

**STATE TRANSPORTATION BOARD
MEETING MINUTES
9:00a.m., Friday, December 17, 2010
Mohave County Board of Supervisors Auditorium
700 West Beale
Kingman, Arizona 86401**

Pledge

The Pledge of Allegiance led by Bill Feldmeier.

Roll Call

Roll call by Board Secretary, Mary Currie.

In attendance: Bob Montoya, Bill Feldmeier, Felipe Zubia, Bobbie Lundstrom (absent), Victor Flores, Steve Christy (telephone), and Kelly Anderson (absent).

Opening Remarks

Chairman Montoya thanks the city of Kingman, Mohave County Board of Supervisors for their hospitality and the wonderful job last night with the dinner. . Driving down Route 66 brings back memories. In one of his former lives, he used to have a service station in the 1960's and this morning when he and Bill were driving from the motel to this auditorium, he was reminiscing about how the service station business has really changes over the last 40 years.

Today is a bittersweet day for him. It is his last meeting on the ADOT Board as an official Board Member and as Chairman. He has had a great year and he wants to thank Kingman for hosting his last meeting.

Bill Feldmeier presented a gift from all the Board Members to Bob for his service. He also thanked Felipe for helping them put this together for Bob.

Call to the Audience

Mayor John Salem: Expressed his thanks for the Board coming to Kingman. They are really going to miss Bob. They are very pleased with the performance of the ADOT Board with respect to their area. Over the years, they have developed a good relationship with ADOT and they hope to continue many more years with that relationship and networking with all of them. He is here to say thank you for all of the wonderful things they have done for the Kingman region in the last couple of years even with the new bridge. There have been several pavement preservation projects in and around the Kingman area that he knows would not have happened without the efforts of this Board and the ADOT staff. They would also like to express their gratitude for retaining the Rancho Santa Fe interchange on the 5 year plan. They understand that at this time, they are facing many funding challenges that would really help different areas around the state. In the Kingman area, they have a couple of interchanges that they would really like to see go through. The fact that ADOT is, retaining the Rancho Santa Fe interchange really speaks volumes to the efforts in maintaining what they have in rural Arizona.

Gary Watson, Mohave County Supervisor.: He expresses thanks for coming and presents a lapel pin for their appreciation for the Board coming to Mohave County.

Mayor Anthony Smith, City of Maricopa: He asks for the support of Board Agenda Item 8e. This is SR 347 and Union Pacific Rail Road. This is a route and intersection that is traveled by not only the city of Maricopa but Ak-Chin Indian Reservation Communities, Gila River Indian Community, the County, and people who are going from the metro Phoenix area to San Diego. Just recently the intersection had been approved as a double track project. There are a number of trains that go through Maricopa, sometimes 40. Now the number of trains that will be going through that intersection are about 70 as an estimate. There are also plans for this to be triple tracked. When they go through Maricopa at about 70 miles an hour, there have been fatalities in the past and they are trying to prevent fatalities in the future. There is extreme congestion also in this area; approximately 35,000 cars per day that go through this intersection. This includes about 2,000 school children who are traveling on buses and also the casino charter buses. The city of Maricopa, even during these tough alleged times is allocated matching funds of \$500,000 towards this project. for FY2011. They have had Engineering Development Fund money and District Minor Fund money which is much appreciated to advance this project towards being shovel ready.

Bob Riley, Director of Economic Development, Kingman Airport Authority: With him today is, Brenda Chastain, Director of Corporate Administration. They are both past presidents of the Arizona Airport Association. He and the elected officials in the area welcome the Board to Kingman and say thank you for the continued support for the development of the airport system throughout their state. Kingman airport has been a beneficiary of the funding that they have provided. Numerous improvements to the airport have been made as a result of all the efforts. They looked forward to working in the future with ADOT and they are proud to say that they are working with ADOT now.

Paul Johnson, Deputy Mayor of Yuma: He is attending on behalf of the City, Yuma County Board of Supervisors, Yuma Metropolitan Planning Organization, and the towns of San Luis, Somerton, and Wellton. For a long period of time, there has been a dispute in the community on how to connect SR 195 to US 95. They have been going through an extensive study on it and it has been a matter of great controversy in their community and he is here to report to the Board that they have come to an agreement and should have a hearing in the Spring. They have three resolutions here today, the city, YMPO, and Yuma County and they will be resolutions for the other communities who supported it and are also the cheapest for ADOT to build. No one loves the idea but it is something they can all live with. It has taken a long time for them to come to a consensus on this but they have done it and it is the cheapest solution for ADOT.

ITEM 1: District Engineer's Report -- Mike Kondelis, Kingman District Engineer

He welcomes everyone to Kingman. Last year they thought this Board Meeting may coincide with the opening of Hoover Dam Bypass. It was close, but fortunately the project finished a few months early rather than 2 months later. Several members of the Board attended the Opening Ceremonies which were held on October 14th. The bypass opened on the weekend of October 19th. After 9/11 and with the truck restrictions, they were seeing holiday traffic with peak counts at 11,500 vehicles a day. Over thanksgiving, the next day and that Sunday, they were almost 20,000 vehicles a day. Normal traffic flow now is around 12,000 – 13,000 vehicles a day. SR-68 and the detour route are not very heavily used so that is a nice easy drive now.

South of the Bypass project they had with US-93 to MP217 project, it has been a great project for the Kingman district and for ADOT. In May 2006, they were given the funding to do that whole project as one. Initially it was designed as four separate projects which would have taken a lot of years to

complete. They wanted to open that 15 miles which completes the four lane going through Kingman to the state line at Hoover Dam. They got the project under construction in January last year and they were able to open up all lanes by November 23rd. It was the biggest project that they have had in the Kingman district. It was about \$71M. One of the challenges that they had was that they were working in within a National Park and they were very particular about how the road way looked. The old and new road had to look the same, so they put a lot of work for more beautification. The Park Service is very happy with it and consider it an asset. They did finish the North end in time for opening the bypass.

On 93 south, where they have been working for the last 15+ years, they have finished the center section which is Wikieup up to Santa Maria River that has been completed for a couple of years. Over the past 3 years they have been working on a large segment which is Wikieup to I-40. They have completed four projects there, and have two more that they have combined into one construction project. This is a big project as well, it is about \$26M and it is converting another 7 miles of roadway into four lanes. It is a two year project, to be completed in about 1 year. In the north section, that leaves 3 projects and we will have that 3 miles including the four lanes as well. Two of the projects for ARRA program for FY2014 and the center one is not programmed yet. They are hopeful to get funding to complete and have about 75 miles of that stretch completed with new roadways in the next several years. They have heard this morning a little bit about the interchange projects in Kingman between the Rancho Santa Fe Parkway formally known as Rattlesnake Wash interchange. They will continue to look for ways to be able to build that project. Again it is a joint project with the city of Kingman.

Also another project on the US 93 corridor where US 93 and I-40 intersect. They are going to start design concept report right after the first of the year. They have a consultant selected and that will be about a 2 year process. Back in the mid 1990's there were three bottlenecks identified on US 93 CANAMEX corridor. One was Wickenburg and that has been addressed with the interim Bypass. The second was Hoover Dam and this is the third. They want to be able to at least get something on paper so they know what they have to look for programming. They have had a number of smaller projects, pavement preservation, and bridge projects on I-40. With these projects coming up they will have completed all 11 miles of resurfacing of I-40 from the state line of California through Kingman. They are going to continue looking at projects over in the Seligman area and keep working on I-40. Another project that is important here in the Kingman area is the stretch from Grandview Road to Ranch Road more commonly known as Coyote Pass. It is the section of 93 that used to go to Las Vegas. They do have a project planned and will probably begin right after the first of the year and can plan on constructing that next spring and summer.

In the western part of the district, they have been working on the SR 95 realignment for a number of years to provide an alternate connection from SR 68 around Bullhead City and Mohave Valley and connect on I-40. That is a full on environmental impact statement and DCR. It is still about 3 years away in 2014. That will be a very expensive project; about 42miles of new roadway. They did complete a feasibility study for an alternate route for SR 95 around Lake Havasu City. They are looking for some funds and take that one to the design concept report phase as well. That is the next priority on the list.

ITEM 2: Director's Report – John McGee, Executive Director for Planning and Policy

Mr. McGee sends Director Halikowski's regards to the Board. He was not able to attend today because of a prior commitment and wishes that he could be there. He thanks the city of Kingman for hosting the great event last night. He also thanks Mr. Montoya for his many years of service and dedication to the Board. He will be missed.

- A) There are a couple of items that he wants to report on very briefly.
- Sedona Route Transfer – On November 23rd, the Sedona city council met on the route transfer. It was a great meeting, very positive. The tone was very cordial, very professional. The city council had a number of questions and they were all good questions. He believes that ADOT staff was able to answer those questions completely and thoroughly. In the end, the Council seemed pleased with the answers that they heard. There was some opposition expressed from some council members, but a great deal of support was also given on behalf of the council. At the end of the meeting, the council did vote unanimously to move forward with a public hearing process in order to gauge public support for the route transfer. The council members also expressed their gratitude to the Board with the time extension granted to the City to go through that process. It was a very long meeting. ADOT staff answered questions for close to an hour and a half, but it went very well.
 - San Luis II Port of Entry – Mr. Feldmeier and he along with several of the ADOT's staff attended the opening ceremonies for the San Luis II Port of Entry last week. Governor Brewer was there, attended the event, and spoke along with three or four other dignitaries. During the course of those remarks, ADOT received many warm thanks for their investment in the Yuma region. They had the opportunity to tour the port. It was a very impressive facility, state of the art, with great expansion potential. The Yuma region and particularly the Yuma Port Authority were commended for their foresight and determination in bringing this to reality. The facility will add greatly to the development of the region and the state as a whole.

ITEM 3: Consent Agenda

Motion to approve the Consent Agenda by Mr. Feldmeier and a second by Mr. Flores. In a voice vote, the motion carries.

ITEM 4: Financial Report – John Fink

November HURF results:

- November HURF was \$96.1M, that is up 1% when compared to last year's results but it was down a little bit compared to the estimate. For the year now, HURF stands at \$490.4M, up by 1.2% compared to last year and down slightly compared to the estimate. This month's HURF results include a \$2M one time reversion of funding that was previously transferred to DBS, if this is backed out of this year's revenue, they are right on estimate at \$400,000.
- By category, gas tax revenue for the year is \$188.4M. That is up 1.4% compared to last year but is down about 1.2% compared to the estimate.

Chairman Montoya: He makes the observation that the gas tax is increasing. Right now the average price of gas is \$3 a gallon. It is unfortunate that they did not have the foresight to put a percentage on what they were going to be selling tax as far as gas tax. The only people who are making money are the gas companies.

John Fink: The analysis that they have done view just the current gas tax at \$0.18 for both inflation and changes in fuel efficiency. The gas tax at both the state and federal level would have to be about \$0.40 a gallon.

- Use fuel tax revenue for the year was \$74.3M, that is up 7.4% compared to last year but is down about 1.6% compared to the estimate.
- With regard to the category results, the weakness still continues to be VLT. It is the only category where the results continue to below last year. YTD revenue is \$135.8M, this is down 5% compared to last year and is down 3% compared to the estimate. November new car registrations were up 1.7% compared to last November. Despite that increase it is still running at annualized rate in car registrations, that is about half of what it was 3 – 4 years ago. Through the first 5 months of the year, the average car value is up 5% compared to last year so people are buying new cars, more expensive vehicles. On the downside, revenue from renewal registrations is down almost \$19M compared to last year even though the number of renewal registrations for the first five months is up slightly. Finally, a year or two ago the legislature passed a law that authorized 5 year VLT, thus far there have been a little over 15,000 vehicles that have taken advantage of the ability to register their vehicle for 5 years and pay 5 years of VLT. The revenue is included this year because it was essentially prepaid. It keeps the years of VLT and keeps the results from being impacted.

Regional Area Road Fund:

- October RARF was \$24.8M. This is up 3% compared to last year. This is the first positive year over year revenue seen in RARF in 36 months. That is going back to October 2007. October is still down by 1% compared to the estimate.
- For the year, RARF stands at \$96.9M. That is down about 2% compared to last year and down about 3% compared to the estimate.
- By category, retail sales are about \$45.5M that is down slightly compared to last year and is down about 4% compared to the estimate.
- On the RARF side, the weakness continues in contracted revenue that stands at \$9.2M and that is down 16.8% compared to last year and down 6.3% compared to the estimate. He keeps looking for a bottoming in the contracting revenue but it never seems to happen. This is continuing a downward decline. At some point, this can only drop to 0 and there has to be some level above 0 where it will stabilize.

Aviation Fund:

- November revenue was \$6.6M. That is a significant upward change from last year's \$462,000 and was due to early received applied property tax. It is also up considerably compared to the estimate.
- Year to date revenue is about \$11M, almost double last year and almost double the estimate.
- By category, applied property tax due to early receipt totaled about \$5M and federal grants totaled about \$4.26M.

Investment report:

- The average investment balance for November is \$1.13B. They have 99.84% of that invested.
- November interest received was about \$661,000 for annualized yield of 0.71%.
- YTD interest received is about \$3.5M and that is an annualized growth of about 0.81%.
- In terms of HELP Fund cap balance, that stands at \$70.3M as of the end of November and they currently have four loans outstanding totalling about \$5.4M.

ITEM 5: Financing Program – John Fink

He will talk about the upcoming Grant Anticipation Notes or GAN issuance. He has included in the reports a copy of the time table for this issue and also a copy of the Draft of the Official statement for the issue. They plan to print the Official statement the week of December 27th. They are still planning pricing the week of January 10th however that is subject to conditions and plan to close approximately 2 weeks after that. They are anticipating ratings for the issue in the next few days. They are expecting that the rating agencies will turn ratings at the levels for the GAN program. He notes that the Municipal market has been extremely unsettled over the last several weeks due to a number of factors. Rates have risen significantly in the past several weeks. The plan is to be somewhat less full with the pinning of the pricing of this issue and they could delay somewhat if the market does not cooperate. Finally, in the District Engineer's report, it mentioned a couple of the US 93 projects that are going to be starting very soon. They are planning to use the proceeds of this issue to starting at least a portion of two of those projects.

ITEM 6: Adoption of Authorizing Resolution, Grant Anticipation Notes, Series 2011
John Fink

They are requesting approval of the Supplemental Resolution for the ADOT Series 2011A, Grant Anticipation Notes. This resolution supplements and amends the Master GAN resolution that the Board adopted on June 9th, 2000.

They are recommending the approval of the resolution authorizing the issuance allowance up to \$170M for Series 2011A Grant Anticipation Notes.

Motion to approve the Grant Anticipation Notes Series 2011A by Mr. Flores and a second by Mr. Zubia. In a voice vote, the motion carries.

ITEM 7: Multimodal Planning Division Report – Jennifer Toth

In the long range transportation plan that is What Moves You Arizona is really focusing division of bqAZ and developing the goals and objectives. Those goals and objectives have been completed and presented to the team and will be presented to the policy committee at the next meeting probably at the end of January or beginning of February. In addition, the team has drafted two baseline alternative investment choices which are two different ways of spending the funding based on the different modes and also based on three different topics: preservation, modernization, and expansion. The baseline being those projected revenues over the next 25 years. In addition, they will be developing how the investment choices perform based on performance measures associated with the goal objectives. In regard to the planning assistance for rural areas, they recently selected 16 new ARRA studies to the tune of about \$3.5B. Those are all funds that are provided to rural areas for planning systems ranging from transit, trail, and multimodal transportation system studies. The city of Kingman was the

recipient from last round and that project will be finishing up very soon. Bullhead City was also a recipient from the last round and Lake Havasu City will be in the most recent round of studies.

ITEM 8: Priority Planning Advisory Committee (PPAC) – Jennifer Toth

She proposes to take Items 8a – 8d as one item and then Items 8e – 8i as one item.

Felipe Zubia: Requested a presentation on this item

Items 8a – 8d, the first four items are related to advancing SR 802 known as the Gateway Freeway from 2016 into 2012. The city of Mesa is providing the funding to advance the project. The HPANS or the Highway Project Advancement Notes was established about 10 years ago to help cities do this type of thing. The city has a liability associated with the HPANS and the city of Mesa has also done this in the past. The difference is that some are for SR 802 and some for SR 24. The route numbering committee has established that the actual route number should be SR 24 instead of 802 which was just a planning placeholder number and will be moving forward with calling that SR 24 in the future.

Felipe Zubia: He has a question with regard to the name change. As he understands, that is a Board action to change the route name, is that a Board responsibility?

Jennifer Toth: To her knowledge the route numbering committee is an internal committee to ADOT that establishes the route numbers.

Unknown speaker: The number will be changed through a Right of Way resolution which usually goes under the Consent Agenda.

Felipe Zubia: So just for clarification, that is a Board responsibility?

Unknown speaker: Yes.

Felipe Zubia: Since it is the Board's responsibility to do that, he just wanted a little bit more of an explanation. He understands that the 802 is a placeholder but what was the reason for changing it to 24 and going away from the loop numbering system?

Jennifer Toth: As the route numbering committee noted that there were a number of actual projects, 802, 801, north – south corridor, there were a few others also. As to what they should be numbering them convention wise. Convention-wise numbers within the east – west direction are even numbered routes and odd numbers are north – south routes. The loop configuration generally has 3 digit numbers versus 2 digit numbers. The SR 802 as it is, is not a loop configuration route, it is actually an east – west corridor. Looking at the route numbering system that is in place, it shows numbers that met in between the different numbers associated with the east route – west route as well as the north – south routes. Once those are established by the Board through resolution with the Right of Way, those would also need to be established through the AASHTO route numbering committee for their approval as well.

Felipe Zubia: He brings that up because the Board is not really responsible for much but the things that they are, he would really like a more detailed explanation. He assumes at some point then the same thing will be done with 801.

Jennifer Toth: She recommends to do a briefing at a Study Session on what the route numbering committee came up with the and what the preferred route study has associated.

John McGee: The January study session, at this point, has a number of planning items that Jennifer is going to be presenting on activities that will be going on in her area. He suggests that this is added to that agenda and she can report in depth on that process.

Felipe Zubia: He has a number of questions regarding these routes. He approached Mr. McGee before the meeting and he answered probably one of the more critical questions and that has to do with the HPANS and clarified that this is separate from what the HELP loan would be. In fact one of the other questions was alluded to which was the north – south freeway and how this ties into that. Another question, again they are only talking about the portion that ends at the Maricopa County line, so what happens after that. Is it a dead end freeway? What is being done to plan for the extension into Pinal County? He understands the importance and the timing of this particularly for the challenges that Maricopa County is facing with the EPA and trying to get this in, but he really does want a little bit more of an explanation beyond what is here. If it is okay with the staff and okay with the Board, he would like a more full presentation of this whole item maybe even at the work session and then possible action at that point. He thinks that this still meets MAG's timing and that gives the Board a little bit more time to kind of understand it and make again an appropriate decision.

For the record, in case the Board does want to continue it. He has mentioned what happens in Pinal County. The other issue is that he did note in one of the items, Item 8b, that there are STAN funds involved. He would like an explanation as to how that money came back because he thought it was swept previously. He thinks there are a lot more questions in here than they have dealt with over the past couple of years that he thinks needs to be discussed.

Jennifer Toth: She can address the Pinal County portion now.

Bill Feldmeier: He is in agreement, he would like to know more about this and he thinks that the Study Session would be a good time to explain. His question was when he prepped for this meeting, he circled \$148,200,000, and then Jennifer piqued his interest when she said that it was a funding amount that was being advanced by Mesa and then it will be paid back. They just want to get it going quicker so they will put the money in so the project moves ahead faster?

Jennifer Toth: Yes.

John Fink: He has been working on this topic for a number of years, relative to the advancement of financing. They are now at a point where Mesa is ready to advance the construction of the project. Mesa had previously issued HPANS to advance the design of the Right of Way acquisition. Those at HPANS were issued probably 1.5 – 2 years ago, about \$20B and that has pretty much extended those funds and are now at the point where the project is ready for construction. Mesa has issued, again \$148M, of HPANS state fund at no obligation to repay those. They will be secured by excise taxes that the city of Mesa collects. The only obligation of the state is to use program dollars as they are available to repay the HPANS and be repaid in the year that this project was currently programmed for in 2016. They were expecting to close on the project to occur is when the timing of that repayment will be. If those amounts are unavailable for any reason the State would have the obligation to pay. With regard to Mr. Zubia's question, last year the legislature due to the number of reasons including the fact that Mesa is interested in having some of the standpoint that was previously swept from this

project restored, the legislature did create a mechanism that would withstand statutes where the director was authorized to establish a sub-account and was authorized to transfer up to \$10M of STAN funds to that sub-account. The way to establish that it was written, the only project that qualifies for a \$10M transfer was this project. There were no other projects statewide that would qualify. It had to be the projects that had an originally approved STAN funding. In August the director did establish that sub-account based on his recommendation and the amount of \$10M was transferred to that sub-account. There is \$10M of the STAN funds that has been awarded to this project.

Felipe Zubia: He wants to make a motion to move on and avoid all the details of the project. The next study section is on January 4th. He makes a motion that the Board continues this item for discussion and possible action on January 4th.

Victor Flores: Jennifer, do they all coincide, can you not extract one or two of these and move on now? Is the STAN issue what is holding this up?

Felipe Zubia: All four go together so if one does not go the other three really do not matter is his understanding.

Victor Flores: He does not know why they cannot all stand together to agree. He needs to establish that this is the only program and that is basically all that is done, it is moved from 2016 to 2012 because the funding is being provided by Mesa. On Item 8b, there is the issue of STAN and made sure that it was noted that would designate that money to go directly to that project. They all seem to be separate and he does know what will happen when it is moved to January.

Felipe Zubia: Item 8a also had the item in there with regard to changing the highway designation.

John McGee: Because of the interconnected nature of the four items, he thinks it would be in the Department's recommendation that they have an action item in a Special Meeting after the Study Session in January to either approve or not approve those four items.

Motion made by Mr. Zubia and seconded by Mr. Feldmeier to continue Items 8a – 8d from today's meeting to January 4th in a Special Meeting after the Study Session. At that time it will be an agenda item for action. In a voice vote, the motion carries.

Jennifer Toth: Items 8e was spoken about earlier by Mayor Smith to establish DCR and environmental assessment for grade separation of SR 347 at the UPRailroad crossing. As noted, the city is splitting the cost with ADOT, they are putting in \$500,000 in addition to ADOT putting in \$500,000. The remaining items are signal projects as well as pavement preservation items and Item 8i is a MAP grant the FAA grant provided to the Phoenix-Mesa Gateway Airport.

Motion to approve by Mr. Christy and second by Mr. Flores for Items 8e – 8i. In a voice vote, the motion carries.

ITEM 9: State Engineer's Report – Floyd Roehrich

They have a high number of projects under construction netting at more than \$1.1B. Many of those projects are in the final stages. They only have about \$240M worth of work left on those existing contracts. As they are getting into the holiday season, a number of the projects either shut down or

slow down, although there will still be active work zones out there. Construction will pick up again after the first of the year as people come back and continue the project.

Steve Christy: Requested a brief update of the widening project on I-10 from SR 87 to Casa Grande.

Floyd Roehrich: The contractor has most of the area opened up as far as clearing. He has quite a bit of the barriers up and a number of activities working and has isolated some of his work zone areas. He is clearing up some of the intermittent activities so he can start building the major earthwork and open up long stretches of the road. He does know that one issue with ARRA work that he had a problem with and it looks like the district worked with him to resolve that. Overall the project is probably going right on track or going a little slow but they are seeing activities shift in place that will allow him to increase his productivity when they complete some of these intermittent pieces of work.

Steve Christy: The bridge at the interchange from I-10 over to SR 87 towards Coolidge, as part of the project, that will be a major factor in that project. Are there any time frames on when that might be addressed in addition to the current widening?

Floyd Roehrich: That is going to be a very critical element for this project. He does not have the details on that activity. With the Board's permission he will get a summary pulled together from the project team and get that sent to the Board by this afternoon or no later than Monday.

ITEM 10: Construction Contracts – Floyd Roehrich

There were 9 contracts this month, 6 were awarded on the Consent Agenda. The total amount of the award is \$133M. This creates a lot of activities as they meet the spring timeframe within the next 40 – 60 days.

The first one is a project in the town of Bisbee. It is a rural government project that has to do with constructing a pedestrian path and other amenities associated with landscaping and earthwork. This project was originally estimated at \$2.2M and then came to \$1.7M about 23% under the Department's estimate. After evaluating the bids with this contractor and related bids, they feel it is a competent bid. The contract has worked in the area and has significant amount of resources available. He is able to do mobilization as well as the amount of equipment that he has. They are receiving great prices with asphalt, concrete, and production in that area.

Motion to approve by Mr. Flores and second by Mr. Zubia Item 10a. In a voice vote, the motion carries.

Item 10b is a project on SR 95 in the vicinity of Parker. This is a project to take out emergency flashers and put in a traffic signal. It is a small project isolated in the area. The Department's estimate was \$160,000. The lowest bid was \$132,000 that is 17.3% under the Department's estimate.

Motion to approve by Mr. Feldmeier and second by Mr. Zubia for Item 10b. In a voice vote, the motion carries.

The last project, 10c is an HOV construction project that is widening to the median on SR 101. This completes the HOV loop system on SR 101. The project limits are from I-10 in the West Valley all the way around and past I-17 to approximately Tatum Boulevard. The joint venture is the low bidders of Kiewit and Sundt and bid just under \$90M which is \$22M under the Department's estimate. They feel it is a competent bid and recommend the Board award Item 10c.

Motion to approve by Mr. Flores and second by Mr. Feldmeier for Item 10c. In a voice vote, the motion carries.

ITEM 11: Fain Road Update – Dallas Hammit

Fain Road is a connector between SR 69 and SR 89. It is a connector between I-17 and I-40 below 5,000ft. When there is a snow up in the Flagstaff area, vehicles can take this route and stay out of the downtown areas of Prescott and Prescott Valley and bypass the higher elevation. Recently the city of Prescott completed a project with the Board that took a high grade intersection and made it into a traffic interchange again making the road a little bit safer. Two months ago, the Board awarded a project to F & F construction that began work this week to take away another high grade intersection and widening ADOT's portion of SR 89A spur.

A draft IGA is being worked between Yavapai County and ADOT. ADOT will take ownership and maintenance of Fain Road. At that point they will construct a project which is about a \$30M project that would take an existing two lane roadway and change it to a four lane divided roadway, complete one interchange, and then signalize a high grade intersection. At the same time, Yavapai County will take ownership of sections of SR 89 between SR 69 and SR 89A. SR 89A is very close to being completed and once it is done they will have an understanding on the two different route transfers. Both will be depending on the Board's action and then eventual funding for the project.

Bill Feldmeier: How much more time will it take to complete the IGA?

Dallas Hammit: Depending on the reviews, he thinks that he can have the details done within a couple to three weeks.

Bill Feldmeier: Then that would be scheduled for the January meeting?

Dallas Hammit: Typically the IGA's do not go to the Board. They definitely can present updates but do not require any Board action.

Bill Feldmeier: If the Board does not need to approve, then he is fine with that. He would like to have the update that it is completed.

ITEM 12: 2011 Draft Board Meeting & Public Hearing Dates and Locations – John McGee

Victor Flores: Notes what is not noted here is the July and August locations, they are tentatively finalized with Globe meeting in July and Williams in August.

John McGee: All of the cities noted other than the July and August which are To Be Announced, we received confirmations that they are willing to host the Board. He moves to approve everything except for the July and August and once they are confirmed bring those back. Because of the state Furlough requirements in August and September Board meetings will have to be held on Thursdays.

Motion to approve by Mr. Flores and second by Mr. Zubia. In a voice vote, the motion carries.

ITEM 13: Comments and Suggestions

Steve Christy: Two items that have been brought to his attention from people in his district, one is that whenever there is an accident or issue on I-10 particularly between Casa Grande and Tucson, it

appears that when these events occur the entire system is shut down anywhere from a couple of hours to half a day. This completely impedes any traffic or commerce between there and Tucson and it basically just stops all traffic and can be for hours. A number of people have come to him and asked for a reason as to why this has to occur or why there cannot be other policies or plans in place to accommodate for that situation. This is not necessarily ADOT's fault for action that is involved in this but is probably DPS.

The second item involves ADOT properties in the Tucson downtown region. These buildings are needed for the redevelopment of downtown Tucson and a number of entities have interests in them. They came to the county several years ago and they are not up to date and ADOT has indicated that they will provide new appraisals for these properties. He is requesting an update on how the new appraisal process is going.

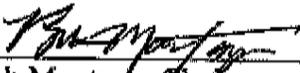
Chairman Montoya: John and Mary follow up on those items and he is sure that Mr. Feldmeier will be happy to put those on the Study Session Board Agenda.

Victor Flores: He wants to thank the Mayor and the people in Kingman for hosting this meeting and he publicly wants to thank the Chairman for his leadership and friendship. He will personally miss him and will be watching to make sure the next Chairman fills his boots.

Felipe Zubia: Shares Victor's sentiments.

Chairman Montoya: He also thanks Kingman and Mohave County for everything they have done for the Board and their gracious hosting of the events over the last six years when they have been there and he will miss the ADOT Board and staff.

Motion made by Mr. Flores and a second by Mr. Feldmeier to adjourn the meeting. In a voice vote, the motion passed.



Bob Montoya, Chairman
State Transportation Board



John McGee, Executive Director for Planning and Policy
Arizona Department of Transportation