

**MINUTES OF THE 553rd MEETING OF THE OHIO TURNPIKE
COMMISSION
June 17, 2009**

Chairman: It's 2:05 p.m. Good afternoon. Will the meeting come to order? Will the Assistant Secretary-Treasurer please call the roll?

Assistant Secretary-Treasurer: Chairman Balog

Mr. Balog: Here

Assistant Secretary-Treasurer: Mr. Regula

Mr. Regula: Here

Assistant Secretary-Treasurer: Mr. Dixon

Mr. Dixon: Here

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Here

Assistant Secretary-Treasurer: Ms. Teeuwen

Ms. Teeuwen: Here

Assistant Secretary-Treasurer: Mr. Chairman, that's all that's here today.

Chairman: Thank you. Representative Hagan and Senator Patton are in session today, Ed Jerse from the Department of Development and Nikos Kaplanov from OBM called and are unable to make today's meeting. We have a number of guests here today and keeping with past practice, I'd like everyone to introduce themselves, Mr. Steiner.

Those in attendance: Jim Steiner, CFO/Comptroller, Ohio Turnpike; Dave Miller, Director of Audit and Internal Control, Ohio Turnpike; Heidi Jedel, Executive Office, Ohio Turnpike; Jennifer Diaz, Legal Department, Ohio Turnpike; Roger Hannay, Ohio State Highway Patrol; Kathy Weiss, Director of Contract Administration, Ohio Turnpike; Neil Gresham, URS; Tim Ujvari, Maintenance Engineer, Ohio Turnpike; Chris Hopkins, Key Bank; Don Taggart, Operators Union Local 18; Lauren Hakos, Public Affairs Manager, Ohio Turnpike; Tom Travis, HMS Host; Doug Hedrick, Assistant Chief Engineer filling in for Mr. Castrigano; Daniel Van Epps, West Virginia University.

Chairman: Thank you. This is the 553rd Meeting of the Ohio Turnpike Commission. We are meeting here at the Commission's headquarters as provided 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 have been previously sent to the Members and updated drafts are also in the Members' folders. These resolutions will be explained during the appropriate reports. May I have a motion to adopt the minutes of the May 18, 2009 Commission Meeting?

Mr. Dixon: So moved.

Chairman: Is there a second?

Ms. Teeuwen: Second.

Chairman: Any questions or comments? Please call the roll.

Assistant Secretary-Treasurer: Chairman Balog

Mr. Balog: Yes

Assistant Secretary-Treasurer: Mr. Regula

Mr. Regula: Yes

Assistant Secretary-Treasurer: Mr. Dixon

Mr. Dixon: Yes

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary-Treasurer: Ms. Teeuwen

Ms. Teeuwen: Yes

Chairman: If there are no questions we'll proceed with the report of the Secretary-Treasurer, Mr. Dixon.

Secretary-Treasurer: Thank you Mr. Chairman. The following items have been sent to the Members since the last scheduled meeting of the Commission on May 18, 2009. As read:

1. Minutes of the May 18, 2009 Commission Meeting
2. Traffic Crash Summary Report, May, 2009

3. Financial Statement, May, 2009
4. Traffic and Revenue, May, 2009
5. Total Revenue by Month and Year, May, 2009
6. Investment Report, May, 2009

That concludes my report Mr. Chairman. I'd be happy to answer any questions.

Chairman: Any questions for the Secretary-Treasurer? Thank you Mr. Dixon.

Secretary-Treasurer: Thank you Sir.

Chairman: We'll go next to the Executive Director.

Executive Director: Thank you Mr. Chairman, Members of the Commission. I'm sorry I had to drag you out here for one resolution and that is all we have for your consideration today. I will present that resolution, but before we do that I want to make note that in your packet you have a copy of our 2008 Annual Report. As luck would have it, we received it this morning. So rather than mailing it we saved a little bit of postage by putting it in your package.

As you're all aware we are getting closer to electronic tolling. Construction is currently on schedule and we continue to commission both our exit and entry lanes. If you travel the Turnpike today you may have noticed those black LED signs are going up all over the Turnpike and I believe here from Cleveland-West it is completed, we're now working our way East. So we are getting closer all the time. As it stands today we are on schedule to implement and go live with E-ZPass during the fourth quarter of this year. As we have been discussing these business rules that we have for your consideration today with E-ZPass, we have taken it into consideration your comments and today we'd like to present for your consideration a resolution authorizing the filing of those business rules for electronic tolling with JCARR, which is the Joint Committee on Agency Rules. As, I think, we've explained before, these rules after adoption by the Commission have to be sent to JCARR who then goes through a review. Obviously, we're still a few months away from going live with E-ZPass, but we want to give ourselves ample time to go through that JCARR review process. As part of those business rules we have several new definitions obviously we've defined credit card and we will be taking valid Visa, Master Card, Discover or American Express. We've defined postpaid accounts, prepaid accounts, the transponders and electronic tolling. Under our prepaid accounts we will accept, as I said earlier, designated Visa, Master Card, Discover or American Express on a prepaid basis beginning with a balance of \$25.00 for each transponder

requested. This amount will be credited to the customer's new E-ZPass account and will be available to pay tolls and other fees and charges. The customer may request a higher initial balance as indicated on the application. When a customer's account balance drops below the accumulative balance of \$10.00 per transponder the account will be replenished with a charge to the customer's designated credit card of the amount of either A) the average monthly tolls incurred over the past 90 days, obviously we will not do that initially during the first 90 days, but after 90 days when they establish a track record if you will, or the amount needed to return the account balance to \$25.00 per transponder whichever is greater. E-ZPass prepaid accounts will be suspended if account balance fails, I'm sorry, falls below zero. If a credit card is declined or violations of any other terms and conditions of the agreement they signed. The Commission accepts, as I said, Visa, Master Card, Discover and American Express credit cards. Customers must provide a primary and optional secondary credit card in order to avoid additional fees if the primary card fails. The customer's E-ZPass account must remain a positive balance at all times. A fee may be assessed if the customer's Visa, Master Card, Discover or American Express card is declined when the Commission attempts to replenish the account. In this case the customer's E-ZPass transponder will be immediately suspended until new data is furnished to the Commission. The Commission shall have the option to cancel and close an account at any time. Prepaid accounts will be assessed a shipping and handling fee for each transponder ordered from the Commission's Customer Service Center. A retail handling fee will be incurred for each transponder obtained from a retail outlet. A customer will be assessed a per month usage fee for each transponder. A customer will continue to be responsible for all tolls incurred through the end of the day of notification to the Commission that a transponder has been lost or stolen. Transponders reported lost or stolen will no longer be assessed a per month transponder usage fee. If stolen or lost within the first four years the customer will be assessed a replacement fee plus shipping and handling. Customers are required to report lost or stolen transponders immediately on the web or by phone. Accounts can be canceled on the web or by phone; inactive accounts will continue to be charged a monthly fee per transponder. Account statements showing detailed transactions will be available upon each account replenishment. Customers with a valid e-mail address on file will be notified electronically when their statement is ready. E-ZPass customers can access their statements online free of charge. Customers requesting paper statements will be assessed a fee for each five transponders up to a maximum fee and I'll go over those fees as we continue. Cash payment upon exit will be required if a customer's transponder is suspended at the time of a toll transaction. The E-ZPass transponder usage is limited to one toll transaction per trip, one entry, one exit under no circumstances will a toll collector hold a transponder so another vehicle can use the same transponder. Should the balance in a customer's E-ZPass account drop below zero the customer agrees to pay all costs including attorney fees incurred by the Commission to collect any monies due the Commission. The customer may cancel or update their E-ZPass account information at any time online at the website or by mail or by phone or by a call

to the Customer Service Center. In the event the customer E-ZPass account is terminated, the customer must return all transponders. Upon termination the Commission will refund any positive balance in the account by crediting the customers Visa, Master Card, Discover and American Express credit card. A check payable to the customer may also be issued at the sole discretion of the Commission. All transponders on a closed account must be returned within one month from the date of cancellation to avoid the charge per transponder. Transponders that fail and are returned will not be assessed a fee the same per month usage fee will be applied to the replacement transponder. All transponders shall remain the property of the Ohio Turnpike Commission. The customer agrees to surrender possession of all transponders immediately upon request by the Commission. A fee will be assessed on each unreturned transponder. The Commission may modify the E-ZPass terms and conditions and application at any time with proper notification to the customers and Ohio E-ZPass business rules shall be governed by and construed in the accordance with the laws of the State of Ohio. There are additional postpaid account rules in addition to the ones we just reviewed, Mr. Chairman I don't know if you want me to read them, I'd be happy to, I don't think it's necessary. But, I do want to get into the schedule of fees; I think that's very important. The monthly transponder usage fee is proposed to be \$0.75 per transponder per month. The shipping and handling fee is \$3.00 per transponder, the retail handling fee is \$3.00 per transponder, the transponder replacement fee is \$25.00 unless the transponder is more than four years old and then it will be prorated. A returned check fee or declined credit card payment is \$25.00. Late payment charge on postpaid accounts 1.25% of balance owed calculated on a monthly basis. Under Item G a statement fee will be free online and customers who request printed or mailed monthly statements will be charged as follows:

1-5Transponders	\$1.00
6-10Transponders	\$2.00
11-15 Transponders	\$3.00
16-20 Transponders	\$4.00
21-25 Transponders	\$5.00
26-30 Transponders	\$6.00
31-35 Transponders	\$7.00
36-40 Transponders	\$8.00
41-45 Transponders	\$9.00
Maximum charge	\$10.00

Finally, an unpaid toll administrative fee is calculated to be \$10.00. With that Mr. Chairman if I could have Noelle read the Resolved.

General Counsel: RESOLVED, that the Commission hereby authorizes the Executive Director, CFO Comptroller and General Counsel to finalize the attached *E-ZPass Business Rules and Schedule of Related Fees* either

in their current form or as may be modified in order to comply with the requirements imposed by the Joint Committee on Agency Rule Review; and

FURTHER RESOLVED that the Commission hereby authorizes the General Counsel to initiate the process necessary to adopt the attached Business Rules for Electronic Tolling in accordance with Sections 111.15 and 119.032 of the Ohio Revised Code.

Chairman: Motion to adopt?

Ms. Teeuwen: So moved.

Chairman: Second?

Mr. Regula: Mr. Regula.

Chairman: Motion has been initiated and seconded. Do we have any comments or questions from Members of the Commission?

Mr. Kidston: What happens if you take a long trip and you are over the \$10.00? Let's say you never travel then all of a sudden you take a trip to New Jersey and rack up \$18.00 in tolls.

Executive Director: Dave do you know? I believe they'll be paid. They'll be allowed passage and then their account will be replenished at the end of business that day.

Director of Audit and Internal Control: That's precisely right. When it falls below that \$10.00 threshold, it triggers an automatic replenishment against the credit card on file and the customer's transponder remains in good standing until such time that we determine that we can't collect against the credit card.

Mr. Kidston: So is our system different then the Illinois system in that regard?

Director of Audit and Internal Control: I don't believe so.

Mr. Kidston: That circumstance happened to an acquaintance of mine. They took a trip and were charged a penalty fee because they fell below the threshold while they were traveling. I was just curious.

Director of Audit and Internal Control: That sounds very unusual to me.

Mr. Kidston: As long as we have it I'm okay with it.

Chairman: So in our situation, if I'm understanding his question, if the person has a valid credit card on file with us he goes down below the threshold, or actually goes down below zero say for that discussion, they go to charge his credit card a new amount, \$25.00, \$30.00 or whatever it is, pays it, so he won't have any extra ordinary fees?

Director of Audit and Internal Control: That's exactly right.

Chairman: The other alternative, if I understand it correctly, if that happens and they go to replenish it and his credit card is declined or because he switched credit cards or something like that then he would be charged the penalty at that point and time because he didn't keep the valid credit card on file with us.

Mr. Kidston: But we're requiring two valid cards correct?

Director of Audit and Internal Control: The second card is optional.

Chairman: We are requiring one and a back-up in the event that ...

Director of Audit and Internal Control: We strongly recommend that a backup card be supplied to avoid that.

Director of Audit and Internal Control: Thank you Mr. Chairman.

Ms. Teeuwen: I just have one quick question in regard to if the transponder is stolen, is there a way to track that? Or can you shut it off; deactivate it so the person can't use it if it's reported stolen?

Executive Director: We can shut the account off when it's reported stolen. Can it be deactivated, obviously that goes through the E-ZPass network and they will know it's no longer a valid transponder.

Ms. Teeuwen: So that person can actually be caught?

Executive Director: If they try and use it sure. I believe they can.

Director of Audit and Internal Control: It depends on where they get stopped I suppose is an accurate response.

CFO/Comptroller: If they tried to use that on the Ohio Turnpike what would happen is the gate would not open and they would get a ticket. We don't have software in there to raise a flag at that point that someone is using an invalid transponder. What would simply happen is the gate would not open and the individual would receive a ticket and then pay cash upon exit.

Chairman: There's a \$25.00 fee if it's lost or stolen within the first

four years for replacement. If per chance it's defective, it just doesn't work and the person comes in and says hey it's only been two years, they're not charged to replace a defective one?

Director of Audit and Internal Control: That's correct.

Chairman: I just want to confirm that.

Mr. Regula: Two questions actually, they'll be able to go directly to our website and click on an icon that will take them directly to the application process for the E-ZPass I assume?

Director of Audit and Internal Control: Commission Member Regula, that's correct.

Mr. Regula: And once they get that they'll get some type of password so they can access that account at any given date and time to see where they are at, what their balance is, what their travels are, so that if you're a company you could really go into your employees and that will have the date of travel, time of going through the gate, all that too and that will be accessible to the individual and or company?

CFO/Comptroller: That's correct Mr. Chairman and Commission Member Regula. All that detail will be available through the internet. You can also get their last five transactions through our interactive voice response phone system. You can call in and put their account number and their password in, pin number in, and will be able to retrieve their most recent five transactions.

Mr. Regula: And if their credit card, let's say they get a new credit card in the mail, they can also go to that same system and put in a new expiration date and or a new credit card all sitting in front of their own computer.

CFO/Comptroller: That's correct.

Mr. Regula: And does everything come directly through us in terms of the transponders and we are doing this all internally, I'm assuming, there's no third party involved in regards to distribution or anything like that.

CFO/Comptroller: Not at this point. We have our operating our own customer service center in the lower level of this building. The space down there has been renovated and the computer equipment is being installed as we speak. We do intend to explore retail distribution of the transponders at some point in the relatively near future after we get the system up.

Mr. Regula: And I'm assuming that whatever cost that we put on here is approximately the actual cost to us. It's not...we're not doing it from a profit

making standpoint. It's an estimated actual cost basically.

CFO/Comptroller: That's correct.

Mr. Regula: Thank you James.

Executive Director: Mr. Chairman if I might just add, we went through some training here the last couple weeks. The hardware and software has been installed for our customer service center and if you do have some time that has now been completed in the lower level. The furniture has been delivered and set-up. We have gone through extensive interviews in the last two weeks, three weeks, and are very close to bringing the customer service reps on board. So all that's done, and if you have time after the Commission Meeting you might want to stop in the lower level and see how we're set up down there.

Mr. Kidston: And when will these rules be posted and when will the transponders be available for sale?

Executive Director: We hope to bring the staff on board about mid-July. Start processing applications about mid-August to be able to get them in their hands to be used very early in the fourth quarter of '09.

Chairman: When will JCARR act on this?

General Counsel: Mr. Chairman, it's a 60 day review process. But there's additional time on the front end and back end as far as for them depending on when the committee meets. So, it's roughly 60 days. Once we file them officially. We have to submit them for formatting, which we've already started that process and once we push the button so to speak, it's a 60 day review process by the committee and they notify you when they're going to meet and the rules are on their agenda.

Chairman: So, can we do anything, I mean can we sell anything, can we do anything previous to the rules being approved?

General Counsel: Yes, we, Jim Steiner and I contacted the Executive Director at JCARR because one of the questions we had is whether some of these terms are contractual agreements, or whether they have to be by rule and he gave us some guidance to kind of expedite it and simplify the process. So what we're going to do is we're going to file the kind of bare bones set of rules, the Schedule of Fees for sure have to be filed with JCARR and then the more detailed terms and conditions for the account holder will be by written agreement, that, we can get done within the next week or so.

Chairman: Any questions? Everybody okay with the fees?

Mr. Dixon: Yea, I'm okay, just one question. How long does it take to get our money? How long does it sit out there in cyber? I know some of these credit card situations like in a restaurant, some of it I wait a week for and some of it I get pretty quick. How long does it take on an average to get our money out of cyber space?

CFO/Comptroller: Mr. Chairman, Commission Member Dixon, we usually get the funds from the credit card processor within two days and then in terms of collecting funds from the other Turnpikes, so if someone travels on the Ohio Turnpike using a transponder from another toll agency then we send those detailed transactions on a daily basis, but the funds transfers typically are done once per month.

Mr. Dixon: Once per month.

CFO/Comptroller: Once per month, exchanging funds with the other toll agencies. You can through mutual agreement transfer funds on a more frequent basis. There are some states that have a lot of transactions between the two states and will transfer funds on a weekly basis. But typically it's done on a monthly basis in terms of exchanging the funds.

Mr. Dixon: Okay and I just want to be clear on this part. Each time I use the Turnpike that transaction is processed immediately, correct? Or, see because I heard something that kind of gave me pause. There was something said about once you go below a level, if I'm an infrequent user but I still bought a transponder and I maybe use it once a month, would that not be charged until I reach a certain level and then all that's taken out? And that one charge sits out there until I reach a certain level?

CFO/Comptroller: Mr. Chairman and Commission Member Dixon, the way it works is upon entry to the Turnpike the computer system will pick up your transponder number and store that transaction in a database that keeps track of the date, time, the location and your transponder number. Then when you exit the Turnpike it also picks up your transponder number and stores your exit time and location in that same database and then once per day, early like 2 o'clock in the morning there will be a program that will run and try to match up the transaction. It looks for the same transponder number on both entry and exit. Now we have a completed transaction. It then calculates the fare based on the classification of the vehicle, the distance traveled and then that toll is then posted to your account. Now when that transaction is posted, if that would bring your account balance below that threshold that we've discussed of \$10.00 per transaction then it will automatically generate a replenishment transaction to charge your credit card and to replenish your account to bring it up to an appropriate balance.

Mr. Dixon: But if everything is okay and it doesn't take me below that threshold will that be charged immediately upon those things happening that you said upon completion of the analysis of the transaction.

CFO/Comptroller: The transaction will be posted to your account and your balance will be decremented but there will be no charge to your credit card until you drop below that \$10.00 threshold.

Mr. Dixon: So if I am an infrequent user, theoretically I could have a charge sitting out there for quite some time?

CFO/Comptroller: You may carry a balance for an extended period of time.

Chairman: Not a charge, but a balance.

Mr. Dixon: A balance for quite some time.

CFO/Comptroller: You can carry that prepaid balance for an extended period of time if you are an infrequent traveler, that's correct.

Mr. Regula: I have another question Mr. Chairman. Have we established a policy as to when we can give this information to law enforcement?

General Counsel: Mr. Chairman, Commission Members, Vice Chairman, we actually do not have the statutory authority to do that at this point. Because we're using a gated system we are going to have cameras, but we're not going to be doing enforcement so to speak with the cameras.

Mr. Regula: Well, what I'm thinking of is in regard to whether you have a fugitive on the run and/or you have a situation where you want to know the information where this individual was as to whether he committed a crime at such and such and if he happened to travel the Turnpike. Do you know, it's the what if? Do they have to come to us with a subpoena to pull those records or...

General Counsel: Depending on the scope of the information they're asking for it would be a public records request or a subpoena. If they want account information it's probably going to have to be by subpoena.

Mr. Regula: I appreciate that. Thanks.

Chairman: I guess the question I would ask for the staff is; I think we don't want to make any money on the sale of the transponders, so I thought we had talked about \$0.50 versus \$0.75, but the other side of my coin is \$25.00 and \$10.00 seems somewhat low for amounts to start with when you get in the car and

drive someplace it's \$5.00 on the Turnpike. Are we adequately protected at those levels? Initially, is that what we feel?

CFO/Comptroller: Mr. Chairman, we have in response to some of the comments that the Commission Members have made we tried to make the program as affordable as possible and yet still protect the financial interest of the Commission so we think we have the fee set at an appropriate level.

Chairman: And \$0.75 is where you think you need to be? That's the one thing that if I'm Mr. Home Body, and don't use the Turnpike but every two or three months, I'd say to myself well do I want to pay \$3.00 every quarter just to have the right to have the transponder that I use only three times a year. The whole idea is to try and make it...is that the appropriate amount? Do you think \$0.75 is the proper number?

CFO/Comptroller: Mr. Chairman, we're trying to recover the cost of the transponder over a reasonable amount of time and most of the transponders are internal. Some car windshields have coatings in them that will prevent the signal from penetrating the windshield. So you have to have external transponders and those are more expensive so we looked at what some of the other states are charging for example Indiana next door, charges \$1.00 a month so we tried to set it at an appropriate level considering all the factors and we believe \$0.75 is a reasonable amount.

Chairman: The next question is what's our obligation since we are going through JCARR and the fees, what's our obligation for leaving the fees exactly as is? If we make a discovery that this isn't working for some reason or another we need to have, and I certainly understand that you had talked about making the initial fee less and that's why it's \$0.25. If we discover it needs to be \$50.00 or \$75.00 or \$100.00 or something of that nature to protect ourselves what's our process for adjusting? Not that I'm suggesting it...

General Counsel: You have to go through the JCARR process but it's easier. Once you have already got it in the computer format just filing a revised rules is straight forward. But you still have to go through that process.

Executive Director: Mr. Chairman if I can just talk about that front end load. Once we establish a track record if you will, usage back review that we can use to see exactly how much usage this actual transponder is using, we will load it accordingly. It may not be that \$25.00. If they're perhaps in the business where they're using the Turnpike quite often and putting on hundreds of miles a day, which I can only hope for, but we would obviously load it with more than just that \$25.00. We would use the average over a three month period to load it for the appropriate amount.

Chairman: Okay, so if that person is using \$50.00 a month, so his next load would be \$150.00 correct? \$50.00 a month for three months?

CFO/Comptroller: Mr. Chairman it would be the average monthly usage. So if it's \$50.00 per month then when their account drops below that threshold we would charge the credit card one month's...

Chairman: So we look at three months for making the determination, but we only charge them one month's usage.

CFO/Comptroller: That's correct Mr. Chairman.

Chairman: So it should appear as a monthly service charge in effect, if they use the Turnpike for \$50.00...

CFO/Comptroller: We try to get the customers on a monthly billing cycle which is I guess the typical schedule for all their other bills.

Director of Audit and Internal Control: And credit card fees.

Chairman: Back on Mr. Dixon's comment about how often do we get the money from the other agencies, they should think about it since we're going to have less transponders and we will be collecting more money than we will be paying out, is that beneficial to be paid on a monthly basis?

CFO/Comptroller: We'll have to look at that depending on the transponders, which states that we're getting most of the transponders from and if we see that it would benefit us to negotiate a more frequent schedule then we certainly would pursue that.

Executive Director: Along those lines Mr. Chairman if I can continue, obviously if we're the last batter in the box so to speak, obviously a lot of these are already issued, so if we're receiving compensation from other agencies and holding it in hand before we have to distribute it to these other states that are part of the tolling I imagine Jim's going to want to invest those even for a short period of time and we may make a little bit of interest on it.

Chairman: Yea, now that I think about it, if it's once a month many people will be using their transponders in Ohio, but we wouldn't get any money from that because we have to collect it from them so they'll be detrimental to us.

Executive Director: That's the reverse.

Mr. Regula: If I may, along that same line, did we negotiate with the credit card companies as to what percentage we're going to pay them? I know

traditionally with most businesses it is 3 percent or did we work on that or is it traditional?

CFO/Comptroller: Mr. Chairman, Commission Member Regula, we did go out for bid and through a third party processor we believe we have very favorable rates.

Chairman: You know we've passed that resolution and how long is that contract for also? Is that three years?

Director of Contract Administration: Its three years with two-three year renewals.

Chairman: Say it again.

Director of Contract Administration: Mr. Chairman, Commission Members, it's a three year contract and I believe it has two-three year renewals.

Chairman: Right, that's at our option.

Director of Contract Administration: It's with Electronic Merchant Systems and they are a local company, a local Ohio company, but if I may also add we will probably come back to the Commission with a resolution for a separate agreement we are going to need to do with American Express because they are a private label credit card company and we're probably going to be bringing that to you next month with a separate agreement with them and it's a very favorable rate as well.

Mr. Dixon: What is the rate?

CFO/Comptroller: I believe it's 2.2% for the American Express.

Mr. Dixon: And the other one, EMS?

CFO/Comptroller: They charge I believe it is 6 cents per transaction, something like that. I'd have to double check. On top of the American Express, I think it's like maybe 10 basis points and 6 cents per transaction, something like that on top of the 2.2% that American Express would charge. So EMS charges their processing fee on top of the amount that goes to American Express.

Chairman: Do we want to go ahead? I mean many merchants don't accept American Express.

CFO/Comptroller: Mr. Chairman I think that's, right now even through our Ready Toll Program we accept Master Card and Visa and we do receive phone calls on a fairly regular basis asking if we would take American Express.

We felt it would be appropriate to include them. I believe the rate that we are going to be charged by American Express is very comparable actually to...

Mr. Dixon: I am going to tell you 2.2 is great.

CFO/Comptroller: It's a government rate.

Mr. Dixon: It's great! I wish I could get 2.2. It's great.

Chairman: Ed, did you have something else?

Mr. Kidston: I was just going to note that Line Item 2 says: the average 90 days or \$25.00 whichever is greater. So I just wanted to say that that's right in the rules.

Chairman: Please call the roll.

Assistant Secretary Treasurer: Chairman Balog

Mr. Balog: Yes

Assistant Secretary Treasurer: Mr. Regula

Mr. Regula: Yes

Assistant Secretary Treasurer: Mr. Dixon

Mr. Dixon: Yes

Assistant Secretary Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary Treasurer: Ms. Teeuwen

Ms. Teeuwen: Yes

RESOLUTION NO. 19-2009

**Resolution Authorizing the Filing of
Business Rules for Electronic Tolling with the
Joint Committee on Agency Rule Review**

WHEREAS, the Commission has previously decided to proceed with the implementation of electronic toll collection in the form of *E-ZPass*[®] and a new toll collection system in order to offer customers using the Ohio Turnpike the added convenience of paying tolls electronically; and

WHEREAS, the Commission previously adopted administrative rules for the control and regulation of traffic, for the protection and preservation of property under its jurisdiction in accordance with the authority granted to it under Ohio Revised Code Section 5537.16 as promulgated in the provisions of Ohio Administrative Code Sections 5537-1-01 through 5537-7-01; and

WHEREAS, the Commission has awarded those contracts and taken those actions necessary to implement a new toll collection system and Customer Service Center, in order to migrate to *E-ZPass* or electronic toll collection; and

WHEREAS, the Commission anticipates implementing *E-ZPass* sometime during the fourth quarter of 2009 whereby customers may establish pre-paid and post-paid accounts and use transponders to pay tolls electronically; and

WHEREAS, the Executive Director has recommended that the Commission begin the process for adopting the attached Business Rules and a Schedule of Related Fees, to be utilized by customers wishing to pay tolls electronically, and to establish the terms and conditions for establishing pre-paid and post-paid accounts for use in conjunction with *E-ZPass*, which rules are attached in preliminary draft form to this Resolution; and

WHEREAS, the General Counsel has advised the Commission that it may be required to submit the drafted *E-ZPass* Business Rules and Schedule of Related Fees to the Joint Committee on Agency Rule Review in accordance with the requirements of O.R.C. Section 111.15 and 119.032 prior to their implementation by the Commission, and has recommended that the Commission begin the process for promulgating and finalizing the drafted rules prior to the implementation of electronic tolling; and

WHEREAS, in accordance with applicable statutory provisions, including Sections 111.15 and 119.032 of the Ohio Revised Code, the Commission must file with the Joint Committee on Agency Rule Review, the Legislative Service Commission and the Secretary of State any new rule or amended rule in accordance with the procedures set forth in the statutes and the Commission wishes to begin the process to file its Business Rules for Electronic Tolling as

reflected in the attached Exhibits.

NOW, THEREFORE, BE IT

RESOLVED, that the Commission hereby authorizes the Executive Director, CFO Comptroller and General Counsel to finalize the attached *E-ZPass* Business Rules and Schedule of Related Fees either in their current form or as may be modified in order to comply with the requirements imposed by the Joint Committee on Agency Rule Review; and

FURTHER RESOLVED that the Commission hereby authorizes the General Counsel to initiate the process necessary to adopt the attached Business Rules for Electronic Tolling in accordance with Sections 111.15 and 119.032 of the Ohio Revised Code.

(Resolution No. 19-2009 adopted June 17, 2009)

Executive Director: Mr. Chairman that concludes my report.

Chairman: Thank you. Assistant Chief Engineer, Doug.

Assistant Chief Engineer: Good afternoon Mr. Chairman and Members of the Commission. I've got two items for your consideration this afternoon. The first you'll find in your folder, a small packet entitled the Construction Contract Summary. It's dated June 17, 2009. In accordance with the Commission's Code of Bylaws, Article 5, Section 1, I'm required to report to the Commission the completion of our construction projects. Since the last report of October 20, 2008 we've completed five construction projects with an award amount of \$16,574,000. Final in place work was completed at a cost of \$16,000,027.00 or a savings of just over \$550,000.00. Since reporting began in 2003 Engineering has completed 62 contracts at a total savings of about \$4 million over the contract award amount.

The second item I have for you, on Monday, June 8 a single tractor trailer struck the approach guardrail and a parapet wall on the eastbound mainline bridge over SR 64. Some of you may have seen some of the news reports in that regard. The result in the accident caused damage to the concrete parapet and the resulting fire caused significant damage to the bridge deck and parapet walls. The Chief Engineer declared the situation an emergency and engineering is working with our general engineering consultant to fix the repairs. We currently have repair plans prepared, we are reviewing those in house and we will be securing pricing probably early next week. The repairs most likely will be completed in two stages. The repairs to the parapet wall and approach guardrail will be done first with the deck overlay completed after the fourth of July weekend so as not to disrupt traffic. That is all I have for my report. I'll entertain any questions.

Chairman: Any questions for Mr. Hedrick? Thank you very much. General Counsel, Noelle?

General Counsel: No report Mr. Chairman.

Chairman: Thank you. Mr. Steiner?

CFO/Comptroller: Mr. Chairman and Commission Members I do have a brief update on our traffic and revenue as of May 31. This first chart shows the monthly passenger car miles traveled on the Ohio Turnpike over the past two years. While passenger car traffic has been down on most of the last year we have seen significant improvement recently. Passenger car vehicle miles traveled in May were 2.9% above the total from last year. Unfortunately, the commercial traffic continues to lag behind the levels reached last year. Commercial vehicle miles traveled in May were 15.8% below the total from 2008. This chart shows the year-to-date vehicle miles traveled through May during each year this decade. Passenger car miles traveled in the first five months of this year were actually 2/10 of a percent above the total from last year while commercial vehicle miles traveled were 16.5% below the level from last year.

This chart shows the year-to-date toll revenues through the month of May during each year this decade. Toll revenues for the first five months of this year were \$8.2 million or 11.1% below the amount from last year.

This final chart shows our total year-to-date revenues from all sources in the first five months of this decade. Total revenues as of the end of May were the lowest this decade and were \$9.8 million or 11.7% below from those for the first five months of 2008.

Fortunately, this revenue shortfall is currently being offset by expense savings, much of which is attributable to the lower snow and ice removal costs and also debt service savings resulting from the recent bond refinancing. That completes my report Mr. Chairman and I'll be happy to respond to any questions.

Chairman: Thank you. Any questions for Mr. Steiner? Any reports from engineering or Bobby Everhart or Eric Erickson?

CFO/Comptroller: They are not here Mr. Chairman.

Chairman: Thank you.

Mr. Gresham: On behalf of URS I want to extend our thanks for the contract award, we received notice to proceed as of April 1st. We are proceeding with the inspections and today we're not finding anything that's out of the ordinary. The findings are consistent with the age and preventative maintenance that has taken place.

Chairman: Thank you. Ohio State Highway Patrol?

Captain Hannay: Commission Members, just briefly to follow up with Mr. Hedrick's report. The crash investigation is complete; it was a company vehicle Swift Transport. I will turn a copy of the report over to legal, so they can start pursuing insurance claims back against the company. Unfortunately, the cause of the crash will take some time and we'll have to wait for the coroner's office to try and give us a ruling. The deceased, there was a fire, it was pretty devastating, so I don't know what the coroner's going to be able to tell us. Witnesses to the crash indicated that he either fell a sleep and drifted or maybe had a medical condition and drifted. There was no corrective action, nothing unusual on the roadway, off the road overturned and hit the bridge. That's my report Sir.

Chairman: The Turnpike was closed is that correct?

Captain Hannay: Yes sir, it was closed six to eight hours I believe.

Chairman: Questions or comments for the Captain? Thank you.

Captain Hannay: Thank you Mr. Chairman.

Chairman: Any further business from the Commission Members?

Mr. Dixon: I'd just like to thank the Commission and all those who sent and displayed condolences to my family in my time of bereavement, I really do appreciate it. It means a lot to me. Thank you so much.

Mr. Kidston: May I ask one more E-ZPass question?

Chairman: Yes sir.

Mr. Kidston: Small business, ten transponders, one credit card account; we charge \$7.50 a month for the ten transponders. Will it be one \$25.00 account or will it be ten \$25.00 accounts?

CFO/Comptroller: Mr. Chairman, Commission Member Kidston, to open the account we would charge the company credit card \$25.00 per transponder, it would all be one account but to open the account it's \$25.00 per transponder. So it would be \$250.00 then to open that account with ten transponders. Then when the replenishment got to \$10.00 per transponder which in this case would be below \$100.00 then we would replenish again, based on the average monthly usage calculated over the last 90 days or the amount needed to bring that balance back to \$250.00 whichever would be greater.

Mr. Kidston: Well that's the first rule you said today that I don't like. I think we should be able to consolidate those accounts, maybe set it higher than \$25.00 amount. But it seems like for a business we should be able to consolidate those accounts and maybe charge the \$250.00 up front but not leave \$250.00 laying there all the time for a small business. I think that might cause some difficulties.

CFO/Comptroller: Mr. Chairman, Commission Member Kidston, the other option would be to have a post paid account. If they do most of their travel in the State of Ohio, they could open a post paid account for that business and we would bill them monthly. The only caveat is they would have to be able to post a bond, so that would be another alternative.

Mr. Kidston: So that is an option for them?

CFO/Comptroller: Yes.

Mr. Kidston: Thank you.

Chairman: If there's nothing further I will accept a motion to adjourn until our next regularly scheduled which is set for July 20th, Monday at 10 a.m.

Mr. Dixon: So moved.

Chairman: Second?

Mr. Kidston: Second.

Chairman: Please call the roll.

Assistant Secretary Treasurer: Chairman Balog

Mr. Balog: Yes

Assistant Secretary Treasurer: Mr. Regula

Mr. Regula: Yes

Assistant Secretary Treasurer: Mr. Dixon

Mr. Dixon: Yes

Assistant Secretary Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary Treasurer: Ms. Teeuwen

Ms. Teeuwen: Yes

Chairman: Motion is approved, meeting is adjourned.

Time of adjournment was 2:51 p.m.

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

George F. Dixon, Secretary-Treasurer