

Southwestern Pennsylvania Commission
Minutes of the Meeting of
October 24, 2011 – 4:30 p.m.
31st Floor • Regional Enterprise Tower • 425 Sixth Avenue • Pittsburgh, PA 15219

The ninety-third meeting of the Southwestern Pennsylvania Commission was called to order by Chairman Charles Camp.

Commission members present were: Bracken Burns, Charles Camp, Tom Ceraso, Daniel Cessna, Jack Cohen, Mary Ann Eisenreich, Joe Grata, Lynn Heckman, Dave Johnston, Patricia Kirkpatrick, Larry Maggi, Jeff Marshall, Robbie Matesic, Kevin McCullough, Mary Jo Morandini, Rich Palilla, Carmen Rozzi, Rod Ruddock, Mark Schneider, Kelly Shroads, Michael Silvestri, Pam Snyder, Joe Spanik, Wendy Stern, Archie Trader, Norma Wintermyer, and Yarone Zober.

Commission members absent were: Tony Amadio, Tom Balya, Shirl Barnhart, Stephen Bland, A. J. Boni, Steve Craig, Terry Daughenbaugh, Rick DeBlasio, Joseph Dubovi, Karl Eisaman, Patricia Evanko, Richard Fink, David Frick, Jim Gagliano, Jr., Jessica Greathouse, Dana Henry, Ted Kopas, James Lokhaiser, Robert Macey, David Miller, Dan Onorato, William Patterson, William Peduto, A. Dale Pinkerton, Luke Ravenstahl, James Ritzman, Jim Scahill, Richard Shaw, Dan Shimshock, Renee Sigel, Mark Snyder, Anthony Spossey, Byron Stauffer, Jr., Rob Stephany, Joe Szczur, Letitia Thompson, Vincent Vicites, Daniel Vogler, Jake Wheatley, Jr., and Vincent Zapotosky.

Staff: Jim Hassinger, Kirk Brethauer, Chuck DiPietro, Domenic D' Andrea, Chuck Imbrogno, Vince Massaro, Laura Mundell, Shannon O'Connell, Dee Pamplin, Kay Tomko, Debbie Tritsch, and Lew Villotti.

Others: Rich Feder, Jacobs Engineering and Tom Halloran, representing Rob Stephany of the Urban Redevelopment Authority.

1. Action on Minutes of the September 26th Meeting

A motion was made to approve the minutes of the September 26, 2011 meeting of the Southwestern Pennsylvania Commission by Commissioner Snyder which was seconded by Ms. Heckman. The affirmative vote to approve the minutes was unanimous.

2. Public Comment – None

3. County Project –Dan Cessna – PennDOT, District 11-0

Mr. Cessna presented updates to the Commission on some of PennDOT's priority projects. SPC has been supportive in PennDOT's advancing of Route 28 improvements. The way to advance large projects like Route 28 is to break them into construction sections which can be funded over a period of time. In 2007 we received environmental clearance for Route 28 estimating it to be a \$120 million project. This PowerPoint presentation shows sections 850, 853, the middle section of the 31st Street Bridge, and the northern section called the Millvale Area.

We've completed construction to alternate routes on Butler Street about \$2.5 million. We made intersection improvements through Lawrenceville, we've relocated a railroad track, and ramp

work continues on the 31st Street Bridge. The 40th Street intersection is underway. We've reconstructed the lanes on the 40th Street Bridge in the northbound direction. This graphic is showing how we are building the 850 project. This project included relocation of the railroad tracks, and construction of the on and off ramps from Route 28. With the ARRA funds allocated to this region, we had a chance of allocating \$26 million to that new capacity project. The 809 is included in the project just started in August 2011 and will continue for the next three years. Mr. Cessna showed renderings of how the final construction is going to look.

A summation of the costs, the current project is \$36.5 million, the 40th Street Interchange is \$23 million, the work done in Lawrenceville was \$2.5 million, and the railroad relocation was \$21.9 million. The last section that we have to let in 2014 is \$14 million south of the interchange where it ties into 279 and 579.

Completion dates are 2012, 2013 and 2014 we have about three full construction seasons.

Joe Grata asked about the status of St. Nicholas Church. Mr. Cessna responded that it continues to be an issue. When clearing the project environmentally and you have an eligible resource under federal laws, you are required to avoid it if you can. By narrowing the shoulders in that area, we were able to avoid it. That leaves St. Nicholas Church basically avoided and untouched by our project. They have been trying to find something to do with the church moving forward.

4. Staff Profile – Lew Villotti/Laura Mundell

Mr. Villotti introduced staff member Laura Mundell who joined SPC in 2010. Her experience with regional economic development includes serving as

- Director of Community and Economic Development, Centralina Council of Governments, Charlotte, NC
- Director of Economic Programs at the Institute for Local Government Administration and Regional Development at Ohio University, covering thirty-three Appalachian Counties in Ohio;
- Senior Planner/Community Development for Boise, Idaho; and
- Director of the Beaver/Butler Counties Council of Governments in Pennsylvania.
- Additional experience in public/private financing includes working in multi-family residential real estate development in Boston, managing a loan write-down program in Ohio, and working with community loan funds in three regions.
- Received a BA from The Ohio State University and graduated with a Masters degree in City and Regional Planning from The Ohio State University (College of Engineering).

Ms. Mundell related some of the work she is doing on the SPC Energy Program Act 129.

- Purpose of ACT 129: reduce energy consumption and demand
 - Goals:
 - TO ADOPT ENERGY EFFICIENCY AND CONSERVATION MEASURES
 - TO EXPAND THE USE OF ALTERNATIVE ENERGY
 - TO PROMOTE ECONOMIC GROWTH

SPC's program focuses on municipalities and non-profit entities.

- providing outreach and workshops to educate municipalities
- on-site energy audits helping them save money
- LED replacement program
- information on grant and rebate programs

- LED replacement program allowed 11 municipalities to upgrade their traffic signals.
- On-site energy audits
- Triple benefit:
 - Help the community save money
 - Reduce our dependence on the electric grid
 - Allow the municipality to use the ACT 129 rebate program to help pay for upgrades
- Connect stakeholders
- Distributed power
- Alternative Fuels

Background information:

- Energy costs in the SPC region are predicted to increase by 29% in the next few years.
- Electricity demand in the U.S. will grow by at least 40% by 2032. (Source: US EPA, 2010)
- To meet the new demand, new power generation equal to nearly 300 (1,000MW) power plants will be needed to meet electricity demand by 2030.

Largest energy users for municipal services:

- Traffic lights: will continue to seek grant funding to pay for LED conversions.
- Street lights: for many of our municipalities that is the biggest energy expense.
- Water and wastewater treatment facilities.

What actions will the PowerSmart Program take?

- Connect stakeholders

There are many municipalities working on different components for energy efficiency. Because this work is fairly new to local government and local authorities, they tend to be working in isolation which is not just a problem here, but all across the state.

Another challenge in the SPC region is that 66% of municipalities surveyed do not have any energy efficiency efforts in place in their communities.

Our goal is to connect energy efficiency stakeholders across our region to maintain the momentum toward energy efficiency and market transformation.

- Describing best practices, hosting workshops, providing connecting with the website and newsletter will continue as, of course, will the on-site energy audits.

We want to encourage appropriate distributed power and alternative energy. There are already important businesses in our region, growing jobs and investment.

The energy sector here has over 800 firms supporting 105,000+ jobs and generating \$13+ billion annually (which is 10% of our gross regional product). Nearly \$1 billion is invested

annually in energy-related R&D across government, university and the private sector. These activities are not just in natural gas, but spread across many sectors:

- Pennsylvania is now fourth nationally in the number of solar jobs
- In our region, we have solar panel manufacturing facilities.
- We have companies that make car charging stations for new electric vehicles.
- We have companies that manufacture small turbines to generate electricity.
- And, we have natural gas.

How can we support the jobs and investments in energy and help municipalities, non-profits and authorities? One way is help cut energy costs by connecting municipalities, non-profits, and authorities to alternative and distributed energy. This will both support jobs here and save money for local governments.

To that end:

- We will partner with others in the region to ensure that all municipalities are ready for new technologies.
- A recent survey indicated that we are not yet ready. 79% have not reviewed local ordinances to remove impediments to the use of renewable energy.
- We will partner with other groups to ensure that our communities have zoning and permitting laws that allow for the use of new technologies. A grant application has been submitted that will support this initiative.
- Problem. There is no training for first responders on how to handle a fire at a facility or house with new technologies. For example, solar panels.
- Find funding to work with training institutes at community colleges to bring in training programs for first responders so that they know how to deal with emergencies involving new technologies.

So we want to make sure everyone allows new technologies and can provide public safety services.

Next on the list - Work with the Pittsburgh Regional Clean Cities program to promote alternative fuels for public fleets. Alternative fuels provide cheaper and cleaner fuel. Right now, The Pittsburgh Regional Clean Cities program has funding and technical assistance to help fleet owners adopt new fuels to outgrow our dependence on petroleum. With natural gas, we have a viable and relatively cheap fuel. Cost of fuel: \$1.25 per equivalent gallon less than gasoline. The Clean Cities program is working to develop a corridor of gas fueling stations.

Now, we need fleets to use the stations and help fuel budgets. But 73% of municipalities surveyed said they had not initiated using green fuels or vehicles. Fleets in the private sector have been the leader in our region. One or two public fleets use natural gas: one being the Transit Authority in Indiana County, which has 15 vehicles. The City of Pittsburgh wants to buy four new natural gas powered garbage trucks. According to the mayor's office, the trucks will

save \$40,000 in fuel costs per year. During the next program year, we'll support the Clean Cities program in their endeavor to develop natural gas corridors and encourage public fleets to use natural gas fuel and other fuels, and make sure municipalities are connected.

Our last activity for the PowerSmart program next year will be working with a regional group to assess the viability for distributed and alternative energy for water and wastewater systems in the region and to promote their use.

Water and wastewater treatment facilities are among the biggest users of energy in the municipal spectrum. Just to give you an example: SW PA Water Authority in Greene County spends \$42,000 a month on electricity. There are a variety of technologies available to harness the waste energy available at these facilities and turn it into electricity. You can see how a 15% reduction in the cost of energy would yield big savings for large facilities. During the program year, PowerSmart is working with interested groups across the region to assess interest and potential for using proven technologies in our region.

To sum it up, we want to work with municipalities, authorities and non-profits to save energy, save money, and generate jobs and investment.

Mr. Grata said that as a member of the Belle Vernon School Board he has met with Ms. Mundell and Mr. Falcone about a study regarding five buildings in our district which crosses Westmoreland/Fayette county line. It was highly informative and in its very early stages; but we are excited about any recommendations they make to help us make energy efficient buildings and cut our energy cost.

Mr. Rozzi asked who funds the energy audit program. Ms. Mundell said that it's funded by the Appalachia Regional Commission.

5. Financial Report – Vince Massaro

Mr. Massaro reported that the financial report for the period July to August 2011 reflects the operations of the Southwestern Pennsylvania Corporation and the Commission. With 16.67% of the fiscal year completed, total revenues and expenditures are as budgeted for the reporting period. The majority of the Commission's core planning grant agreements have been fully executed and are in place except for the DCED-PREP agreement, which is still in review and waiting for approval and execution by DCED. As we have done so in the past, the financial report includes encumbered anticipated project revenues and expenditures based on executed contractor contracts and approved purchase orders.

Revenues: Total Project Related Revenues:

- Actual and encumbered revenues to date are \$5,675,631 compared to the adopted annual budget of \$13,272,502 or 42.76% of the budget recognized and encumbered for the reporting period.

Total Carryover: Project Related Revenues:

- Actual and encumbered revenues to date are \$2,056,848 compared to the adopted annual budget of \$2,056,848 or 100% of the budget recognized and encumbered for the reporting period.
- The carryover revenues relate to the Regional Traffic Signal Phase 1 Program project design and construction work through June 2012.

- Work under these projects is proceeding as scheduled.

Expenditures: Total Project Related Expenditures:

- Actual and encumbered expenditures to date are \$5,675,887 vs. the adopted annual budget of \$13,272,502 or 42.76% of the budget recognized and encumbered to date.

As a final note, the SPC auditors have finished the audit of the SPC financials for the fiscal year ending June 30, 2011 and they are in the process of issuing the draft audit report for review by the SPC Audit Committee before being presented to the full Commission at the December meeting. No issues or reportable findings have been uncovered.

6. Regional Traffic Signal Program - Domenic D'Andrea

Mr. D'Andrea presented an update on the first cycle of projects for the Regional Traffic Signal Program. The program started in 2008 as a result of a needs survey that was an update of the 1996 needs survey. From these surveys and information from our planning partners at PennDOT, it was determined that 80% of our traffic signals needed work. About 22% needed a major overall; 26% needed equipment update and retiming; 31% were adequately equipped, but needed to be retimed. There are 2,700 traffic signals in the 10-county region. From these survey efforts and with support from commissioners who championed these efforts the Regional Traffic Signal Program was created.

SPC's Regional Traffic Signal Program-Overview

Why is this important?

- Reduce congestion
- Improve safety
- Improve mobility
- Reduce the overall number of vehicle stops
- Reduce fuel consumption and negative
- Impacts to air quality

Program Process - SPC's Regional Traffic Signal Program-1st cycle

- SINC-UP Projects-12 projects (144 intersections)
- SINC-UP Projects-12 projects (144 intersections)
- SINC Projects-10 Projects (84 intersections):

22 projects, 228 intersections, \$3.75 million budget

COMPLETED

Applications received/projects selected	November, 2008
Develop/Execute 3 PennDOT Agreements	April, 2009
Contract with Selected Engineering Consultant	June, 2009
Develop/Execute 14 Municipal Agreements (40)	December, 2009
Preliminary Engineering/Final Design Completed	July, 2010
Advertise for Bids (3 contracts)	August, 2010
Open bids/Award/Notice to Proceed	November, 2010
Construction Phase	December, 2011
After studies	March, 2012

OTHER FIRST CYCLE ACTIVITIES

LED Purchase Program

- Reimbursed 10 economically distressed communities 50% of purchase cost of LED module.
- Five of these municipalities were 100% converted to LED as a result of this program.
- Baden Borough (75% reduction, \$3,000 annually) and City of Duquesne (85% reduction, \$1,400 annually)

Outreach/Training Activities

- Webpage additions
- 8 LED Workshops completed
- International Municipal Signal Association Traffic Signal Technician Training (over 30 people certified Level 1, over 20 people certified Level 2)

OTHER FIRST CYCLE ACTIVITIES

Asset Management Database

- All signals currently Google mapped on our website.
- Asset Management application that combines database information with web-mapping completed. Updates are on-going. Will be used by SPC and others to maintain current information on traffic signals.

Mr. Grata asked if right turn on red arbitrarily placed right turn on red restrictions be considered as part of this Regional Traffic Signal Program. Mr. D'Andrea responded that is looked at sometimes. One borough recently passed the removal of no turn on red. Most of the time the no turn on red is instituted because of a sight distance problem.

7. Staff Report/Other Business/Announcements – Jim Hassinger

Dr. Hassinger reported to the Commission that we're working with partners to make things happen as illustrated by some of the programs presented today. As mentioned earlier, our Partners for Regional Economic Progress application has been submitted; we are already engaged in activities that are complementary and we're working hard to make them better. The activities that you initiate here, and continue to support are very important in continuing to make things happen even in these difficult times.

On the next Commission meeting date of December 12, 2011, we are calling a Southwestern Pennsylvania Corporation Board and Members Meeting and a Southwestern Pennsylvania Regional Corporation Board and Members Meeting in addition to the regular Commission meeting. We have some close-out items needed to finish up the work related to the corporate structure now that we are out of property ownership.

The annual Ethics Policy Disclosure Statement is due and we ask Commissioners to review, sign and return to us as soon as possible.

8. New Business – None

9. Adjourn

There being no further business to come before the Commission, the meeting was adjourned at 5:40 p.m.

Respectfully submitted,

Steve Craig
Secretary-Treasurer