

Kentucky Public Transportation Infrastructure Authority (KPTIA)
Kentucky Transportation Building
200 Mero Street
Frankfort, Kentucky

Meeting No. 6
December 10, 2010
1:00 pm EST

The meeting was called to order by Chairman Mike Hancock. A roll call was taken and a quorum was not present.

Those in attendance were: Chairman Michael Hancock, Lori Flanery, Joseph H. Mattingly, Don Kelly, Glenn Mitchell, and Laura Douglas.

The meeting minutes of November 17, 2010 could not be acted upon at that time due to the lack of a quorum.

Chairman Hancock asked for public comments from those in attendance but no one from the public elected to speak.

The next agenda item was a discussion of the proposed Initial Financial Plan (IFP) update. KPTIA members were furnished a copy of the plan and a PowerPoint presentation of an overview of the IFP. Mr. Wilschetz of KPMG pointed out that this is a final draft document but still a draft document and that there will be opportunity for KPTIA members to make comments concerning the IFP.

Mr. Wilschetz reviewed the requirements and background of the IFP. He stated that the IFP is based on a traditional design-bid-build project delivery and that the project schedule is reflective of that delivery model. Mr. Wilschetz discussed the key components for implementation of the IFP which are funding, federal decisions, forecasting, and flexibility.

Ms. Lisa Fenner of KPMG discussed the details of the plan itself. She gave an overview of the current status of activities and current cost estimates of the project. She stated that the total cost of the project is expected to be in the region of \$4.1 billion and that approximately \$164 million has been expended on the project through state fiscal year 2010. Ms. Fenner noted that \$200 million of value-engineering has been applied to the current cost estimates.

Ms. Fenner stated that a variety of project delivery options and tolling scenarios are being evaluated. Mr. Mattingly asked if the work being performed by Wilbur Smith encompassed all alternatives that the federal government may offer. Ms. Fenner stated that there are a limited number of tolling and pricing programs

available and she described several programs that are offered by the federal government.

Ms. Fenner discussed the estimated funding availability and the current estimate of the amount of toll revenues that would be needed to fund the gap between the cost of the project and what the states have available for the project. Mr. Mitchell asked if the toll-based funding listed on page 14 of the PowerPoint presentation was too restrictive. Chairman Hancock recommended a footnote be added to clarify that this is a snapshot in time and other alternatives are being considered.

Ms. Fenner also reviewed the current estimate of the expected expenditures by year on the project, as well as various risks that can impact the ability to deliver the project on time and on budget.

Mr. Wilschetz presented four case studies of major projects that have common themes and similar situations. He discussed the Goethals Bridge project, the Scudder Falls Bridge project, the Columbia River Crossing project, and the Detroit River International Crossing project. Mr. Mitchell asked if other case studies could be furnished where KPMG have been involved and that are further along in the process.

Mr. Schultz discussed timelines, milestones, and the project delivery plan. Mr. Schultz stated that the Louisville and Southern Indiana Bridges Authority would meet again on the morning of December 16, 2010 to finalize the IFP, and then KPTIA would convene on the same day at 2:00 p.m. to review and finalize the IFP.

Chairman Hancock thanked everyone for their attendance. The meeting was adjourned.

(Minutes were taped and transcribed by Terri Pelosi, Court Reporter, this the 15th day of December, 2010.

Terri Pelosi
Court Reporter