



Your Connection Ahead

As detailed on page 7, the KTA began designing the initial phase of a Digital Message Sign program to assist with traffic management and customer communication. The signs will provide emergency information about accidents, road construction delays and weather. Also in 2010, the KTA honored its employees with a Mason Leonard Be... the Connection award for their work to stay connected with customers. See page 8 for additional information on the award.

2010: Your Connection Ahead

A Message from Turnpike Leadership

Dear Governor Brownback,

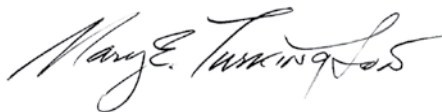
I am pleased, on behalf of the Kansas Turnpike Authority and its board of directors, to present our 2010 Annual Report, as required by law.

The following pages provide information and insight into the major projects, initiatives, and events of the past 12 months. Aside from the challenging economy, we continued the largest and most complex project ever undertaken in the Turnpike's history, the replacement of the dual bridges over the Kansas River in Lawrence, as well as the complete rebuilding of the roadway east of Lawrence. Both projects are on time and under budget.

When faced with challenges brought about by the worst economic downturn since the Great Depression, the Kansas Turnpike was well ahead of the curve. Our management, led by our President/CEO, has been focused on reducing our operating costs. In fact, since January 1, 2006, the Turnpike's staff has been reduced by 14 percent. Moreover, we expect our 2011 operating expenditures to be slightly less than in 2007.

Turnpike management will continue its diligent efforts to focus on our core mission — providing transportation services to move people and products safely and efficiently at the lowest reasonable cost. Such services strongly support the Kansas economy.

Respectfully,



Mary E. Turkington



*KTA Chairman
Mary Turkington*

2010 in Review



*President/CEO
Michael Johnston*

If the ability to move people and goods is important in sustaining economic health during prosperous times, it is absolutely vital in regaining our economic footing— as is the case today. The modest traffic growth we experienced in 2010 — an increase of .94 percent compared to 2009 — confirms that our modest economic recovery is underway.

In addition to our ongoing focus on serving our customers, 2010 saw continued progress on the largest capital project in our history — replacing the bridges over the Kansas River in Lawrence. This project, begun in 2008 at a cost of approximately \$130M, continues to be on schedule and under budget. In addition, we began a major project to rebuild a five-mile section of roadway just east of Lawrence. This is the final section of Turnpike roadway between East Topeka and Kansas City that still had the original 1955 pavement and base.

As a result of ongoing efforts to reduce operating costs, I am pleased to report that our 2010 operating expenditures were less than what we spent in 2007. Over the past five years, the number of full-time Turnpike employees has been reduced by 14 percent. These reductions were achieved through attrition as well as other targeted initiatives and did not include any layoffs or furloughs.

In addition further savings were found as the KTA executed a bond refunding transaction that resulted in present value savings of more than \$4 million with respect to a portion of the outstanding bonds associated with our 2002 bond issue. At least \$1 million of that savings is a direct result of our bond rating being upgraded by Standard & Poor's from A+ to AA-, a fact that we are especially pleased about.

We continue to deploy technology such as self pay devices in targeted locations that will assist in further reductions in our operating costs. This effort is part of our objective to reduce our operating cost structure while maintaining our core commitment to a high level of customer service. As we move forward, we are always mindful that the sole purpose of our business is to provide a transportation service for the movement of people and the provision of commerce.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael L. Johnston". The signature is fluid and stylized, with a long horizontal stroke at the end.

Michael L. Johnston



KTA Board of Directors

The KTA acts through a five-member board of directors, one of which is elected chairman. Two members are each appointed by the Governor for four-year terms; two members serve by reason of their legislative positions — one is Chairman of the Senate Transportation and Utilities Committee and the other is a member of the House Transportation Committee; and the fifth member is the Secretary of the Kansas Department of Transportation. The latter three serve as Authority members for the duration of their state terms.

Mary E. Turkington, Chairman

Mary E. Turkington, chairman, is serving a fourth four-year term on the Kansas Turnpike Authority Board. Turkington is retired as Executive Director of the Kansas Motor Carriers Association. She represented the highway transportation industry before the Kansas Legislature and worked with state and federal agencies on transportation issues during her tenure with KMCA. She serves on many civic and business boards and is active in various other organizations in highway safety and related industry fields. She is a graduate of the University of Kansas and is a trustee of the William Allen White Foundation.

Rep. Gary K. Hayzlett, Vice-Chairman

Representative Gary K. Hayzlett serves as vice-chairman of the Authority. He was appointed Chairman of the House Transportation Committee in 1997. He has served in the Legislature since 1990. He is a businessman in Lakin, and he and his wife, Helen, have three children and six grandchildren.

Paul V. Dugan Sr., Secretary-Treasurer

Former Lt. Governor Paul Dugan Sr. is serving his second, 4-year term on the Authority Board. He was elected Secretary-Treasurer of the Board in 2009. Having served as the Turnpike's General Counsel from 1993 to 1996, Dugan is familiar with Turnpike management and operations. He was a Lieutenant Governor under Governor Carlin from 1979 to 1983 and has practiced law in Wichita since 1964. Dugan's other civic duties include having served the state as a member of the Kansas House of Representatives from 1969 to 1973, and being Chairman of the board of Kansas Newman University, 1980 to 1985.

KDOT Secretary Deb Miller, Member

Deb Miller was reappointed by Governor Sam Brownback in December 2010, making her the longest-serving Kansas Department of Transportation secretary in Kansas history. She was first selected by Governor Kathleen Sebelius in 2003. Over the past eight years she managed both implementation of the Comprehensive Transportation Program and the effort that led to passage of the innovative follow-up program T-WORKS. Miller has more than 25 years of experience in the transportation field, including providing strategic planning and public communication assistance to state Departments of Transportation and municipalities.

Sen. Dwayne Umbarger, Member

Senator Dwayne Umbarger joined the Kansas Turnpike Authority Board in January 2009 when he became the Chairman of the Senate Committee on Transportation. He has been a member of the Kansas Senate since 1996. Umbarger and wife, Toni, are the owners of the Dwayne and Toni Umbarger Farm in Thayer. They have four children.



Infrastructure improvements

Solid infrastructure is key in maintaining and building the economy. The Turnpike is comprised of four Interstate designations: I-35, I-335, I-470, and I-70. Although the Turnpike does not benefit financially from these designations, federal requirements call for a standard of maintenance and service to be met. KTA customers certainly expect a high standard of service. The KTA happily meets these expectations and, due to the customer's close association with payment and service on a toll road, we make every effort to provide the highest level of service to our customers for the lowest reasonable cost.

Several major infrastructure improvement projects advanced in 2010: the Kansas River Bridges and Plaza Improvement project entered its third phase in Lawrence; a Pavement Replacement project began on I-70 east of Lawrence; and polymer bridge treatments continued.

As part of the Kansas River Bridges and Plaza Improvement project, Plaza 204 serving North Lawrence was closed for six months during 2010 for reconstruction and was reopened on October 6 — nearly one month ahead of schedule. The new interchange can serve additional traffic capacity and was constructed to operate with both staffed and remotely-managed lanes. Work continued on the interchange after the reopening as ramp alignments depended on work on the new Eastbound bridge over the Kansas River. This new bridge opened for traffic on schedule in late November, a milestone that propelled the entire project into the third and final phase.

The Turnpike undertook a Pavement Replacement project east of Lawrence in June 2010. The project was divided into two sections: Mileposts 204 through 208 was reconstructed from June through November 2010 and Mileposts 208 through 211 will be reconstructed from March through November 2011. This project is replacing the last of the original 1950s concrete pavement on the Turnpike's section of I-70. When construction is underway, travel is reduced to one lane in each direction. This sometimes causes delays, especially during peak travel times such as Friday afternoons and before or after large weekend or sporting events. Despite the Turnpike staff's best efforts to increase communication, provide merging education and use other traffic and incident management techniques, traffic challenges remain. Traffic management during this project has proven to be one of the most challenging and frustrating for our business.



Bridge deck polymer overlays were ongoing in 2010 to increase the service life of the bridges system-wide. KTA crews began using the polymer overlay material because of its ability to seal the bridge deck from potentially corrosive substances. An additional 30 bridges received polymer overlays in 2010.

In a further commitment to its infrastructure, KTA undertook two pavement-surfacing projects and one lane rehabilitation project in 2010. Lanes from Mileposts 13 to 26 were resurfaced while lanes and shoulders were resurfaced from Mileposts 96 to 112. The driving lane was rehabilitated with a 4-inch mill and inlay between Mileposts 70 and 96.

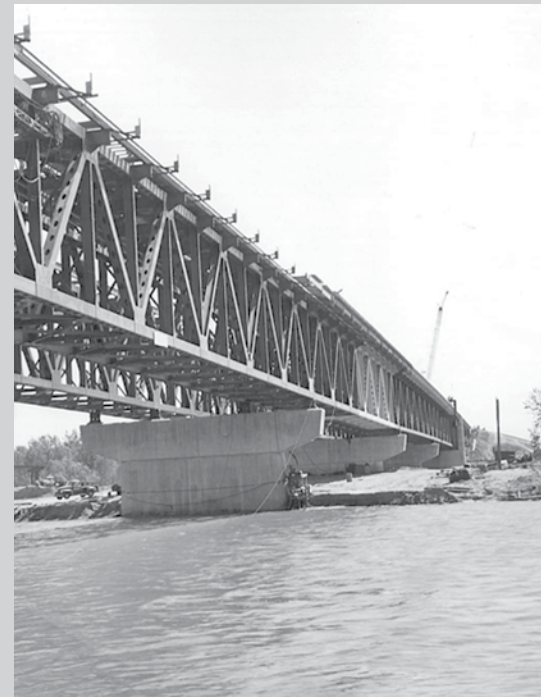
KTA crews used polymer material to seal bridge decks, protecting them from corrosive substances in an effort to prolong the useful life of the bridge structures.

Turnpike history

In the early 1950s — prior to the Interstate system's arrival in Kansas — highway supporters, including the Chambers of Commerce in Wichita, Topeka and Kansas City, saw advantages in connecting the state's three largest cities. But opponents honestly believed the cost was prohibitive.

Others, particularly legislators from Western Kansas and rural areas, did not see why their constituents should pay for an expensive highway they would seldom use. Using tax money or raising gasoline taxes several cents per gallon weren't considered viable options for building the highway. A toll road was the best alternative because only travelers who used the roadway would pay for it. It was privately financed from the sale of revenue bonds that were repaid by toll user fees.

The original double bridge over the Kansas River in Lawrence was the site of the Turnpike's groundbreaking on Dec. 31, 1954. Pictured here in 1955, the bridges were removed in 2009 and 2010 and are the focus of the largest reconstruction project in KTA history.





Plugged in

Self-Pay technology (devices that permit the customer to pay without the assistance of a collector) was first implemented in late 2009 with the opening of the Tonganoxie/Eudora Interchange. By the end of 2010, 11 interchanges had self-pay capabilities and were being remotely managed by KTA personnel. Additionally, three interchanges will be fitted for self-pay equipment in 2011.

Because this technology takes the place of toll personnel, KTA monitors these locations continuously from a central location in real-time with both video and audio capabilities. Some interchanges have received new, larger tollbooths in order to accommodate some of the equipment needed for self-pay operations. These booths were manufactured and installed by KTA crews.

This self-service technology and an increasing presence of this equipment in customers' everyday lives have created an environment ripe for efficiency without abandoning basic customer service or expectations. While new to our business, the basic technology used to power these self-pay devices is now widely used by other businesses such as large grocery and retail stores.



Reducing our carbon footprint

Changes continue to be made to help reduce the Turnpike's carbon footprint. In 2010, KTA crews mowed the right-of-way less to help save fuel, reduce emissions from machinery, and enhance the native appearance of KTA roadway. Less mowing can also improve drainage and avoid erosion in certain areas. KTA crews made additional efforts to plant native wildflowers and are currently experimenting with blends to optimize the natural beauty along the roadway.

When canopy lights at interchanges need to be replaced, new LED fixtures are installed to reduce energy usage. Seven interchanges received the new lights in 2010 and crews are working to install LED lights at six additional interchanges in 2011.

The KTA continues to use solutions and alternatives that both make good business sense and are environmentally friendly. One of these examples is the continued addition of beet juice to the KTA's brine solution to help with snow and ice removal. Beet juice is a derivative of beets that has been found to have a very low freezing point and is particularly effective when temperatures are in the single digits. It has the added benefit of being a natural product.



One of the greatest leaps in customer expectations since smart phones entered the market has been the demand for near-constant communication. Emergency alert text messages and e-mails; roadway construction updates via Twitter; and the addition of current roadway photos to the KTA web site and the state's 511/Kanroad system are a few ways KTA keeps the traveling public updated.

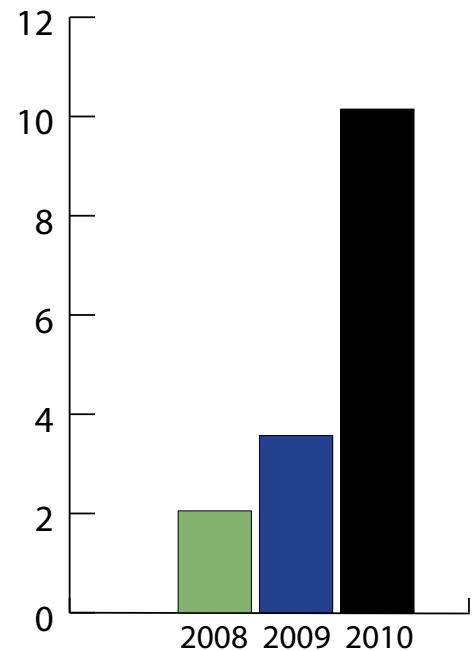
Balancing safety with the customers' quest for information continues to be a challenge for KTA. However, providing traffic and roadway information to travelers while they still have an opportunity to alter their travel plans in response to that information is a priority.

This objective led KTA to begin two new communication projects in 2010 that will be partially completed in 2011. In 2010, a web site redesign was undertaken with a completion deadline of spring 2011. The new site will include improved dynamic capabilities to keep the site's content current. It will also include better navigation for customers using the site on a mobile device.

Dynamic Messaging Signs (DMS) were approved for installation along the Turnpike in multiple phases throughout the next several years. The first phase of this system includes seven signs along the Turnpike's section of I-70, which will provide immediate communication for travelers. This will be especially useful during the March through November Pavement Replacement Program east of Lawrence.

Signs will be remotely updated with messages about current traffic, weather and road conditions, or other emergency information.

K-TAG usage change in percentage



K-TAG usage continues to rise

In its 15th year of electronic tolling, the Kansas Turnpike Authority saw an increase in K-TAG usage of more than 10 percent as compared to 2009. A convenient retail presence and discounts for electronic users continued to make K-TAG a strong choice for customers. The situation is ideal for both the customer and KTA, because the non-commercial customers pay at least 15 percent less than cash customers and the KTA benefits through reduced labor cost and enhanced traffic flow. In 2010, nearly half - 47 percent - of all toll transactions were electronic.



Service and safety



Technicians for the Turnpike's State Farm Safety Assist were introduced during a kick-off event prior to the July 4th holiday weekend.

Thanks in part to a State Farm sponsorship, additional motorist assistance returned to the road in 2010. The Turnpike's State Farm Safety Assist operated between Topeka and Kansas City and between Wichita and the Kansas/Oklahoma state line. The program began on July 1 and continued through Labor Day, which allowed Kansas Highway Patrol troopers to focus on law enforcement.

The technicians provided assistance to more than 1,000 KTA customers. They had direct contact through tire changes, mechanical assistance and welfare checks. Technicians also provided indirect services such as removing objects and debris from the roadway as a benefit to all customers.

The KTA had previously halted the program in 2008 as a financial efficiency move. The State Farm sponsorship not only assisted with the program's revitalization but also

added patrol between Wichita and the Oklahoma state line, which had not been part of the prior program.



This three-dimensional mobile was created by international artist Chris Gulick to depict the horizontal planes of sky and prairie as seen from the Kansas Turnpike. The free-moving, intersecting aluminum pieces represent the connections along the roadway.

Be the Connection

In 2007, the KTA created the "Be..." Extraordinary Award in memory of our late friend and coworker Mason Leonard. Mason creatively solved many challenges faced by the KTA and fostered energy and spirit. This award is presented to a project in honor of the contributions from so many KTA employees who made it happen.

The Mason Leonard "Be..." Extraordinary Award was presented in late 2010 in honor of those who made the opening of the Tonganoxie/Eudora Interchange possible. The interchange, which opened in December 2009, not only connected Leavenworth County to an Interstate for the first time, but it called for the development of technology and equipment allowing remote connection with KTA customers.

This award recognized the time and collaboration of KTA employees and their extraordinary efforts at solving the many challenges of keeping everyone connected.

Kansas Turnpike Authority

9401 E Kellogg
Wichita KS 67207

ksturnpike.com

316-682-4537

twitter.com/KansasTurnpike