

Attachment 2

Performance Measures

Because the Oklahoma Turnpike Authority continues to run a fairly modest staff, most of the improvements to the Authority cannot be attributed to just one Division or Program. The improvements that the Authority would consider good performance measures over the last several years are listed below.

- The Authority provides a Report to Bondholders that contains a set of performance measures on a Quarterly basis. These measures are data such as comparative traffic and revenue by vehicle class, actual expenses as compared to budget, and information regarding funding, as well as unaudited quarterly financials. The link to the latest quarterly reports can be found here: <https://www.pikepass.com/about/BHR.aspx>.
- The Authority publishes a monthly Operations Report that contains performance measures related to OHP statistics on the OTA roads, call center data for the Authority's Customer Service Center, *PIKEPASS* tag issuance data by various location, IT initiative progress, personnel summaries, and Construction project progress. We have attached the latest Operations Report for November 2018.
- The Oklahoma Turnpike Authority (OTA) provides detailed information concerning its operations on the Authority's website www.pikepass.com. Information includes turnpike authority governance & staff information, history & contact information, public meeting notices, financial reports, construction contracts (with plans) for bid, traffic data & updates, toll rates & a toll rate calculator, engineering services contracts, turnpike services information, etc.
- An annual audit of the Authority's financial statements is required by statute set forth in §69-1720 which states that the annual financial statements must be audited and filed in accordance with the requirements for financial statement audits in §74-212A. This audit of the Authority's financial statements also must be performed annually by an independent firm of certified public accountants of recognized ability and national standing in accordance with generally accepted auditing standards in compliance with the requirements of Section 711 of the OTA's Trust Agreement. The latest audit to be completed was for the year ended December 31, 2017 by the independent Auditors, Grant Thornton LLP. The link to this report is: <https://www.pikepass.com/pdf/OTA%20CAFR%202017.pdf>. The audits dating back to 1997 are also contained on the Authority's website. The fourth quarter financials and Annual Audit for 2018 are currently underway.
- The Authority received the Certificate of Achievement for Excellence in Financial Reporting for the Authority's 2017 CAFR from the Government Finance Officers Association of the United States and Canada (GFOA). The Authority has consistently achieved this Certificate of Achievement since 1990. In order to be awarded a Certificate

of Achievement, a governmental entity must publish an easily readable and efficiently organized CAFR that satisfies both GAAP and applicable legal requirements.

- The OTA is required by the Trust Agreement to adopt a final budget on or before December 10 annually to provide for the next year's operating expenses, monthly deposits to the Reserve Maintenance Fund and the Capital Plan. The necessary investments in the maintenance, rehabilitation and improvements of roads within the System are identified for the next 20-30 years and then prioritized into a five-year plan with the Capital Plan approved by the Board. The Trust Agreement sets forth the proper flow of funds to be established by the OTA. Disbursements from these funds are strictly governed by the Trust Agreement and are only made in compliance with the Trust Agreement. Accordingly, based on the planned capital investments programmed in the Capital Plan, required monthly deposits from revenues received to the Reserve Maintenance Fund are established during the budgeting period as required by Section 505 of the Trust Agreement. Monies held in the General Fund are also allocated for certain projects of the Capital Plan. The Authority adopted the 2019 Annual Budget and Capital Plan on December 4, 2018. The link to the 2019 Annual Budget is: <https://www.pikepass.com/pdf/OTA%20Adopted%20Budget%202019.pdf>.
- The Oklahoma Turnpike Authority's Trust Indenture covenants that the Authority will have the Consulting Engineers make an inspection of the Oklahoma Turnpike System at least once each year and submit a report setting forth findings on whether the Oklahoma Turnpike System is maintained in good repair, working order and condition and recommendations as to proper maintenance, repair, and operation of the System during the ensuing fiscal year and an estimate as to the amount of money necessary for such purposes as well as the recommendation for insurance to be carried and the amount that should be deposited monthly during the ensuing fiscal year to the credit of the Reserve Maintenance Fund. We have attached the current Annual Report of the Consulting Engineer for the year ending December 31, 2018.
- Through an OTA website portal, *PIKEPASS* customers can conduct online business updating account information, making payments, ordering *PIKEPASS* transponders, recycling older transponders, adding or removing vehicles from their account, etc. This provides better customer service and reduces the cost to the Authority. Those customers not conducting business electronically receive *PIKEPASS* transaction and turnpike information through monthly and quarterly statements sent to them by USPS.
- In addition to providing *PIKEPASS* online service, the OTA maintains a full-service *PIKEPASS* customer service call center store located in Oklahoma City and another full service *PIKEPASS* store located in Tulsa. In 2017, the Tulsa store was relocated and expanded to more fully meet the needs of the Tulsa Community.
- Additionally, in September of 2018, a new *PIKEPASS* customer service facility was opened in Walters, Oklahoma in order to provide services for customers in that part of the state.

- The Authority has teamed with Limited Service Providers throughout the state where customers can receive new *PIKEPASS* tags from local tag agents and outlets to expedite immediate availability of *PIKEPASS* travel on our System.
- The Authority implemented PayNearMe as a payment method for its customers. PayNearMe allows cash customers to conveniently make payments at many local retailers without having to travel to one of the Authority's store locations to make a payment.
- A fully functional store is also available in the Oklahoma City Tourist Information Center at I-35 & NE 122nd Street that offers expanded hours of operation for customers. This partnership has helped reduce cost while improving customer services for both entities.
- As the *PIKEPASS* program continues to gain popularity, the *PIKEPASS* Customer Service Center continues to serve and maintain over 740,000 currently active customer accounts associated with more than 1.8 million tags. With increasing customer accounts and customer service phone calls and the demands that go with that, the Authority has created a new Quality Assurance/Quality Control program in order to continue to improve employee morale, customer service agent performance and training with an eye on improving customer satisfaction.
- OTA completed Payment Card Industry (PCI) audits and made findings available to the OTA Audit Committee of the Authority's PCI compliance and payment card protection for OTA credit card customers. The Authority continues to upgrade all aspects of the Information Technology System to provide more comprehensive information in a secure and protected IT environment.
- In 2013, *PIKEPASS* completed a transition to the new technology sticker tag. This effort required issuing 1.6 million new sticker tags and the retirement of 950,000 old technology *PIKEPASS* toll tags. This transition improves transaction accuracy and provides customers with continued non-stop use of the System.
- This newer sticker tag technology also opened the opportunity for OTA to pursue interoperability opportunities with other states allows tolls paid to be at the reduced rate plus improves travel ease for those customers. Interoperability between the Oklahoma Turnpike Authority and North Texas Tollway Authority became officially functional on August 10, 2014. Interoperability between the Oklahoma Turnpike Authority and the Kansas Turnpike Authority became officially functional on November 1, 2014. The implementation of the Central United States Interoperability (CUSIOP) HUB is ongoing with the Central Texas Regional Mobility Authority and Fort Bend County Toll Road Authority becoming interoperable in late October of 2018. Once interoperability is completely finished with this HUB, the Texas Department of Transportation and the Harris County Toll Road Authority will be added to the network of toll agencies interoperable with *PIKEPASS*.

- The OTA provided information concerning the financing, contracting, operations and project specific information to legislative committees. This was provided during legislative committee meetings as well as special legislative interim studies. The OTA provides similar information to local governments along the turnpikes as requested. The OTA continues to make presentations of information to local civic and community interest groups.
- On October 29, 2015, Governor Mary Fallin announced the Driving Forward initiative. The Driving Forward initiative was developed to address the critical need to reconstruct, expand and enhance the transportation system in Oklahoma. The new corridors being developed have been examined and discussed for many years in response to growing traffic volumes and congestion. The increased volumes being experienced represent a primary factor in severe injury and fatality accidents and cause significant reductions in access and mobility for the traveling public. Left unaddressed, the conditions will only worsen and continue to compound across the region. The program's focus is to enhance the safety of the turnpike system by replacing aging pavement and toll plazas as well as developing new alignments that will provide additional routes around Oklahoma City and Tulsa. The Driving Forward Program projects are described below:
 - The Muskogee project, which includes safety and modernization of the Coweta toll plaza as well as reconstruction between the Creek Turnpike Interchange and SH 51, was completed in November 2017. It allows for a safer and more drivable surface and enhanced safety features.
 - The H.E. Bailey project at Chickasha, which also prioritizes safety features and toll modernization, was completed in February 2018. This project provides wider lanes and enhanced safety features for travel as well as improved technology for customer convenience.
 - The Turner Turnpike is a vital turnpike corridor connecting Oklahoma City to Tulsa. Two lanes are being added to the Turner Turnpike, beginning east of Bristow and extending east through the Creek Turnpike West junction of the Turner Turnpike. This project will create an "urban turnpike corridor" with lighting, wider lanes and the addition of lanes. The project between Kellyville and Sapulpa is well underway with numerous construction activities ongoing in the nearly 16-mile long construction zone. A major milestone was met in November with substantial completion and opening of eight miles of widening near Kellyville. Five more miles between Kellyville and Sapulpa are scheduled to open in the spring of 2019. Projects to widen from Sapulpa to the I-44/SH-66 interchange are set to begin in 2019.
 - The Eastern Oklahoma County Corridor will connect I-40, east of Tinker Air Force Base, to the Turner Turnpike. This corridor will ultimately produce a drive-time reduction to access Tulsa from the OKC Metro and a needed new loop to alleviate current congestion traffic in the Oklahoma City area. This corridor broke ground in December of 2017, beginning with the interchange at the Turner Turnpike. Since that time, two additional interchanges, three

grading projects, seven bridge projects and a surfacing project have been awarded. Eleven projects have begun construction and other projects are anticipated to begin along the corridor in the coming months.

- The Southwest John Kilpatrick corridor is a roadway addition of seven miles designed to connect the current John Kilpatrick Turnpike to SH-52 thereby improving access to Will Rogers Turnpike World Airport and traffic flow to certain portions of the Oklahoma City area. Construction commenced on this corridor in January 2018 with the I-40 interchange project followed by three other projects to construct interchanges along the route to SH-152. Progress continues to be made with several bridges and new pavement expected to open by 2020.
- The Gilcrease Expressway corridor will ultimately connect L.L. Tisdale to I-44 to complete the western loop around the Tulsa metro area. It will help to relieve urban traffic congestion during peak periods along with providing a direct route to city attractions and points of interest in the Tulsa urban core.
- Three bond issues were undertaken in 2017 and 2018 to refinance debt and issue new bonds to fund five of the projects of the Driving Forward Program. In conjunction with those debt issuances, the Authority met on site with all three major rating agencies to allow them the opportunity to evaluate the Authority's operations and future debt structure. As part of the debt offerings, the Authority also conducted face-to-face meetings with investors and worked in conjunction with underwriters conducting "internet road shows" communicating the Authority's debt and planned sale of bonds. The Authority's existing debt structure and improvement plans related to the Driving Forward program were available for investors, regulatory agencies, rating agencies and the public to view during these offerings. During those bond issues, Moody's, Fitch, and S&P completed their most recent ratings reviews of the Authority which resulted in the Authority's ratings being affirmed at Aa3, AA-, and AA-, respectively. These ratings are among the highest of the toll agencies in the nation.
- The Authority has established a funding partnership with the city of Tulsa, the Indian Nations Council of Governments, Tulsa County, the Oklahoma Department of Transportation, the federal government and a competitively selected private investor to finance the construction of the Gilcrease Expressway West Project. The project delivery method is the first of its kind in the State of Oklahoma and fulfills a critical transportation need for the western Tulsa Metropolitan Area. The five-mile, four-lane roadway will include an adjacent multi-use trail and feature 22 bridges, including the two most expensive Arkansas River crossings. This extension from Interstate 44 to West Edison Street will be a toll road owned and operated by the Oklahoma Turnpike Authority, utilizing all-electronic ("AET") toll collection including PIKEPASS and PlatePay. The Gilcrease project will rely on several sources of funding. In late May 2018, the ODOT GARVEE bonds were issued as an additional funding source for the project in the amount of \$71.4 million. The OTA will provide cash contributions and the private sector

partner will provide for interim financing during the construction period. The Authority is also seeking access to a low-interest federal Transportation Infrastructure Finance and Innovation Act (TIFIA) loan from the USDOT, which will allow the OTA to take out the private sector's interim financing. The Authority submitted the TIFIA Letter of Interest in early June. The OTA team met with USDOT in early November of 2018 to discuss the Gilcrease Project and the TIFIA loan. OTA will continue to engage USDOT while working through the RFP phase to select the private partner. As has been past practice for the Authority, the OTA requested and received Oklahoma Supreme Court Validation for the proposed TIFIA loan on November 14, 2018. The OTA cash contributions, GARVEE proceeds and short-term private sector financing will complete the cost to complete the project.

- The Authority partnered with the local government of Jenks to improve turnpike access at Elm/Peoria becoming the Authority's first All Electronic Tolling location. This technology provides improved safety and traffic flow while increasing opportunity for economic development and expansion in the local community. This location opened to traffic on 1/5/2017. Nationally and globally, all-electronic ("AET") or cashless tolling is continuing to bring enhanced access and ease of travel to customers. OTA management initiated a Strategic Planning Group to examine the benefits, risks and potential issues associated with the future conversion of the turnpikes composing the Oklahoma Turnpike System to a cashless, or AET system. The planning group conducted an overview of the Oklahoma Turnpike System's existing toll collection system as well as an analysis of cashless systems throughout the United States, comparing costs and benefits of various electronic tolling options. This analysis included multiple peer-to-peer meetings with other toll road authorities that have AET tolling systems.
- At present, the Authority has only authorized deployment of one "pilot project" involving one interchange on the Creek Turnpike that opened to traffic on January 5, 2017. This site was chosen as the "pilot" due to its high 90% PIKEPASS penetration. Cashless tolling was implemented at this one interchange through the use of the "PLATEPAY" System. "PLATEPAY" is the Authority's new license plate based tolling system installed on an overhead gantry at the cashless tolling point, in this instance at the Peoria-Elm interchange on the Creek Turnpike. Cameras on the overhead gantries capture a vehicle's license plate and a toll invoice is mailed to the vehicle's registered owner. PIKEPASS customers will still use transponders to pay tolls with the "PLATEPAY" System as overhead gantries, including at this interchange, are equipped to read PIKEPASS transponders. This "pilot project" has assisted the Authority in its understanding of lane issues at interchanges and back-office procedures associated with the "PLATEPAY" System, allowing the Authority to improve processes and procedures.

In fiscal year 2017, PLATEPAY revenue constituted 0.3% of the Authority's toll revenue.

- The Authority currently has in use 80 CNG powered vehicles to use in operation and maintenance of the Turnpike System. In early 2015, the OTA placed an order to purchase 40 CNG powered work trucks to replace aging vehicles used for maintenance and operations of the Turnpike System. This was a cooperative effort with ODOT and other Oklahoma entities as an initiative of the Governor. The competitive price received on the new vehicles and the potential volatility of oil prices will result in significant return on investment of the replacement vehicles purchased.
- Reduced energy consumption in the Authority's toll operations by replacing lane computer system and camera technology with a more energy efficient system; annualized savings of approximately \$58,500.
- In cooperation with McDonalds, EZGo, and Kum & Go, the Authority reconstructed new service plaza locations along the turnpikes adding expanded services and improved facilities for turnpike customers. In late 2014, two new facilities were opened at McAlester and Vinita. The facility at McAlester combined two unsafe locations on the Indian Nation Turnpike into one new and improved location near McAlester. The new location offers CNG fueling, one of only a few CNG fueling locations in SE Oklahoma. The new facility at Vinita was a remodel of a 1957 facility. The remodel offers new and improved services and provides OTA the opportunity to team with Tourism to expand tourist information about all of Oklahoma to those that stop at this new location.
- The Authority is currently working on improvements to the Turner Turnpike service plazas that represent substantial positive modifications that will better serve long-term safety and service on this turnpike. A new service plaza is being constructed about three miles east of Chandler that will serve eastbound only travelers and replace all other eastbound services currently on the turnpike. It will provide much safer ingress and egress from the turnpike, enhance services, provide safer traffic circulation within the plaza, and increase parking capacity, including truck parking. Likewise, a second service plaza will be constructed at the current Stroud center island plaza that will serve westbound only travelers and will remain the only westbound service plaza on the turnpike. This facility will provide identical benefits to travelers upon opening as the eastbound Chandler facility. These improvements will replace functionally obsolete, overburdened and unsafe facilities and will provide the opportunity to expand services to travelers in the future as needed.
- The Authority makes it a priority keep its rates fair for its customers. Thus far, two toll increases to fund the Driving Forward program have been implemented, with one more authorized for July 1, 2019. Even after all three toll increases have been put into effect; the Authority's toll rate per mile will remain approximately 58% below the national average for passenger vehicles and 62% below the national average for heavy trucks.