

STATE TRANSPORTATION BOARD MEETING MINUTES
9:00 a.m., Friday, April 20, 2012
City of Flagstaff Council Chambers
211 West Aspen Avenue
Flagstaff, Arizona 86001

Roll Call

Roll call by Board Secretary, Lila Trimmer.

Board Members present: Bobbie Lundstrom, Victor Flores, Bill Feldmeier, Kelly Anderson, Hank Rogers, Joseph La Rue, Steve Christy

Call to the Audience

The following members of the public addressed the Board:

1. Matt Ryan, Coconino County Supervisor
2. Mark Woodson, Councilman, City of Flagstaff
3. Ron Barnes, President, Arizona Transit Association
4. Tim Schmid, Chief Estimator, International Surfacing Systems

ITEM 1: District Engineer's Report — John Harper, Flagstaff District Engineer

John provided an overview of the current projects: I-15 Virgin River-State Line, SR 64 Tusayan Street improvements and enhancements, I-17 Munds Park TI reconstruction, and SR 89A (NB & SB) Dry Creek – Airport Road. We have a number of studies for the I-17 Elk Fence, I-40 DCR Belmont to Winona, I-17 DCR SR 179 to I-40, the I-15 Feasibility Study, and Nevada State Line-Utah State Line. Arizona's first P3 project is in the Flagstaff District. The concept is to relocate and consolidate ADOT and MVD facilities in order to facilitate city roadway construction. We are achieving the highest and best use of property with close coordination with the City of Flagstaff and FMPO. John updated the Board with the future projects in FY2012, SR 389 @ BIA 50; SR 98 Potato Wash; US 160 five miles west of Tuba City; and I-40 Buffalo Range traffic interchange—Two Guns traffic interchange. Next summer, in FY2013 future projects are US 89A Fredonia- State Line, I-15 Farm Road TI, I-40 E. Ashfork TI – W. Williams TI, US180 Columbus Avenue-Snowbowl Road, I-17 Sedona TI-Stoneman Lake TI, US 89A Trail Canyon Creek, US 89 Gray Spot Wash-North Red Hill, US 89 Little Colorado River, I-40 Canyon Padre Bridge and SR 89A Jct JW Powell Blvd. and SR 89A.

ITEM 2: Director's Report — Floyd Roehrich

Neither a Director's Report nor Last Minute Items to report.

ITEM 3: Consent Agenda

Motion to approve Consent Agenda made by Bill Feldmeier and a second by Victor Flores, in a voice vote, motion carries.

ITEM 4: Legislative Report — Kevin Biesty

Kevin provided a report of current State and Federal legislative issues. The State Legislative session is coming to a close. The Governor's office issued a statement to the Legislature that she will not sign any bills before Budget. An update on a couple of bills, HB2061, Repeals the Highway Expansion and Extension Loan Program Advisory Committee (HELP) was signed by the Governor. Clarification, this is not the program only the advisory committee that is being

terminated. HB2491, Modular Mover Vehicles; use period was signed by the Governor. Basically what this bill does is put provisions of due process and enforcement mechanisms of toll facilities and remove any rebate provisions that were in the current law. It specifies factors the Department must consider before entering into a public-private partnership, and modifies the list of provisions that the Department may include in a public-private partnership. A bill that the Governor recently vetoed was SB1200, expressing concerns that would have allowed hanging political campaign signs on rural highways and interstates. This is not a smart thing to do.

Mr. La Rue's confirmation went through Caucus last week and we're anticipating it going to the floor, which is the final step. As soon as that vote goes through, we'll notify the board. They are still looking for a candidate for Mr. Feldmeier's position as well.

The Federal level area could get very complicated. Hopefully next week, we will have some conferees named by the Senate and House to go to conference. Hopefully, come to an agreement and put this long-standing authorization discussion to rest and come up with a long term solution. Also, on the Federal level, the department awarded the DC consulting contract to deal with the I-11 designation and getting folks together on the I-11 to Capitol Strategies and Alcalde & Fay. Kevin said he had a couple conversations with them this week; we're setting up short-term and long-term goals. By Monday or Tuesday, he'll send the Board an update. The I-11 designation is still in the Senate version and we anticipate that being included in whatever conference committee comes up with.

ITEM 5: Public Private Partnership (P3) Update — Gail Lewis

Gail offered an update. She's pleased to have a new member in the department, Stephanie Brown. Stephanie is the program manager. Some of the accomplishments, Kevin mentioned that the P3 amendment legislation passed. It was very important. On the first P3 project front, is one the in Flagstaff. One more RFP is for a contract to privatize the rest areas around the state. We are moving forward on a couple of potential highway projects, SR 189 in Nogales. This one is moving up the queue as well as the north-south highway in Pinal County. How tight budgets continue to be and how creative we have to be about moving projects around to try and meet the limited funds that we have. Anytime, we can do something using a P3 approach that is enabling us to use private sector dollars to supplement our own funds without losing control of our program. We're trying to do the most we can with what we have.

ITEM 6: & ITEM 7: Financial Report and Financing Program Reports — Kristine Ward

Kristine provided a financial and abbreviated review of the finances. Starting with HURF our March revenues, we brought in \$103 million and it's about 4.6% higher than 2011 numbers. We're 1.8% below forecast for the month and year to date; we've brought in about \$901 million in revenues. These are essentially the same levels of collections that we experienced in 2011. With regard to RARF, we collected \$26.2 million in revenues for the month with about 1.4% over last year at this time. Year to date we've collected \$239 almost \$240 million in revenues. We are 5.6% ahead of 2011 and .7% ahead of forecast.

With regards to the Aviation Fund for the month of March, we've collected \$1.8 million in revenues and we are 17.9% over last year at this time. However, we're -24.6% below forecast for the month. The reason you're seeing these variations in the percentages. We have had a change in the way the dollars are accounted for. We've also seen some delays of federal projects. But year to date, we have collected \$15.3 million, 18% below FY11 and then we're 3.4% behind forecast. With regards to our cash management, we have earned \$8.1 million year to date with a stunning yield of about .86%

ITEM 8: Eighth Supplemental Resolution — Kristine Ward

Kristine presented and recommended approval of Resolution Supplementing the Grant Anticipation Note Resolution Adopted June 9, 2000, authorizing the Board's anticipated issuance of Grant Anticipation Refunding Notes, Series 2012, in an amount not to exceed \$68,000,000.

A motion to approve the following Resolution was made by Steve Christy and a second by Bill Feldmeier:

**EIGHTH SUPPLEMENTAL RESOLUTION
Adopted April 20, 2012**

Which supplements and amends the GRANT ANTICIPATION NOTE RESOLUTION (adopted on June 9, 2000, as supplemented and amended to the date hereof) And authorizes not to exceed \$68,000,000

**GRANT ANTICIPATION REFUNDING NOTES
SERIES 2012**

Squire Sanders (US) LLP
Bond Counsel

Dated this 20th day of April, 2012

In a voice vote, the motion carries.

ITEM 9: Direction to Proceed Selection of Underwriters — Kristine Ward

Kristine presented and recommended approval of Resolution recommending appointment of Underwriters for the Board's anticipated issuance of Grant Anticipation Refunding Notes, Series 2012.

A motion to approve the following Resolution made by Victor Flores and a second by Hank Rogers.

**RESOLUTION OF THE STATE OF ARIZONA TRANSPORTATION
BOARD APPOINTING MANAGING UNDERWRITERS FOR ITS
PLANNED ISSUANCE OF GRANT ANTICIPATION REFUNDING
NOTES, SERIES 2012.**

The Board hereby appoints the following firms to act as managing underwriters in connection with its planned issuance of Grant Anticipation Refunding Notes, Series 2012.

Citigroup Global Markets Inc.	Senior Manager	60%
J.P. Morgan Securities LLC	Co-Manager	40%

The Board reserves the right to make changes in the management team designated above, it is deemed to be in the best interests of the state.

Dated this 20th day of April, 2012

In a voice vote, motion carries.

ITEM 10: Multimodal Planning Division Report — Scott Omer

First Scott stated the State Engineer was trying to get the answer back on the US 60 project. One note is that FY15 starts July 1st 2014. He wants to make sure that our development staff has delivery of the project. We want to make sure there's nothing in there that could slow up the delivery of the project, whether it's an environmental concern or something else. We will let the Board know before the next meeting.

Scott was happy to report that finally the Nevada Department of Transportation in partnership with ADOT advertised the Request for Proposals for the proposed interstate corridor. He read the title, Proposed Interstate Route Corridor Study from Casa Grande, Arizona to Las Vegas, and a Comparative Analysis of the Proposed High Priority Corridors from Las Vegas to the Canadian Border, and a Comparative Analysis of the Proposed High Priority Corridors from the Mexico Border to Casa Grande on last Friday, April 13th. The study will focus on 3 main objectives: 1) establish the purpose and need for the entire corridor including the economics of the existing and potential freight routes; 2) provide a multimodal systems-level Corridor Study; and 3) provide a detailed analysis for any right-of-way needs for the section of the corridor between I-10 in Arizona and I-15 for any areas not previously defined. The ultimate goal of the study is to identify the most feasible route. The schedule as printed, the Request for Proposals were issued last week. The RFP due date is May 9th and the anticipated notice of award of the RFP on July 23, 2012. That was in the email he sent to our subcommittee. He'll send that same email out to the rest of the board.

ITEM 11: Priority Planning Advisory Committee (PPAC) — Scott Omer

FY 2012 - 2016 Transportation Facilities Construction Program Requested Modifications.

ITEM 11A: is a project to construct dual passing lanes on US 160 @ MP 375.5. The design is not complete. **Requested action: Defer the construction project from FY2012 to FY2013 in the Highway Construction Program. New program amount \$2,250,000.**

Motion to defer Item 11A made by Victor Flores and a second by Steve Christy, in a voice vote, motion carries.

ITEM 11B: is a new project request for Local Government Project Tracking System statewide. Requested action: Establish a new project for \$300,000 in the Highway Construction Program. Funds are available from the FY 2012 Statewide Contingency Fund #72312. **New program amount \$300,000.**

Motion to approve Item 11B made by Victor Flores and a second by Hank Rogers, in a voice vote, motion carries.

ITEMS 11C, 11D, 11E, 11F, and 11G will be grouped together. Board actions are as follows:

ITEM 11C: is a new project request for design safety improvements on SR 90 @ MP 321.5. Requested action: Establish a new design project for \$458,000 in the Highway Construction Program. Funds are available from the FY2012 Highway Safety Improvement Program (Local Project) #72812. **New program amount \$458,000.**

ITEM 11D: is a new project request for design on SR 74 @ MP 22.4. Requested action: Establish a new design project for \$315,000 in the Highway Construction Program. Funds are available from the FY2012 Statewide Contingency Fund #72312. Request to approve this project will also go to the MAG Regional Council on April 25, 2012. **New program amount \$315,000.**

ITEM 11E: is a new project request for design and installation on I-19 @ MP 32.9. Requested action: Decrease the design project by \$2,650,000 in the FY2012 Highway Construction Program. See the change of funding sources below. Project Location name will change to Canoa Ranch, Sacaton, and McGuireville Rest Areas. Type of Work will change to "Design of Electronic Screening Equipment." Return to the FY2012 Coordinated Border Infrastructure Program #79612 \$-2,650,000; Replace with the FY2012 Ports of Entry Rehabilitation Fund #79312 \$800,000. **New program amount \$800,000.**

ITEM 11F: is a new project request for design of pavement preservation project on SR 83 @ MP 11.9. Requested action: Establish a new design project for \$250,000 in the Highway Construction Program. Funds are available from the FY2012 District Minor Design Fund #74412. **New program amount \$250,000.**

ITEM 11G: is a new project request for design right of way fencing on SR 95 @ MP 190.0. Requested action: Establish a new design project for \$231,000 in the Highway Construction Program. Funds are available from the FY2012 District Minor Design Fund #74412. **New program amount \$231,000.**

Motion to approve ITEMS 11C through 11G made by Hank Rogers and a second by Kelly Anderson, in a voice vote, motion carries.

ITEMS 11H, 11I, 11J, 11K, AND 11L will be grouped together. Board actions are as follows:

ITEM 11H: is a new project request for sign rehabilitation on I-40 @ MP 75.0. Requested action: Establish a new sign rehabilitation project for \$1,653,000 in the Highway Construction Program. Funds are available from following sources. FY2012 Sign Rehabilitation Fund #78312 \$1,188,000. FY2012 Statewide Contingency Fund #72312 \$465,000. **New program amount \$1,653,000.**

ITEM 11I: is a new project request for pedestrian safety improvement on SR 95 @ MP 244.3. Requested action: Establish a new safety improvement project for \$1,600,000 in the Highway Construction Program. Funds are available from the FY2012 Highway Safety Improvement Program #72812. **New program amount \$1,600,000.**

ITEM 11J: is a new project request for intersection safety improvement on SR 95 @ MP 246.0. Requested action: Establish a new safety improvement project for \$75,000 in the Highway Construction Program. Funds are available from the FY2012 Highway Safety Improvement Program #72812. **New program amount \$75,000.**

ITEM 11K: is a new project request to construct left and right turn lanes on SR 389 @ MP 30.0. Requested action: Establish a new construction project for \$900,000 in the Highway Construction Program. Funds are available from the FY2012 Highway Safety Improvement Program #72812. **New program amount \$900,000.**

ITEM 11L: is a new project request for drainage improvements on US 180 @ MP 415.9. Requested action: Establish a new construction project for \$400,000 in the Highway Construction Program. Funds are available from the FY2012 District Minor Fund #73312. **New program amount \$400,000.**

Motion to approve Items 11H through 11L made by Bill Feldmeier and a second by Steve Christy, in a voice vote, motion carries.

ITEMS 11M, 11N, 11O, 11P, 11Q, and 11R will be grouped together. Board actions are as follows:

ITEM 11M: is a request for pavement preservation on SR 87 @ MP 177.0. Requested action: Increase the pavement preservation project by \$1,400,000 to \$3,500,000 in the FY2012 Highway Construction Program. Funds are available from the FY2012 Pavement Preservation Fund #72512. Request to approve this project will also go to the MAG Regional Council on April 25, 2012. **New program amount \$3,500,000.**

ITEM 11N: is a request for pavement preservation on US 95 @ MP 0. Requested action: Remove funding from the pavement preservation project for \$3,100,000 in the FY2012 Highway Construction Program. Return the funds to the FY2012 Pavement Preservation Fund #72512. **New program amount \$0.**

ITEM 11O: is a new project request for pavement preservation on SR 87 @ MP 159.6. Requested action: Establish a new pavement preservation project for \$700,000 in the Highway Construction Program. Funds are available from the FY2012 Minor Pavement Preservation Fund #74812. Request to approve this project will also go to the MAG Regional Council on April 25, 2012. **New program amount \$700,000.**

ITEM 11O: is a new project request for pavement preservation on SR 87 @ MP 159.6. Requested action: Establish a new pavement preservation project for \$700,000 in the Highway Construction Program. Funds are available from the FY2012 Minor Pavement Preservation Fund #74812. Request to approve this project will also go to the MAG Regional Council on April 25, 2012. **New program amount \$700,000.**

ITEM 11P: is a new project request for pavement preservation on US 70 @ MP 279.5. Requested action: Establish a new pavement preservation project for \$300,000 in the Highway Construction Program. Funds are available from the FY2012 Preventative Pavement Preservation Fund #77312. **New program amount \$300,000.**

ITEM 11Q: is a new project request for pavement preservation on US 60 @ MP 251.8. Requested action: Establish a new pavement preservation project for \$420,000 in the Highway Construction Program. Funds are available from the FY2012 Preventative Pavement Preservation Fund #77312. **New program amount \$420,000.**

ITEM 11R: is a request for pavement preservation on I-10 @ MP 384.0. Requested action: Advance the pavement preservation project from FY2013 to FY2012 in the Highway Construction Program. See the change of funding sources below. Return to the FY2013 Pavement Preservation Fund #72513 \$-9,195,000. Replace with the FY2012 Pavement Preservation Fund #72512 \$8,195,000. **New program amount \$ 8,195,000.**

Motion to approve ITEMS 11M through 11R made by Victor Flores and a second by Joe La Rue, in a voice vote, motion carries.

FY 2012 - 2016 Airport Development Program – Requested Modifications

ITEMS 11S AND 11T will be grouped together. Board actions are as follows:

ITEM 11S: is a new project request for Design Airport Perimeter Road (approx. 18,000 lf) on H.A. Clark Memorial Field. Requested action: Recommend STB approval. FAA...\$0; Sponsor...\$17,500; State...\$157,500; **Total Program...\$175,000.**

ITEM 11T: is a new project request to expand the terminal building by approx. 60 ft. x 30 ft. including new restroom, private screening area, and all utilities on Yuma MCAS/Yuma International Airport. Requested action: Recommend STB approval. FAA...\$0; Sponsor...\$20,000; State...\$180,000. **Total Program...\$200,000.**

Motion to approve ITEMS 11S and 11T made by Victor Flores and a second by Bill Feldmeier, in a voice vote, motion carries.

ITEM 11U: is a new project request to construct climbing lanes on I-17@ 280.0. Requested action: Establish a new construction project for \$15,500,000 in the Highway Construction Program. Funds are available from the FY2012 Statewide Contingency Fund #72312. **New program amount \$15,500,000.**

Motion to approve 11U made by Victor Flores and a second by Steve Christy, in a voice vote, motion carries.

ITEM 12: State Engineer's Report — Jennifer Toth

Jennifer reported the status of projects under the Construction Report for March 2012 showed 116 projects under construction valued at \$900,325,430.68. The Transportation Board awarded seven projects during March valued at approximately \$7.7M. Year to date, we have finalized 84 projects. The total cost of these 84 projects has exceeded the contractors bid amount by 4.3%. Deducting incentive and bonus payments, revisions, omission and additional work paid for by others, fiscal year to date reduces this percentage to 1.8%.

ITEM 13: Construction Contracts — Jennifer Toth

Jennifer presented the recommended construction project awards that are not on the Consent Agenda.

ITEM 13a: The proposed pavement preservation project is located in Yavapai County on Interstate 17 beginning approximately five miles North of Camp Verde, at milepost 289.97, and extending north to milepost 299.15. The proposed work consists of milling existing asphalt, paving, bridge and riprap repair, guardrail and end treatment replacement, median crossovers, pavement markings and other related work. **Recommendation: Award to FNF Construction, Inc.**

Motion to approve ITEM 13a made by Steve Christy and a second by Joe La Rue, in a voice vote, motion carries.

ITEM 13b: The proposed roadway widening work is located on Avenue 3E in the City of Yuma, in Yuma County, beginning at Gila Ridge Road and ending just north of the 24th Street intersection. The proposed work includes reconstructing/widening the existing roadway; widening the existing bridge over the UPRR; pavement marking; signing; signal installation; and other related work. **Recommendation: Award to Skanska USA Civil West Rocky Mountain District Inc.**

Motion to approve ITEM 13b made by Hank Rogers and a second by Steve Christy, in a voice vote, motion carries.

ITEM 13c: The proposed work is located in Gila County within the City of Globe along US 60 between MP 251.15 and MP 251.21 at the intersection of US 60 and High Street. The proposed work consists of installing a Pedestrian Hybrid Beacon. The work also includes installation of sidewalk, sidewalk ramps, concrete curb and gutter other related work. **Recommendation: Award to Roadway Electric, LLC.**

Motion to approve ITEM 13c made by Kelly Anderson and a second by Hank Rogers, in a voice vote, motion carries.

ITEM 13d: The proposed scour retrofit project is located on the SR 84 in Pinal County west of the City of Casa Grande at Milepost 166.94. The work consists of constructing concrete floors underneath Santa Rosa Wash Bridge (Structure # 419). The work also includes construction of cut-off walls, shotcrete and other related work. **Recommendation: Award to Standard Construction Company, Inc.**

Motion to approve ITEM 13d made by Kelly Anderson and a second by Joe La Rue, in a voice vote, motion carries.

ITEM 13e: The proposed work is located in Navajo County on SR 87, from MP 346 to MP 364, approximately 5 miles northeast of Winslow. Part of this project is located within the lands of the Navajo Nation. The work consists of milling the existing Asphaltic Concrete (AC) and replacing it with AC and placing AC overlay. Additional work includes removing and replacing guardrail and guardrail end terminals, placing shoulder buildup, replacing pavement markings, and other miscellaneous work. **Recommendation: Award to Fisher Sand & Gravel Co. dba Southwest Asphalt Paving.**

Motion to approve ITEM 13e made by Victor Flores and a second by Steve Christy, in a voice vote, motion carries.

ITEM 13f: The project is located in Navajo County on State Route 260, west of the City of Show Low, beginning at Milepost 331.90 and extending east along SR 260 to Milepost 340.07. The proposed work includes microsurfacing of the roadway surface on both west and east bound of SR 260, striping and other related items. **Recommendation: Reject all bids.**

Tim Schmid, Chief Estimator, International Surfacing Systems filed a protest.

Motion to delay board consideration of ITEM 13f to allow interested parties to file a response to protest and proceed with bid protest requirements made by Steve Christy and a second by Victor Flores, in a voice vote, motion carries.

ITEM 13g: The proposed project is located in Maricopa County on I-8 starting at MP 96.00 and ending at MP 115.70, and on SR 85 starting at MP 0.50 and ending at MP 32.54. The work consists of crack sealing, and other related items. **Recommendation: Reject low bid, award to second bidder.**

5 voted in the affirmative; 2 voted in the negative; Results 5: 2


Motion to approve ITEM 13g made by Bill Feldmeier and a second by Victor La Rue, in a voice vote, motion carries.

ITEM 14: Comments and Suggestions

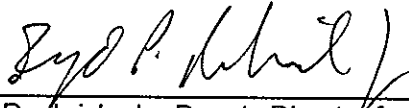
No comments or suggestions.

Motion to adjourn made by Victor Flores and a second by Steve Christy, in a voice vote, motion carries.

Meeting adjourned at 11:55 A.M.

*ACTING CHAIRMAN
KEITH O. ANDERSON*


Bobbie Lundstrom, Chairwoman
State Transportation Board



Floyd P. Roehrich, Jr., Deputy Director for Policy
Arizona Department of Transportation