tie due to bids?

General Counsel: Mr. Chairman and Commission Member Dixon, I do know that Kathy conferred with outside counsel who advises us on RFPs and Bid Invitations. I don't think that question was posed. There has been some recent case law developing. I wouldn't recommend doing that with respect to this bid invitation, but we can answer that in the future and I can also provide you with another copy of the research we did on that issue.

Commissioner Dixon: No, not this bid invitation. That would be great. I don't want you to do a whole lot of work, just if we could get a quick answer. You know what I am saying?

General Counsel: Sure.

Commissioner Regula: Mr. Chairman, how often has a coin toss come up in the past? I mean, to my knowledge this is a first. But I am assuming it has happened prior to this.

Executive Director: I assume Kathy would have the answer to that.

Director of Contracts Administration: Mr. Chairman and Commission Member Regula, this is the first time since my tenure here at the Commission that it has come up with respect to a contract that the Commission had to approve. However, I believe that on at least two or three occasions we've had the Executive Director flip a coin for smaller contracts and so it is not all together that uncommon. It has occurred and I understand that in past practice, prior to my arriving at the Turnpike, the practice also was for the Executive Director to flip a coin, so that is what we did.

Commissioner Regula: This isn't a double-headed coin.

Mr. Darwish: One-sided coin?

Executive Director: No, actually it was kind of interesting. We notified the two vendors and we gave a pre-established that whoever signed in at the lobby first was considered the home team, just like in football and they called it while it was in the air, right here and that is what it was.

Director of Contracts Administration: We actually have attached the documentation to the resolution showing that both were present and both signed off.

Commissioner Regula: Just for the future, in that type of situation can you then go to them and say since we are having a tie, "re-bid it" per se and everybody knows where everybody else is and see where we are at.

Director of Contracts Administration: Mr. Chairman and Commission Member Regula, the Commission always has the right and reserves the right to reject all bids. In this case we did have an expiring contract, we did confer with both of the contractors and both agreed to this procedure, so we thought this was the best course of action in this case.

Commissioner Regula: Okay.

Chairman: Thank you Kathy.

Representative Buehrer: Question for Noelle or Kathy, does the statute provide for this sort of thing in most state contracts? This coin flipping process?

Director of Contracts Administration: Mr. Chairman and Commission Member Buehrer, actually the statute is silent on this issue that is why I conferred with outside counsel with respect to tie-breaking procedures. It is something that we in the future are going to address in all of our bidding documents. That is why we came up with an informal written procedure that both vendors review prior to conducting the procedure and had them both sign off on it. So it is not addressed in statute, but we will be addressing it in all future bidding documents because when it happens with a regular contract, I prefer that they were written up.

Representative Buehrer: I am not objecting in any way to the procedure that was used here. It sounds like you did the fair thing and you've got practice. But I think that it may be something to consider in Columbus to sort this out a little so there is the flexibility to go with an Ohio based firm, if they would like to go there.

Director of Contracts Administration: I do believe that outside counsel did indicate that DAS has tried to address it in regulations, but I am not aware of it being in statute.

Chairman: Thank you. Senator.

Senator Armbruster: Mr. Chairman a different direction, but how long will it take for the hydrogen peroxide treatment to cease?

Chief Engineer: Mr. Chairman and Senator Armbruster, basically we are under orders from the EPA. We have been testing this and removing it now for several years. It has reduced some, but not to the level that we would have expected it to. If you recall this was the location where we were involved with the lawsuit with the contractor and we prevailed. We are still working off of the lawsuit money in response to this. We are now looking at a more long-term solution if this doesn't clear up within the next year, possibly tying this into a local municipal sewer system.

Chairman: Has the quantity decreased over the period of time?

Chief Engineer: Mr. Chairman, it's not the quantity. The quantity is based on how much it rains. When it rains we collect more quantity. The concentration levels in the material that we have been removing has been fluctuating up and down. It's genuinely trending downward, but not as fast as we would like to see it.

Chairman: Further questions? Please call the roll.

Resolution Concerning Award of Contract Pursuant to Invitation No. 4053 was moved for adoption.

Executive Director: Mr. Dixon

Mr. Dixon: Yes

Executive Director: Mr. Regula

Mr. Regula: Yes

Executive Director: Mr. Balog

Mr. Balog: Yes

Executive Director: Mr. Kidston

Mr. Kidston: Yes

Executive Director: Mr. Darwish

Mr. Darwish: Yes

Executive Director: There are five yeas, the Resolution is adopted.

Resolution No. 33-2006

**Resolution Concerning Award of Contract
Pursuant to Invitation No. 4053**

WHEREAS, the Commission has advertised for bids under Invitation No. 4053 for furnishing to the Commission all services for removal, transportation, disposal and testing of slag leachate wastewater from three (3) locations along the Ohio Turnpike, under Invitation No. 4053; and

WHEREAS, in accordance with an Ohio EPA directive, the Commission has continued with remediation activities to resolve problems associated with leachate run-off via a hydrogen peroxide treatment method, and, in the meantime, the Commission must continue disposing of slag leachate wastewater; and

WHEREAS, it is anticipated that the expenditures of the Commission for disposal of slag leachate wastewater under Invitation No. 4053 shall 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 Invitation No. 4053, and such bids have been reviewed and analyzed by the Commission's maintenance engineer, whose report concerning such analysis is before the Commission; and

WHEREAS, the maintenance engineer reports that, based on estimated quantities of slag leachate wastewater removal, two identical low bids were submitted in the amount of \$197,500.00 from both **CleanHarbors Environmental Services of Norwell, Massachusetts** (with a Cleveland-based office) and **AKE Laboratories, Inc. of Bedford, Ohio**, and that both bidders propose to furnish services in accordance with the Commission's specifications and have satisfactorily provided such services to the Commission in the past; and

WHEREAS, because of the unusual circumstance of having identical low bids that were equally responsive, the executive director conducted a tie-breaking coin-flip on July 20, 2006 in the presence of both low bidders, and as a result, **CleanHarbors Environmental Services** has been deemed the apparent winner by the flip of a coin; and

WHEREAS, the maintenance engineer also reports that, due to the potential for large fluctuations of precipitation during the term of the Contract, it is possible that the estimated quantity may be exceeded, and he, therefore, recommends that a blanket order dollar amount be established at \$250,000.00 under Invitation No. 4053; and

WHEREAS, the maintenance engineer, therefore, recommends that the Commission authorize the executive director to award a blanket order Contract in the amount of \$250,000.00 to CleanHarbors Environmental Services; and

WHEREAS, the Commission has also been advised by its director of contracts administration that all bids for Invitation No. 4053 were solicited on the basis of the same terms, conditions and specifications, that the bid of CleanHarbors Environmental Services conforms to the requirements of Ohio

Revised Code Sections 5537.07, 9.312 and 153.54, and that a performance bond of good and sufficient surety has been submitted by said bidder; and

WHEREAS, the executive director has reviewed the reports of both the maintenance engineer and the director of contracts administration and, predicated upon such analysis and also the ensuing tie-breaker, has recommended to the Commission that a blanket order Contract in the amount of \$250,000.00 be awarded to CleanHarbors Environmental Services; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the bids of **CleanHarbors Environmental Services of Norwell, Massachusetts** and **AKE Laboratories, Inc. of Bedford, Ohio** in the amount of \$197,500.00 under Invitation No. 4053 are, and are by the Commission deemed to be the lowest responsive and responsible bids received, and by virtue of the tie-breaker conducted by the executive director in the presence of both low bidders, the bid of **CleanHarbors Environmental Services** is deemed accepted, and the chairperson and executive director, or either of them, is hereby authorized: (1) to execute a blanket order Contract in the amount of **\$250,000.00** with the successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid Invitation; (2) to direct the return to the bidders of their bid security at such time as CleanHarbors Environmental Services has entered into a Contract; and (3) to take any and all action necessary to properly carry out the terms of said Contract.

(Resolution No. 33-2006 adopted July 31, 2006)

Chief Engineer: That is all I have this morning Mr. Chairman.

Chairman: Thank you. Staff Reports. Noelle?

General Counsel: I do not have a report, but included in your materials today, this was not sent out in your original packages, is the litigation report for the first six months of this year. So, if anyone has any questions, please feel free to contact me.

Chairman: Thank you. Jim Steiner, CFO/Comptroller.

CFO/Comptroller: Good morning Mr. Chairman and Commission Members. I would like to give you an update on our traffic and revenue for the first six months of the year. This chart shows the passenger car miles traveled on the Ohio Turnpike over the past two (2) years. After being down last year, we saw some improvement in passenger car traffic in the first four months of this year. However, the traffic has dropped off significantly the last two months

Passenger car miles traveled in the month of May and June were 4.8% and 2.7% respectively below the levels reached last year. The combined vehicle miles traveled for this May and June were lower than in every year since 2001 and this decline is probably due in large part to the high fuel prices. The price of a gallon of gasoline is currently about \$.80 higher than it was a year ago. June commercial vehicle miles traveled were 5.9% above the level from last year. This bar chart shows year-to-date miles traveled. With a drop in traffic in the last two months, passenger car miles traveled during the first six months of 2006 were up less than 1/10th of a percent compared to last year and we are 1.6% lower than in 2004. Miles traveled by commercial vehicles during the first half were up 7.8% compared to the prior year. With the decline in miles traveled, the revenues from the passenger car miles were down 5.1% in May and down 3.5% in June compared to last year. Passenger car revenues for the months of May and June have not been this low since 2001. Revenues from commercial vehicles were down 7.7% in 2005 compared to 2004, due to the temporary reduction in toll rates. With the same toll rates as last year, commercial revenue has increased in 2006 and we are up 6.4% in June in comparison to last year. This chart shows year-to-date toll revenues. Toll revenues from passenger cars during the first half of 2006 are down 2/10th of a percent from last year and down 1.7% from 2004. Revenues from commercial vehicles are up 8.1% from the first six months of last year. Total year-to-date toll revenues are up 4.6% through June in comparison to last year. This chart shows our total revenue from all sources through the month of June for the last seven years. Including ODOT's Purchase of Excess Capacity, amounting to \$1.3 million dollars per month, our total revenues for the first half of 2006 were \$5.5 million, or 5.4% higher than those from last year. Without the capacity purchase from ODOT, our total revenues would have been \$1 million, or 1% lower than those from the first six months of 2000. This report shows our year-to date revenues, expenditures, and transfers for the General Fund. All results are fairly close to the amounts that we had budgeted, with two exceptions: toll revenues and maintenance expenses. Due to the increased commercial traffic, our toll revenues for the first half of the year were \$4.3 million dollars, or 5.2% higher than budgeted, and the total revenues were \$4.8 million dollars, or 4.8% higher than budgeted. While this is certainly encouraging, we do remain concerned about the impact of high fuel prices on our traffic for the remainder of the year. As a result of the very mild winter weather, our maintenance expenses for the first half of this year were \$3.6 million dollars lower than budgeted, and total expenditures, including debt service payments, were \$4.3 million dollars or 5.3% lower than the amounts budgeted. Again, it is important to keep in mind that some of these savings could evaporate if we have an early winter season. After paying our operating expenses and debt service, the balance of the revenue is used to fund our 2006 capital expenditures. Our Master Trust Agreement requires that we perform a mid-year review of our financial condition and to certify to our trustee, Huntington National Bank, that projected revenues for the year will be sufficient to meet our obligations under the Trust Agreement. Our 2005 pledged revenues are shown at the top of this slide. The data at the bottom of the slide shows our actual

pledged revenues of \$106.2 million dollars for the first half of this year. Based on last year's results and Bobby Everhart's toll revenue projections, I have estimated that pledged revenues for the second half of 2006 will be approximately \$106.5 million dollars. This yields estimated gross pledged revenues for calendar year 2006 of \$212.8 million dollars. Calculations on this line demonstrate that, based on our projected pledged revenues for 2006, we will meet all three requirements under Section 4.04 of the Master Trust Agreement. The first requirement is that our estimated gross pledged revenues exceed the sum of our budgeted operating maintenance and administrative costs plus the required deposit to the expense reserve account. The second requirement is that our estimated net systems pledged revenues exceed the sum of our annual debt service requirement, plus the renewal and replacement requirement. Finally, the third requirement is that our estimated debt coverage ratio equals at least 120%. This ratio is required to be at least 150% in the year before the issuance of additional bonds. Also, in order to implement a long-term toll reduction, our projected ratios must be at least 150% for every year bonds are scheduled to be outstanding, which is through 2031. In addition, the Commission has by resolution, established its intent to always maintain a ratio of at least 150%. If you recall, at the beginning of 2004, we also pledged our concession and other miscellaneous revenues to the extent needed to achieve a coverage ratio of 200% in order to help maintain our "AA" credit rating. Our projected debt coverage ratio for this year is 193% and that does satisfy our current requirement. There is a proposed resolution in your materials entitled "Resolution Concerning the Financial Condition of the Commission" and Mr. Chairman, with your permission, I would like to have our General Counsel read the Resolved.

Chairman: Noelle.

General Counsel read the Resolved as follows:

RESOLVED that the Commission, having reviewed the analysis prepared by the CFO/Comptroller, determines that there will be sufficient Gross Revenues for fiscal year 2006 together with Series Payments, Additional System Payments and Supplemental Payments to meet the requirements of §4.04(a) of the Trust Agreement, and hereby authorizes and directs the CFO/Comptroller to issue a certificate required by §4.04(b) of the Trust Agreement; and

FURTHER RESOLVED that copies of such certification and a certified copy of this resolution shall be transmitted to the trustee and the rating agencies, and shall be available to any interested party.

Chairman: Motion to adopt?

Commissioner Regula moved and Commissioner Kidston seconded.

Chairman: Questions or discussion on the motion? Call the roll please.

Resolution Concerning the Financial Condition of the Commission was moved for adoption.

Executive Director: Mr. Regula

Mr. Regula: Yes

Executive Director: Mr. Kidston

Mr. Kidston: Yes

Executive Director: Mr. Balog

Mr. Balog: Yes

Executive Director: Mr. Dixon

Mr. Dixon: Yes

Executive Director: Mr. Darwish

Mr. Darwish: Yes

Executive Director: There are five yeas, the Resolution is adopted.

Resolution No. 34-2006

Resolution Concerning the Financial Condition of the Commission

WHEREAS, §4.04(a) of the Master Trust Agreement ("Trust Agreement") between the Commission and The Huntington National Bank, as trustee, dated February 15, 1994, requires that on or before July 31 of each year, the Commission shall complete a review of its financial condition for the purpose of estimating whether the Gross Revenues for such Fiscal Year will be sufficient to provide, together with Series Payments, Additional System Payments and Supplemental Payments, the amounts specified in §4.04(a) of the Trust Agreement;

WHEREAS, the Commission's CFO/Comptroller has analyzed the Commission's financial condition and has advised the Commission that, on the basis of his analysis, the Commission's revenues for fiscal year 2006 will be sufficient to meet the requirements of §4.04(a) of the Trust Agreement and he

has set forth a detailed statement of the actual and estimated Gross Revenues, Series Payments, Additional System Payments and Supplemental Payments; and

WHEREAS, a certification of same is before the Commission.

NOW, THEREFORE, BE IT

RESOLVED that the Commission, having reviewed the analysis prepared by the CFO/Comptroller, determines that there will be sufficient Gross Revenues for fiscal year 2006 together with Series Payments, Additional System Payments and Supplemental Payments to meet the requirements of §4.04(a) of the Trust Agreement, and hereby authorizes and directs the CFO/Comptroller to issue a certificate required by §4.04(b) of the Trust Agreement; and

FURTHER RESOLVED that copies of such certification and a certified copy of this resolution shall be transmitted to the trustee and the rating agencies, and shall be available to any interested party.

(Resolution No. 34-2006 adopted July 31, 2006)

I, Gary C. Suhadolnik, Executive Director of the Ohio Turnpike Commission, do hereby certify that the above is a true copy of the aforesaid resolution which was duly adopted at a meeting of the Commission, duly called for and convened and held on July 31, 2006, at which a quorum was at all times present and voting.

WITNESS my hand and the seal of the Ohio Turnpike Commission on this 31st day of July, 2006.



Gary C. Suhadolnik
Executive Director

CFO/Comptroller: That completes my report Mr. Chairman.

Chairman: Thank you. General Consultant.

General Consultant: Mr. Chairman and Commission Members. We have completed all of the inspections across the Turnpike facilities with the exception of one work zone, which will be complete in November. The reports are actually due today. They will be delivered right after the meeting. Everything is in great shape and that is all I have to report. Any questions?

Chairman: Any questions? Thank you. Trustee Frank Lamb.

Trustee Frank Lamb: No report Mr. Chairman.

Chairman: Ohio State Highway Patrol.

Captain Hannay: Mr. Chairman and Commission Members. We investigated a traffic fatality two weeks ago on the Turnpike, in the area of Milepost 171, between the two interstates here. A female lost control, struck the wall, came back out into traffic during heavy rain and was struck by another vehicle and was a fatality. This is our fourth fatality for the year. That completes my report.

Chairman: Thank you. Questions for the Highway Patrol?

Commissioner Dixon: Are we down in fatalities?

Captain Hannay: As of right now, we are one ahead of where we were last year at this time sir. However, August last year, was a very trying month for us and we have efforts in place to counteract that.

Commissioner Dixon: Great. Thank you.

Chairman: With this fatality were there any commercial vehicles involved?

Captain Hannay: No sir, it was not a commercial vehicle. She was driving a passenger vehicle and was struck by a passenger vehicle.

Chairman: Thank you.

Captain Hannay: Yes sir.

Chairman: Any further business before the Commission? The next meeting would be regularly scheduled for August 21st. We have had a request from the Commission Members to switch the date to August 28th. Is there any objection to August 28th? No objection. The next meeting will be August 28th at 10:00 a.m. Is there a motion to adjourn?

Commissioner Darwish made a motion and Commissioner Kidston seconded.

Executive Director: Mr. Darwish

Mr. Darwish: Yes

Executive Director: Mr. Kidston

Mr. Kidston: Yes

Executive Director: Mr. Dixon

Mr. Dixon: Yes

Executive Director: Mr. Regula

Mr. Regula: Yes

Executive Director: Mr. Balog

Mr. Balog: Yes

Executive Director: Five yeas the meeting is adjourned.

The meeting adjourned at 11:08 a.m.

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

George F. Dixon, Secretary-Treasurer