

## MINUTES OF THE COMMISSION MEETING HELD SEPTEMBER 2, 2014

A formal telephone meeting of the Pennsylvania Turnpike Commission convened at 11:54 a.m. September 2, 2014 at the Central Office located in Highspire, Pennsylvania. Available via telephone for the meeting were William K. Lieberman, Chairman; A Michael Pratt, Esquire, Vice Chairman; Pasquale T. Deon, Sr., Secretary Treasurer, Sean Logan, Commissioner and Barry J. Schoch, P.E., Secretary of Transportation.

Present for the meeting were Mark P. Compton, Chief Executive Officer; Craig R. Shuey, Chief Operating Officer; Larry Bankert, Chief Engineer, Michael Baker, Jr., Inc.; William J. Capone, Chief of Communications & Public Relations; Scott D. Fairholm, Chief Information Officer; Todd S. Garrison, Director of Maintenance; Nikolaus Grieshaber, Chief Financial Officer; Bradley J. Heigel, P.E., Chief Engineer; Jeffrey L. Hess, Director of Fare Collection and Field Operations; Doreen A. McCall, Chief Counsel; Ray Morrow, Chief Compliance Officer; Stacia A. Ritter, Director of Government Affairs and Ann Louise Edmunds, Assistant Secretary Treasurer.

Others in attendance were John Christensen, Director of FEMO; Richard C. Dreher, Assistant CFO; Kelly Horvath, Executive Administrative Assistant; Donald S. Klingensmith, P.E., Director of Procurement & Logistics; Jeffrey A. Naugle, Manager of Treasury Operations; Cindy Smith, General Accountant II; Brenda Szeles-Bratina, Director of Toll Revenue Audit; Peter Kuhne, Atkins; Dean Kohr, Atkins; Bill Sauers, C.S. Davidson; and Paul McNamee, KCI Technologies.

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Ms. Edmunds led the Commissioners and staff in the Pledge of Allegiance.

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The Assistant Secretary Treasurer, Ann Louise Edmunds, called the roll and declared a quorum available.

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### SUNSHINE ANNOUNCEMENT

MS. EDMUNDS: THE COMMISSIONERS MET IN EXECUTIVE SESSION PRIOR TO TODAY'S FORMAL AGENDA SESSION TO CONSIDER MATTERS OF PERSONNEL, WHICH INCLUDED TERMINATIONS, NEW HIRES, VACANCIES AND REQUESTS TO POST AND FILL POSITIONS IN THE INFORMATION TECHNOLOGY AND DIVERSITY AND INCLUSION DEPARTMENTS. THE COMMISSIONERS ALSO DISCUSSED DOCKET NO. 3549 AND ENGAGED IN NON-DELIBERATIVE INFORMATIONAL DISCUSSIONS REGARDING VARIOUS ACTIONS AND MATTERS, WHICH HAVE BEEN APPROVED AT PREVIOUS PUBLIC MEETINGS.

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PUBLIC COMMENT

MS. EDMUNDS: THE PUBLIC IS WELCOME AT THIS TIME TO ADDRESS THE COMMISSION REGARDING ITEMS LISTED ON THE AGENDA OR OTHER ITEMS NOT LISTED ON THE AGENDA THAT ARE WITHIN THE COMMISSION'S AUTHORITY OR CONTROL.

IN ORDER TO CONDUCT AN ORDERLY, EFFICIENT, EFFECTIVE AND DIGNIFIED MEETING, ALL PERSONS WISHING TO ADDRESS THE COMMISSION SHOULD HAVE SIGNED IN AND REQUESTED TIME TO SPEAK. IF YOU HAVE NOT DONE SO, YOU ARE INVITED TO DO SO.

COMMISSIONERS, WE HAVE NO REQUESTS TO ADDRESS THE COMMISSION. AT THIS TIME WE ASK ALL VISITORS TO STAND AND INTRODUCE YOURSELF: PETER KUHNE, ATKINS; DEAN KOHR, ATKINS; BILL SAUERS, C.S. DAVIDSON; AND PAUL MCNAMEE, KCI TECHNOLOGIES.

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MINUTES OF THE MEETING

Motion-That the Minutes of the meeting held August 19, 2014 be approved and filed as submitted-was made by Commissioner Logan, seconded by Commissioner Pratt, and passed unanimously.

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COMMUNICATIONS

Motion-That the Commission approves the memos received from the Chief Counsel and the Director of Procurement and Logistics-was made by Commissioner Logan, seconded by Commissioner Pratt, and passed unanimously.

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PERSONNEL

Motion-That the Commission approves the Personnel as submitted-was made by Commissioner Logan, seconded by Commissioner Pratt, and passed unanimously.

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NEW BUSINESS

BOND RESOLUTION

Motion-That the Commission authorizes the issuance of the Pennsylvania Turnpike Commission's variable and/or fixed rate Turnpike Revenue Refunding Bonds, in one or more series or sub-series, taxable or tax-exempt, in an aggregate principal amount not to exceed \$300,000,000, to finance (a) the current refunding of its Turnpike Revenue Bonds, Series A of 2004, (b) the funding of necessary reserves or similar funds, (c) capitalized interest related to such bonds, if any, and (d) costs of issuance of such bonds; authorizing the execution, delivery and distribution of the following for the bonds: (1) one or more Supplemental Trust Indentures, (2) one or more preliminary official statements or preliminary private placement memoranda, (3) one or more

official statements or private placement memoranda, (4) one or more purchase contracts or private placement agreements, (5) agreements for the provision of one or more credit facilities or related agreements, (6) one or more remarketing agreements, (7) one or more Continuing Disclosure Agreements, (8) one or more interest rate swaps or other derivatives, (9) one or more Reserve Fund Forward Delivery Agreements or Amendments to or terminations of existing Reserve Fund Forward Delivery Agreements, and (10) any other necessary or appropriate documents or certificates; appointing bond counsel, the financial advisor and other professionals, and providing for the appointment of one or more underwriters; declaring the Pennsylvania Turnpike Commission's official intent that it be reimbursed from bond proceeds for certain expenditures paid prior to the issuance of such bonds; authorizing the taking of further action; repealing inconsistent resolutions; and declaring that this resolution shall be liberally construed-was made by Commissioner Pratt, seconded by Commissioner Schoch; Commissioner Logan abstained.

COMMISSIONER LOGAN: I abstain on this item because Cohen & Grigsby is a client of my firm.

The motion passed.

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#### AGREEMENTS

Motion-That the Commission approves the negotiation and execution of the Agreements, a Memorandum of Understanding and an Amendment for the items listed in memos "a" through "i":

- a. Reimbursement Agreement with Norfolk Southern Railroad to reimburse the railroad the cost to perform the engineering and protective services work necessary for the replacement of Bridge WB-206 at MP 12.58; at a not-to-exceed amount of \$250,000.00;
- b. Reimbursement Agreement with Duquesne Light Company to reimburse Duquesne Light the cost to perform the engineering and facility relocation work necessary for the replacement of Bridge WB-429 at MP 43.13; at a not-to-exceed amount of \$183,628.00;
- c. Reimbursement Agreement with the Municipal Authority of the Borough of Oakmont to reimburse the Municipal Authority the cost to perform the facility relocation work necessary for the replacement of Bridge WB-429 at MP 43.13; at a not-to-exceed amount of \$88,244.97;
- d. Interagency Agreement with the Pennsylvania Department of Transportation (PennDOT) for PennDOT to transfer property to the Commission for the Thorn Hill Road Bridge replacement project at MP 28.45 and authorize the payment of statutory damages;
- e. Reimbursement Agreement with Bedford Rural Electric Cooperative, Inc. (BREC) to reimburse BREC the cost to perform the engineering and facility relocation work necessary for the total reconstruction project from MP 149.00 to MP 155.00 (Bridge WB-539 at MP 155.66); at a not-to-exceed amount of \$129,513.09;

- f. Memorandum of Understanding with Bedford Township Municipal Authority to reimburse the Authority partial cost to perform the facility relocation work necessary for the North and South Midway Service Plazas; at a not-to-exceed amount of \$289,890.00;
- g. Reimbursement Agreement with Columbia Gas of PA, Inc. to reimburse Columbia Gas the cost to perform the engineering and facility work necessary for a new gas line to the Homewood Maintenance Facility; at a not-to-exceed amount of \$104,745.51;
- h. Amendment to our agreement with the U.S. Department of the Army for a partial take parcel necessary for the Marsh Run Road Bridge total reconstruction project to acquire an additional area to remedy a drainage issue at Mifflin Avenue;
- i. Agreement with the County of Allegheny for the Commission to design and construct a new structure carrying Thorn Hill Road over Brush Creek as part of the Thorn Hill Road Bridge replacement project (Bridge WB-400), and to assign ownership and maintenance of the new structure over Brush Creek to the county.

-was made by Commissioner Logan, seconded by Commissioner Pratt, and passed unanimously.

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#### RIGHT-OF-WAY REQUESTS

Motion-That the Commission approves the Right-of-Way Requests for the items listed in memos "a" through "n":

- a. Acquisition of Right-of-Way #14072-C1 (*Gary L. and Linda V. Kaintz*), a partial take parcel necessary for the total reconstruction project from MP 40.00 to MP 48.00, by authorizing payment of fair market value and pro-rated taxes of \$18,326.50 to Gary L. and Linda V. Kaintz and also payment of fair market value and recording fees of \$162.00 to the *Allegheny County Department of Real Estate*; authorize the appropriate Commission officials to execute the Agreement of Sale; authorize the payment of additional statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel; and payment of damages to the property owners is contingent upon their delivery of a deed prepared by the Legal Department;
- b. Temporary Construction Easement for Right-of-Way #3382-2 (*U.S. Dept. of the Army*) necessary for the total reconstruction project from MP 242.00 to MP 245.00; authorize the appropriate Commission officials to execute the temporary construction easement agreement; authorize the execution of additional forms and documents that may be required for the transaction; and authorize the payment of administrative fees that may be required and statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel;
- c. Acquisition of Right-of-Way #3119-B (*Matthew A. and Priscilla K. Fisher*), a partial take parcel necessary for the total reconstruction project from MP 202.00 to MP 206.00, by authorizing payment of fair market value and pro-rated taxes of \$10,150.00 to Matthew A. and Priscilla K. Fisher; authorize the appropriate Commission officials to execute the Agreement of Sale;

authorize the payment of additional statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel; and payment of damages to the property owners is contingent upon their delivery of a deed prepared by the Legal Department;

- d. Acquisition of Right-of-Way #3130-B (*Richard C. and Arlene F. Eberly*), a partial take parcel necessary for the total reconstruction project from MP 202.00 to MP 206.00, by authorizing payment of fair market value and pro-rated taxes of \$1,724.00 to Richard C. and Arlene F. Eberly; authorize the appropriate Commission officials to execute the Agreement of Sale; authorize the payment of additional statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel; and payment of damages to the property owners is contingent upon their delivery of a deed prepared by the Legal Department;
- e. Acquisition of Right-of-Way #6538-C (*James W. Swartley a/k/a James H. Swartley*), a total take parcel necessary for the total reconstruction from MP A31.00 to MP A38.00, by authorizing payment of fair market value and pro-rated taxes of \$9,804.90 to *Diversified Settlement Services, Inc.* escrow agent; authorize the appropriate Commission officials to execute the Agreement of Sale and other documents as may be required for closing; authorize the payment of additional statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel; and payment of fair market value to the property owner is contingent upon the delivery of a deed as prepared by the Legal Department;
- f. Acquisition of Right-of-Way #6538-D (*James W. Swartley a/k/a James H. Swartley*), a total take parcel necessary for the total reconstruction from MP A31.00 to MP A38.00, by authorizing payment of fair market value, pro-rated taxes, replacement housing supplement and closing costs of \$439,479.19 to *Diversified Settlement Services, Inc.* escrow agent; authorize the appropriate Commission officials to execute the Agreement of Sale and other documents as may be required for closing; authorize the payment of additional statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel; and payment of fair market value to the property owner is contingent upon the delivery of a deed as prepared by the Legal Department;
- g. Adopt the proposed Property Acquisition Resolution for Right-of-Way #14207-A (*Thomas K. Eichenlaub*), a partial take parcel necessary for the total reconstruction project from MP 40.00 to MP 48.00; authorize payment of Estimated Just Compensation of \$175,000.00; and authorize payment of additional statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel;
- h. Adopt the proposed Property Acquisition Resolution for Right-of-Way #14206-D (*Manoj S. and Tanuja Lekhwani*), a partial take parcel necessary for the total reconstruction project from MP 40.00 to MP 48.00; authorize payment of Estimated Just Compensation of \$32,000.00; and authorize payment of additional statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel;
- i. Acquisition of Right-of-Way #2218-L/120-2 (*Randy Clark-Owner; Keith & Tricia Clark-Tenants*), a total take parcel necessary for the total reconstruction project from MP 149.00 to MP 155.00, by authorizing payment statutory down-payment supplement of \$6,300.00 to Keith and Tricia Clark; authorize the payment of additional statutory damages as calculated by the Right-of-Way

Administrator and approved by the Chief Counsel; payment of damages to the claimants is dependent upon the execution of an Application for Payment of Down Payment Supplement and all required supporting documentation, including an executed agreement of sale for the replacement dwelling and Decent, Safe and Sanitary inspection;

- j. Adopt the proposed Property Acquisition Resolution for Right-of-Way #14206-A (*Daniel J. and Barbara U. Eichenlaub*), a partial take parcel necessary for the total reconstruction project from MP 40.00 to MP 48.00; authorize payment of Estimated Just Compensation of \$190,000.00; and authorize payment of additional statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel;
- k. Adopt the proposed Property Acquisition Resolution for Right-of-Way #14206-N (*Jim Meinert Landscaping, Inc. d/b/a JML Landscape Management*), a partial take parcel necessary for the total reconstruction project from MP 40.00 to MP 48.00; authorize payment of Estimated Just Compensation of \$340,000.00; and authorize payment of additional statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel;
- l. Acquisition of Right-of-Way #14200-A (*Four Brothers Hampton, LLC*), a partial take parcel necessary for the total reconstruction project from MP 40.00 to MP 48.00, by authorizing payment of fair market value and pro-rated taxes of \$11,642.50 to Four Brothers Hampton, LLC, and authorize payment of recording fees of \$162.00 to Allegheny County Department of Real Estate; authorize the appropriate Commission officials to execute the Agreement of Sale; authorize the payment of additional statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel; and payment of damages to the property owner is contingent upon its delivery of a deed prepared by the Legal Department;
- m. Acquisition of Right-of-Way #14072-E (*Ruth J. Drier*), a partial take parcel necessary for the total reconstruction project from MP 40.00 to MP 48.00, by authorizing payment of fair market value and pro-rated taxes of \$25,324.00 to James Pecora, Esquire, escrow agent; authorize the appropriate Commission officials to execute the Agreement of Sale and other documents as may be required for closing; authorize the payment of additional statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel; and payment of fair market value to the property owner is contingent upon the delivery of a deed prepared by the Legal Department;
- n. Adopt the proposed Property Acquisition Resolution for Right-of-Way #4013-E (*First Church of Nazarene of Harrisburg n/k/a Rosedale Church of the Nazarene*), a partial take parcel necessary for the bridge replacement project at MP 248.00; authorize the payment of Estimated Just Compensation of \$19,100.00; and authorize payment of additional statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel.

-was made by Commissioner Logan, seconded by Commissioner Pratt, and passed unanimously.

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#### ADVERTISING

Motion-That the Commission approves advertising for the items listed in memos "a" and "b":

- a. Two (2) engineering firms to perform engineering design related services systemwide;
- b. Engineering firm to perform wastewater/environmental related services systemwide.

-was made by Commissioner Logan, seconded by Commissioner Pratt, and passed unanimously.

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AWARD OF BIDS AND ISSUANCE OF PURCHASE ORDERS

Motion-That the Commission approves the Award of Bids and the Issuance of Purchase Orders for the items listed in memos "a" through "h":

- a. Microwave radio upgrade at multiple locations, utilizing the Commonwealth's contract with Alcatel-Lucent USA, Inc.; at a total award of \$1,438,693.09;
- b. Cisco switch upgrade, utilizing the Commonwealth's contract with ePlus Technology, Inc.; at a total award of \$493,124.20;

- c. Job Order Contracting (JOC) services to the lowest responsive and responsible bidder, from September 22, 2014 – June 30, 2016 with the option to renew for an additional 2-year period and approve the staff movement of funds between service contracts as needed during the life of the contract:

HVAC	District 4	Clark Contractors, Inc.	\$ 500,000.00
	District 5	Clark Contractors, Inc.	<u>500,000.00</u>
	TOTAL		\$1,000,000.00

- d. IT organizational design, utilizing Texas Department of Information Resources cooperative agreement with Gartner Inc.; at a total award of \$373,000.00;
- e. Motor oil and lubricants (September 1, 2014 – August 31, 2016 with the option to renew for an additional 2-year period), to the lowest responsive and responsible bidder, Craft Oil Corp. d/b/a Petrochoice; at a total award of \$325,000.00;
- f. Tree clearing from MP 345.00 to MP 351.49, to the lowest responsive and responsible bidder, Penn Line Service, Inc.; at a total award of \$612,380.00;

- g. Liquid calcium chloride (October 1, 2014 – June 30, 2015, with 1-year renewal option), to the lowest responsive and responsible bidders:

Calcium Chloride Sales	\$145,000.00	Districts 1 & 2
Environmental Energy Solutions	<u>134,000.00</u>	Districts 3, 4 & 5
Total Award	\$279,000.00	

- h. Goodyear and Michelin tires (September 1, 2014 – August 31, 2015), utilizing the Commonwealth's contracts:

Michelin North America	\$ 70,000.00	Direct
Valley Tire	5,000.00	District 1

Berkeley Tire c/o Highland's	3,000.00	District 2
McCarthy Tire	3,000.00	District 3
McCarthy Tire	3,000.00	District 4
McCarthy Tire	3,000.00	District 5
Goodyear Warehouse	<u>100,000.00</u>	All Districts
TOTAL AWARD:	\$187,000.00	

-was made by Commissioner Logan, seconded by Commissioner Pratt, and passed unanimously.

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POLICY LETTERS

**REMOVED FROM THE AGENDA**

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SUPPLEMENTS

Motion-That the Commission approves the negotiation and execution of the Supplemental Agreements for the items listed in memos "a" and "b":

- a. Supplemental Agreement #2 with GAI Consultants, Inc. for design services for the total reconstruction and widening project from MP 149.00 to MP 155.00, for an additional \$3,700,000.00 necessary to complete the final design, design of six noise walls and several retaining walls, design for stormwater management, plans for approximately 54 right-of-way acquisitions and stream and wetland mitigation;
- b. Supplemental Agreement #3 with Skelly and Loy Engineering for storage tank services systemwide, for an additional \$175,000.00 to complete the implementation of the multi-site agreement with the PADEP, Exxon, Sunoco and Cumberland Farms to ensure the service plazas have complied with soil and groundwater clean-up plans; and approve extending the term of the agreement to December 31, 2015;

-was made by Commissioner Logan, seconded by Commissioner Deon, and passed.

Motion-That the Commission approves the negotiation and execution of the Supplemental Agreement for the item listed in memo "c":

- c. Supplemental Agreement #4 with McCormick Taylor, Inc. for final design of the total reconstruction project from MP 40.00 to MP 48.00, for an additional \$1,500,000.00 for significant changes in environmental mitigation requirements as directed by the environmental agencies that required additional environmental design, right-of-way and utility coordination

-was made by Commissioner Logan, seconded by Commissioner Pratt; Commissioner Schoch abstained and Commissioner Lieberman voted No.

COMMISSIONER SCHOCH: I ABSTAIN ON THIS ITEM BECAUSE OF MY PAST BUSINESS RELATIONSHIP WITH MCCORMICK TAYLOR.

The motion passed.



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CHANGE ORDERS AND FINAL PAYMENTS

Motion-That the Commission approves the Change Orders and Final Payments for the items listed in memos "a" and "c-e":

- a. Change Order #1 and Final Payment for Contract #EN-001118-03-06 with New Enterprise Stone and Lime, Inc. for roadway and miscellaneous repairs between MP 179.44 and MP 241.87, for a decrease of \$1,345,186.95 to balance items to actual work completed; for a final contract value of \$654,813.05 and final amount due to the contractor of \$32,740.65;
- c. Change Order #2 and Final Payment for Contract #T-022.60S002-3-02 with Swank Construction Company, LLC for the replacement of Bridge WB-228 at MP 22.60, for a decrease of \$95,195.62 to balance items to actual work completed and changes for embankment undercut, stabilization, paving and underdrain; for a final contract value of \$2,830,627.25 and final amount due to the contractor of \$197,285.22;
- d. Change Order #1 and Final Payment for Contract #EN-001118-03-03 with Hempt Bros., Inc. for roadway and miscellaneous repairs between MP 241.87 and MP 298.33, for a decrease of \$1,312,606.81 to balance items to actual work completed; for a final contract value of \$687,393.19 and a final amount due to the contractor of \$34,369.66;
- e. Change Order #4 for Contract #A-087.00P001-3-03 with New Enterprise Stone and Lime Company, Inc. for construction of an All-Electronic Interchange at MP A87.07, for an increase of \$394,753.52 for additional usage days for a truck mounted attenuator, costs to relocate a post mounted sign, changes to the monotube sign structure to accommodate a larger sign, gantry structure changes, traffic island changes, guiderail, installation of a moment slab and barrier wall and conduit installation, a 73-day time extension to complete Stage 5A work for traffic accommodation; for a revised contract value of \$23,435,980.87.

-was made by Commissioner Logan, seconded by Commissioner Pratt, and passed unanimously.

Motion-That the Commission approves the Change Order for the item listed in memo "b":

- b. Change Order #9 for Contract #T-319.30P001-3-02 with Allan A. Myers, LP for construction of the SR 29 Interchange, for an additional \$476,538.16 to balance items to actual work completed, Underdeck Protection Shielding and Value Engineering for the changes in the shielding, Weigh-in-Motion and Gantry Design Change progress payments; design changes necessary for the deletion of the Drilled Shaft Foundation and design and construction of a Steel H-Pile Foundation at bridge EB-903 due to subsurface conditions; Fare Collection changes were also necessary at Ramps AB & E for the change in going from a Pavement Loop/Gantry System to a Weigh-in-Motion tolling system; for a revised not-to-exceed amount of \$51,054,467.21;

-was made by Commissioner Logan, seconded by Commissioner Deon, Commissioner Pratt abstained.

VICE CHAIRMAN PRATT: I ABSTAIN ON THIS ITEM BECAUSE ALLAN A MYERS, LP IS A CLIENT OF MY FIRM.

The motion passed.

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NEXT COMMISSION MEETING

Ms. Edmunds: The next meeting of the Pennsylvania Turnpike Commission will be held on Tuesday, September 16, 2014 beginning at 10:00 am.

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ADJOURNMENT

Motion-That this meeting of the Pennsylvania Turnpike Commission be adjourned at 12:00 p.m. - was made by Commissioner Lieberman, seconded by Commissioner Pratt, and passed unanimously.

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PREPARED BY:

APPROVED BY:

Ann Louise Edmunds  
Assistant Secretary Treasurer

Pasquale T. Deon, Sr.  
Secretary Treasurer

09-02-14