



MEETING MINUTES

NORTH CAROLINA TURNPIKE AUTHORITY
BOARD OF DIRECTORS – OPERATIONS COMMITTEE

DATE: March 19, 2018

LOCATION: NCTA Main Conference Room

TIME: 10:30AM

1 S. Wilmington Street, Raleigh, NC

ATTENDANCE

MEMBERS PRESENT

Montell Irvin, Jim Crawford

MEMBERS PRESENT VIA PHONE

Charles Travis, John Collett

MEMBERS ABSENT

AGENDA TOPICS

1. WELCOME/INTRODUCTIONS – MONTELL IRVIN, CHAIR

DISCUSSION SUMMARY

Chairman Montell Irvin welcomed everyone to the committee meeting, and asked all in attendance, both by phone and in person, to introduce themselves. Mr. Charles Travis, Mr. John Collett and Mr. Rodger Rochelle joined by phone.

ACTIONS TAKEN

Information only/no action required.

2. CALL TO ORDER AND APPROVAL OF DECEMBER 14, 2017 MEETING MINUTES – MONTELL IRVIN, CHAIR

DISCUSSION SUMMARY

Chairman Irvin called the meeting to order and stated the Operations Committee minutes for the December 14, 2017 meeting were distributed prior to the meeting. Chairman Irvin requested the December 14, 2017 minutes be updated to reflect that the sixth agenda item state Express Lanes Project Update rather than Express Lanes Policy Update.

ACTIONS TAKEN

The minutes for the December 14, 2017 Operations Committee meeting were unanimously approved as corrected upon a motion from Mr. Jim Crawford, seconded by Mr. Charles Travis.

3. OPENING COMMENTS – BEAU MEMORY, NCTA EXECUTIVE DIRECTOR

DISCUSSION SUMMARY

Mr. Beau Memory began his opening comments with a January update on Triangle Expressway, stating revenue for the month was 24% above projections and 6.3% year-over-year with more than \$3.8 million earned.

The month of February was strong with nearly 4 million transactions, an 8% year-over-year increase. The NC Quick Pass Transponder AVI rate made up 61% of the February transactions, and the Customer Service Center sold almost 8,000 Transponders.

Mr. Memory reiterated this past year has been busy with two procurements underway Back Office Systems and Triangle Expressway/Complete 540 Roadside Toll Collection System.

Complete 540 is nearing the end of the environmental impact process.

Fitch increased the outlook on the Triangle Expressway Toll Revenue and TIFIA debt from stable to positive.

Turnpike will co-host the IBTTA Managed Lanes, AET and Technology Summit in Charlotte April 22-24.

Mr. Memory concluded his comments by welcoming Angela Queenland (Customer Service Manager) and Logann Graham (Office Manager) to NCTA staff.

A correction to the meeting agenda: the next Operations committee meeting will be held April 12, 2018.

Chairman Irvin inquired on other factors that may have impact on financing due to the rating upgrade.

Mr. David Roy explained the rating is for Toll Revenue and TIFIA debt on Triangle Expressway; the outlook upgrade essentially means if the project continues to perform well, Turnpike would expect to see a rating increase in the next couple of years.

ACTIONS TAKEN

Information only/no action required.

4. PROPOSED MONROE EXPRESSWAY TOLL RATE SCHEDULE – DAVID ROY

DISCUSSION SUMMARY

Mr. David Roy gave an overview of the Monroe Expressway Toll Rate Schedule, stating the road is currently scheduled to open November 2018 with a potential to move that date forward. A letter provided by CDM Smith affirms the proposed toll rate schedule as the same used in the studies for Toll Revenue Bonds and TIFIA funding of Monroe.

Chairman Irvin inquired on the comparison of a greenfield toll road like Monroe Expressway on a per mile rate.

Mr. Roy referenced the opening year on Triangle Expressway and stated the electronic toll rate was approximately \$0.15 per mile with a current rate around \$0.19 per mile. Monroe Expressway is slightly less at opening but the data is in the same range based on the T&R studies of the specific projects and economic data in the area.

Mr. Roy stated the request for the Operations Committee is to adopt the proposed resolution and recommend approval to the full board meeting on March 28, 2018.

Chairman Irvin inquired if the project will open entirely or in phases; he also inquired if the toll rates would be impacted based on the opening date.

Mr. Memory shared the project is on schedule to open in its entirety on November 2018.

Mr. Roy explained the toll rates are scheduled to increase annually on January 1, and the opening date rate will stay in place all of 2019.

Mr. Travis inquired if the volume of use will have impact on toll rate percentages with the annual increase of averages.

Mr. Roy explained the annual increase is for toll rates for a through trip, and the volume of use would have no impact on percentages. The intent is to approve a rate schedule for the life of the project.

Mr. Memory added the board can take action regarding rates; the schedule is designed to keep pace with expected growth of the project.

ACTIONS TAKEN

A motion to move the proposed Monroe Expressway Toll Rate Schedule to the Turnpike Authority Board was approved unanimously upon a motion by Mr. Crawford, seconded by Mr. Travis.

5. WRONG WAY DRIVER – ANDY LELEWSKI, P.E.

DISCUSSION SUMMARY

Mr. Andy Lelewski gave an update on the Wrong-Way Driver Detection and Notification Pilot program, initiated in 2017. Mr. Lelewski stated the project will help prepare for large scale deployments on Monroe and later Triangle Expressway.

Chairman Irvin inquired if the detections are still averaging about three a month.

Mr. Memory stated there are about 30 detections a month, but only three are determined to be legitimate wrong-way notifications.

Chairman Irvin inquired how to judge the program's success and implementation on other locations.

Mr. Lelewski explained evaluating the equipment and software at each site will determine the most effective way to detect the wrong-way vehicle. The Monroe Expressway project is anticipated to have detection on ramps and mainline sites.

Mr. Lelewski stated after the current toll equipment reaches end of life, a full deployment could be implemented on Triangle Expressway in 2019.

ACTIONS TAKEN

Information only/no action required.

6. I-485 & US 74 EXPRESS LANES PROJECT UPDATE – DAVID ROY

DISCUSSION SUMMARY

Mr. David Roy gave an overview on the I-485 and US 74 Express Lanes projects. Mr. Roy restated the design plans Mr. Rodger Rochelle presented for both projects during the December Operations Committee meeting. Mr. Roy also gave a financial overview of the projects. Mr. Roy stated NCDOT is funding capital costs concerning construction, and that there is no support guarantee in place for operations and maintenance or renewal and replacement costs. Mr. Roy explained the projects do not have funding to support debt service or capital cost for operations, and noted NCTA is responsible for toll zones but cannot cross collateralize projects.

Mr. Travis inquired on the estimated delivery date on the projects to open to traffic.

Mr. Rochelle stated the estimated date for the starter project on US 74 is late 2019 or early 2020. Mr. Rochelle added I-485 would have a July 2018 let date, and late 2021 opening date.

Mr. Roy summarized the financial overview using a 50% downside for each project.

Chairman Irvin requested Turnpike run a scenario that adds roadway maintenance to the cost of operations.

ACTIONS TAKEN

Information only/no action required.

7. RESOLUTION REQUESTING AN NCDOT SUPPORT GUARANTEE FOR CERTAIN STIP PROJECTS – DAVID ROY

DISCUSSION SUMMARY

Mr. Roy gave a quick financial update on NCDOT's support guarantee agreement. Mr. Roy requested the committee to approve the proposed backstop resolution for the Complete 540 project to take before the NCDOT board to request support.

Mr. Wally McBride was invited to join the discussion to address the questions Board members may have.

ACTIONS TAKEN

A motion to move the Resolution Requesting an NCDOT Support Guarantee for Certain STIP Projects to the Turnpike Authority Board was approved unanimously upon a motion by Mr. Crawford, seconded by Mr. John Collett.

8. BILL BY EMAIL PROGRAM – ANGELA QUEENLAND (RESCHEDULED FOR NEXT MEETING)

DISCUSSION SUMMARY

Due to schedule conflicts, Chairman Irvin requested the Bill by Email Program presentation be moved to the next Operations Committee meeting April 12, 2018.

ACTIONS TAKEN

No action required.

9. ADJOURN – MONTELL IRVIN, CHAIR

DISCUSSION SUMMARY

Chairman Irvin opened the floor for questions or comments. No questions or comments were offered.

ACTIONS TAKEN

A motion to adjourn the March 19, 2018 Operations Committee meeting was unanimously approved upon a call for motion from Chairman Irvin, moved by Mr. Crawford and seconded by Mr. Travis. Chairman Irvin declared the meeting adjourned.