

WEST VIRGINIA PARKWAYS AUTHORITY

WEST VIRGINIA TURNPIKE ANNUAL REPORT 2017



HNTB

Photo of Mile 69 Rest Area



HNTB



WEST VIRGINIA PARKWAYS AUTHORITY

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DOUG RATCLIFF
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Officer-in-Charge of WV State Police, Troop 7

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Director of Human Resources

DAVID H. ROLLINS
Treasurer



July 1, 2017

West Virginia Parkways Authority
Post Office Box 1469
Charleston, West Virginia 25325

Dear Authority Members:

As required by the Indentures of Trust securing the West Virginia Parkways Authority (WVPA) Revenue Bonds, we are pleased to submit our 2017 Annual Report regarding the condition and operation of the West Virginia Turnpike during the 2016/2017 fiscal year. Our findings on the condition of the Turnpike, our recommendations concerning maintenance, operation and insurance requirements and our recommendations for deposits into the renewal and replacement account are summarized in this report. Findings and recommendations are based on field review, meetings with the Authority and participation in design projects throughout the Turnpike system.

The West Virginia Turnpike is an 88-mile, four-lane toll road between Princeton and Charleston, West Virginia. The Turnpike is the direct route south from the Great Lakes and regions of Canada. Portions of both Interstate 77 and Interstate 64 are carried on this route, which includes 18 interchanges and 116 bridges.

On June 27, 2017, Governor Justice signed Senate Bill 1003 that gives the West Virginia Parkways Authority the ability to issue revenue bonds to finance road projects and use toll revenues to pay for those bonds. The Authority must begin a traffic and revenue study to determine the level of tolls needed to sell bonds. This new toll rate structure will include an annual single (flat) fee for passenger vehicles using West Virginia E-ZPass. It is anticipated that the bonds will be sold and the new toll rate structure will be in place before June 2018.

On April 12, 2007, the Authority adopted a resolution refocusing the Authority to its core and principal mission of maintenance and upkeep of the Turnpike. This required the elimination of all economic and development investments except for Tamarack.

In July 2009, after years of decreasing toll revenues and increased costs to repair, rehabilitate and reconstruct the Turnpike's aging bridges, roadways and facilities; the Authority voted to approve the first, across-the-board toll increase on the West Virginia Turnpike in 28 years.

On August 1, 2009, new toll rates went into effect increasing rates from \$1.25 to \$2.00 per passenger car. In 2010, Senate Bill 427 was enacted which renamed and reorganized the West Virginia Parkways Authority (formerly known as West Virginia Parkways Economic Development Tourism Authority). This bill gave the Parkways Authority the authorization to construct new toll road projects by issuing bonds secured with toll revenues; however, bonds sold for new toll road construction cannot be used for the West Virginia Turnpike pursuant to Section 17-16A-10(a) which states that "the Parkways Authority is authorized to provide by resolution for the issuance of parkway revenue bonds of the state for the purpose of paying all or any part of the cost of one or



more parkway projects: Provided, that this section shall not be construed as authorizing the issuance of parkway revenue bonds for the purpose of paying the cost of the West Virginia Turnpike. Toll revenues for the 2017 fiscal year were \$92.739 million compared to the 2016 fiscal year of \$93.579 million, a decrease of \$0.840 million or 0.9%. During the 12-month period ended June 2017, passenger car transactions increased 0.8% and commercial truck transactions increased 2.4% compared to the fiscal year ended June 2016. Operating expenses for the 12 months ended June 2017 increased 1.1% compared to the 12 months ended June 2016. There were increases in other expenditures related to snow and ice control expenses, damage claims and recoveries, guardrail replacement and other maintenance expenses. We believe the Turnpike revenues under this new schedule of tolls are adequate to meet all needs of the Authority to maintain current debt service and provide sufficient liquidity levels while maintaining system assets and adequately funding capital needs.

The system wide upgrade of the WVPA toll collection system was successfully completed in 2012. The system includes cash and automated tolling via E-ZPass, replacing the previous system originally installed in late 1999 and early 2000.

All West Virginia citizens who participate in the E-ZPass non-commercial commuter pass program are able to deduct tolls from adjusted gross income up to \$1,200 per year on their state income tax return for taxable years beginning on or after January 1, 2007 (minimum amount eligible for deduction is \$25.00).

Authority personnel continue their excellent performances in both operation and maintenance activities. The Authority received the "Certificate of Excellence in Financial Reporting" from the Government Finance Officers Association of the United States and Canada for the 27th consecutive year. We sincerely appreciate the Authority's cooperation from its members and staff, as they continue to operate with a commitment to excellence.

Respectfully submitted,

Randolph T. Epperly, Jr., P.E.
HNTB Corporation
Vice President

cc: United Bank, Trustee (Attention: Kathy Smith)



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Milepost 69 Rest Area

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FISCAL YEAR 2017 ACCOMPLISHMENTS

During the April 2017 Board Meeting, the Board authorized the General Manager to negotiate an acceptable agreement with Point Forward, Charleston, WV for a Market Based Revenue Opportunities (MBRO) Agreement.

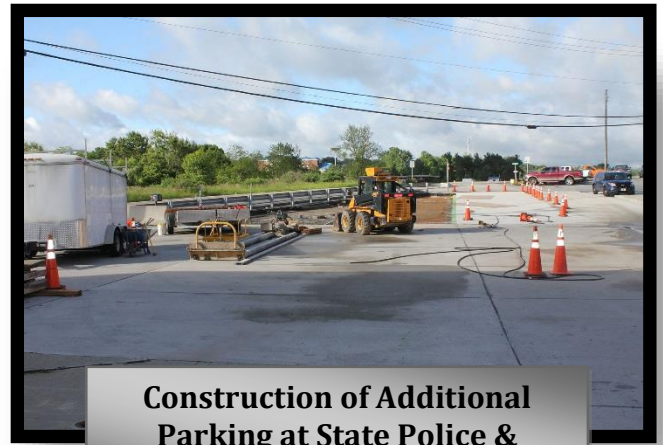
The Authority's goals in seeking proposals under a request for proposals for this contract were to:

- Identify the most possible and lawful marketing opportunities available to the Authority.
- Maximize potential non-toll revenue through innovative programs.
- Develop new business opportunities through programs, services and other creative uses of the physical assets including but not limited to utilizing the visibility of the WV Turnpike
- Utilize non-toll programs which enhance the long-term viability and operations of such programs.
- Ensure that these MBRO activities support the efficient operation of the WV Turnpike and enhance the traveling motorists' experience.

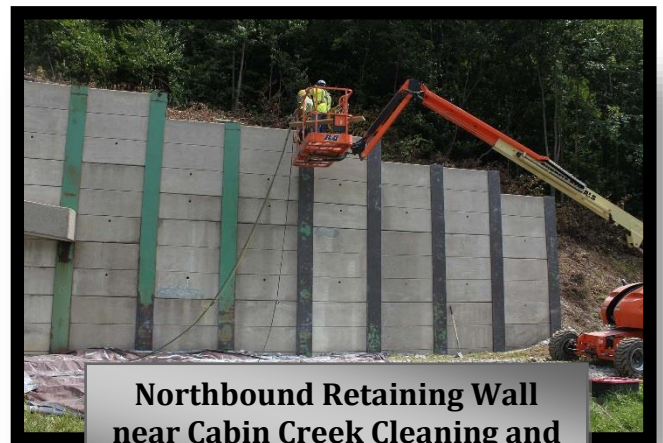
On June 27, 2017, Governor Justice signed Senate Bill 1003 that gives the West Virginia Parkways Authority the ability to issue revenue bonds to finance road projects and use toll revenues to pay for those bonds. The Authority must begin a traffic and revenue study to determine the level of tolls needed to sell bonds. This new toll rate structure will include an annual single (flat) fee for passenger vehicles using West Virginia E-ZPass.

During the July 6, 2017 Board Meeting, the General Manager received Board approval to authorize him and the Authority's staff to work with the Authority's General Counsel to engage Consulting Engineers and Traffic Engineers, along with Bond Counsel, to collaborate with Public Resources Advisory Group for the purpose of providing needed engineering and other studies for a new toll rate structure, to include a new single fee program, for the purpose of selling toll revenue bonds to support road construction and to provide a formal resolution ratifying and confirming all those actions.

Beginning in July, the General Manager, staff and the working group for the new Turnpike revenue bonds held several teleconference/skype meetings. CDM Smith began a traffic and revenue study by reviewing historic traffic and revenue information, reaching out to Transcore, the E-ZPass toll integrator, for transaction and revenue data along with E-ZPass



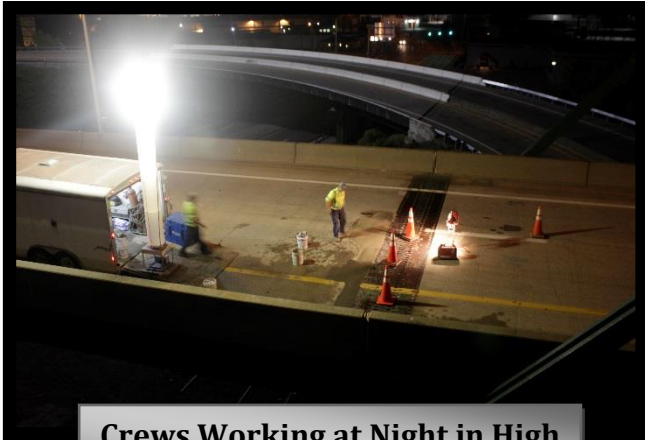
Construction of Additional Parking at State Police & Beckley Maintenance Building



Northbound Retaining Wall near Cabin Creek Cleaning and Painting



usage for the past several years, and, finalizing stated preference survey information for postcards and digital feedback to gather patron thoughts on tolling policies. Staff also began meetings with Public Resources Advisory Group (PRAG), the State's financial advisors, and Parkways Bond Counsel to discuss the timeline for the new toll revenue bond issue.



Crews Working at Night in High Traffic Volume Areas

The General Manager, along with the Secretary of Transportation, began meeting with financial institutions in regard to underwriting the Turnpike's bonds and assisting with getting ready for the bond market. The General Manager participated in meetings with the WV Department of Transportation in order to promote Governor Justice's "Roads to Prosperity - The Centerpiece of Recovery for West Virginia".

The newly constructed Rest Area at Milepost 69 opened to the public at midnight on Friday, June 30, 2017.

HIGHWAY AND BRIDGE REHABILITATION PROJECTS

Following the toll increase in 2009 and the increase in funds that followed, the WVPA began road and bridge rehabilitation projects on the West Virginia Turnpike such as full depth concrete repairs, asphalt pavement overlays, bridge deck overlays, bridge and facilities retrofit work and repairs and rehab to median barriers, retaining walls, buildings, toll plazas, culverts and pavement markings. These are much needed pavement, concrete and bridge rehabilitation projects for Kanawha, Fayette, Raleigh, and Mercer Counties. A ten-year plan from 2009 to 2019 will use toll revenues of \$335 million for deferred maintenance and capital costs, including \$242 million for paving needs. During 2010, patrons began to see significant improvements in pavement ride quality on sections of the Turnpike. Most of the construction work for 2017 was performed in the Belle/Marmet and Beckley areas (\$41.6 million in contracts were awarded this year as well as completing punch-list items from last year's contracts). Following Memorial Day, the majority of all work was performed at night, Monday through Thursday from 6:00 p.m. to 6:00 a.m., in order to keep traffic delays at a minimum. Toll revenues are being used to fund capital highway and bridge projects.



Bridge Substructure Receiving a Protective Coating

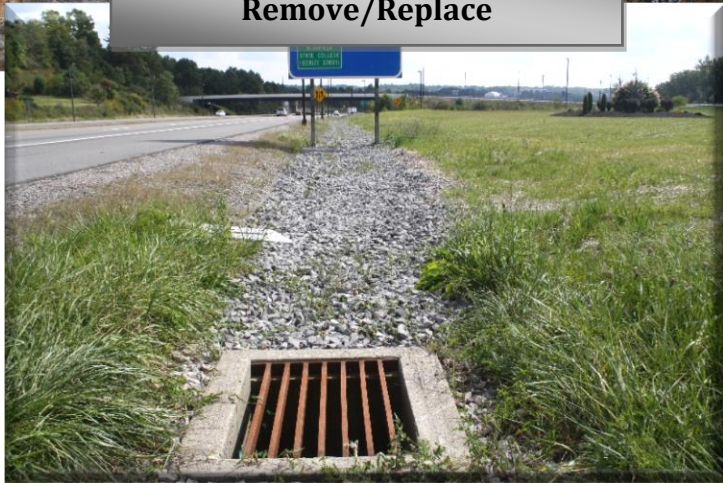


Culvert Cleaning & Retrofit Contract 1C-17

This culvert repair project is in Raleigh and Kanawha Counties on the West Virginia Turnpike. It is primarily composed of culvert retrofits by dewatering, lining, paving inverts, miscellaneous repairs to end treatments and maintenance of traffic. Teays River Construction Company is performing the work. The approximate construction cost is \$1,079,433.00.



**Culvert Repaired by
Remove/Replace**



Paved Culvert Invert

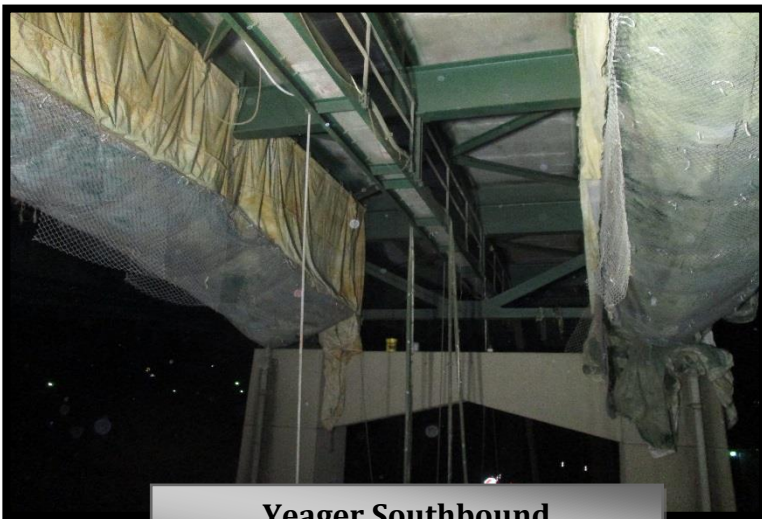


Bridge Painting Contract BP-3-16

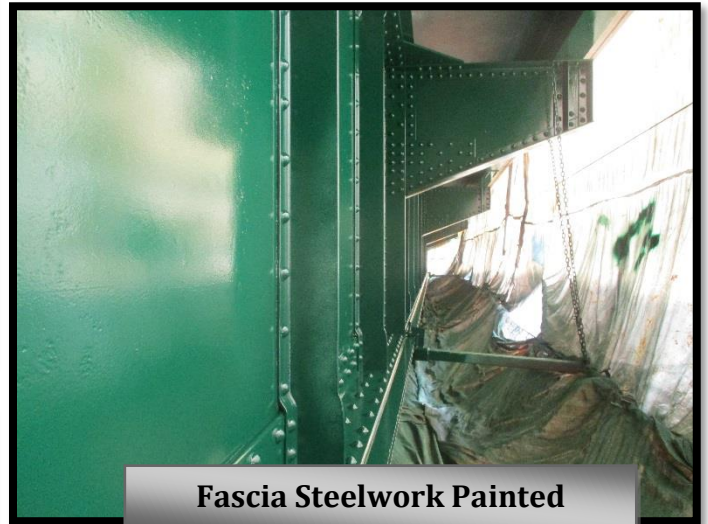
This project consisted of blasting and spot painting the girders, floorbeam cantilever brackets, fascia stringers and floorbeams under the expansion joints in Spans 1 through 3, 7 through 9 and 11 on Southbound Yeager Bridge. The work included 89,500 square feet of steelwork coating at an approximate cost of \$919,026.96.



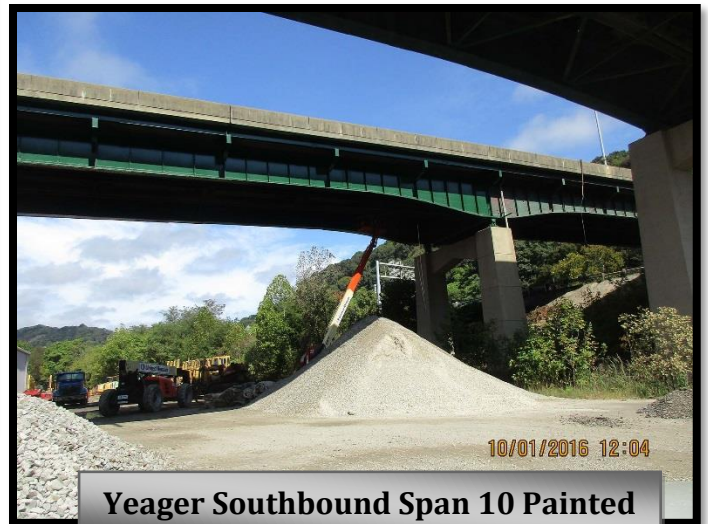
Yeager Southbound



**Yeager Southbound
Containment**



Fascia Steelwork Painted

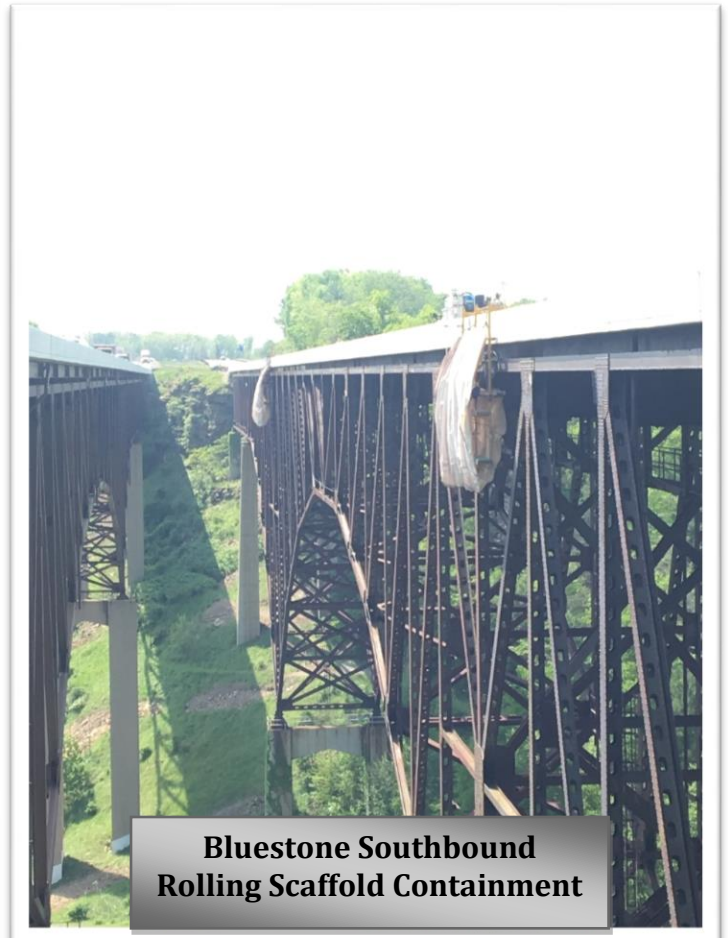


Yeager Southbound Span 10 Painted



Bridge Painting Contract BP-1-17

This project consisted of cleaning and painting the exterior truss members, fascia stringers and the steelwork under the Pier 2 joint on the Bluestone Southbound Truss Bridge. A total of 43,500 square feet of steelwork coating was applied at an approximate cost of \$621,547.





Bridge Painting Contract BP-2-17

This project consisted of fully blasting and painting the steelwork on Bridge 3017N and Bridge 3022S. The project also consisted of blasting and spot painting the exterior face and underside of fascia steelwork on eight other bridges. A total of 80,600 square feet of steelwork coating and 40,760 square feet of concrete coating was applied at an approximate cost of \$1,552,880.00.





Bridge/Facility Retrofit Contract BFR-1-17

Contract BFR-1-17 is a 3-year contract with 2 one-year renewals. For fiscal year 2017, the contract amount was \$1,466,018.26. A major portion of this contract's work is to replace defective expansion joints/seals, retrofit structural steel members with section loss, repair damaged barrier walls, patch bridge decks and rehab toll plaza lanes.

Overhead Sign Replacement near Milepost 39

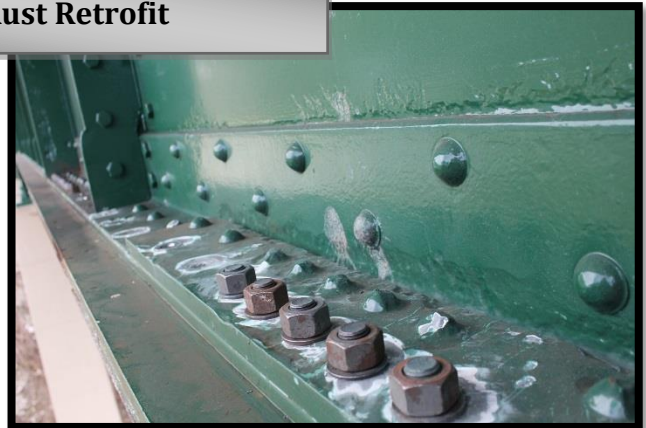




Contract BFR-1-17 (Continued)



**Yeager Southbound Twin Girder Bottom
Flange Pack Rust Retrofit**



**Charleston Headquarters Fuel Canopy
Column Retrofit**



Bridge Shotcrete Repairs Contract BSR-1-17

Deteriorated substructure units were repaired by pneumatically applied mortar (Shotcrete). Air Placement Cement, Inc. repaired Bridges 3085N and 3085S, a total of 659 square feet, at a cost of \$122,095.



Pier Shotcrete Repair



Delaminated Concrete Repaired on Pier



Delaminated Concrete Removed from Pier



New Gate Installed by WVPA to Allow Access



Bridge Repair Contract BR-1-16E

Bridge 3084 near Marmet was repaired by heat straightening girders that had high load impact damage. Orders Construction Company, Inc. performed the work. The cost of this project was \$188,922.00.



Distortion to Fascia from High Load Impact Damage



Repairing Fascia by Heat Straightening



Fascia and Interior Diaphragm Repaired





Bridge Deck Overlay Contract BDO-2-16

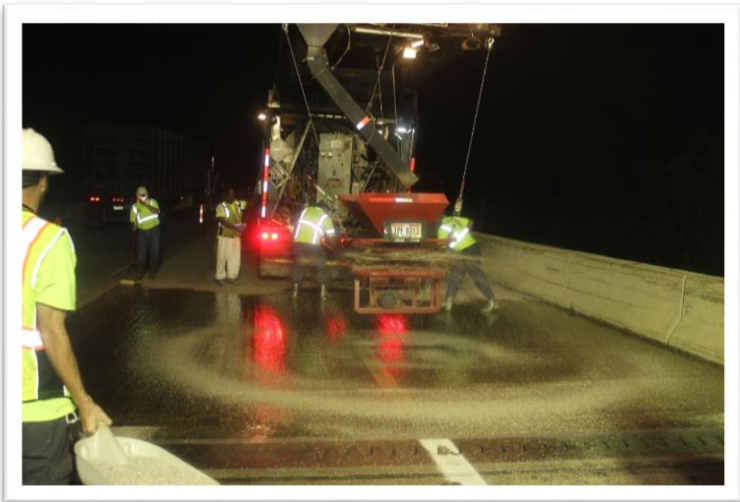
Two bridges were overlaid to provide a salt resistant, multi-layer non-skid surface to withstand continuous heavy traffic and extreme changes in weather condition. Both bridges were in curves and skid numbers were increased to provide more safety to the traveling public. Mountain State Bridge Co. performed the work. The total cost was \$235,654.



Deck Milling Prior to Resurfacing



Surface Preparation



Application of Aggregate

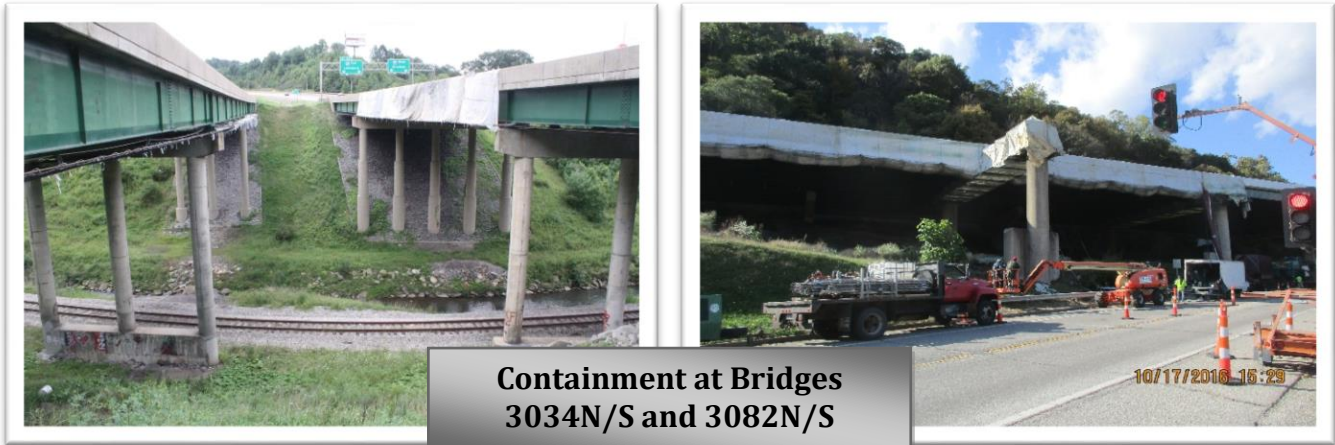


**Bridge Deck Overlay with
Non-Skid Surface**



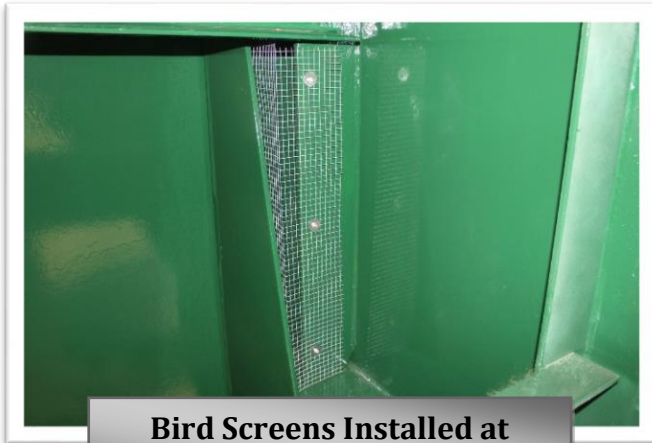
Bridge Retrofit and Painting Contract BRP-1-16

Bridges 3034N/S and 3082N/S had select substructure units repaired by pneumatically applied mortar (Shotcrete). Bridges 3030N/S, 3034N/S and 3082N/S had a concrete protective coating applied to the piers and the barrier walls. Bird screens and prefabricated cross box end closures were installed, Downspouts and bolts were replaced and a steel cross box girder bearing was retrofitted on Bridges 3082N/S. Bridges 3030N/S, 3034N/S and 3082N/S were also spot painted. KMX Painting, Inc. performed the work. The total cost was \$1,666,045.





Contract BRP-1-16 (Continued)



**Bird Screens Installed at
Bridges 3082N/S**



**Prefabricated Cross Box End
Closure at Bridge 3082S**



**Downspout Replaced at
Bridges 3082N/S**



**Loose Bolts Replaced at
Bridges 3082N/S**



**Bearing Retrofit at Bridge
3082N**



Bridge 3018S Deck Replacement Contract BDR-1-16

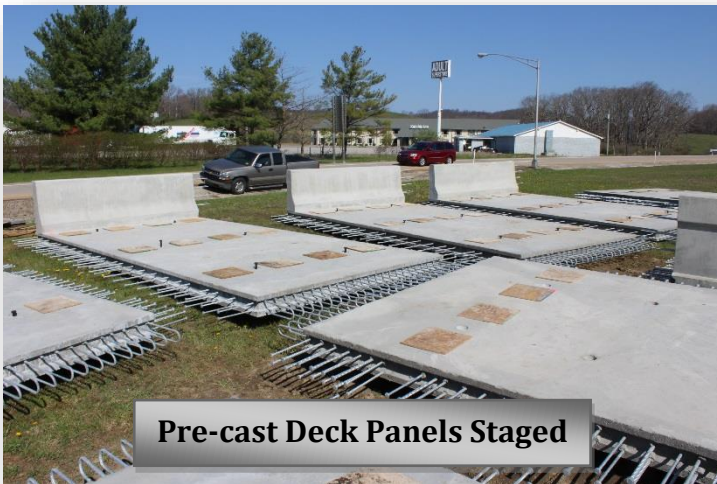
This project was the second Accelerated Bridge Construction (ABC) project in the state of West Virginia. Accelerated Bridge Construction is a method in which the decks are brought in as pre-cast units and provides better quality control as the units are made in a casting plant. Once the casts are brought in, the old deck is replaced and the new deck is put into place with a crane and locked in place within a week's time. The project consisted of fully replacing the Ghent SB bridge deck with pre-cast deck panels and parapets. The project replaced 220 foot, two lane bridge deck on southbound I-77 over Route 48, in Ghent. The bridge was replaced in less than 2 weeks with minimal traffic delays. Orders Construction Company, Inc. was awarded this project and approximate total cost was \$2,621,477.16.



Existing Bridge Deck



Temporary Construction Platform



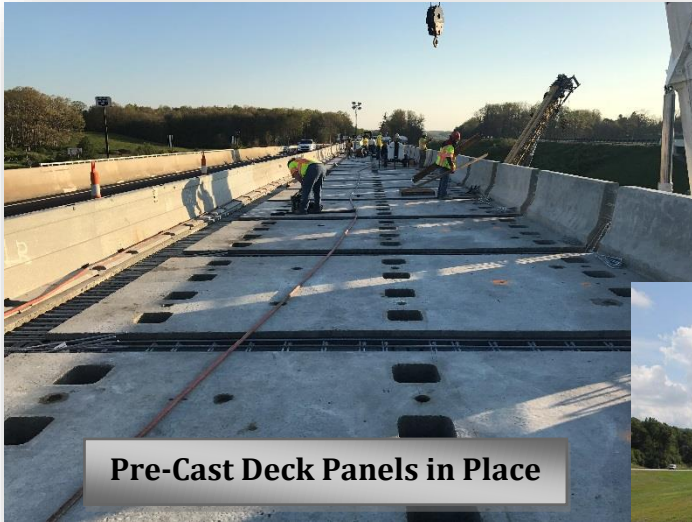
Pre-cast Deck Panels Staged



Existing Deck Removed



Contract BDR-1-16 (Continued)



Pre-Cast Deck Panels in Place



Deck Wearing Surface



Completed Project



Rest Area Facilities Milepost 69 Contract SA-1-16

This project consisted of site preparation, utilities, constructing a new building and sewer plant at the Milepost 69 Rest Area Facility. The total cost was \$2,720,781.18. The work was completed by Persinger and Associates, Inc.



Beginning of Construction



Construction of Foundation



Block Being Laid



Finishing Exterior Construction



Contract SA-1-16 (Continued)



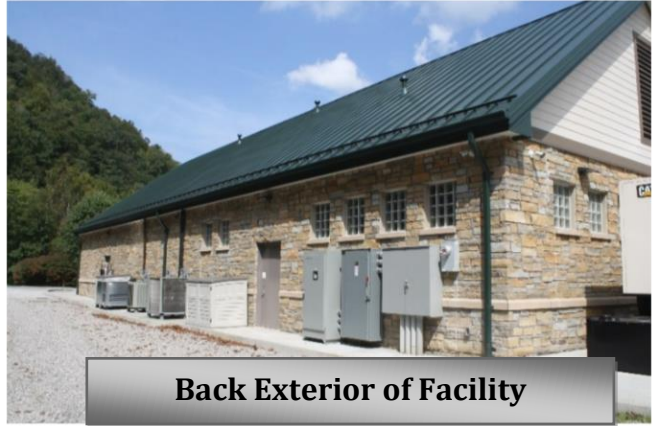
Interior of Restroom



Interior of Facility



Interior of Facility



Back Exterior of Facility



Finished Exterior



TOLL COLLECTION SYSTEM

The system wide upgrade of the WVPA toll collection system was successfully completed in 2012. The system includes cash and automated tolling via E-ZPass, replacing the previous system originally installed in late 1999 and early 2000. In addition to accepting cash payments, the current system includes an electronic system that allows patrons equipped with E-ZPass transponders to pass non-stop through the toll plazas, which accounts for approximately 38.8% of toll transactions and collects 45.7% of toll revenue. An overhead antenna in each lane at each plaza reads the transponder and automatically identifies the vehicle for toll collection. A video enforcement system, in select lanes at toll plazas, photographs the vehicle and license plate of any vehicle that violates the toll collection system. The WVPA is currently a Full Member Agency of the E-ZPass Group along with multiple other toll agencies equipped with the E-ZPass system. This allows any vehicle equipped with a transponder to travel seamlessly without stopping throughout 16 eastern states, including 28 public transportation toll agencies where the E-ZPass standard is accepted. These states range from Illinois to the west, North Carolina in the south and up to Maine in the north. The program overall includes over 20 million accounts with over 34 million transponders in circulation and the collection of over \$9 billion in electronic toll revenues.

All toll plaza lanes accept E-ZPass. In addition to staffed and E-ZPass capability, the North Beckley Toll Plaza includes two lanes in each direction that provide the option to pay by coin via automatic coin machines when operated unstaffed with "EXACT CHANGE" signs displayed. The use of these lanes provides additional options for patrons and operational efficiencies for the WVPA. Advance signage advising of E-ZPass capability is presented along the roadways approaching the toll plazas to further communicate that all lanes are available for E-ZPass customers.

The WVPA currently operates with a ten-category toll classification system and rate structure, based upon number of axles and height, adopted originally in January 2000. This program also integrated the Parkways Authority Commuter Cards (PACC) discount program into the E-ZPass system for high frequency passenger cars.

On July 1, 2009 the West Virginia Parkways, Economic Development and Tourism Authority held a meeting at the Charleston Civic Center to give consideration and evaluation of public comments in connection with voting on the first across-the-board toll increase on the West Virginia Turnpike in 28 years. The Board voted to increase tolls for passenger cars from \$1.25 to \$2.00 for cash and non-WV E-ZPass customers. The commuter discount plan for high frequency users of the West Virginia Turnpike (formerly "PACC" or "PAC" Card Program) continued with no increase in fees.

A new discount program for the less frequent Turnpike traveler was also approved. Customers who drive the Turnpike occasionally can sign up for a WV E-ZPass at a cost of \$5.00 per year, then pre-pay funds via credit card into their account (\$20.00 minimum account balance). Rates for these customers only increased from \$1.25 to \$1.30 (a 35% savings). Toll is automatically deducted from the pre-paid account as they drive through the toll plazas. The WV E-ZPass is available to anyone, regardless of state or country of residence. Rates for all classes of commercial vehicles also increased; however, WV E-ZPass commercial account holder rates only increased to \$5.40 (a 20% savings), and the non-WV E-ZPass rate increased to \$5.87 (a 13% savings).



Temporary tandem toll booths continue to be available as a tool to relieve congestion during holiday periods as necessary at Toll Plazas A (Ghent), B (Pax) and C (Chelyan).

The WVPA's administrative headquarters continues to self-operate E-ZPass customer service and violation enforcement activities using upgraded computer systems as part of the completed conversion in 2012, replacing the system originally installed in 1999. The upgraded system significantly expanded the capabilities of the service center for improved service to WVPA customers including the addition of a self-service website and electronic notifications. Continued activities with the new system include a walk-up counter for in-person customer services, phone-based services, storage and distribution of transponders, management and processing toll accounts and maintenance of the back-office system for computer data and hardware.

The upgrade of the WVPA toll system represented a significant effort over four years on the part of the Authority to responsibly and proactively replace an aging system that was reaching the limits of its projected useful life. Previous issues, including difficulty with obtaining spare parts and significant financial risks should the system fail, have been eliminated. The system successfully passed a series of rigorous acceptance tests in 2012 to demonstrate the required performance accuracy and has been in live operation since. The switchover from the previous system was controlled over a period of time to ensure minimal customer impacts. The Authority is now well positioned for long term operation of the toll collection system and providing state of the art services to customers.

TRAFFIC & REVENUE SUMMARY

On July 1, 2009, the Authority adopted a new toll and discount rate schedule that became effective August 1, 2009. The Authority's 2017 toll revenues decreased from those of the previous year by \$840 thousand or 0.9%. Passenger car transactions increased 0.8% and commercial truck transactions increased by 2.4% for the twelve months ending June, 2017.

The Authority's investment in capital assets at June 30, 2017 amounted to \$1.213 billion of gross asset value with accumulated depreciation of \$762 million, leaving a net book value of \$451 million. Capital assets represented 81.2% of the Authority's total assets and deferred outflows of resources at June 30, 2017.

The original West Virginia Turnpike opened to traffic in 1954 and has grown from 2 million vehicles annually during the 1950s and 1960s to the record 37.47 million transactions during fiscal year 2016-2017. From 1955 through 1999, traffic volume was based on the number of vehicles. Beginning in 2000 when the new toll system became operational, traffic volume was based on the number of transactions. The designation of the Turnpike as part of the interstate highway system in conjunction with its upgrading and dualizing to interstate standards and the completion of connecting interstate highways that include I-64, I-77 and I-79 at the north terminus, I-64 near the middle of the Turnpike and I-77 at the south terminus all led to dramatic traffic growth during the 1980s, which saw traffic double every five years. A sharp traffic increase also occurred after November 8, 1989, when toll collection was discontinued at 12 local interchanges, leading to heavy usage by local residents.



The average daily traffic counts, which correspond with the West Virginia Division of Highways FY 2015 traffic counts, are listed by location in the following table.

To reflect the agency’s new mission and reduce operating costs, the Authority has been proactive in implementing cost-saving measures. These measures include utilizing modern technology, utilizing the purchasing power created through the State of West Virginia’s Purchasing Division and implementing organizational efficiencies throughout the past 17 years. The implementation of these and other cost-cutting measures have limited the growth rate of operating expenses during the past 17 years. However, increases in costs outside the WVPA’s control, such as health insurance premiums, road salt and construction materials, are making it very difficult for the WVPA to implement any further substantial cost savings in operating expenses.

AVERAGE DAILY TRAFFIC (ADT) STATS LISTED SOUTH TO NORTH		
MILE MARKER	LOCATION	ADT
9-28	Princeton to Ghent	32,356
28-40	Ghent to I-64	26,977
40-42	I-64 to Mabscott	38,772
42-44	Mabscott to Harper Rd	42,268
44-48	Harper Rd to N. Beckley	46,839
48-60	N. Beckley to Mossy	29,948
60-74	Mossy to Standard	29,566
74-78	Standard to Sharon	29,825
78-85	Sharon to Chelyan	29,408
85-90	Chelyan to Marmet	35,213
90-95	Marmet to Kanawha City	36,010
95-96	Kanawha City to Belle	53,791

CAPITAL IMPROVEMENT PROJECTS/RENEWAL AND REPLACEMENT (R&R)

The capital improvement projects are the WVPA projects scheduled and budgeted in the five-year work program. The five-year program for facilities capital projects and the five-year program for renewal/replacement and highway and bridge capital projects are detailed in the following tables. The itemized budget amounts are listed for 2018 through 2022.

MEMORIAL TUNNEL PROJECT

The WVPA, WVDOH and the Federal Highway Administration signed a 50-year lease with the West Virginia National Guard Adjutant General’s office to use the Memorial Tunnel for a federal government test and training facility to support counter-terrorism and emergency response. A supplemental lease was signed for 6.785 additional acres that are being used for administration housing, parking and staging activities.



FIVE-YEAR PROGRAM FOR R&R AND CAPITAL - \$ THOUSANDS					
	2018	2019	2020	2021	2022
Bridge Painting	\$2,513	\$2,097	\$2,160	\$2,225	\$2,292
Bridge Deck Sealing and Overlays	\$500	\$515	\$530	\$546	\$563
Bridge/Facilities Retrofit	\$1,864	\$1,920	\$1,978	\$2,037	\$2,098
Guardrail Replacement	\$543	\$560	\$576	\$593	\$611
Shotcrete Repairs	\$100	\$75	\$77	\$80	\$82
Slope Reconditioning	\$0	\$0	\$0	\$0	\$0
Culvert Repair/Replacement	\$1,560	\$1,607	\$1,655	\$1,704	\$1,756
Vehicle/Equipment Replacement	\$3,300	\$1,800	\$1,400	\$1,800	\$1,800
Facilities Renovation and Repair	\$369	\$380	\$391	\$403	\$415
Sign Replacement/Overlays	\$119	\$124	\$128	\$132	\$136
Roadway Lighting	\$100	\$100	\$100	\$100	\$100
Pavement Striping and Markings	\$1,500	\$1,500	\$1,688	\$1,688	\$1,688
Full Depth Repairs/Undersealing	\$632	\$505	\$250	\$200	\$150
Safety Projects/RPM	\$84	\$86	\$89	\$92	\$95
Subtotals R&R	\$13,184	\$11,269	\$11,022	\$11,600	\$11,786
Paving	\$20,500	\$18,000	\$7,020	\$7,000	\$23,900
Facilities	\$1,570	\$350	\$1,975	\$3,000	\$2,000
Bluestone Southbound Bridge Painting	\$0	\$0	\$10,000	\$0	\$0
Bridge Deck Replacement	\$3,914	\$6,500	\$4,152	\$4,277	\$4,405
Subtotals Capital	\$25,984	\$24,850	\$23,147	\$14,277	\$30,305
Grand Totals	\$39,168	\$36,119	\$34,169	\$25,877	\$42,091

MAJOR PAVING NEEDS				
FY & Direction	Milepost	Miles	Cost in Millions	Comments
FY 2017 NB	82.4 to 89.4	7	\$16.90	
FY 2018 NB	89.4 to 95.5	6.1	\$15.10	
Totals		13.1	\$32.00	<i>(calculated at today's cost)</i>
426 total lane miles including truck climbing lanes				
Notes:				
1. This program will heavy overlay all existing concrete on the Turnpike as well as sections with thin overlays over previously paved projects.				
2. Cost estimates are based on the following scope of work:				
	a. Concrete repairs where needed		d. Shoulders and ditches	
	b. 8" asphalt overlays		e. Guardrail	
	c. Drainage		f. Median extensions where needed	



MAINTENANCE & SAFETY HIGHLIGHTS

Key activities of the WVPA's Maintenance

Division include:

- Road and bridge safety improvement
- Resource deployment for continuing pothole repairs
- Continued implementation of the Maintenance Management System (modern management approach to improve efficiency and to reduce overall asset life cycle costs)
- Snow Removal and Ice Control (SRIC) operational improvements

MAINTENANCE PERFORMANCE SCORECARD

	TARGET	ACTUAL
ROADWAY		
Asphalt Pavements	A	A-
Concrete Pavements	B	N/A
Signs	A	A
Other Traffic Control	A	B
Drainage Structures	A	A-
Bridges	A	B
Vegetation Control	B	B
Litter	B	C

Recent equipment purchases include:

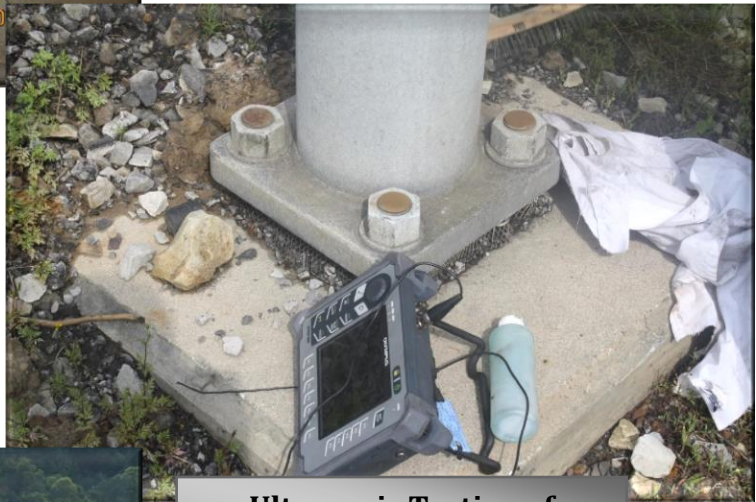
- Dynatech Plunge Cut Rider Saw with Epoxy Mixer, for Installing RPM's
- PCMS for Incident Management (2 Each)

Highlights from Fiscal Year 2017 are listed below:

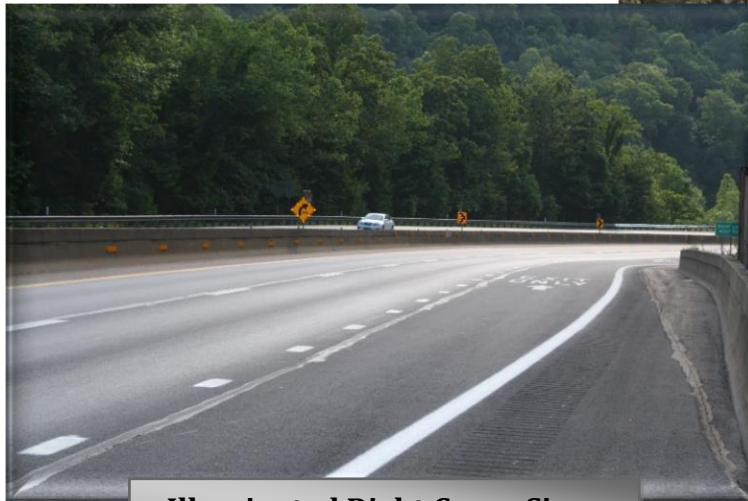
- Joint & Crack Sealing – 1,299,465 Linear Feet
- Patching – 1,091 Tons
- Shoulder Stabilization – 112,878 Linear Feet
- Concrete Repair – 11 Square Feet
- Deck Patching – 3,486 Square Feet
- Bridge Expansion Joints – 46 Joints
- Bridge Parapet Wall Coating – 22,626 Linear Feet
- Bridge Inspection/Support – 1,364 Man-hours
- Bridge Structure Repairs – 562 Man-hours
- Abutment/Pier Coating – 64 Each
- Ditch & Channel – 31,114 Linear Feet
- Culvert & Drop Inlet – 13,013 Linear Feet
- Annual Drain Inspection – 159 Each
- Bench & Slope – 10,976 Linear Feet
- Sweeping – 535 Miles
- Fence Repair – 263 Linear Feet
- Litter Pickup & Disposal – 6,311 Bags
- Brush Cutting – 159 Acres
- Mowing – 2,240 Acres
- Herbicide Spraying – 152 Acres
- Bridges Washed – 127 Structures (some bridges get washed twice when prepping for sealing)
- Bridge Lanes Sealed – 95 Each
- Roadside Delineators Installed – 3,206 Each
- Salt Used – 8,535 Tons
- Courtesy Patrol/Daywatch – 25,606 Man-hours
- Emergency Response – 2,873 Man-hours
- Install/Repair Barrier Walls – 2,430 Man-hours
- Line Striping – 78,394 Linear Feet



Bridge Painting Inspection



**Ultrasonic Testing of
Overhead Sign Base Anchor
Bolts**



**Illuminated Right Curve Signs
near Standard Interchange**



INSURANCE

Section 7.10, Subsection (E) of the 1993 Indenture of Trust as supplemented for the West Virginia Parkways Authority states:

(E) The Authority will at all times cause to be maintained, to the extent reasonably obtainable, the following kinds and the following amounts of insurance, with such variations as shall reasonably be required to conform to applicable standard or customary insurance practice and subject to such exceptions and permissible deductions as are ordinarily required:

(a) Multi-risk insurance on the facilities of the system which are of an insurable nature and of the character usually insured by those operating similar facilities, covering direct physical loss or damage thereto from causes customarily insured against, in such amounts as the consulting engineer shall certify to be necessary or advisable to provide against such loss or damage and to protect the interest of the Authority and the bondholders;

(b) Use and occupancy insurance covering loss of system revenues by reason of necessary interruption, total or partial, in the use of facilities of the system, due to loss or damage to any such facility on which multi risk insurance is maintained as provided in this section, in such amount as the consulting engineer shall certify will provide income during the period of interruption, but in no event less than 12 months, in the event of the occurrence or any such loss or damage, equal to the amount of the loss of system revenues, computed on the basis of system revenues of the corresponding period during the preceding calendar year, or if such facility was not in operation during the preceding calendar year, then computed on the basis of the consulting engineer's estimate, attributable to such loss or damage;

(c) War risk insurance, if obtainable from the United States Government or any agency thereof, covering direct physical loss or damage, and loss of system revenues attributable thereto, on the facilities of the system which are insurable there under, in each case in the respective amount, as nearly practicable, provided under clauses (a) and (b) above;

(d) During the period of construction or reconstruction of any material portion of the facilities of the system, the Authority shall require contractors constructing any such portion of the facilities of the system to file bonds or undertakings for the full performance of such contracts, and under which all risk from any cause whatsoever, without any exception during the period of such construction, shall be assumed by such contractors; and

FATALITY RATES PER HUNDRED MILLION MILES TRAVELED		
YEAR	ANNUAL FATALITIES	FATALITY RATE
2000	12	1.3
2001	6	0.7
2002	9	1.0
2003	4	0.4
2004	15	1.6
2005	5	0.5
2006	6	0.6
2007	8	0.8
2008	7	0.8
2009	8	0.9
2010	4	0.4
2011	8	0.8
2012	8	0.8
2013	5	0.5
2014	3	0.3
2015	4	0.4
2016	7	0.8
2017	8	0.8



(e) Any additional or other insurance covering (i) loss or (ii) damage for which the Authority is or may become liable.

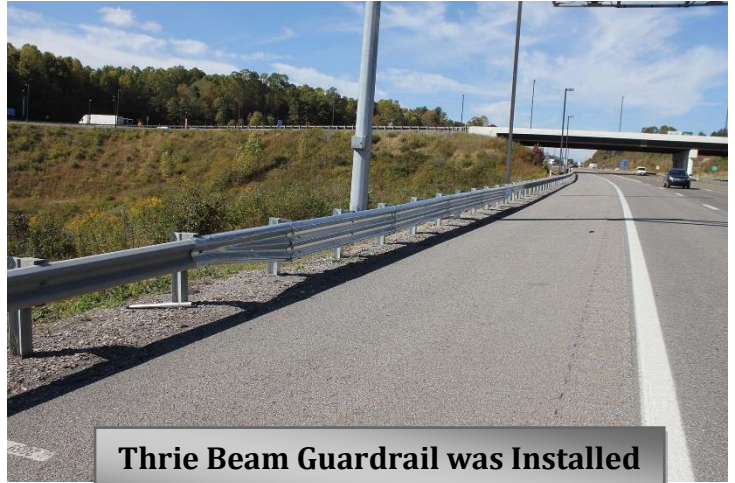
The Authority obtains insurance coverage for general liability, property damage, business interruption, errors and omissions and natural disasters through the West Virginia Board of Risk and Insurance Management. This board provides insurance for the State of West Virginia, local government entities and eligible non-profit organizations. Liability coverage provided to all these insured entities is limited to \$1,000,000 per occurrence with an annual aggregate coverage limit of \$22,000,000.

The Authority established a \$5 million self-insurance fund after losing the excess liability coverage from a private insurance company during 1986. In September 1992, the Authority obtained \$10 million excess liability coverage from a private insurance company. In view of this, the Authority's insurance consultant recommended that the self-insurance fund be reduced to \$1 million and be changed from liability exclusively to include other risk of loss such as pollution first party clean-up, pollution third party liability, condemnation, earthquake, earth shift, flood, etc., and be specifically designated as the Authority's percentage of contribution in the event of a disaster.

The Appendix contains copies of the consulting engineer's July 1, 2017 letter regarding recommendations for Multi-risk Insurance, in accordance with subparagraph (a) above, listing current replacement cost for bridges, and the consulting engineer's July 1, 2017 letter with recommendations for Use and Occupancy Insurance, in accordance with subparagraph (b) above, in the amount of \$94 million to remain in line with current toll revenues. All other insurance needs are determined by the Authority.



**Resetting Overhead Sign
after Foundation
Replacement**



**Thrie Beam Guardrail was Installed
at All Overhead Sign Locations**

APPENDIX



Cross-Over at Barrier A



July 1, 2017

Mr. Gregory C. Barr, General Manager
West Virginia Parkways Authority
P.O. Box 1469
Charleston, WV 25325

RE: Use and Occupancy Insurance

Dear Mr. Barr:

Section 7.10, Subsection (E) of the 1989 and 1993 Indentures of Trust state that Use and Occupancy Insurance shall be in such amounts as the Consulting Engineer shall certify will provide income during a period of interruption of up to 12 months for loss of system revenues due to damage to the system resulting in partial or total loss of revenues. This amount shall equal revenues during the corresponding period for the preceding year.

It is recommended that the Authority obtain Use and Occupancy Insurance coverage in the amount of \$94,000,000 (Ninety Four Million) for the 2017-2018 fiscal year. Toll revenues for the fiscal year 2016-2017 were \$92.739 million.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Randolph T. Epperly, Jr.", written over the typed name.

Randolph T. Epperly, Jr., P.E.
HNTB Corporation
Vice President

RTE/cak

cc: - United Bank, Trustee (Attention: Kathy Smith)
 - West Virginia State Board of Risk & Insurance Management
 (Attention: Dave Mason)
 - Margaret Vickers, WVPA



July 1, 2017

Mr. Gregory C. Barr
General Manager
West Virginia Parkways Authority
P.O. Box 1469
Charleston, WV 25325

RE: Multi-Risk Insurance

Dear Mr. Barr:

Section 7.10, Subsection (E) of the 1989 and 1993 Indentures of Trust state that the Authority shall maintain Multi-Risk Insurance on the system facilities which are of an insurable nature and of the character usually insured by those operating similar facilities in such amounts as the Consulting Engineers shall certify to be necessary or advisable to provide against such loss or damage and to protect the interest of the Authority and the Bondholders.

It is recommended that Multi-Risk Insurance be carried on all bridges, equipment, vehicles and facilities at the Administration Building, Maintenance Areas, Rest Areas, Service Areas, Toll Plazas, Caperton Center, Welcome Center, and all other facilities owned and operated by the Authority, including all structures, furnishings and equipment.

The Authority engaged an insurance consultant in 1993 to review insurance coverage. The list of Authority buildings, structures and contents of buildings and structures has been revised and updated annually in accordance with the advice of the Authority's insurance consultant and our previous recommendations. It is recommended that this list be revised and updated to include all additions, deletions and current values.

The insurance consultant recommended that the bridges be insured for replacement costs. Attached is a list of those current costs that were calculated using "Engineering News Record" construction indices. The estimated 2017 replacement costs were determined by multiplying the bid price by the ratio of the construction cost index of 10,789.41 to the cost index for the year that each bridge was bid.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Randolph T. Epperly, Jr.", written over a printed name and title.

Randolph T. Epperly, Jr., P.E.
HNTB Corporation
Vice President

RTE/cak

Attachments

cc: - United Bank, Trustee w/att.
(Attention: Kathy Smith)
- West Virginia State Board of Risk & Insurance Management
w/att. (Attention: Dave Mason)
- Margaret Vickers, WVPA



WEST VIRGINIA PARKWAYS AUTHORITY

2017 BRIDGE REPLACEMENT COST

STRUCTURE NUMBER	YEAR BID	ENR INDEX	BID PRICE	REPLACEMENT COSTS (ROUNDED)
2144N	1980	3237	\$ 15,235,011	\$ 50,781,000
2144S	1952	569	\$ 2,419,297	\$ 45,875,000
3001N	1976	2401	\$ 311,298	\$ 1,399,000
3001S	1976	2401	\$ 316,803	\$ 1,424,000
3003N	1976	2401	\$ 287,596	\$ 1,300,000
3004S	1976	2401	\$ 306,888	\$ 1,380,000
3005N	1976	2401	\$ 649,641	\$ 2,920,000
3005S	1976	2401	\$ 565,379	\$ 2,541,000
3006	1976	2401	\$ 375,435	\$ 1,688,000
3007	1976	2401	\$ 372,640	\$ 1,675,000
3008N	1976	2401	\$ 256,237	\$ 1,160,000
3008S	1976	2401	\$ 268,094	\$ 1,210,000
3010N	1976	2401	\$ 7,966,577	\$ 35,800,000
3010S	1952	569	\$ 1,546,394	\$ 29,323,000
3012N	1976	2401	\$ 744,234	\$ 3,345,000
3012S	1976	2401	\$ 560,547	\$ 2,519,000
3017N	1976	2401	\$ 335,144	\$ 1,507,000
3018S	1976	2401	\$ 334,367	\$ 1,503,000
3019N	1976	2401	\$ 308,425	\$ 1,386,000
3019S	1976	2401	\$ 178,300	\$ 802,000
3020N	1976	2401	\$ 195,939	\$ 881,000
3020S	1976	2401	\$ 291,219	\$ 1,310,000
3021N	1976	2401	\$ 211,463	\$ 951,000
3021S	1976	2401	\$ 344,491	\$ 1,549,000
3022N	1976	2401	\$ 257,358	\$ 1,160,000
3022S	1976	2401	\$ 243,665	\$ 1,100,000
3026N	1983	4066	\$ 1,261,802	\$ 3,349,000
3026S	1983	4066	\$ 1,010,343	\$ 2,682,000
3029N	1983	4066	\$ 625,654	\$ 1,661,000
3029S	1983	4066	\$ 354,725	\$ 942,000



WEST VIRGINIA PARKWAYS AUTHORITY

2017 BRIDGE REPLACEMENT COST

STRUCTURE NUMBER	YEAR BID	ENR INDEX	BID PRICE	REPLACEMENT COSTS (ROUNDED)
3030N	1983	4066	\$ 822,446	\$ 2,183,000
3030S	1983	4066	\$ 1,566,506	\$ 4,157,000
3034N	1983	4066	\$ 1,008,408	\$ 2,676,000
3034S	1983	4066	\$ 1,038,557	\$ 2,756,000
3038N	1978	2776	\$ 349,604	\$ 1,359,000
3038S	1978	2776	\$ 565,705	\$ 2,199,000
3039E	1978	2776	\$ 354,302	\$ 1,378,000
3039W	1978	2776	\$ 354,302	\$ 1,378,000
3041N	1982	3825	\$ 505,662	\$ 1,427,000
3041S	1982	3825	\$ 495,378	\$ 1,398,000
3042	1982	3826	\$ 384,616	\$ 1,090,000
3043N	1982	3825	\$ 444,803	\$ 1,260,000
3043S	1982	3825	\$ 840,560	\$ 2,372,000
3044N	1982	3825	\$ 1,171,994	\$ 3,306,000
3044S	1982	3825	\$ 1,047,519	\$ 2,955,000
3045N	1982	3825	\$ 596,023	\$ 1,682,000
3045S	1982	3825	\$ 883,965	\$ 2,494,000
3046N	1981	3533	\$ 573,556	\$ 1,752,000
3046S	1981	3533	\$ 707,668	\$ 2,162,000
3048N	1981	3533	\$ 441,062	\$ 1,347,000
3048S	1981	3533	\$ 430,038	\$ 1,320,000
3050N	1981	3533	\$ 482,166	\$ 1,473,000
3050S	1981	3533	\$ 491,056	\$ 1,500,000
3051N	1982	3825	\$ 410,565	\$ 1,160,000
3051S	1982	3825	\$ 410,565	\$ 1,160,000
3053N	1982	3825	\$ 747,909	\$ 2,110,000
3053S	1982	3825	\$ 747,909	\$ 2,110,000
3055N	1979	3003	\$ 1,266,273	\$ 4,550,000
3055S	1979	3003	\$ 1,264,663	\$ 4,544,000
3056N	1979	3003	\$ 1,456,339	\$ 5,233,000
3056S	1979	3003	\$ 1,467,482	\$ 5,273,000
3057N	1979	3003	\$ 1,669,909	\$ 6,000,000



WEST VIRGINIA PARKWAYS AUTHORITY

2017 BRIDGE REPLACEMENT COST

STRUCTURE NUMBER	YEAR BID	ENR INDEX	BID PRICE	REPLACEMENT COSTS (ROUNDED)
3057S	1979	3003	\$ 1,467,837	\$ 5,274,000
3058N	1979	3003	\$ 2,590,444	\$ 9,308,000
3058S	1979	3003	\$ 2,539,317	\$ 9,124,000
3059N	1979	3003	\$ 1,310,193	\$ 4,708,000
3059S	1979	3003	\$ 954,601	\$ 3,430,000
3060N	1979	3003	\$ 1,366,315	\$ 4,910,000
3060S	1979	3003	\$ 1,344,010	\$ 4,829,000
3061	1979	3003	\$ 610,330	\$ 2,193,000
3063N	1979	3003	\$ 538,107	\$ 1,934,000
3063S	1979	3003	\$ 535,374	\$ 1,924,000
3065N	1979	3003	\$ 1,445,790	\$ 5,195,000
3065S	1979	3003	\$ 1,445,790	\$ 5,195,000
3066	1979	3003	\$ 576,917	\$ 2,073,000
3067N	1979	3003	\$ 2,256,259	\$ 8,107,000
3067S	1979	3003	\$ 2,256,259	\$ 8,107,000
3070N	1983	4066	\$ 528,737	\$ 1,404,000
3070S	1983	4066	\$ 528,737	\$ 1,404,000
3072N	1983	4066	\$ 717,000	\$ 1,903,000
3072S	1983	4066	\$ 717,000	\$ 1,903,000
3073N	1980	3237	\$ 981,507	\$ 3,272,000
3073S	1980	3237	\$ 981,507	\$ 3,272,000
3074N	1980	3237	\$ 1,110,269	\$ 3,701,000
3074S	1980	3237	\$ 1,110,269	\$ 3,701,000
3075N	1980	3237	\$ 1,930,130	\$ 6,434,000
3075S	1980	3237	\$ 1,930,130	\$ 6,434,000
3076N	1978	2776	\$ 1,036,302	\$ 4,028,000
3076S	1978	2776	\$ 1,036,302	\$ 4,028,000
3077	1978	2776	\$ 708,758	\$ 2,755,000
3078	1978	2776	\$ 448,257	\$ 1,743,000
3080N	1978	2776	\$ 635,890	\$ 2,480,000



WEST VIRGINIA PARKWAYS AUTHORITY

2017 BRIDGE REPLACEMENT COST

STRUCTURE NUMBER	YEAR BID	ENR INDEX	BID PRICE	REPLACEMENT COSTS (ROUNDED)
3080S	1978	2776	\$ 635,890	\$ 2,472,000
3081N	1980	3237	\$ 399,901	\$ 1,333,000
3081S	1980	3237	\$ 399,901	\$ 1,333,000
3082N	1980	3237	\$ 2,687,208	\$ 8,957,000
3082S	1980	3237	\$ 2,687,208	\$ 8,957,000
3083N	1980	3237	\$ 336,301	\$ 1,130,000
3083S	1980	3237	\$ 336,301	\$ 1,130,000
3084N	1980	3237	\$ 821,754	\$ 2,740,000
3084S	1980	3237	\$ 821,754	\$ 2,740,000
3085N	1981	3533	\$ 503,608	\$ 1,538,000
3085S	1981	3533	\$ 503,608	\$ 1,538,000
3086N	1981	3533	\$ 602,286	\$ 1,840,000
3086S	1981	3533	\$ 602,286	\$ 1,840,000
3087N	1980	3237	\$ 990,712	\$ 3,303,000
3087S	1980	3237	\$ 990,712	\$ 3,303,000
3088	1980	3237	\$ 157,856	\$ 527,000
3235E	1981	3533	\$ 385,112	\$ 1,180,000
3235W	1981	3533	\$ 385,112	\$ 1,180,000
3271	1983	4066	\$ 1,213,000	\$ 3,219,000
3272	1983	4066	\$ 1,044,771	\$ 2,773,000
3273	1983	4066	\$ 1,142,945	\$ 3,033,000
3276	1983	4066	\$ 487,747	\$ 1,300,000
4172	1995	5506	\$ 1,328,831	\$ 2,604,000
4178	1995	5506	\$ 814,289	\$ 1,596,000