



**Media Contact:**  
**Strategic Communications**  
Phone: 405-425-2849  
[www.pikepass.com](http://www.pikepass.com)

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## **July OTA Board Meeting Wrap-Up**

### **Board report highlights repayment of \$50 million line of credit procured during pandemic, pollinator conservation and recent storm aid response**

The Oklahoma Turnpike Authority Board received updates on the Authority's recent repayment of a \$50 million line of credit taken out during the pandemic, the protection of a potentially endangered butterfly species with habitat along the Indian Nation Turnpike and an update on the agency's efforts to assist with debris removal in the Tulsa area after a severe storm in June left catastrophic tree damage.

OTA Director of Finance and Revenue Wendy Smith reported the June 30 repayment of a \$50 million line of credit out of the agency's general fund. Procuring this line of credit was approved by the Board at its March 2020 meeting soon after the nationwide shutdown due to the COVID-19 pandemic.

"As you know, the COVID-19 pandemic began significantly impacting the world's economy in mid-March 2020 with no foreseeable end in sight. By March 23, 2020, the Authority was already fielding questions from all three rating agencies about any measures taken to mitigate those effects. By the end of April (2020), the turnpike system was seeing 55 percent drops in commuter traffic and overall traffic drops of 42 percent leading to an alarming revenue drop of 34 percent," Smith said.

The Authority, faced with this unprecedented level of uncertainty, assessed the market early while banks still had capital available and by July 1, 2020, had negotiated the line of credit with JP Morgan at an interest rate of 2.274 percent. These funds were deposited into the Reserve Maintenance Fund to help maintain and keep the turnpike system in good repair, which is required by the agency's trust indenture.

"There is good debt and there is bad debt. This line of credit represents good debt. It was for a short time, and it did its job at a very competitive rate," Smith said. "It not only allowed us to protect our bondholders, but it also allowed us to protect our patrons. By continuing to fund Reserve Maintenance, we not only remained in compliance with our Trust Indenture and our bondholders, but we also kept our roads well maintained and safe to prepare for patrons coming back when they decided it felt safe for them come back into the world again."

Ultimately, OTA would be one of the fastest entities in the nation to recover from the effects of COVID-19, in part due to Oklahoma's measured reopening and increased trucking along three turnpikes making up the I-44 corridor.

The agency maintains one of the highest bond ratings of toll road authorities in the nation in part due to fiscally responsible policies and approaches to its borrowing of funds. "This line of credit is just another example of (OTA's) strong (fiscal) management," she said.

In other topics reported to the Board, Secretary Tim Gatz invited Oklahoma Department of Transportation Natural Resources Program Manager Amber McIntyre to present an update on conservation efforts along the Indian Nation Turnpike to preserve the Eastern U.S. Frosted Elfin butterfly. This species is under consideration for listing as Threatened or Endangered under the Endangered Species Act. Oklahoma is on the far western edge of this small species' range. Only two populations are known to be found in Oklahoma with one location in Pittsburg County. OTA maintenance crews adjusted their mowing practices along the Indian Nation Turnpike this spring and summer to help preserve this pollinator's habitat during the egg laying and caterpillar stage of its one-year life cycle. By delaying full-width mowing from March to early/mid-June and instead only mowing the highway's clear zone, this preserves pollinator habitat such as yellow wild indigo and Nuttall's wild indigo, which is this butterfly's preferred host plants.

“It’s gratifying to assist in conservation,” Gatz said. “We do it not because we have to but because we want to partner in preserving and in conservation efforts like this.”

Learn more about the Frosted Elfin conservation project by visiting:

[https://biosurvey.ou.edu/FrostedElfinProject/Oklahoma\\_Frosted\\_Elfyn\\_Project.html](https://biosurvey.ou.edu/FrostedElfinProject/Oklahoma_Frosted_Elfyn_Project.html)

## **Tulsa storm debris response**

OTA maintenance crews joined with ODOT maintenance staff from across the state to assist with storm debris clean up after severe storms moved through the Tulsa area June 17. The damage from downed trees and tree limbs was severe across the entire Tulsa metro.

Turnpike maintenance staff spent more than 6,600 manhours helping the City of Tulsa recover since June 22. With up to 60 people on site daily, OTA removed 1,209 truckloads of debris.

OTA crews wrapped up operations Monday as FEMA contractors were scheduled to arrive in the area this week.

The board, a six-member panel appointed by the governor to an eight-year term to oversee turnpike development, awards project contracts for road and bridge construction on a monthly basis.

The next Oklahoma Turnpike Authority board meeting is scheduled for 10 a.m. Tuesday, Aug. 1, at the Oklahoma Department of Transportation Commission Room, 200 N.E. 21<sup>st</sup> St., Oklahoma City. The July meeting will be available to view live online.



Oklahoma Turnpike Authority maintenance crews recently participated in a conservation effort to protect habitat of the Frosted Elfin butterfly along the Indian Nation Turnpike in Pittsburg County. Photo courtesy of Bryan E. Reynolds.



An Oklahoma Turnpike Authority maintenance crew helps remove debris from Tulsa neighborhood streets from a June 18 storm. Crews worked as part of the emergency response for more than three weeks to help clear debris blocking travel throughout Tulsa.