

MINUTES

KENTUCKY-INDIANA  
JOINT BOARD MEETING #12  
FOR THE  
LOUISVILLE-SOUTHERN INDIANA  
OHIO RIVER BRIDGES PROJECT

MAY 11, 2016

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2:00 p.m. EST

The meeting was hosted by Indiana and held at the Sheraton Riverside Hotel Ballroom, 600 West Riverside Drive, Jeffersonville, Indiana.

Members in attendance were:

Dan Huge, Public Finance Director, Indiana Finance Authority (IFA)

Greg Thomas, Secretary of Transportation, KYTC

William Landrum, Secretary of Financing, KPTIA

Tony McClellan, Deputy Commissioner for Seymour District and Proxy for Commissioner Hendrickson of the Indiana DOT.

The meeting was called to order by Dan Huge, and the first order of business was to approve the minutes of the last meeting which was held on July 17, 2015. A motion was made by Greg Thomas to approve the minutes and seconded by Tony McClellan. No discussion was held, and the minutes were approved unanimously.

Dan Huge then asked Megan McClain from Kentucky to make a presentation on Resolution JB-2016-1 regarding passing of the E-ZPass membership. Ms. McClain informed the Joint Board that JB-2016-01 is a resolution that allows KPTIA to be a sponsor for the Louisville Bridges Project for E-ZPass.

It will allow customers that use the bridge to be able to use an existing E-ZPass or buy an E-ZPass to debit a prepaid account. If passed, it will allow a customer from another state where there is an E-ZPass system to use our bridge where we will debit their existing account in another state; and that if one of our customers is using a system that is in another E-ZPass area, that area will debit their account in the same way. Chairman Huge questioned if this covers both Indiana and Kentucky, and Ms. McClain explained that this resolution allows KPTIA to sponsor this project for purposes of E-ZPass membership so that the project will be an E-ZPass project. William Landrum moved to approve Resolution JB-2016-1, and the motion was seconded by Tony McClellan. The resolution passed unanimously.

Dan Huges then asked Clint Murphy, representing INDOT, to make a presentation on JB-2016-2 regarding the approval of Addendum Number 3, which is a modification of the Bi-State Agreement between Kentucky and Indiana. Mr. Murphy stated that this resolution is primarily administrative in nature and covers five sections of the Bi-State Development Agreement to revise and clarify the original language. Staff feels it prudent to reconcile the Bi-State Development Agreement with up-to-date language.

Section 1 of this addendum relates to Section 11.2 of the Bi-State Development Agreement and will be amended to reflect, by referencing Section 3 of the Toll Policy Agreement, that tolls will commence when the project adds new cross river capacity to the transportation system in the project area or January 1st, 2017, whichever is earlier.

Section 2 of this addendum revises language to Section 11.7 of the Bi-State Agreement to include additional language clarifying that Indiana revenue shares shall meet all the financial obligations of the Public-Private Agreement.

Section 3 addresses Section 11.4 and 11.5 of The Bi-State Development Agreement and stipulates certain requirements pursuant to the revised record of decision regarding the development of a toll policy that is sensitive and responsive to Environmental Justice Populations. This formally documents the agreement by the parties that the acceptance of the Environmental Justice reports and approval of the Tolling Mitigation Plan satisfies these requirements.

Section 4 of this addendum addresses 11.4 of the Bi-State Development Agreement and calls for an engagement of a toll system integrator and toll operator for the ORB toll collection system. This documents that the parties agree that the Toll Services Agreement established with the Kapsch Trafficom effective May 12th of last year, 2015, satisfies these requirements by providing both toll operator and toll integrator functions to design, procure, install, operate, and maintain the toll collection system.

Section 5 addresses Section 11.8 of the Bi-State Development Agreement. It originally called for a division of toll revenues by conducting daily 50/50 splits into the

Kentucky revenue share and Indiana revenue share. After consulting with KPMG, serving as our revenue control manager for this project, it was determined that this was unduly burdensome due to the reporting and accounting implications and that periodically, but not less than monthly, splits would be more appropriate.

Section 5 of this addendum offers this language accordingly. Chairman Huge stated that he thinks it's an appropriate change.

William Landrum moved to approve Resolution JB-2016-2, and the motion was seconded by Tony McClellan. The resolution passed unanimously.

Dan Huge then asked Clint Murphy to make a presentation on JB-2016-3 regarding the approval an extension of the Toll Service Advisor Parsons. Mr. Murphy stated that the language of this resolution approves the continuation of the Parsons TSA engagement through the term of their contract with INDOT, which currently runs through August 1st, 2017. A discussion was held where Mr. Thomas asked if Kentucky was able to share in that competitive procurement through the interlocal agreement, to which Mr. Murphy replied that it was.

Mr. Landrum questioned whether the original contract was competitively bid, and Mr. Murphy responded that it was, and that Parsons was doing a really good job.

A motion was made by Greg Thomas to approve Resolution JB-2016-3, and the motion was seconded by William Landrum. The resolution passed unanimously.

Chairman Huge made a presentation on Resolution JB-2015-4, which authorized the IFA to procure the services of a Custodian for the Ohio River Bridge Project. An evaluation committee made up of Indiana and Kentucky representatives made a preliminary selection of US Bank to serve as Custodian.

If passed, the Joint Board will approve the selection of US Bank and will authorize IFA to complete negotiations and enter into a Custody and Revenue Control Agreement with US Bank. Tony McClellan questioned about the current status of the contract, to which Chairman Huge stated that a draft of the Custody and Revenue Control Agreement was included in the RFP, and that the parties had already met once and will meet again on May 26th in which they will finalize the agreement.

Tony McClellan then asked about details of the terms of the agreement, in which Chairman Huge stated that US Bank will provide services including collection and management of toll revenues, and then the transfer of Indiana revenue shares and Kentucky revenue shares to their respective trustees.

In exchange, US Bank has a one-time acceptance fee of \$3,000, an annual administrative fee for this work of \$52,000, plus reimbursement of any out-of-pocket expenses which need to be approved in advance. He then thanked Kentucky and his staff for all their help.

A motion was made by William Landrum to approve Resolution JB-2016-4, and the motion was seconded by Tony McClellan. The resolution passed unanimously.

Dan Huge then asked Megan McClain to make a presentation on JB-2016-5 regarding KPTIA procuring certain transponders. Ms. McClain explained these certain exception transponders would allow motorcycles and vehicles that have metal in their windshields to have transponders and pay the transponder rate, and that the first order should be roughly \$20,000 that will be split



between the states.

All agencies would be in the selection for those if approved. A motion was made by Tony McClellan to approve Resolution JB-2016-5, and the motion was seconded by Greg Thomas. The resolution passed unanimously.

Chairman Hugh then thanked Greg Thomas for joining the team and stated that it was a good partnership.

There was no Old Business for discussion. Tony McClellan made a motion to adjourn the meeting, and William Landrum seconded the motion. The meeting was so adjourned.

CERTIFICATE OF REPORTER

STATE OF KENTUCKY AT LARGE:

I, ROSE MARY KITHCART, RPR, Notary Public for the State of Kentucky at Large, do hereby certify that the foregoing was reported by stenographic and mechanical means, which matter was held on the date, and at the time and place set out in the caption hereof and that the foregoing constitutes a true and accurate transcript of same.

I further certify that I am not related to any of the parties, nor am I an employee of or related to any of the attorneys representing the parties, and I have no financial interest in the outcome of this matter.

GIVEN under my hand and Notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

My Commission Expires: Notary Public

AUGUST 27, 2017.

Notary ID: 494347