

MINUTES
STATE TRANSPORTATION BOARD MEETING
9:00 a.m., Friday, October 19, 2012
Springerville Council Chambers
418 East Main Street
Springerville, Arizona 85938

Pledge

The Pledge of Allegiance was led by Victor Flores.

Roll Call

Vice Chair Victor Flores called a quorum.

In attendance: Joe La Rue, Steve Christy, Kelly Anderson, Bill Feldmeier, and Victor Flores.

Absent: Bobbie Lundstrom and Hank Rogers.

Legal Counsel

Lisa Maxie-Mullins (via telephone)

Opening Remarks

Bill Feldmeier: recounted that yesterday Jim Paxton (Chief of Information/Arizona Game and Fish Department) and Jack Husted (Commissioner/Arizona Game and Fish Department) gave the board members a tour of the mountain area south of town to see the Wallow fire damage and the devastation of over 500,000 acres that burned to the ground. He commented that the forest is unhealthy and has been unhealthy for a number of generations. It needs to be fixed. The tour was good and very much appreciated.

Steve Christy: added the impactfulness of the devastation the group witnessed and all of it being explained to them was something he would remember forever. He commented that in the transportation board duties and with ADOT staff, we seem to be preoccupied with traffic congestion, smooth roads, gutters, sidewalks, and pretty mundane things. The tour opened his eyes that the transportation department and the transportation system deals with more items than just that. The group saw what devastating affects fire and water can do to the transportation system, to the communities, and to the people. Steve also noted that last night, Jack Husted provided a great meal, good fellowship and fun, and thanked everybody for their hospitality.

Victor Flores: said it is a thrill to be raised in rural Arizona.

Call to the Audience

No one at this time.

ITEM 1: District Engineer's Report – Rod Lane

Rod Lane presented this very similar report back in June to the board. There have not been many changes to the new plan compared to the old plan. The district has 95 employees and they operate out of the five maintenance yards of Show Low, Springerville, St Johns, Superior, and Globe. A unique fact about the Globe District is there are no interstates and has 892 miles of roadway. The district is in a rural setting. The Wallow Fire was entirely in the Globe District and some of its impacts fell into the transportation system. There are 363 miles of scenic roads and 159 miles of minor collectors. In the district's current construction program are three preservation projects and one bridge replacement project, the San Carlos Bridge Replacement, which is about 75 percent complete. One new project west of Superior is for the State Park system, the Boyce Thompson Arboretum. This is a \$1 million project for the expansion of the parking facility, the entrance from US 60, new pipe culverts, and landscaping. This project will be under construction over the winter

months. Looking at the five-year plan, starting in 2013, Rod stated that this report has been seen before and would go over it quickly. There are no real changes from the previous report. In 2013, there are four modernization and six pavement preservation projects. One large project on US 60 is for rock fall mitigation. The project is ready to go out to bid as the plans are done. One change on US 180 for pavement preservation was moved up to 2014 from 2015. A big expansion project in 2014 on US 60 is the Oak Flat–Devils Canyon passing lanes section for \$10 million. It is still on schedule and has been combined with the rock fall projects to lessen the impacts. In 2015 there are three pavement preservation projects. One pavement preservation project on US 180 was moved from 2014 to 2015 and the rock fall project on US 60 was combined with an adjacent project. In 2016 there are two rock fall pavement preservation projects and one modernization project for fencing and cattle guard work. A breakdown of the five-year plan is in three areas: 17 Preservation Projects totaling \$53.03 million (43% of the budget); 2 Highway Expansion Projects totaling \$55 million (45% of the budget); and 10 Highway Modernization Projects totaling \$15.03 million (12% of the budget). The US 60 main corridor study, Superior to Globe, is moving along and we expect to have it done by 2013. The next two studies, SR 77 Taylor to Show Low, and SR 260 Heber to Show Low, are older studies. The draft reports are finished but challenging due to the new funding methods; we expect to move forward on those soon.

Steve Christy: Thanked Rod for the tour yesterday afternoon.

ITEM 2: Director's Report—Floyd Roehrich, Jr.

On the Director's behalf, Floyd gave an update of the Border Governor's Conference, which was held October 3-5, 2012 in Albuquerque, New Mexico. In attendance were six border governors including Governor Brewer from Arizona. There are three working strategies developed by the Border Governor's Conference to address various issues. Director Halikowski chairs the Logistics and Border Crossings Working group for the Conference. The Director's worktable group developed and submitted the following recommendations. The first item was to identify funding sources to develop and implement a web-based internet system for broadcasting cross-border information such as the border wait times as well as access issues, and other traffic-related issues for tourism, cargo dispatchers, and cargo transportation companies. In addition they are working on a request to the United States and Mexican federal governments, through the United States-Mexico Joint Working Committee (JWC) on transportation planning support and funding permanent bi-national regional border master planning processes that are ongoing to address economic development as well as the border security issues. The third item is to identify opportunities for public-private partnerships (PPPs) to bring in funding transportation infrastructure and land Port of Entry improvements. And, look to identify and support the necessary enabling legislation for the federal agencies to enter into those partnerships. Those are the three key focus areas for this work table. Over the next twelve months, the Director is leading this effort by calling meetings with the working group to come up with strategies that will become recommendations to adopt and move forward for implementation of these three initiatives at next year's Border Governors Conference.

This summer the Department initiated the Border Wait Time Study for the Mariposa Port of Entry. This is part of a border-wide priority for the United States and Mexican federal transportation agencies as well as the Border Governors Conference. Arizona installed five readers along the fiscal corridor in Nogales, Sonora. The readers will eventually give us the data of how many vehicles are queued up waiting to enter into the United States and how long those wait times are. We are currently in the process of furnishing transponders to the trucks that cross into Nogales regularly. The transponders are thin film stickers that are applied to the truck's windshield. They transmit only an ID number associated with the tag. The readers measure the time it takes that tag to move from a point along the road to the entry into the port and then again as the truck exits the port. We will know how long it takes to wait in line and how long it takes to go through the port of entry. We will know the time of year and the time of day when the lines are longest and shortest.

Based on that data, a series of steps will be identified to help lessen the wait times. The strategies will include everything from broadcasting wait times to help drivers make better choices, to suggested infrastructure improvements, and to process improvements at the port of entry. It will be at least January before enough transponders have been distributed to begin gathering the data and then several months to get a good body of data to see patterns and concerns. This is a complex process because of the need to set up readers in Mexico, distribute transponders to a large population of trucks, and work out any technical issues to get good data. We will continue to run this study for one year. The intent is to start compiling the information as Mariposa completes its improvements by 2014 and what we are going to do on the SR 189 Study as well as for future improvements.

***ITEM 3: Consent Agenda**

Motion to approve Item 3: Consent Agenda was made by Kelly Anderson and seconded by Joe La Rue, in a voice vote, the motion carries.

ITEM 4: Legislative Report — Kevin Biesty

Kevin gave a brief report of what is occurring at the State level and back in Washington, DC. The State is in the height of an election season with everyone busy working on campaigns. The department is keeping an eye on the initiative processes, specifically Proposition 204. The department has some concerns with Prop 204 though it addresses part of the funding problem in transportation, it may give voters the impression that transportation has been fixed. We have great needs in this State and a great financial burden lies ahead. The department is in the final stages of reviewing any possible legislation that we will run next year. Basically, they are looking at some efficiencies and fixing up some statutes that need to be either modernized or updated. Kevin said that if they do decide to produce a legislative package, he would have something for the board to look at in the next couple of weeks. On the Federal level, same thing, we have the presidential election and a number of Congressional members' elections. We are anticipating a Lame Duck Session of Congress after the election. Depending on the outcome of the presidential election, will greatly determine what is taken up in that Lame Duck Congress. If we get to the end of the year without any resolutions, there will be significant cuts not only to transportation but to all of the federal programs. Depending on who you talk to, you will hear different things and how big the magnitude is for transportation and what the solutions may or may not be. According to the White House and it that does occur, we are looking at about a \$1.5 billion cut to the transportation program, not just in Arizona but national. There is discussion that there may be a solution before the end of the year, the solution may blunt the impact, eliminate the impact, or just may punt the impact to the next Congress. We are in constant discussions with our delegation and if anything becomes clearer, we will let you know. The Department is working feverishly on implementing Map-21. Kristine and Floyd and the whole team are working with FHWA to figure out how pieces of that bill are going to be implemented and what that means. It is a two-year bill. We will keep you apprised on how we will move forward on state legislation. We will start to receive bills from the State legislation in November.

Bill Feldmeier: If that was a potential \$1 billion cut to Transportation; what percentage is that of the total?

Kevin Biesty: According to the White House, if the sequestration occurs, you are looking at a \$1.5 billion cut to Highway Real.

Kristine Ward: It is \$1.5 billion of \$40 billion.

Victor Flores: Kevin, you made a comment about ADOT having a problem with Prop 204. There has not been an official position taken by anyone other than the Governor's office and those that are opposing it. Correct?

Kevin Biesty: That is correct. The Governor opposes it. The Treasurer and other officials oppose it. Our concern again, whatever the vote's outcome is, there are issues of ambiguity in the flow language of the money that we are still trying to figure it out should it pass.

ITEM 5: Financial Report — Kristine Ward

Kristine reported that HURF revenues in the first quarter of FY2013 totaled \$299 million, an increase of .2 percent. Gas tax is sluggish as can be as we experienced the rate of \$3.70 per gallon prices compared to last year, which was \$3.41 per gallon at this time. The Use Fuel Tax and Vehicle License Tax (VLT) revenue categories continue to weigh on overall HURF revenue growth. Last year we ended off with \$1.2 billion in revenue. This trend takes us back to the revenue levels of years 2004 and 2005. The peak in 2007, we experienced a \$1.4 billion in revenue. We used to experience 5 to 6+ percent growth and we are not getting that. This year we forecast a .7 percent growth. In the first quarter FY2013, RARF collections totaled \$81.9 million, an increase of 4.8 percent above the first quarter of FY2012, but 0.5 percent below the forecast. According to ADOA, the metropolitan Phoenix unemployment rate decreased from 8.8 percent in 2011 to 7.4 percent in 2012. The FY2013 Aviation Fund revenue forecast is \$20.2 million, a decrease of 2.8 percent from FY2012. The sharp increase in collections was mainly due to the unanticipated revenue from the local government ten percent share of the Airport Pavement Management System project (APMS). The local governments do not have a scheduled payment deadline to submit their ten percent share of an APMS project before it can begin, which makes forecasting this revenue stream difficult on a monthly basis. In terms of cash management, our earnings for the month of September were \$893,000 at .9 percent.

ITEM 6: Financing Program — Kristine Ward

Nothing to report at this time.

ITEM 7: Multimodal Planning Division Report — Scott Omer

Scott reported that the I-11 project is now up and running. There was a public meeting last night in Henderson, Nevada. Mike Kies, director of Planning and Programming, attended the Henderson meeting to make sure we were represented. There is another meeting next Tuesday evening at the Burton Barr Library in Phoenix, Arizona. It starts at 6:00 p.m. Board Member Joe La Rue, Director Halikowski, and Mike gave a presentation to WestMarc. Mike also presented to the Transportation and Trade Corridor Alliance, and last week he gave a presentation to MAG and the CanDo Coalition. The department is conducting presentations so we are out and about and everyone is aware of the projects going on. It is getting a lot of good coverage. On the Passenger Rail Study, we are making sure the information is getting out to the public. The department gave presentations in Coolidge two weekends ago and they were in Tucson last weekend; Friday, Saturday, and Sunday at the Meet Yourself Tucson. They will be in Maricopa this weekend and then in Gilbert next weekend talking about the Passenger Rail Study. The input from the public is phenomenal. Everyone is interested and getting engaged. It has actually turned out to be a very good study. When the Secretary of Transportation was here last week that was one of the topics we were asked to talk about.

Joe La Rue: Expressed publicly thank you to Scott, the Community Relations team, and to Director Halikowski for appearing at the WestMarc meeting to talk about I-11 and transportation. It really opened a lot of eyes in the West Valley to those who have no knowledge of I-11 or have limited knowledge, or have misinformation. He said that as you talk to people and they realize it is really a national priority and not a local highway; it is much more. There is quite a bit of excitement. Joe encouraged the board members that if they see venues in their districts, it is worth the time and effort for discussion.

***ITEM 8: Priority Planning Advisory Committee (PPAC) — Scott Omer**

Project Modifications – *Items 8a, 8b, 8c, 8d, 8e, 8f, 8g, 8h, and 8i

***ITEM 8a:** ROUTE NO: I-10 @ MP 246.0 Page 86
COUNTY: Pima
DISTRICT: Tucson
SCHEDULE: FY 2013
SECTION: Cortaro Road to Ina Road
TYPE OF WORK: Design to Reconstruct and Widen Frontage Roads
PROGRAM AMOUNT: \$ 4,000,000
PROJECT MANAGER: Robin Raine
PROJECT: 01D, Item # 14512
REQUESTED ACTION: Delete the design project for \$4,000,000 from the FY 2013 Highway Construction Program. **Transfer funds to the FY 2013 Statewide Contingency Fund #72313.**
NEW PROGRAM AMOUNT: \$ 0

***ITEM 8b:** ROUTE NO: SR 77 @ MP 82.0 Page 87
COUNTY: Pima
DISTRICT: Tucson
SCHEDULE: FY 2013
SECTION: Tangerine Road to Pinal County Line
TYPE OF WORK: Design Widening
PROGRAM AMOUNT: \$ 3,500,000
PROJECT MANAGER: Robin Raine
PROJECT: H669401D, Item # 14110
REQUESTED ACTION: Increase the design project by \$2,000,000 to \$5,500,000 in the Highway Construction Program. **Funds are available from the FY 2013 Statewide Contingency Fund #72313.**
NEW PROGRAM AMOUNT: \$ 5,500,000

***ITEM 8c:** ROUTE NO: US 191 @ MP 0 Page 89
COUNTY: Cochise
DISTRICT: Safford
SCHEDULE: FY 2013
SECTION: SR 191-B Realignment Study
TYPE OF WORK: Design Widening
PROGRAM AMOUNT: \$ 1,216,000
PROJECT MANAGER: Stephen Wilson
PROJECT: H7763902L, Item # 22810
REQUESTED ACTION: Request to close the study for \$1,216,000 from in the Highway Construction Program. **Transfer funds to the FY 2013 Statewide Contingency Fund #72313.**
NEW PROGRAM AMOUNT: \$ 0

***ITEM 8d:** ROUTE NO: Local Page 91
COUNTY: Cochise
DISTRICT: Safford
SCHEDULE: FY 2013
SECTION: Chino Road Extension
TYPE OF WORK: Design and Construction
PROGRAM AMOUNT: \$ 2,000,000
PROJECT MANAGER: Stephen Wilson
PROJECT: SS8740
JPA: 09-203 with the City of Douglas
REQUESTED ACTION: Increase the design and construction project by \$1,216,000 to \$3,216,000 in the Highway Construction Program. **Funds are available from the FY 2013 Statewide Contingency Fund #72313.**
NEW PROGRAM AMOUNT: \$ 3,216,000

***ITEM 8e:** ROUTE NO: SR 74 @ MP 22.4 Page 93
COUNTY: Maricopa
DISTRICT: Phoenix Construction
SCHEDULE: FY 2013
SECTION: Picacho Wash to Jct. I-17
TYPE OF WORK: Design

PROGRAM AMOUNT: \$ 315,000
PROJECT MANAGER: Doug Smith
PROJECT: H849501D, Item # 26312
REQUESTED ACTION: Increase the design project by \$300,000 to \$615,000 in the FY 2013 Highway Construction Program. Funds are available from the FY 2013 Roadside Improvements Fund #79713. MAG Regional Council approved this project on September 26, 2012.

NEW PROGRAM AMOUNT: \$ 615,000

*ITEM 8f: ROUTE NO: I-10 @ MP 144.9 Page 95
COUNTY: Maricopa
DISTRICT: Phoenix Construction
SCHEDULE: FY 2013
SECTION: Deck Park Tunnel
TYPE OF WORK: Design Repairs
PROGRAM AMOUNT: \$ 81,000
PROJECT MANAGER: Rod Collins
PROJECT: H834401D, Item # Underway
REQUESTED ACTION: Increase the design project by \$324,000 to \$405,000 in the FY 2013 Highway Construction Program. Change Project Location to "3rd Ave to 3rd Street, Deck Park Tunnel." See funding sources listed below. MAG Regional Council approved this project on September 26, 2012.

FY 2013 District Minor Fund #73313 \$ 239,000

FY 2013 Environmental Support Services #77713 \$ 85,000

NEW PROGRAM AMOUNT: \$ 405,000

*ITEM 8g: COUNTY: Maricopa Page 97
DISTRICT: Phoenix Construction
SCHEDULE: FY 2013
SECTION: Various Locations
TYPE OF WORK: Pump Station Improvements
ADVERTISEMENT DATE: 12/01/2012
PROGRAM AMOUNT: \$ 1,870,000
PROJECT MANAGER: Monica Baiza
PROJECT: H813801C, Item # 22013
REQUESTED ACTION: Request to change Project Location Name to "Various Locations on SR 101L and I-17, Pump Station Improvements." MAG Regional Council approved this project on September 26, 2012.

NEW PROGRAM AMOUNT: \$ 1,870,000

*ITEM 8h: COUNTY: Maricopa Page 98
DISTRICT: Phoenix Construction
SCHEDULE: FY 2013
SECTION: Various Locations
TYPE OF WORK: Preliminary Engineering, Ph 1 and 2
PROGRAM AMOUNT: \$ 250,000
PROJECT MANAGER: Monica Baiza
PROJECT: H832001D, Item # 21913
REQUESTED ACTION: Delete the design project from the FY 2013 Highway Construction Program. Return funds to the FY 2013 District Minor Fund #73313.

NEW PROGRAM AMOUNT: \$ 0

*ITEM 8i: ROUTE NO: I-10 @ MP 146.0 Page 99
COUNTY: Maricopa
DISTRICT: Phoenix Construction
SCHEDULE: FY 2013
SECTION: 16th Street
TYPE OF WORK: Pump Station Improvements
PROGRAM AMOUNT: \$ 184,000
PROJECT MANAGER: Amy Ritz
PROJECT: 01C, Item # 15013
REQUESTED ACTION: Delete the design project for \$184,000 from the FY 2013 Highway Construction Program. Funds will be returned to the FY 2013 District Minor Fund #73313.

NEW PROGRAM AMOUNT: \$ 0

A motion to approve ITEMS 8a through 8i was made by Bill Feldmeier and seconded by Steve Christy, in a voice vote, the motion carries.

New Projects – *Items 8j, 8k, 8l, 8m, 8n, and 8o

***ITEM 8j:** ROUTE NO: I-10 @ MP 112.3 Page 100
COUNTY: Maricopa
DISTRICT: Phoenix Construction
SCHEDULE: New Project Request
SECTION: SR 85 to Verrado Way (EB)
TYPE OF WORK: Design for Pavement Preservation
PROGRAM AMOUNT: New Project
PROJECT MANAGER: Julia Ros Mendoza
PROJECT: H832701D
REQUESTED ACTION: Establish a new design project for \$328,000 in the Highway Construction Program. Funds are available from the FY 2013 Pavement Preservation Fund #72513. MAG Regional Council approved this project on September 26, 2012.
NEW PROGRAM AMOUNT: \$ 328,000

***ITEM 8k:** ROUTE NO: I-10 @ MP 162.0 Page 101
COUNTY: Maricopa
DISTRICT: Phoenix Construction
SCHEDULE: New Project Request
SECTION: Wild Horse Pass to SR 347 (Queen Creek Rd)
TYPE OF WORK: Final Design for Roadway Widening
PROGRAM AMOUNT: New Project
PROJECT MANAGER: Don Gorman
PROJECT: H819201D
REQUESTED ACTION: Establish a new design project for \$301,000 in the Highway Construction Program. Funding sources are listed below. MAG Regional Council approved this project on September 26, 2012.
FY 2013 District Minor Fund #73313 \$ 250,000
FY 2013 Environmental Support Services Fund #77713 \$ 51,000
NEW PROGRAM AMOUNT: \$ 301,000

***ITEM 8l:** ROUTE NO: SR 88 @ MP 204.0 Page 103
COUNTY: Maricopa
DISTRICT: Phoenix Construction
SCHEDULE: New Project Request
SECTION: Apache Junction - Tortilla Flat
TYPE OF WORK: Design Pavement Preservation
PROGRAM AMOUNT: New Project
PROJECT MANAGER: Monir Zaman
PROJECT: H811201D
REQUESTED ACTION: Establish a new design project for \$335,000 in the Highway Construction Program. Funds are available from the following sources. Funding sources are listed below. MAG Regional Council approved this project on September 26, 2012.
FY 2013 Pavement Preservation Fund #72513 \$ 240,000
FY 2013 Environmental Support Services Fund #77713 \$ 95,000
NEW PROGRAM AMOUNT: \$ 335,000

***ITEM 8m:** ROUTE NO: I-40 @ MP 102.0 Page 105
COUNTY: Mohave
DISTRICT: Kingman
SCHEDULE: New Project Request
SECTION: Cross Mountain - Jolly Road
TYPE OF WORK: Design Upgrade of Rockfall Protection
PROGRAM AMOUNT: New Project
PROJECT MANAGER: Larry Doescher
PROJECT: H860901D
REQUESTED ACTION: Establish a new design project for \$200,000 in the Highway Construction Program. Funds are available from the FY 2013 Slope Management Fund #77013.
NEW PROGRAM AMOUNT: \$ 200,000

***ITEM 8n:** ROUTE NO: SR 92 @ MP 324.3 Page 106
COUNTY: Cochise
DISTRICT: Safford
SCHEDULE: New Project Request
SECTION: Buffalo Soldier Trail to Kachina Trail
TYPE OF WORK: Raised Median
PROGRAM AMOUNT: New Project
PROJECT MANAGER: James Reeves
PROJECT: H716702R
REQUESTED ACTION: Establish a new right of way project for \$270,000 in the Highway Construction Program. Funds are available from the FY 2013 Highway Safety

NEW PROGRAM AMOUNT: **Improvement Program (Statewide 132.0) #72812.** \$ 270,000

***ITEM 8o:** ROUTE NO: US 89 @ MP 425.7 Page 108
 COUNTY: Coconino
 DISTRICT: Flagstaff
 SCHEDULE: New Project Request
 SECTION: Timberline Trail to Deadman Flat Road
 TYPE OF WORK: Pavement Preservation
 ADVERTISEMENT DATE: 12/03/2012
 PROGRAM AMOUNT: New Project
 PROJECT MANAGER: Mafiz Mian
 PROJECT: H832901C
 REQUESTED ACTION: Establish a new pavement preservation project for \$2,500,000 in the Highway Construction Program. Funds are available from the FY 2013 Minor Pavement Preservation Fund #74813.
 NEW PROGRAM AMOUNT: \$ 2,500,000

A motion to approve ITEMS 8j through 8o was made by Kelly Anderson and seconded by Bill Feldmeier, in a voice vote, the motion carries.

FY 2013-2017 Airport Development Program – Requested Modifications

Airports – *Items 8p, 8q, 8r, 8s, 8t, and 8u

***ITEM 8p:** AIRPORT NAME: Holbrook Municipal Page 110
 SPONSOR: City of Holbrook
 AIRPORT CATEGORY: Public GA
 SCHEDULE: FY 2013 – 2017
 PROJECT #: E3F2I
 PROGRAM AMOUNT: New Project
 PROJECT MANAGER: Nancy Wiley
 PROJECT DESCRIPTION: Install Miscellaneous NAVAIDS (Rotating Beacon)
 REQUESTED ACTION: Recommend STB approval.
 FUNDING SOURCES: FAA \$93,996
 Sponsor \$4,614
 State \$4,614
Total Program \$103,224

***ITEM 8q:** AIRPORT NAME: Page Municipal Page 111
 SPONSOR: City of Page
 AIRPORT CATEGORY: Commercial Service
 SCHEDULE: FY 2013 – 2017
 PROJECT #: E3F2J
 PROGRAM AMOUNT: New Project
 PROJECT MANAGER: Nancy Wiley
 PROJECT DESCRIPTION: Apron Strengthening, Phase IV
 REQUESTED ACTION: Recommend STB approval.
 FUNDING SOURCES: FAA \$1,718,843
 Sponsor \$84,375
 State \$84,376
Total Program \$1,887,594

***ITEM 8r:** AIRPORT NAME: Phoenix-Mesa Gateway Page 112
 SPONSOR: Phoenix-Mesa Gateway Airport Authority
 AIRPORT CATEGORY: Commercial Service
 SCHEDULE: FY 2013 – 2017
 PROJECT #: E3F2F
 PROGRAM AMOUNT: New Project
 PROJECT MANAGER: Mike Klein
 PROJECT DESCRIPTION: Rehabilitate Taxiway P including aircraft holding bay
 REQUESTED ACTION: Recommend STB approval.
 FUNDING SOURCES: FAA \$4,050,005
 Sponsor \$198,809
 State \$198,808
Total Program \$4,447,622

still not be allowed on the interstate system. There is a central principle that comes through in the new law. There cannot be a reduction of free, non-HOV lane capacity on federal aid highways and the interstate system. New interstate construction can be tolled. New capacity can be tolled in most, but not all, instances. Existing capacity cannot be tolled. As you know, we were successful in getting our P3 law updated during the 2012 legislative session. We were successful in getting the rebate provision taken out, and we were granted authority to enforce tolls as well as implement them. But the definition of toll facility remained as it was in 2009. It is any new highway, roadway, lane, bridge or tunnel. Again, new capacity could be tolled, but existing capacity cannot. The same principle applies to HOT lanes. An existing HOV lane can be converted to a HOT lane and tolled, but the number of general purpose lanes cannot be reduced.

Not all legal projects are financially viable. ADOT is currently in the middle of a procurement process to hire a program Traffic and Revenue firm. These firms specialize in determining the financial viability of possible P3 and tolled projects. They use sophisticated modeling to help determine whether a potential project hits the right mix of traffic demand and the amount of the toll. A project that cannot hit the sweet spot combination of adequate traffic at a high enough toll will not bring in enough revenue to make the project worthwhile. Several projects around the country have fallen short on revenue projections. One, the SR 125 in San Diego, even went into bankruptcy. Even projects that appear to be financially viable also have to be politically and publicly acceptable. Tolling US93 or any other project would need to be studied in some detail to determine its legal, financial, and public viability. A preliminary look indicates that US93 may not be permitted under state or federal law until new capacity has been added to the highway. The long distances, multiple access points, and variable traffic counts may not make it ideal from a financial viability standpoint, although it has not been vetted. It has not been tested in terms of public acceptance.

***ITEM 10: Draft 2013 Board Meetings & Public Hearing Dates and Locations—Floyd P. Roehrich**

The 2013 Transportation Board Meetings are scheduled to be held on the second Friday of the month beginning on February 8, 2013. Study Sessions are scheduled quarterly and on an as-needed basis.

Month	Date	Location	Function
January	18	Chandler	Board Meeting & Rural Summit
February	8	Yuma	Board Meeting
February	12	Phoenix -HRDC	Study Session
March	8	Phoenix	Board Meeting & Public Hearing
April	12	Tucson area	Board Meeting & Public Hearing
May	10	Flagstaff	Board Meeting & Public Hearing
May	15	Phoenix -HRDC	Study Session
June	14	Pinetop-Lakeside	Board Meeting
July	12	Prescott	Board Meeting
July	16	Phoenix -HRDC	Study Session
August	BREAK	BREAK	BREAK
September	13	Bisbee	Board Meeting
October	11	Wickenburg	Board Meeting
November	8	Nogales	Board Meeting
November	12	Phoenix -HRDC	Study Session
December	13	Gila County - Globe	Board Meeting

A motion to approve ITEM 10: 2013 Board Meetings & Public Hearing Dates and Locations, was made by Steve Christy and seconded by Kelly Anderson, in a voice vote, the motion carries.

STATE ESTIMATE: \$ 347,513.26
\$ UNDER ESTIMATE: \$ 74,671.28
% UNDER ESTIMATE: 21.5%
PROJECT DBE GOAL: 0%
BIDDER COMMITMENT: N/A
NO. BIDDERS: 3
RECOMMENDATION: **REJECT ALL BIDS**

Motion to REJECT ALL BIDS, ITEM 12b, was made by Joe La Rue and seconded by Kelly Anderson, in a voice vote, the motion carries.

*ITEM 12c: BIDS OPENED: September 28, 2012
HIGHWAY: CITY OF GOODYEAR
SECTION: Various Locations
COUNTY: Maricopa
ROUTE NO.: Local
PROJECT: CM-GDY-0(204)T 0000 MA GDY SS94901C
FUNDING: 100% Federal
LOW BIDDER: ITS Engineers and Constructors of Utah, Inc.
LOW BID AMOUNT: \$ 100,616.78
STATE ESTIMATE: \$ 121,750.20
\$ UNDER ESTIMATE: \$ 21,133.42
% UNDER ESTIMATE: 17.4%
PROJECT DBE GOAL: 2.22%
BIDDER COMMITMENT: 3.81%
NO. BIDDERS: 6
RECOMMENDATION: **AWARD**

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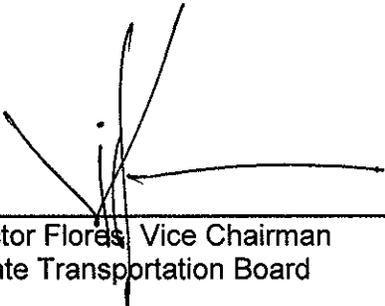
Motion to approve ITEM 12c: AWARD to low bidder, ITS Engineers and Constructors of Utah, Inc., was made by Joe La Rue and seconded by Steve Christy in a voice vote the motion carries.

ITEM 13: Comments and Suggestions

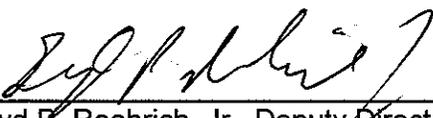
No comments or suggestions.

Motion to adjourn was made by Kelly Anderson and seconded by Steve Christy, in a voice vote, the motion carries.

Meeting adjourned at 10:20 A.M. MST



Victor Flores, Vice Chairman
State Transportation Board



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