

**West Virginia
Blue Ribbon Commission on Highways
Infrastructure Committee
Meeting Minutes
December 13, 2012
10:00am**

Commission Members in attendance:

Jason Pizatella, Governor's Designee & Commission Chairman
Joe Deneault, Infrastructure Committee Chairman

Senator Bob Beach	Senator Bob Plymale	Delegate Josh Stowers
Secretary Paul Mattox	Commissioner Rick Handley	Bob Orders
Kenny Perdue	Gary Tillis	Gary Facemyer
Dr. Andrew Nichols	Mark Baldwin	Don Rigby
Charles Clements	Mark Meachum	Mary Prim

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Infrastructure Committee Chairman Joe Deneault called the meeting to order. Committee members in attendance acknowledged their presence.

Chairman Deneault called on Commission Chairman Jason Pizatella who reiterated the charge of the Committee and thanked the members for their service.

Chairman Deneault welcomed CDM Smith representatives, Wes Stafford and David Hurst for the purpose of a presentation on the Division of Highways' system needs.

David Hurst gave system needs presentation to Committee. (An electronic version of the presentation was made available to the Committee on the Blue Ribbon Commission website)

Following the presentation, Mr. Deneault reiterated the essential points of the CDM Smith's preservation, i.e., what the highway system of West Virginia highway would be with zero additional funds, \$400 million, and \$1 billion, respectively, in additional funds per year.

Mr. Deneault asked the Committee members to picture their ideal vision of the highway system and to consider under which funding scenario (zero, \$400 million, or \$1 billion) that ideal vision lies.

Senator Plymale questioned how the scenarios presented fit into the Division of Highways' Six Year Program. Mr. Deneault explained that the DOH Six-Year Program is a rolling plan, meaning that it is updated annually. It is constrained program and is dependent on current funding. To get to a greater level of system service, that would require additional funding. Expansion would also require additional funding.

Senator Plymale stated that the Six-Year Program, and how these scenarios affect it, should be articulated in a strategic plan to the public.

Mr. Deneault stated that whatever action the Committee recommends should be carefully drafted into a vision that is easy for the public to understand. He also stated that unless something is done to increase the level of funding for highway preservation, the system will deteriorate to such a point where a strategic plan of communication would contain information the public would find unsatisfactory.

Dr. Andrew Nichols suggested that the committee, in defining what the system should look like, should consider what the volume/capacity ratio and target serviceability index should be (per CDM Smith's presentation) from the public's perspective. Dr. Nichols asked for clarification on the methodology behind ratings for volume/capacity ratio, target serviceability, and assumptions made in that analysis.

Mr. Deneault asked Rob Pennington, WVDOH Planning Division Director, to distribute that information to the Committee.

Mr. Deneault then moved the discussion from preservation of the existing system to system expansion. He defined expansion as a new road on new alignment, widening of an existing road that completely changes the road's previous characteristics. He referred the Committee to Appendix A of the West Virginia Multi-Modal Statewide Transportation Plan which contains project ratings based on a benefit/cost ratio. Mr. Deneault advised the Committee that the purpose of reviewing the project list was not to select any particular project over another, to add, or delete projects. Rather, the purpose of reviewing the list is to recognize that there must be an investment made into expansion projects.

Mr. Deneault explained that currently, the DOH plans to spend approximately \$60 million per year on expansion, so to increase expansion dollars would be an increase in addition to what is needed for system preservation.

Mr. Deneault explained that at one time, 120 projects were identified statewide by the DOH totaling approximately \$20 billion and that these projects had constituency somewhere in the state. That list has been boiled down by some analysis to 20 projects. Mr. Deneault asked Mr. Pennington how much per year those projects cost and how soon they would be completed.

Mr. Pennington explained that, for example, the completion date for Corridor H is 2035, as the project is currently funded. The projects to which Mr. Deneault referred are labeled as non-congestion projects. It has only been five years since that number was generated. Little has been accomplished on that list because for many projects, there isn't enough funding to get them started. DOH is still considering the expansion need at \$20 billion.

Mr. Pennington explained that the new federal highway authorization, MAP-21, requires performance-based programming. States are being accountable for meeting thresholds for bridges and for the National Highway System. As we look at carving out money from the current program, these federal funds are largely locked and cannot be moved around to fund another type of project. However, state dollars are more flexible.

Mr. Deneault reminded the Committee that the assumptions made by CDM Smith on system expansion were based on a \$60 million carve-out of funds for expansion.

Senator Plymale cautioned that if some roadways are not expanded, the economy of the state will suffer and expressed his opinion that the expansion funding number should be large. He stated that there should be a strategic plan of goals, objectives, and progress reports that the DOH should submit to the Commission in the event of any tax increases as result of the Commission's recommendations.

Mr. Tillis inquired of Mr. Deneault the cost to construct a new mile of highway. Mr. Deneault explained that the current figure is between \$20 and \$30 million per mile in West Virginia, which, based on current funding, equates to approximately five miles per year.

Mr. Pennington explained that in the Statewide Transportation Improvement Program there are approximately ten projects that are unfunded. Based on the total estimated cost of construction, one could extrapolate what the cost per year would be to fund a particular project. Mr. Pennington explained to the Committee that they could use this method as a "check" to see how much any particular project would cost annually.

Mr. Deneault asked the Committee if they required any additional information that would make them comfortable in making a determination on what funding levels should be.

Mr. Pennington explained that in the creation of the new Multi-Modal Statewide Transportation Plan, the DOH is looking at a new scoring system of prioritizing projects utilizing the benefit/cost ration and a project score. After those calculations are completed the projects will then be put into tiers based on the goals of the state, such as congestion mitigation, safety, etc.

Mr. Tillis cautioned against selecting projects that don't have an economic development possibility.

Mr. Pennington explained that anytime a project has an identified economic development opportunity, the DOH is always willing to partner with any entity to get that particular project constructed.

Senator Plymale cautioned that the cost/ benefit analysis system isn't fair to West Virginia due to its population base and suggested other methods of project rating should be utilized, as well as expanding the list of potential projects.

Mr. Deneault asked Mr. Pennington to develop a list and total cost/benefit with a ratio of one or greater.

Mr. Deneault then called upon Transportation Secretary Mattox to give the Committee an update of the efficiencies recognized and implemented by the DOH since 2005.

Secretary Mattox explained that one of the biggest efficiencies employed by the DOH was the implementation of a constrained financial program, the Statewide Transportation Improvement Program, which identified major projects and scheduled their funding and construction schedule. This program either complete, whole of in part, projects like Route 35 in Mason and Putnam counties, Route 9 in the eastern panhandle, the Mon/Fayette Expressway in Morgantown, Gateway Connector, in Fairmont, just to name a few.

The Secretary explained that another great saving to the agency was the reduction in the amount of idle equipment. The agency began and currently sells idle and/or underutilized equipment.

The DOH core maintenance program is another example of cost savings. By dictating and simplifying the DOH county maintenance functions, setting a detailed weekly maintenance schedule, ditching everywhere on a 2 to 3 year basis, implementing and training employees on squaring pothole patches and mowing at least to further preserve pavements, have streamlined the county functions and saved tens of millions of dollars since 2005.

The resources required to deliver that were based on the equipment, manpower, and materials a county needed for snow removal and ice control in winter months. Trucks were also fitted with GPS systems to monitor and track vehicle usage.

The DOH now employs a nearly-paperless bidding system, which it worked with the construction industry to implement. The DOH recently-implemented CORS system is a surveying and mapping (including aerial photography) function that helps surveyors gather information more quickly and speeds up the delivery of projects, saving time and money. CORS locations are set up statewide.

Secretary Mattox also mentioned the extension of the design/build pilot program. The Secretary stressed that this has been a very good program and a good tool to have in the funding toolbox and it is something the Federal Highway Administration is aggressively pursuing as part of their Every Day Counts initiative and is something the Secretary expects to see more of in the future. It allows projects to be constructed more quickly and more efficiently. About six percent of the DOH budget is spend on design/build projects.

The implementation of a 511 system has also allowed the DOH simultaneously save money while better informing the public of road conditions, weather events, and natural disasters, etc.

Employing pavement preservation strategies have extended the life of existing pavements. DOH spent approximately \$30 million on pavement preservation last year.

The DOH's Secondary Road Renovation Program has allowed the agency to address/upgrade roads that wouldn't otherwise be paved.

Computers and other electronic monitoring devices on trucks and spreaders in the DOH snow removal and ice control operations have allowed the agency to monitor the number of miles driven, routes drive, materials used, etc., and allows the agency to monitor the application rate of materials and make adjustments to ensure the operation runs as efficiently as possible. The estimated cost savings is approximately \$3 million per year.

The DOH Planning Division is continually and actively purging the system of inactive projects, through inactive project management, to free up money previously held in old authorizations so it can be put to active or new projects.

Since 2005, the DOH has been reducing the agency's cash reserve. Prior to 2005, as much as \$250 million sat untouched. That money was not put toward any project, construction or maintenance. It sat idle in the State Road Fund. The amount currently in reserve has been reduce to a level that requires the DOH budget staff to monitor the balance on a day-to-day basis, maintaining a \$30-\$50 million dollar level, which the agency feels is the optimum level of performance.

Flexible work hours, such as four ten-hour shifts, have allowed the DOH to maximize working hours, especially in summer months, and complete work more quickly.

The implementation of the state ERP Enterprise system will provide a great number of additional cost savings that the DOH can realize, by streamlining data entry.

Other cost efficiencies being studied are the concept of the DOH taking over maintenance operations along the West Virginia Turnpike, the conversion of the DOH fleet to natural gas, relocation of DOH district, county and county substation offices, and reduction of DOH middle management.

Mr. Deneault referred the Committee to a documents presented to them on the assumption of roads maintenance by counties, the DOH assumption of the West Virginia Turnpike, and the number of DMV locations and transactions, for their consideration.

Discussion between Mr. Tillis, Mr. Deneault, Mr. Plymale, and Secretary Mattox on how a public-private partnership may be utilized.

Mr. Deneault asked for a White Paper on how the DOH "P-Card" is used to pay contractors.

Mr. Deneault asked the Committee if there was any further discussion. There was no suggestion for additional discussion.

Mr. Deneault tentatively scheduled the next meeting for January 3rd, location to be determined.

Mr. Deneault adjourned the meeting.