

STATE TRANSPORTATION BOARD MEETING
9:00 a.m., Friday, February 14, 2014
Sierra Vista City Hall
Second Floor Council Chambers
1011 N. Coronado Drive
Sierra Vista, AZ 85635

The Pledge of Allegiance

Roll call by Board Secretary Lila Trimmer

In attendance: Steve Christy, Kelly Anderson, Hank Rogers, Deanna Beaver, Bill Cuthbertson, and Jack Sellers

Absent: Joe La Rue

Opening Remarks

Chairman Christy welcomed new Board Member Jack Sellers from District 1. Chairman Christy also thanked the community of Sierra Vista for their hospitality in holding the Board meeting in their facilities.

Call to the Audience

Citizens addressed various issues:

1. Chuck Potucek, City Manager/Sierra Vista, re: Sierra Vista welcome's the Board on behalf of Mayor Rick Mueller; appreciative of the I-10 improvements
2. Christian Price, Mayor/Maricopa, re: Maricopa Council scheduled to pass a resolution to restore HURF funds; SR 347 grade separation project update; application for Tiger VI grant
3. Annie McGreevy, President/Friends of Scenic Highway 82/83, re: SR 83 issues with the proposed Rosemont Copper Mine and large mining trucks
4. Quentin Lewton, self, re: SR 83 issues with EIS and shortcomings with the roadway; truck traffic
5. Duane Eitel, Transportation Traffic Engineer/Casa Grande and interim director/Sun Corridor MPO, re: introduce the new Sun Corridor MPO Director, Sharon Mitchell; compliment ADOT staff for creating the MPO and looking forward to putting together and working in partnership with the regional entities, COGs, and MPOs
6. Priscilla Cornelio, Director/Pima County Dept. of Transportation, re: appreciative of Tucson District Engineer Rod Lane of the improvements in Pima County
7. Ann English, Chair/Cochise County Board of Supervisors, re: appreciative of Director Halikowski and Safford District Engineer Bill Harmon; request a study of Highway 191 intersection at the railroad crossing into the five-year program; remind new Board members that Naco Highway is a county road and not a state highway
8. Allison Moore, Fresh Produce Association of the Americas, re: I-11, Agenda Item #7
9. Cherie Campbell, Deputy Director/Pima Association of Governments, re: I-11, Agenda Item #7; Pima Association of Governments Resolution 2014-1
10. John Moffatt, Strategic Planning Director/Pima County, re: I-11, Agenda Item #7
11. Si Schorr, Southern Arizona Leadership Council, re: Propose I-11 studies, Agenda Item #7

**REPORTERS TRANSCRIPT OF PROCEEDINGS
STATE TRANSPORTATION BOARD MEETING - FEBRUARY 14, 2014**

I N D E X	PAGE
<u>ITEM 1: DISTRICT ENGINEER’S REPORT (Bill Harmon)</u>	2
<u>ITEM 2: DIRECTOR'S REPORT (Floyd Roehrich, Jr.)</u>	6
<u>ITEM 3: CONSENT AGENDA</u>	9
<u>ACTION TAKEN</u>	
MOTION TO APPROVE CONSENT AGENDA	10
<u>ITEM 4: LEGISLATIVE REPORT (Kevin Biesty)</u>	10
<u>ITEM 5: FINANCIAL REPORT (Kristine Ward)</u>	24
<u>ITEM 6: REQUEST APPROVAL OF PUBLIC HEARINGS RE: THE TENTATIVE FIVE-YEAR TRANSPORTATION FACILITIES CONSTRUCTION PROGRAM FOR HIGHWAYS AND AIRPORTS (Kristine Ward and Scott Omer)</u>	28
<u>ACTION TAKEN</u>	
MOTION TO APPROVE PUBLIC HEARINGS RE: TENTATIVE FIVE-YEAR CONSTRUCTION PROGRAM	87
<u>CALL TO AUDIENCE (Request to speak prior to Item 7)</u>	87
<u>ITEM 7: MULTIMODAL PLANNING DIVISION REPORT (Scott Omer)</u>	87
<u>ITEM 8: PRIORITY PLANNING ADVISORY COMMITTEE (PPAC) (Scott Omer)</u>	126
<u>ACTION TAKEN</u>	
MOTION TO APPROVE PROJECT MODIFICATION ITEMS 8a – 8q	126
MOTION TO APPROVE NEW PROJECTS ITEMS 8r – 8x	128
MOTION TO DEFER 8Y, 8Z, AND 8aa to the next Board meeting	135
<u>ITEM 9: STATE ENGINEER’S REPORT (Dallas Hammit)</u>	135

REPORTERS TRANSCRIPT OF PROCEEDINGS

STATE TRANSPORTATION BOARD MEETING- FEBRUARY 14, 2014

I N D E X

PAGE

<u>ITEM 10: CONSTRUCTION CONTRACTS (Dallas Hammit)</u>	136
<u>ACTION TAKEN</u>	
MOTION TO APPROVE ITEM 11a.....	137
MOTION TO APPROVE ITEM 11b	138
<u>ITEM 11: MODIFY 2014 BOARD MEETINGS AND PUBLIC HEARING DATES AND LOCATIONS</u> <u>(Floyd Roehrich, Jr.)</u>	138
<u>ACTION TAKEN</u>	
MOTION TO MODIFY MAY BOARD MEETING LOCATION	141
<u>ITEM 12: SUGGESTIONS</u>	142
<u>MOTION TO ADJOURN</u>	144

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

ARIZONA STATE TRANSPORTATION BOARD
(Meeting: Excerpted proceedings)

February 14, 2014

P R O C E E D I N G S

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

(Excerpted proceedings: ITEM 1: District
Engineer's Report to ITEM 12: Suggestions)

MR. CHRISTY: If not, we'll proceed with the
agenda Item Number 1, the District Engineer's report. And
that will be presented by the Safford district engineer,
Mr. Bill Harmon.

MR. HARMON: Good morning, Chairman Christy
and Members of the State Transportation Board, Director
Halikowski, staff, members of the public, it's good to
have you here. Welcome to Sierra Vista. Welcome to
Cochise County. I appreciate your time. And I would also
like to echo comments made earlier to thank the City for
their hospitality and to also congratulate them on their
smooth transition into a new MPO, Metropolitan Planning
Organization. They're doing well.

I just wanted to highlight some projects
going on right now. As was mentioned, San Pedro River
bridge on the State Route 90, just east of here, we'll be
wrapping that up in April. The State Route 92, Canyon de
Flores to Glenn Road, and it's a raised median safety
project. That route, the city is on one side, and the
County's on the other side. So we had to --

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

(indiscernible) in with you on that one. But the folks
here have been very cooperative and helpful in coming --
helping us to come to grips with all that needed to be
done there. And it's getting done. We're excited at that
one.

At the intersection of U.S. 191 and State
Route 80 in Douglas, we are wrapping up a way station
expansion at the -- not the port of entry on the bound--
on the border, but a mile or so north of there where we
way sta-- have a way station and checking traffic, so
that -- that's almost finished.

And of course, we had several other spot
improvement projects and pavement preservation projects
that kind thing in this fiscal year so far.

And yet to be advertised in this fiscal
year, here in town, State Route 90 from the junction of 92
to Guilio Caesare, a safety improvement project where
we'll be adding lights and pedestrian hybrid beacon or a
HAWK, as well as sidewalk to mitigate some unfortunate
pedestrian collisions that we've experienced out there.
All this is a local public agency project, so you have to
be advertised. Some spot improvements for drainage on
Davis Road. Chino Road extension in Douglas. That's the
last for our -- at least our district, the Coordinated
Border Infrastructure or CBI project. And a couple of

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

pathway projects here in Sierra Vista.

All right. Looking out to 2015. And,
again, we're -- I'm focusing on the Cochise County area
and not in other counties in my district. I-10, the Exit
331, this is the exit just west of Willcox, we're going to
be reconstructing the westbound on- and off-ramps. That
is one of the components of dealing with the oversized
loads on I-10 and U.S. 191, that interstate underpass has
a low clearance problem. And we've had problems with
truck strikes against the bridge and trucks flipping over
on the ramp. So we're going to reconstruct those ramps to
help facilitate the movement of overheight vehicles on the
interstate and across the U.S. 191.

And then on I-10, we are going to
reconstruct the decks on the main line interstate in
Benson over the San Pedro River, as well as some scour
protection.

Also, we're going to do -- be doing some
renewal work at our two interstate rest areas, Texas
Canyon and San Simon.

And in Tombstone, we're going to be pursuing
safety and enhancement projects, one of the more colorful
communities in my -- my district. It's a much-needed
project to help the pedestrians there. Of course several
other spot improvement projects that will get going that

1 year.
 2 And in 2016, we're looking at the
 3 reconstruction of the San Pedro River Bridge on State
 4 Route 92; I-10, the -- in Texas Canyon between Dragoon and
 5 Johnson. Texas Canyon is the highest spot on I-10 in
 6 Arizona, and it has its share of issues: weather, crowded
 7 conditions, and the truck traffic, and it has boulders in
 8 the median, and that kind thing. So we're going to
 9 address some of the run-off hazards there in that part of
 10 I-10.

11 Okay. We're going to -- and now where's --
 12 is this it? Ann?

13 Okay. We are going to nominate a couple of
 14 projects for further study. And that's the heavy truck
 15 port of entry for Douglas to segregate heavy trucks from
 16 buses, pedestrians, and (indiscernible).

17 And then to look at Union Pacific railroad
 18 overpass and 191 in the community of Cochise.

19 That -- it is also one of the elements that
 20 the County has been interested in in terms of PH points
 21 for oversize loads.

22 All right. Just mentioning this, a progress
 23 report for U.S. 191 realignments in Morenci. Again, these
 24 are privately funded through Freeport-McMoRan. Another
 25 short piece in the Shannon -- what we call the Shannon

1 Hill area that -- to look at a minor realignment. This is
 2 one of many that have occurred in the past and yet to
 3 occur in the future.

4 And then the major realignment that the
 5 Freeport-McMoRan is interested in is pending. Of course,
 6 they're a global corporation and have interests around the
 7 world. And based on their current priorities, the
 8 possibility of realigning U.S. 191 around the Morenci mine
 9 is on a holding pattern right now, and they told us that
 10 they'll report in when this -- as that moves forward.

11 Okay. With that, I will wish you a happy
 12 Valentine's Day and thank you for your time.

13 MR. CHRISTY: Are there any questions of the
 14 district engineer? The board?

15 MS. BEAVER: If we could just be provided
 16 with a copy of the PowerPoint information.

17 MR. HARMON: Absolutely, yes, ma'am.

18 MR. CHRISTY: No other questions of the
 19 district engineer?

20 Thank you, Mr. Harmon.

21 MR. HARMON: Thank you.

22 MR. CHRISTY: Appreciate it.

23 Moving on to the Director's report. It will
 24 be given by Director Halikowski.

25 MR. HALIKOWSKI: Thank you, Mr. Chairman.

1 I just wanted to (indiscernible) last-minute
 2 item in B-3. Last week I was in Hermosillo, Mexico, with
 3 the Arizona-Mexico Commission; I co-chair the
 4 Transportation and Infrastructure Committee with my
 5 Sonoran counterpart. And we had a great deal of
 6 discussion about our ports of entry and actions that we
 7 are going to be taking to do some improvements there. We
 8 also had a lot of discussion about the I-11 and
 9 Intermountain West Corridor for the future. And I know
 10 you have that as another agenda item, and I won't belabor
 11 that discussion.

12 But I did want to point out that as I opened
 13 up the Arizona Republic today, on page 4, we are asking
 14 for public comment. And as you can see, we have a
 15 connection between Phoenix and Las Vegas that we're asking
 16 for the public to comment on.

17 We've also put out some press releases to
 18 get this idea moving, and we'll talk more about it during
 19 the I-11 things.

20 So I just wanted to update you on the Mexico
 21 activities that we are working with our counterparts, and
 22 it's good that we've got the public comments coming in.

23 MR. CHRISTY: Thank you, Director.

24 Moving on to the consent agenda, before we
 25 get to the specifics of that, Mr. Roehrich, could you give

1 us an update on the situation with the minutes?

2 MR. ROEHRICH: Yes, sir, as you requested,
 3 we have not completed the transcription of the board
 4 meeting minutes from December and January as well as the
 5 board study session in February due the vacancy of the
 6 executive assistant for the board. Ms. Lila Trimmer has
 7 taken another position within the Department, and she is
 8 in the interim helping conduct these meetings, but she is
 9 not able to keep up with all of the administrative
 10 functions that are required within the board's activities.

11 We are in the process of finalizing a
 12 selection to hire somebody to replace her. And I'm hoping
 13 by next board meeting that all will be in place, and we'll
 14 then work expeditiously to get ourselves caught up on all
 15 of the back minutes, as well as any other administrative
 16 issues that we've been deferring.

17 MR. CHRISTY: Great, thank you.

18 Based on what you just said, then, would it
 19 not be an appropriate gesture at this point to withdraw
 20 the last board meeting's minutes from the consent agenda,
 21 pending their --

22 STAFF MEMBER: They're not -- they're not in
 23 there.

24 MR. CHRISTY: Well -- we -- so we can't
 25 approve anything that's not in there. So if they're not

1 in there, they can't be approved. Correct?
 2 MR. ROEHRICH: Ms. -- Mr. Chair, correct.
 3 If you look at the agenda, it's the routine language, that
 4 says that the consent agenda generally consists of the
 5 following, which does list the meeting minutes, but if
 6 they're not part of this, they're not -- they're not
 7 approved. Until they are officially brought in to the --
 8 to the board to see, to review, and then to vote on them.
 9 MR. CHRISTY: So we -- we can't approve
 10 anything that doesn't exist.
 11 MR. ROEHRICH: Mr. Chair, that is correct.
 12 MR. CHRISTY: Okay. Are there any other
 13 consent agenda items that any board member wishes to
 14 withdraw at this point from further consideration?
 15 Hearing none, the chair will entertain a
 16 motion to approve the consent agenda as presented.
 17 MR. ROGERS: So move.
 18 MR. ANDERSON: Second.
 19 MR. CHRISTY: There's a motion by Mr. Rogers
 20 and a second by Mr. Anderson to approve the consent
 21 agenda.
 22 Discussion?
 23 Hearing no discussion, all those in favor of
 24 the motion signify by saying aye.
 25 Opposition?

1 Hearing none, consent agenda is approved.
 2 We will now move on to the legislative
 3 report. Who -- the presenter will be director of
 4 government relations, Mr. Kevin Biesty.
 5 MR. BIESTY: Good morning, Mr. Chairman,
 6 members of the board, excuse me my voice. I'm fighting
 7 that crud that's been going around.
 8 First, I'd like to welcome Mr. Sellers to
 9 the board. As I mentioned at the capitol, I look forward
 10 to working with you, and if you ever need anything,
 11 feel -- don't hesitate to ask.
 12 I'm going to start off with the state.
 13 We're heading into the last week to hear bills in the
 14 chamber of origin. So it's going to be a pretty hectic
 15 time next week. So far, there is no budge out of the
 16 legislature. The governor's budget is on -- has been --
 17 has been released. But the legislature is still putting
 18 theirs together.
 19 You should have received the latest State
 20 Transportation Board bills of interest in your email. And
 21 Mr. Sellers, I'll make sure that you're on that list. But
 22 there are primarily three bills that I put on there for
 23 your information: House Bill 2074, State Transportation
 24 Board tribal representation. As some of you board members
 25 can recall, this is a bill that comes around annually that

1 would add a tribal representative on to the State
 2 Transportation Board. To date, it has not been heard in a
 3 committee.
 4 House Bill 2114, ADOT land acquisition
 5 conveyances relocation. These are -- this is an agency
 6 bill that's going to update our right of way
 7 reimbursements per federal law. It got out of House
 8 transportation unanimously and is awaiting House Rules.
 9 And then Senate Bill 1324, transportation
 10 board, statewide transportation planning. As I -- I think
 11 you received an email from me. I received an inquiry from
 12 Mr. La Rue on what this bill was. This is really just a
 13 (indiscernible) bill. I talked with the sponsor, Senator
 14 Shooter, and it's only been assigned to Rules. So this is
 15 just going to be a vehicle for who knows what the issue
 16 will be, but we're still going to keep it on the list to
 17 make sure that it's on our radar.
 18 And then I'd like to move into the federal,
 19 if there's no questions on the State, I'll move into the
 20 federal.
 21 MR. CHRISTY: Questions?
 22 MR. HALIKOWSKI: Kevin? I'm sorry,
 23 Mr. Chairman, I just want to make sure everybody knows
 24 what a vehicle bill is, that it's likely subject to a
 25 strike everything amendment.

1 MR. BIESTY: Correct.
 2 MR. HALIKOWSKI: Some other content will be
 3 put on it.
 4 MR. BIESTY: Mr. Chairman, Director, that's
 5 exactly it. The sponsor has the intent of striking all
 6 the language out of it at some point in the process and
 7 replacing it with -- it could be any issue at all. So
 8 that's why we keep it on our list to make sure that we
 9 keep an eye on it to make sure that happens.
 10 Okay. On to the federal, the week of the
 11 24th, Director Halikowski and I will be back in D.C.
 12 meeting with our delegation. And I'll cover part of that
 13 in my -- in my next segment. What that will -- you have a
 14 letter in your packet of information I handed out. That
 15 letter went to every member of the delegation kind of as a
 16 preliminary to our meeting. And the items in there are
 17 what we'll be hoping to cover with the delegation and/or
 18 their staff.
 19 The debt -- debt ceiling has been suspended
 20 until March 15, 2014. So Congress continues to work on
 21 that.
 22 As a reminder, Map-21 expires on
 23 September 30th of this year. The Senate Environmental and
 24 Public Works Committee is expected to begin markup of that
 25 bill, their portion of that bill, which would include

1 five- or six-year reauthorization. They're going to start
2 that in April. But will not address Highway Trust Fund
3 tax policy, but rather they would provide a road map to
4 the Senate Finance Committee.

5 The House T&I P 3 panel is exploring ways to
6 shore up the Highway Trust Fund. Some of those items
7 include low-interest loans, fuel tax changes and indexing,
8 but the tax policy actually would have to come out of the
9 House Ways & Means Committee. So that is some of the
10 things that are happening in D.C.

11 And at next month's board meeting, we'll
12 have an update of our visits to the delegation the
13 following week. So that's what I have on the federal
14 side.

15 If there are no questions.

16 MR. CHRISTY: No questions of Mr. Biesty?

17 MR. BIESTY: Okay. And, Mr. Chairman, I'd
18 like to move on to your February 10th letter, if that's
19 okay?

20 MR. CHRISTY: Please.

21 MR. BIESTY: Mr. Chairman, in response to
22 your February 10th letter, I have provided you and the
23 board members with a memo, and depending on how you would
24 like to do this, I would recommend that I would just go
25 through each point and respond.

1 MR. CHRISTY: On -- I think that would be a
2 good way to go.

3 But what I think for the essence of response
4 to the letter, and we can use your response you provided
5 us as kind of a resource. But could I go down each point
6 of my letter and ask you directly the --

7 MR. BIESTY: Sure.

8 MR. CHRISTY: -- the questions.

9 The first point is the name of -- name of
10 and principals in the lobbying firm or firms.

11 And the date of the contracts and the scope
12 of the services for which the lobbyists, lobby -- the
13 lobby entity have been engaged by ADOT.

14 And I know you -- you do acknowledge that in
15 your letter, but for the record and for the sake of the
16 discussion, maybe if you could just answer that directly.

17 MR. BIESTY: Sure. The name and principals
18 and -- of principals and of the lobbying firms, is Capitol
19 Strategies LLC. Stephen W. Bloch is the president.

20 The contract began on 3/29/12, and the
21 current contract expires 3/28/15.

22 The scope of work: (A) the contractor will
23 assist the Department to assess the best mechanism for
24 designation of an interstate that connects the southern
25 Arizona-Mexico border at the Nogales border crossing to

1 the Arizona-Nevada border at the Mike O'Callaghan-Pat
2 Tillman Memorial Bridge over the Colorado River,
3 otherwise -- and this will be referred to as the Arizona
4 interstate project. (B) the contractor will assist with
5 obtaining a designation once the best mechanism is
6 identified. (C) the contractor will identify and assist
7 in securing resources needed to complete the Arizona
8 interstate project to include public-private partnership
9 opportunities. (D) the contractor will work cooperatively
10 with the Arizona Congressional delegation, the Arizona
11 state legislature, local governments, regional planning
12 entities, tribal governments, and other stakeholders to
13 facilitate completion of the Arizona interstate project.
14 (E) the contractor will work with the Department, Nevada
15 Department of Transportation, Nevada officials and the
16 Nevada Congressional delegation to facilitate completion
17 of the Arizona interstate project. (F) the contractor
18 will work with local and regional officials to facilitate
19 completion of the Arizona interstate project.

20 That's the scope of work.

21 MR. CHRISTY: Then moving on to Question 2:
22 Who at ADOT is responsible for providing direction to our
23 lobbyists and to whom do they report?

24 MR. BIESTY: Director John Halikowski
25 through myself, Kevin Biesty, assistant director for

1 government relations and policy development who manage the
2 contract.

3 MR. CHRISTY: And what is that -- I suppose
4 that current guidance would go back to the first question
5 as to their scope.

6 MR. BIESTY: Yes.

7 MR. CHRISTY: Is there any other -- any
8 other guidance that you would not want to add to that both
9 you and the director give to the lobbyist?

10 MR. BIESTY: I'm not sure what you mean by
11 "guidance," sir. The scope of work provides the guidance.
12 I think Bullet 2 will answer what I think you're referring
13 to. But I'm just assuming that.

14 MR. CHRISTY: Okay. Well, the scope of the
15 work then specific -- is the specific guidance.
16 (Indiscernible).

17 And specifically regarding I-11 and the
18 Intermountain West Corridor, what positions are our
19 lobbyists advocating?

20 MR. BIESTY: Currently Capitol Strategies
21 LLC is assisting the Department in developing strategies
22 for the next phase.

23 MR. CHRISTY: And the next phase being?

24 MR. BIESTY: How -- how we move forward with
25 any -- with the studies and the funding, primarily

1 funding. How do we move to the environmental or
 2 additional studies, how are they going to be funded.
 3 MR. HALIKOWSKI: I think, Mr. Chairman, you
 4 need to focus back to the scope to facilitate completion
 5 of the Arizona interstate project. So as we finish up the
 6 preliminary environmental linkages study, the next phase
 7 would be then going to the EIS, the NEPA process.
 8 MR. CHRISTY: And the lobbyists are, as you
 9 say, trying to secure funding for that. Or --
 10 MR. BIESTY: I think that goes to your --
 11 your next question.
 12 MR. CHRISTY: Which is Number 3: Does the
 13 lobbying firm -- is that the question?
 14 MR. BIESTY: I believe so, sir, yes.
 15 MR. CHRISTY: Does the lobbying firm
 16 represent any other private or governmental entity in any
 17 manner pertaining to I-11?
 18 MR. BIESTY: No.
 19 MR. CHRISTY: And is the lobbying firm
 20 advocating for the inclusion of any federal funding
 21 pertaining to I-11 before -- before Congress? And if so,
 22 what is that particular request?
 23 MR. BIESTY: And the response to that, sir,
 24 is not currently. However, there is -- that issue is
 25 under discussion, that a series of meeting with Nevada,

1 the I-11 coalition, various entities about what -- what
 2 does that look like. And, in fact, there's actually a
 3 conference call today at 10, as well.
 4 MR. CHRISTY: And who -- who do they
 5 interact with specific -- in general in Washington in
 6 their lobbying efforts? The Congressional delegation?
 7 Department of Transportation people?
 8 MR. BIESTY: The answer is yes to all of
 9 that, sir. Depending on what the -- what the need is,
 10 they have -- they -- similar to what we do here in
 11 Arizona, we have the ability to access the folks that have
 12 the information that we need, so it's kind of the same
 13 thing.
 14 MR. CHRISTY: Okay. Does any -- the board
 15 have any questions for Mr. Biesty?
 16 Director Halikowski, would you like to add
 17 anything to --
 18 MR. HALIKOWSKI: No, Mr. Chairman, but thank
 19 you.
 20 MR. ROEHRICH: Mr. Chair. I think
 21 Ms. Beaver ...
 22 MS. BEAVER: Yes.
 23 MR. CHRISTY: I'm sorry. Go ahead.
 24 MS. BEAVER: I guess what's my perception of
 25 where this board has been coming from when there has been

1 prior discussion was the fact that the Congress only
 2 authorized the portion from Nevada to Phoenix.
 3 So I think -- correct me if I'm wrong --
 4 what we were looking at is how can we move forward to
 5 incorporate from border to border as opposed to just from
 6 the Nevada border to Phoenix. How can we incorporate that
 7 other portion?
 8 I realize we've got a lot of stuff going on
 9 right now. But is it through a resolution from us to the
 10 state legislature or -- would that be the channel to go?
 11 Or would it be through the lobbyist per a request.
 12 That's what we're looking at, I think, is
 13 how did we get the whole from border to border, as opposed
 14 to just half.
 15 MR. CHRISTY: Well, just -- just to back up
 16 what Board Member Beaver's saying, I think what she's
 17 looking for is is there some mechanism, some action that
 18 this board can take that can support that concept?
 19 MR. HALIKOWSKI: I would say, Mr. Chairman,
 20 that the board certainly can pass a resolution if it
 21 wants. And as we've talked about various issues in the
 22 past, the board can certainly interact as individuals or
 23 pass a resolution to the state legislature. As you move
 24 forward with this, you have to make decisions on what you
 25 as a board is going do. ADOT is functioning as the

1 Department of Transportation and doing its part to ensure
 2 that as the Department of Transportation, we're
 3 interacting not only with the Congressional delegation,
 4 but all the stakeholders that are involved in 11.
 5 The other thing I think you need to be
 6 careful of is this idea that you're only getting half.
 7 And we might want to bring Mr. Omer out to discuss it.
 8 But my understanding is you have two high-priority issues
 9 here, corridors. And the Interstate 11 designation, but
 10 let's not forget the Intermountain West Corridor, which is
 11 the CANAMEX high-priority corridor, which runs from
 12 Nogales up into Phoenix. So if you want to maybe clarify
 13 this issue of half versus whole, I think you have to look
 14 at both issues.
 15 MR. OMER: Mr. Chair, Mr. Director, thank
 16 you, I would -- sorry (indiscernible). Anytime I drive,
 17 something's going to happen wrong, so if you could fix
 18 that.
 19 I would say just one minor clarification.
 20 When Ms. Beaver said that Congress authorized. Congress
 21 didn't authorize I-11. Congress designated the portion of
 22 Interstate 11 from, you know, the vicinity of Las Vegas to
 23 the vicinity of Phoenix along the U.S. 93 corridor.
 24 So while that sounds trivial to the
 25 Department, that's fairly important, because that is

1 specific and it's in the federal statute. That's what the
2 designation for the corridor calls out.

3 We've been along this -- and I'll do a
4 complete update during my -- my part of the report, but
5 we've been traveling along the Interstate 11 study now for
6 quite a while, and we look at it in total from the
7 border -- our partnership with the state of Nevada --
8 Glen, I'm apologize --

9 MALE SPEAKER: No, it's okay.

10 MR. OMER: Partnership with the state of
11 Nevada. We take that all the way to the southern border
12 of Mexico. Our planning and environmental linkages in the
13 study for the I-11 Intermountain West Corridor doesn't
14 look at this project broken in half at all. It looks at
15 this as being one project in total.

16 Again, I'll get into a complete discussion
17 about that a little bit later on. But if you have any
18 questions to clarify what Mr. Biesty was saying, I'll
19 gladly answer it.

20 MR. HALIKOWSKI: So help me out here, Scott,
21 let's go back to priority corridor, because I think that
22 there is an issue here that just needs to be discussed.

23 Is that CANAMEX high-priority corridor still in existence?

24 MR. OMER: Yes, sir, it is. Congress
25 established the high-priority corridors. And this -- the

1 can -- what we would call the CANAMEX corridor was listed
2 as high-priority corridor Number 26 in the federal
3 designation of that.

4 The I-11 designation actually came out of
5 that high-priority designation that Congress had passed.
6 So portions of that is what came up with the designation
7 for -- of I-11 from -- basically from Las Vegas to the
8 City of Phoenix along U.S. 93.

9 The rest of that designation remains intact.
10 It's just not included in the Congressional designation
11 that was passed as part of the MAP-21 legislation.

12 MR. HALIKOWSKI: But it was passed as part
13 of the (indiscernible), sorry. Or (indiscernible).

14 MR. OMER: Mr. Director, I'll look. I don't
15 remember it as part of a safety (indiscernible). It had
16 been there for a very long time. It's Number 26, I
17 believe.

18 MR. HALIKOWSKI: But it's still there.

19 MR. OMER: Yes, sir.

20 MR. HALIKOWSKI: Mr. Chair, if I could, I
21 would like to fix something, because I need to clarify
22 something here. There's no Interstate 11. Everybody
23 keeps saying Interstate 11. Congress designated a future
24 Interstate 11 if all these conditions are met. And we're
25 at the very beginning stages of trying to meet those

1 conditions, so ultimately we can get it numbered as actual
2 interstate corridor. So we're going through the process.
3 There's no Interstate 11. There is future Interstate 11
4 if we go through these processes and -- and everybody
5 here's saying, well, what about Interstate 11? Let's be
6 clear: It's future Interstate 11. There is no
7 Interstate 11 at this point.

8 MR. CHRISTY: Well, thank you, Scott,
9 Mr. Omer, and Mr. Biesty for that report.

10 I know you're not feeling well. I'm getting
11 through it myself.

12 But before you step down, I think the most
13 reassuring element of this whole discussion and this whole
14 presentation on this agenda is that our lobbyists in
15 Washington are not lobbying merely for the Phoenix-to-Las
16 Vegas section. They have been instructed and are given
17 the scope of activity by ADOT through the director and
18 through Mr. Biesty to approach the whole issue as a
19 statewide project from northern border to southern border.
20 And I think that clarifies a lot of issues that those of
21 us in southern Arizona have been facing. And it affirms a
22 commitment that the Department is looking at this from
23 Nogales to Las Vegas rather than merely Phoenix to Las
24 Vegas.

25 And I appreciate your response to the -- to

1 my letter and for being so concise with it. And if the
2 board has any other further questions on this issue?

3 Thank you very much, Mr. Biesty.

4 MR. BIESTY: Thank you.

5 MR. CHRISTY: With that, we'll move on to
6 the financial report, which will be presented by the
7 Department's chief financial officer, Kristine Ward.
8 Ms. Ward?

9 MS. WARD: All right. Mr. Chair, Board
10 Members, good morning.

11 We can start off with the financial report.
12 I'm going to kind of keep it brief because we've got the
13 (indiscernible) program coming up right afterwards, and
14 then I start off on that one, so we'll just kind of go
15 quickly through this.

16 In terms of the highway user revenue --
17 there we go -- in terms of HURF, January put us 3.6
18 percent above forecast, and gas has continued -- gas tax
19 has continued its very slow growth. But the bright spot
20 in HURF this month was we had a diesel tax, use tax was
21 7.5 percent greater than January last year. And this is
22 the first really positive growth I've seen in diesel since
23 I've been on board.

24 VIT continues to -- but one month does not
25 make trend at it.

1 VLT continues to be strong, so we're doing
2 well there.
3 So HURF is within target, within forecast
4 from our -- little bit of about 1.3 percent.

5 In terms of regional area growth fund, RARF
6 -- retail sales, I take it, were within target, target
7 range, we're about 1 percent above forecast. And retail
8 sales continue to be strong, 10.1 percent growth
9 year-to-date. And contracting 19.3 percent year-to-date.

10 Mr. Chair, I have nothing new to report on
11 the federal aid program (indiscernible).

12 And I do hope that all of you got your
13 annual -- your comprehensive financial report link that I
14 emailed out. I'm sure it was an exciting read for all of
15 you.

16 That concludes my financial report.

17 MR. CHRISTY: Do any of the board members
18 have any questions regarding this for Ms. Ward?

19 MR. HALIKOWSKI: Well, I do want to point
20 out one thing in the governor's budget. Could you just
21 enlighten the board on the HURF Swap issue, because I
22 think that's very important to Greater Arizona.

23 MS. WARD: Mr. Chair and Mr. Director, I did
24 an update at the study session, but I can review it.

25 MR. HALIKOWSKI: Thank you. I'm sorry, I

1 didn't know that.

2 MS. WARD: Both the -- and would you like me
3 to review both the executive --

4 MR. CHRISTY: I think that would be a good
5 idea.

6 MS. WARD: -- and the legislative.

7 MR. CHRISTY: Please.

8 MS. WARD: Within the executive proposal,
9 the executive proposal suggests that the legislature pass
10 a 31 million dollar transfer from the HELP Program fund,
11 which currently has 77 million dollars in it. It proposes
12 transferring 31 million dollars from that fund into the
13 state highway fund to facilitate the HURF Swap program
14 being reinstated. It would not be reinstated in the
15 form that it once was instituted. Previously, the program
16 was slight -- slightly larger. And it was where we would
17 exchange federal dollar -- take the federal dollars that
18 the Department suballocates to the locals, and then in
19 exchange for those federal dollars, we would give them
20 state highway fund dollars, thus giving them a little more
21 freedom in getting out from under the burden of the
22 federal -- the restrictions associated with federal
23 funding.

24 What the current proposal does is it will
25 facilitate that exchange with Greater Arizona for two

1 years. And what -- and what is also different about the
2 current proposal is instead of just swapping this one type
3 of federal funding, we would do an en- -- almost an entire
4 swap of all the federal aid that Greater Arizona receives
5 associated with projects. So they -- they would still get
6 some federal funding for their planning operations or
7 operating budget, but in terms of -- of monies for
8 projects, we would completely swap out. The Department
9 would keep the federal aid associated with -- that
10 normally would go to Greater Arizona, and in exchange,
11 they would receive state highway funds.

12 MR. HALIKOWSKI: This has been a real
13 burden, as we have been unable to swap due to the
14 declining HURF revenues. It's a real burden on many of
15 our smaller governments to have to comply with all of the
16 federal mandates. So we're hoping that this will pass,
17 because we believe it will greatly facilitate project
18 completion in Greater Arizona.

19 MR. CHRISTY: Thank you.

20 Any other questions?

21 Thank you, Ms. Ward. If you'd want to move
22 on to your next area.

23 MS. WARD: Mr. Chair, I don't know the rules
24 of such things, but I require (indiscernible), because
25 it's the next agenda item. Is there -- no?

1 (Simultaneous conversation).

2 MR. ROEHRICH: The chair -- Ms. Ward, the
3 chair said move to Item 6. We're on Item 6.

4 MR. CHRISTY: I'll say it formally. You may
5 move on to Item 6.

6 MS. WARD: Thank you, sir.

7 BOARD MEMBER: Can we make sure we get that
8 in the minutes, please.

9 (Laughter)

10 MS. WARD: All right. In terms of the
11 financial plan associated with the tentative highway
12 construction program that Scott will be presenting today,
13 what I'd like to start with is going over review where we
14 left off with -- in FY 2013, because -- with the major
15 funding sources there, because those -- how we ended '13
16 (indiscernible) influences the forecasts that roll into
17 the '15 to '19 program.

18 So where we left off with HURF, picture
19 worth thousand words, in 2013, we experienced negative .7
20 percent growth in HURF. And that was after a stellar year
21 in 2012 of only .5 percent growth and .9 percent growth in
22 2011. So we are just basically seeing fiat revenues when
23 it comes to HURF.

24 This -- that negative .7 percent, actually,
25 if you carry it forward throughout the year, throughout

1 the years, growing off that little base, that's about a 67
2 million dollar hit to the '14 to '18 program.

3 So that is -- that's one item that is
4 feeding and -- now, of course, the major feeders for the
5 HURF revenues, the gas tax. Gas, the number of gallons
6 sold was down 1.4 percent in 2013 and represents the
7 lowest number of gallons sold in the last 10 years. So
8 that is -- that's a little bit problematic as we look
9 going -- look going forward.

10 Use fuel -- oops, forgot to change the
11 slide, I'm sorry -- use fuel also actually is a -- it's a
12 little more discouraging than gas in that in 2013, we
13 ended with negative 2.3 percent growth after negative
14 growth in 2012 of negative 2.1 percent.

15 VLT continues to be the bright spot. And
16 that's what's keeping our heads as close to above water as
17 possible. In 2013, we saw 25 percent growth in new car
18 registrations, 20 percent growth in new to Arizona, and
19 perhaps most optimistic is we are now starting to see
20 turnaround in the renewal registrations. We are -- we saw
21 a 2 percent growth in our renewal to the -- our renewal
22 VLTs -- VLT tax after virtually no growth in the previous
23 three years. And FY 13 actually represented the strongest
24 growth since 2007 in those renewal dollars.

25 If there are no questions, I'll move on to

1 federal aid.

2 MR. CHRISTY: Does the board have any
3 questions at this point?

4 Please proceed.

5 MS. WARD: If -- as we look at federal aid,
6 it's important to remember that (indiscernible) there's a
7 75 percent of the funding of the statewide program. And
8 so assumptions and projections associated with this fund
9 source have a significant effect on (indiscernible) the
10 program.

11 I believe I've shown you this slide before,
12 but what this basically shows you, it's a slide that we
13 got from (indiscernible) that was sourced to the
14 Congressional Budget Office. They took Congressional
15 Budget Office data in order to put this together. And
16 what it shows is essentially that the federal Highway
17 Trust Fund is insolvent. The revenues are just not
18 adequate to maintain present authorization levels. Now,
19 the Congressional Budget Office has assumed minimal growth
20 in the fund, but that growth is just not adequate to
21 support the current authorization levels.

22 Under -- as this graph shows, the federal
23 general fund will need to transfer an average of 15
24 billion dollars per year into the Highway Trust Fund in
25 order to maintain current authorization levels.

1 Now, as you know, unlike traditional
2 long-term authorization bills that provide funding for
3 anywhere from five to six years, Map-21 only went out 24
4 months. And I believe that Kevin Biesty referenced that.
5 And that began in October 2012 and ends in September 2014,
6 which is the first year of the Tentative Program cycle,
7 FY 15.

8 So keeping that in mind as to add a little
9 more information to this, this -- this slide came out
10 two -- about two months ago, late December. And what it
11 reflects is the projected cash balances for the Highway
12 Trust Fund, the federal Highway Trust Fund. And the
13 highway -- the federal Highway Trust Fund is anticipated
14 to go into a negative position beginning between the
15 months of August and September of this year. In order to
16 maintain timely reimbursements to the states, FHWA has
17 told us that they need to maintain a 4 billion dollar
18 balance in that fund. The Highway Trust Fund is
19 intended -- is anticipated to go under that 4 billion
20 dollar balance between July and August.

21 So what does that mean? What will they do?
22 What they have told us, as opposed to how
23 they will react, should that come to be, is that they will
24 move the timing of the reimbursements to the states. They
25 will switch from reimbursing us, say, on a daily basis to

1 weekly basis. Some states get a daily reimbursement.
2 Arizona is not one of those states. We currently get a
3 weekly reimbursement. So that change may not mean a whole
4 lot to us.

5 However, the other two would. If they chose
6 to align reimbursements with trust fund deposits, which
7 are done twice a month, that means we would have to have
8 adequate cash flow to do without those reimbursements for
9 an additional week. Now, keep in mind, if that were to
10 happen on a contractor cycle, our contractor payments, we
11 pay up front, run anywhere from 25 to 65 million dollars
12 in a month. So we would have to be able to carry that, to
13 (indiscernible) those dollars for a longer period of time.
14 Our cash is not a cheery one.

15 Another option that they propose is they
16 would make proportional state -- excuse me -- proportional
17 payments to states, based on the revenues that are
18 available within the trust fund.

19 So what I'm trying to -- the picture I am
20 trying to paint for you here is that until Congress
21 provides a long-term solution for the insolvency of the
22 fund and due to the five-year program being primarily
23 supported by federal aid, estimates of future federal aid
24 have got to be conservative.

25 If there are no questions there, I'm going

1 to go on.

2 MR. CHRISTY: Excuse me. Any question from
3 the board?

4 Please move on.

5 MS. WARD: So I will just very briefly cover
6 the forecasting process. The Department employs a process
7 called the Risk Analysis Process. We call it RAP. Yes,
8 there are lots of jokes associated with it. But believe
9 me, none of my folks rap.

10 And this process to -- to complete the HURF
11 forecasts. And the process involves convening anywhere
12 from 10 to 12 national and Arizona-specific economists and
13 experts to review and forecast a set of variables, a set
14 of defined variables that have been identified as having
15 significant influences or correlations with HURF revenues.
16 Those variables are reviewed annually. They are things
17 like population growth, personal income growth, and
18 employment -- non-farm employment.

19 Each member of that panel then provides the
20 estimated growth rates for each of those variables. And
21 then those estimated growth rates are folded into a model
22 that was created by HDR Decision and Economics. And from
23 that model, growth rates are provided to the Department
24 for the various revenue sources that.

25 So what did they come up this year?

1 What this slide shows you is the comparison
2 of their October 2012 forecast to their November 2013
3 forecast for the '15 through '19 period. The numbers
4 represent a 50 percent confidence interval. And for the
5 five-year program -- for the five-year period shown, the
6 forecast was diminished 167 million dollars.

7 Essentially, the growth rates are largely
8 similar to those that were in the October 2012 forecast.
9 However, because 2013 revenues came in below estimate,
10 we're growing off of a lower base, and thus, that just
11 ripples throughout the rest of the years. This slide just
12 demonstrates the 160- -- shows the 167 million dollar
13 decrease between the October 2012 and the 2013 revenue
14 forecasts.

15 So those were the (indiscernible) that were
16 built into the tent- -- assumed for the Tentative Program.

17 Now, I'd like to go into what the
18 assumptions were for the federal aid, what we assumed in
19 terms of receiving federal aid.

20 The Tentative Program assumes no growth for
21 all of the reasons I have been discussing. Map-21 ends in
22 September. The Highway Trust Fund is currently insolvent.
23 As mentioned CBO -- Congressional Budget Office has
24 estimated that revenues will grow but only minimally and
25 enough to support the continued level of authorizations.

1 You combine that with the fact that we've experienced
2 decreased or flat federal aid revenues for the last three
3 years, the fact that Congress and the President came to
4 such a -- at such odds that it led to a government
5 shutdown.

6 The only prudent approach at this point is
7 to assume no growth and be wary and alert to whether there
8 are potential cuts there.

9 In terms of what the Tentative Program
10 assume -- financial plan assumes in terms of bonding,
11 there are three bond issues assumed in the plan. They are
12 180 million in '16; an issue for 180 million in '16; 100
13 million in FY 17; and 100 million in '18. All of those
14 issues would be done on a subordinated basis because we do
15 not need the additional bonds (indiscernible) debt.
16 Fortunately, the interest rates have been such that the --
17 that that's not concern at this point, but as interest
18 rates rise that could become a concern.

19 Now, I'd like to point out here that these
20 plans could change. If cash flow does not require bond
21 issues at precisely these times, we won't issue them until
22 it's necessary.

23 I would also like to point out that if
24 Congress acts and deals with -- provides us new long-term
25 reauthorization, we might lean towards looking at grant --

1 issuing grant anticipation notes instead of HURF bonds.
2 But just for the sake of given the -- given the state of
3 the long-term reauthorization, only HURF issues are built
4 in at this point.

5 The combination of forecasted HURF revenues,
6 the federal aid estimates, and the bonding, we anticipate
7 will -- (indiscernible) fifth year of 535 million dollars,
8 and revenues total for the five-year statewide program,
9 2.4 billion.

10 Well, we can't -- I can't even -- I can't
11 give you less than happy news without giving you even a
12 little bit worse news and say, well, there's risks to
13 everything we say.

14 So the biggest risk to the forecast that
15 we're providing you is Congress. If -- if depending upon
16 how Congress goes about dealing with the transportation
17 funding issue, will -- how they deal with that issue will
18 affect our program. As I mentioned, a lot of our program
19 based on federal aid. We are -- another risk statutory
20 changes. Should the legislature choose to increase
21 transfers, decrease transfers are, adjust transfers in
22 whatever manner, that will -- that will impact the
23 program. Our diversions to how -- you know, how the
24 HURF -- how the HURF is distributed. And lastly an
25 economic downturn would also be a -- is also a concern.

1 So after the -- once the revenue forecasts
2 are complete, the funds available for the program are
3 determined, the Regional Allocation Advisory Committee
4 allocation is calculated; otherwise known as the RAAC --
5 the RAAC allocation.

6 It is at that point where I provide the
7 revenue numbers over to Scott's team, Multimodal Planning
8 Division. And they then take those numbers and run them
9 through the RAAC allocation. The agreement that resulted,
10 if you recall, in the Casa Grande Resolves back in 1999,
11 was that 37 percent of the funding would be programmed in
12 the MAG region; 13 percent would be programmed in the PAG
13 region; and the remaining 50 percent would be programmed
14 in Greater Arizona. And Scott will be going over the
15 actual allocation numbers.

16 With that, that concludes my presentation.
17 If you have any questions --

18 MR. CHRISTY: Any questions of Ms. Ward?

19 MR. ANDERSON: Mr. Chairman.

20 MR. CHRISTY: Mr. Anderson.

21 MR. ANDERSON: Ms. Ward, are we talking the
22 program specifically in terms of five-year plan
23 (indiscernible) we need to be fiscally constrained each
24 year; correct?

25 MS. WARD: It is -- Mr. Chair, Mr. Anderson,

1 that is correct.

2 MR. ANDERSON: So what happens? We've had
3 several items in the consent agenda that were under the
4 amount by 7 percent or so, there was probably 2, 3, 4
5 million. Does that stay within the Greater Arizona share
6 per the construction or expansion? Or does it stay into
7 preservation? Or does it stay wherever it was allocated
8 to? How does that incorporate back into the plan?

9 MS. WARD: All right.

10 MR. CHRISTY: Mr. Omer, perhaps you'd like
11 to make -- answer that question.

12 MR. OMER: I would like to add just a little
13 bit of assistance there.

14 Mr. Chair, Mr. Anderson, the way that we
15 take projects when they come back through our contingency
16 program is -- the way that the Casa Grande Resolves are
17 set up, that's for projects when they are programmed. It
18 doesn't apply to projects after they've actually been bid.
19 So that discretionary percentage is not necessary to put
20 right back into Greater Arizona or one of the other two
21 regions. It goes back to -- for us as a Department and
22 then eventually you as a board to make those final
23 programming adjustments. It's not -- it doesn't go back
24 to a specific area. It's on obligation authority. That's
25 what our program is about. It's not on where it goes from

1 there.

2 MR. ANDERSON: So it does not stay with the
3 program or the Accord share is what you're saying.

4 MR. OMER: Mr. Chair, Mr. Anderson, that's
5 correct. We make it -- we do look at those
6 considerations, but the best, we put it where the need
7 is (indiscernible) that time.

8 MR. HALIKOWSKI: But point of clarification,
9 Mr. Chairman, if the board has the authority to program
10 those funds they could put it back to the entity per the
11 Accord.

12 MR. ANDERSON: How do we keep track of those
13 funds in terms of what is under, what's the balance of --
14 like you say, Kristine, you know when we close out a
15 project early, we save some money. It's a rural, a
16 Greater Arizona project, you know, how do we keep track of
17 what's been saved and could go towards another rural
18 project.

19 MS. WARD: Mr. Chair, Mr. Anderson. If I
20 could just take just one little step back before I answer
21 your question. I've spent a lot of time discussing the
22 Casa Grande Accord, the Resolve, with various people.
23 There are actually only two or three that were actually
24 involved in it at the time that it passed -- that it was
25 agreed to. And it is my understanding from those

1 discussions that what the Casa Grande Resolve provided was
2 that it said that we would -- the Department would
3 program, we would plan to extend dollars in those regions
4 according to those percentages.

5 It did not say expend. And there's a good
6 reason -- there's very good reason for that. To track the
7 level of detail that you're requesting would be quite,
8 quite arduous. And it needs to be understand [sic], that
9 there are winners and losers with each project and that
10 this takes place over a long period of time.

11 So take, for instance, one project may have
12 bid savings at one point in time. But a project in that
13 same region at another point in time could get -- go over
14 budget. And likewise, so what the Department has done is
15 set up a contingency fund where as projects come in over
16 budget, dollars from that contingency fund are applied to
17 that project. As projects come in under budget, those
18 dollars roll into the contingency fund and are applied to
19 those ones that come over. And so it -- we do not track
20 down to a level -- we do not track the Casa Grande -- the
21 RAAC allocation down to the expenditure level. And it is
22 my understanding that that is what was the original intent
23 of the Casa Grande Resolve.

24 MR. ANDERSON: Mr. Chairman, Kristine, but
25 we also approve a contingency fund line item per year

1 within the five-year construction plan. Correct? I mean
 2 there is a starting balance of some amount?
 3 MS. WARD: Mr. Chair, Mr. Anderson, that is
 4 correct.
 5 MR. CHRISTY: Any further questions for
 6 Ms. Ward?
 7 BOARD MEMBER: Is this the point where
 8 Mr. Omer takes over?
 9 MS. WARD: That's right.
 10 MR. CHRISTY: Thank you very much, Ms. Ward.
 11 We'll now -- proceeding along with Item 6,
 12 Tentative Program review and request for approval. We
 13 will hear from the assistant director of Multimodal
 14 Planning Division, Scott Omer.
 15 MR. OMER: Thank you, Mr. Chair, counsel.
 16 So as Ms. Ward says, what -- we do have this
 17 process where the Department sets up our tentative
 18 programs on an annual basis. (Indiscernible) I think I'm
 19 going to let you drive, because I'm going to mess this up
 20 all day long.
 21 So next slide, please.
 22 So our Tentative Program is established on
 23 an annual basis. What we're going to talk about today is
 24 the background of this program, an overview of our general
 25 asset condition, we'll talk about the state

1 transportation's five -- ten- to five-year highway
 2 delivery program, ADOT's six- to ten-year highway
 3 development program, the PAG Tentative Program, the MAG
 4 Tentative Program, the State Transportation Board airport
 5 program, and then next steps.
 6 So the five-year program, or as we generally
 7 call it, the five-year program is developed
 8 collaboratively on an annual basis between State
 9 Transportation Board, the Department, and multiple
 10 functions and divisions within the Department, ITD,
 11 Finance, MPD, the Enforcement Compliance Division, and our
 12 regional partners. We all work together to develop our
 13 annual program.
 14 We demonstrate how our federal and state tax
 15 dollars in the (indiscernible) are obligated over the next
 16 five years. You approve this program annually. Our
 17 fiscal year starts July 1st of each year.
 18 Our five-year program, the State
 19 Transportation Board's five-year program has to be
 20 fiscally constrained, and as a department, we make sure
 21 that the development program is financially constrained.
 22 I got it. I think I can figure out now.
 23 Sorry.
 24 Our -- the Department's long-range
 25 transportation plan really, as we completed that around

1 2010 time frame, identified at that time how the
 2 Department felt that -- and the State Transportation Board
 3 adopted that -- the Department should be moving forward in
 4 the future and -- and not only programming but expending
 5 our limited amount of resources with transportation funds.
 6 At that time, we came up with a recommended investment
 7 choice that we should be expending about 34 percent or --
 8 (indiscernible) 34 percent of our funds for preservation,
 9 a little less than 30 percent in modernization, and about
 10 27 percent or so in expansion.
 11 What's happened from the years 2006 to 2013,
 12 when you include the MAG and PAG regions, about 76 percent
 13 total of all the funds have been programmed in expansion
 14 of the system.
 15 So we look at the resource allocation
 16 numbers that Kristine gave us, we start out with the total
 17 funds available for distribution. And we start out with
 18 about 477 million dollars available for distribution in
 19 fiscal year 19. When we bring this Tentative Program to
 20 you every year, the intention is to program out the last
 21 year of the program, FY 19. Yes, we make adjustments in
 22 that the other parts of the program, but we always bring
 23 you the new numbers for the last year of the program.
 24 When you look at the distribution as it's
 25 broken out as -- and accords with the Casa Grande Resolve,

1 again, 37 percent goes -- is -- of our state discretionary
 2 funds go to MAG, 13 percent goes to PAG, and 50 percent
 3 stays in Greater Arizona, that allows for about 130
 4 million dollars in major projects to be expended in MAG,
 5 38 million dollars in the PAG region, and 38 million
 6 dollars in Greater Arizona in the last year of the
 7 program, which is FY 19.
 8 Look at our subprogram numbers, and it all
 9 comes together over the three-year rolling average, we
 10 come out with our 37, 13, and 50 percent respectively.
 11 So as a Department, we've talked on -- for
 12 the last couple of years now, about the condition of our
 13 assets. We take that very seriously, and not only as a
 14 Department but on a national and federal level as well,
 15 the new Map-21 language requires all the departments of
 16 transportation across the country to have transportation
 17 asset management plans. We're currently engaged in
 18 developing one for the -- for ADOT.
 19 As you've heard in the last couple of years,
 20 about 18-and-a-half billion dollars is the total value of
 21 our assets or infrastructure on the state highway system.
 22 If we were to look at replacing that in today's dollars,
 23 it would be well in excess of a hundred billion dollars.
 24 Actually, I'm uncomfortable even giving you a number,
 25 because it is not something that we're completely sure of.

1 But it is a very large number.
 2 So we have a choice. We can either spend a
 3 dollar now on preservation or 6 to 14 dollars down the
 4 road on replacing that asset. If you remember last year,
 5 I talked to you and I said, it was a dollar now or 5
 6 dollars later. But we -- we did receive a new updated
 7 report from the National Cooperative Highway Research
 8 Program, the NCHRP Number 742, that relooks at that
 9 percentages; they said it's somewhere from a dollar is in
 10 preservation or 6 to 14 dollars for replacement.
 11 So preservation really saves us money. We
 12 can either pay now or pay much more later on. Public
 13 feedback continuously indicates that maintaining our
 14 current transportation system in a state of good repair
 15 should be a high priority.
 16 This is a very important comment to me
 17 because this comment actually came out of an -- one of our
 18 own research studies that was conducted by ADOT out our
 19 research group. So the report Number 655 was done in
 20 October 2010. And that's where this result comes from.
 21 The citizens in the state of Arizona figure that -- or
 22 have stated that maintaining our assets is -- should be a
 23 high priority for us.
 24 Again, as I had said, Map-21 specifically
 25 call -- says that we have to address system performance.

1 They're on the process of developing national performance
 2 measures. (Indiscernible) they have to establish targets
 3 and -- and after we establish our targets, we'll be
 4 expected to meet those targets. This is all part of our
 5 Map-21 requirements.
 6 Map-21 does require performance- and
 7 risk-based approach to transportation planning and
 8 programming. And as you -- we had at our conversation at
 9 our work study session couple of weeks ago, that was the
 10 planning-to-programming process that I did present then.
 11 As an industry, this isn't just an Arizona
 12 issue. Taking care of your worst asset first is not the
 13 right way to do it. It's a failed approach.
 14 These are some specific examples of asset
 15 condition on our facilities or on our roadways in the
 16 state of Arizona. I'm going to say, put a pause this
 17 time, this is the Ash Fork Draw bridge -- last time we got
 18 in trouble for saying "drawbridge," but this is the Ash
 19 Fork Draw bridge on Interstate 40. You can see that
 20 that's -- we did have some -- some portions of the bridge
 21 itself that were in immediate need of attention. We did
 22 actually have to close part of the bridge and allow the --
 23 to allow our bridge facility stay open.
 24 This is another example of -- of facilities
 25 in poor condition. And this is the Hell's Canyon Bridge.

1 This is the I-10 Cienegas Creek bridge and
 2 the U.S. 91 bridge in Sanders.
 3 And lastly, this is the I-15 Virgin River
 4 bridge Number 1. In the past two years, the cracks that
 5 you have -- many of you have seen yourselves along the
 6 corridor have continued to grow. Areas where we've made
 7 repairs on cracking in the past, have started to develop
 8 new cracks. You know, this -- any actions that we've
 9 taken to try to stop the degradation of those facilities,
 10 it's still continuing to -- to be a major concern for the
 11 Department. And as you'll see later on, that is why we
 12 are recommending that we do something with one of the
 13 bridges on -- on the I-15 corridor.
 14 The ages of our bridges in general, if you
 15 look at the overall system in the state of Arizona, about
 16 42 percent of all of our bridges in the state of Arizona
 17 were built before 1970. In the 1960 time frame, it adds a
 18 total of about 28 percent of all of our bridges were just
 19 in the 1960s. Which makes sense, you know. Our
 20 infrastructure is getting of age where it's fairly old.
 21 And usually the 50-year time frame is about when our
 22 infrastructure is -- bridges specifically, meet their
 23 original design life. And we've exceeded that in numerous
 24 locations in numerous instances.
 25 How you keep your infrastructure in adequate

1 condition is to actually make sure that you're
 2 continuously preserving it and taking those minor and
 3 major preservation activities to make sure that we can
 4 extend the life of our facilities. The Department has
 5 done, you know, I think yecoman's work in doing that in
 6 past. But as we continue to not invest sufficiently in
 7 the overall preservation of our pavement and bridge
 8 facilities, we will get to the point where we have
 9 exceeded -- not only exceeded the design life, but the
 10 useful life, and we will be rapidly approaching when we
 11 have to make the decisions on which facilities we have to
 12 replace instead of just continue to repair.
 13 We're losing ground on our pavement
 14 conditions as well. From 2003 to 2012, you'll see the
 15 left-hand side of the screen talks about interstate
 16 conditions. The green is good, the yellow is fair, and
 17 the red is poor. We do a pretty good job of trying to
 18 take care of our interstate conditions first. That is our
 19 highest priority.
 20 But that's at a cost of the non-interstate
 21 conditions. And the state routes cross the state do not
 22 receive this -- the same amounts funding or the same
 23 amounts of or treatment that our interstates do. And as
 24 you have seen yourselves as you've been traveling around
 25 the state, there are those locations where our conditions,

1 our pavement conditions aren't where we want them to be,
2 and they're not in satisfactory conditions, at least in
3 the Department's perception. We don't meet our own
4 requirements in many instances.

5 If we continue to forecast and look at the
6 amount of funding that we're investing in preservation,
7 yeah, we can still continue to keep their interstates in a
8 somewhat adequate position, but the condition of our
9 non-interstate facilities are going to get to a level, you
10 know, when we get out to the 2025, 2030, and 2040 time
11 frame that they're not acceptable by anyone's means. And
12 we talked last year at length about the investments in our
13 infrastructure, and we told you when we couldn't get past
14 the point any longer of keeping -- keeping our
15 infrastructure at that acceptable level. And we talked
16 about 2021 and 2020, and you can see in this graph, it
17 clearly explains the Department's concern about -- in
18 taking care of our asset conditions first.

19 This is just an order of magnitude, when it
20 talks about you either preserve your infrastructure or you
21 rehab it or you reconstruct it. And this is not a dollar
22 amount. It's just the order of magnitude of what it --
23 you look at whether you're preserving or reconstructing
24 your assets. This was a report that was completed, again,
25 by NCHRP and published in 2012. One of the important

1 things that I took out of this -- this study was really
2 that inadequate preservation or rough roads, really leads
3 to an average of about 335 or 340 dollars for every driver
4 in the country when it talks to -- about the condition of
5 the facilities and the impacts it has on their vehicles.
6 So whether that's, you know, wear on your tires or wear on
7 your suspension or increasing your amount of fuel
8 consumption, inadequate preservation really does cost
9 everyone down the road.

10 So what we recommend is to take -- is to
11 increase our preservation funding over the life of our
12 existing program and well on beyond into the life of our
13 development program as well. We say it costs about 12
14 times less to maintain our pavement than it takes to
15 actually replace it at the end of its service life.
16 Again, this was done -- we got this from a California
17 study. And if pavement preservation funding isn't
18 increased over the life of the program in the very near
19 future, then as a partner, we're going to have to make
20 those decisions about when we allow our highways and which
21 specific highways and facilities we allow to deteriorate
22 to a point where we can do nothing other than replace
23 those. You know, eventually you get to the point where
24 you can't just continue to add preservation funding as you
25 get to the point where you have to replace or completely

1 reconstruct the facilities.

2 So our tentative highway -- five-year
3 highway program takes, you know, a look at the entire
4 system across the state of Arizona. And we focus in --

5 MR. CHRISTY: Do you have a question?

6 MR. OMER: Yes, sir.

7 MR. CHRISTY: Mr. Anderson?

8 MR. ANDERSON: Scott, on the preservation
9 and rehab, the -- the balance between the rural and the
10 urban, is it an equal? I mean it can't be because the
11 bridges are in the rural. We have I-15 with the six
12 bridges on the Virgin River, there's, what, 200 million
13 there. That's all rural Greater Arizona money. Correct.

14 MR. OMER: Mr. Chair and Mr. Anderson,
15 that -- not all, but yes, it is -- the majority of our
16 preservation funding across the state is spent in Greater
17 Arizona for a couple of reasons. One, a lot of the -- a
18 lot of the urbanized areas in the MAG and PAG regions,
19 those are new facilities. And the amount of funding it
20 takes to maintain those and preserve those is -- it hasn't
21 reach that level where it, you know, it's as needy.

22 However, even the facilities in the MAG and
23 PAG region weren't built yesterday. And we will be
24 getting to that point, even the urbanized regions where we
25 have to increase the amount of funding in preservation for

1 those facilities as well.

2 But, yes, the majority of our preservation
3 funds is spent in Greater Arizona. The life and the age
4 of those facilities is significantly older in many cases.
5 And that covers the majority of it. But as you said, they
6 are mostly in the Greater Arizona, but not all.

7 MR. CHRISTY: Thank you.

8 MR. OMER: So when we look at our tentative
9 five-year program, our recommendation is to expend about
10 60 percent of our total funding in Greater Arizona in
11 preservation; 29 percent in modernization; and 11 percent
12 in expansion.

13 I -- last year we had the conversation about
14 what is modernization, so just to remind you, oftentimes
15 modernization could be considered things such as adding
16 shoulders or straightening out a -- one of our facilities
17 where there's an inadequate curve. It could be ITS or
18 Intelligent Transportation System types of improvements.
19 It could be message boards. Multiple different things
20 could fall into the modernization category. And
21 oftentimes our safety projects fall under modernization.

22 MR. CHRISTY: Question, Mr. Anderson?

23 MR. ANDERSON: Rest areas, are they
24 modernization as well?

25 MR. OMER: Mr. Christy and Mr. Anderson,

1 sometimes. And sometimes they're preservation. We do
 2 actually look at when we look at those facilities
 3 themselves, we identify where they -- which category that
 4 we feel they fall the best in. And sometimes it comes
 5 into preservation, and sometimes it's modernization.
 6 That's for rest areas well as our POEs,
 7 ports of entry.
 8 MR. CHRISTY: Mr. Cuthbertson.
 9 MR. CUTHBERTSON: You know, Mr. Chairman,
 10 Mr. Omer, this -- this chart that you -- you're showing
 11 here, you had a chart similar to that showing 2013
 12 breakdown for all of Arizona. It showed 20 -- 76 percent
 13 expansion, but that included the MAG and PAG regions. Do
 14 you have a feel for what that breakdown looked like in
 15 2013, without the MAG and PAG regions? Was it -- I mean,
 16 was it similar to this 60 percent preservation, 29 percent
 17 modernization, and 11 percent expansion that you're
 18 proposing? Or was it -- do you have a feel for what that
 19 breakdown was like?
 20 MR. OMER: Mr. Christy and Mr. Cuthbertson,
 21 that is a great question. I don't have a slide that talks
 22 about that. But if you ask for my feel, my feel it would
 23 be fairly consistent to this amount. There could have
 24 been a little bit less in preservation. It could have
 25 been little bit more. But I don't think we would have

1 seen a drastic change in that total amount.
 2 MR. CUTHBERTSON: Okay. Thanks.
 3 MR. OMER: I'm looking at Mr. Kies because
 4 he's -- he's my conscience, and he didn't throw anything
 5 at me, so I think I'm okay.
 6 MR. HALIKOWSKI: Would that be Jiminy Kies?
 7 MR. OMER: We can call him that, if you'd
 8 like to, sir.
 9 MR. CHRISTY: Anything else, Jiminy?
 10 MR. OMER: And each one of the dots on
 11 the -- on the map that we have here will display a
 12 location, a specific location for a project.
 13 So the Department's recommendation, if you
 14 can look at the slide, it's color-coded to coincide with
 15 the map that you see on the previous page, with the green
 16 markings on screen being preservation; the burgundy-ish
 17 color markings being modernization; the purple markings
 18 being development, which actually is the amount of funding
 19 that we need -- that we require to actually develop our
 20 projects to get them through the design and development
 21 phases; the gold color is planning; and the blue color is
 22 expansion.
 23 So you see in each one of the years, the
 24 amount of funding that we have identified for preservation
 25 of the system, modernization of the system, development,

1 and then at that top, it's the major projects that we're
 2 recommending. And you can see the projects in FY 15
 3 through FY 18 are no surprise to the Department. These
 4 have been here in the past. And that the new project that
 5 we're recommending in FY 19 is the I-15 Virgin River
 6 bridge, number one, at an amount of 33 million dollars in
 7 FY 19.
 8 The specific expansion programs, so you can
 9 see here on the slide, we have the number coincides, with
 10 the -- the left-hand side of the screen, this is where
 11 they're located at. Again, Number 6 is the I-15 Virgin
 12 River bridge; it's on the I-15 of course. And the other
 13 slides are here with the amounts that have been there in
 14 the past.
 15 Our preservation program --
 16 MR. CHRISTY: Excuse me, Mr. Omer, just
 17 answer this question.
 18 MR. OMER: Sorry.
 19 MR. ANDERSON: Scott, can you back up?
 20 Virgin River bridge Number 1, that's in the plan in '19?
 21 Are we going for any type of tiber -- TIGER grant
 22 possibilities or other type of funding to help with that?
 23 MR. OMER: Mr. Chair, and Mr. Anderson,
 24 that's -- that's accurate. Anytime we see the opportunity
 25 to submit for those types of -- of opportunities for

1 grants, we will apply for those as a Department as we see
 2 fit. There are actually grants person that -- that works
 3 on this for the Department works for me directly. So we
 4 do see that.
 5 I wouldn't want to guess on whether or not
 6 we'll be successful again. You know, there -- there
 7 haven't been a lot of bridges in rural America that have
 8 been approved, but we were blessed to get, you know, our
 9 Virgin River bridge pre- -- approved previously. So we
 10 would continue to apply in the future.
 11 MR. HALIKOWSKI: Point of clarification, we
 12 did get a TIGER grant for -- was it bridge Number 8?
 13 UNIDENTIFIED SPEAKERS: 6.
 14 MR. HALIKOWSKI: 6. But even that TIGER
 15 grant did not cover the total cost. We still wound up
 16 footing, I think about 8 million dollars.
 17 MR. ANDERSON: But we have to program the
 18 bridge, even though we may not get the grant; correct? I
 19 mean we can't just not put the bridge in the program, get
 20 the grant and then it's out of the program. We have to
 21 have it programmed so we can get it -- start
 22 (indiscernible) even though we didn't get the TIGER grant.
 23 I mean it is --
 24 MR. OMER: Mr. Chair and Mr. Anderson, I'm
 25 trying to remember back to 2012 when we applied for the

1 TIGER grant, and I personally do not believe it was in the
2 capital program at that time. That's my recollection.
3 And I don't have the TIGER grant application in front of
4 me to be specific. But I don't remember it being in the
5 program.
6 MR. HALIKOWSKI: I don't recall it either.
7 If you recall, Mr. Chairman, Mr. Anderson, we were looking
8 at tolling that section, that 30-mile section because we
9 felt that we could replace those bridges if we got capital
10 investment up front, get in, replace them all and get out.
11 The FHWA did not approve our expression of
12 interest in the tolling idea. They picked three other
13 projects under the law. So we had go to the TIGER grant
14 program. So I don't recall it being in there, but --
15 MR. OMER: It was not for sure.
16 MR. HALIKOWSKI: Okay. So you confirmed
17 that. So it was not.
18 MR. CHRISTY: Mr. (Indiscernible) wanted to
19 blow them up.
20 (Laughter)
21 MR. OMER: Mr. Chair, Mr. Director, that
22 does not fall in one of the categories for a TIGER grant.
23 (Laughter)
24 MR. OMER: That's not an eligible
25 (indiscernible).

1 MR. ANDERSON: So I guess the extension of
2 that road is, what, 29 miles?
3 MR. HALIKOWSKI: It's roughly 30 miles
4 through Arizona.
5 MR. ANDERSON: And there are six bridges,
6 and there's no off-ramp into Arizona?
7 MR. OMER: Mr. Chair, Mr. Anderson, I think
8 there are eight bridges.
9 MR. ANDERSON: So it's a little frustrating
10 for us on the board to -- to have to -- in fact, I think
11 that was a meeting in Parker where (indiscernible) had the
12 heart attack and why we have to (indiscernible).
13 MR. OMER: Mr. Chair, and Mr. Anderson, we
14 understand the board's -- I'll use frustration, and if
15 that's the wrong word, I apologize now. But as a
16 Department, we look at multiple different criteria when we
17 make our recommendations to you for our five-year program.
18 And we have to take into consideration the condition of
19 our assets. We have to take into consideration ensuring
20 that we can keep those facilities open to the public. And
21 then lastly, we have to look at risk to the Department.
22 And we take all those things into consideration and weigh
23 those very seriously when we do come in to you every year
24 in the planning -- or programming process to make these
25 recommendations.

1 So I will tell you personally and our
2 executive team, when we have this conversation, we
3 understood that this was not going to be a conversation
4 with the board where it could be -- it could be
5 uncomfortable at times. But as a Department, we can't
6 look at that facility and not make a recommendation. It
7 is our charge. It is our responsibility. And we feel
8 very strongly that we have to take care of our
9 infrastructure.
10 MR. CHRISTY: In fairness to the Department,
11 I know that you did engage in conversations with Utah and
12 Nevada to try get some type of funding help, because if
13 you looked at the license plates that frequented that
14 stretch, maybe, what, 2 percent were Arizona state plates
15 and everything else was Nevada and Utah or others.
16 MR. HALIKOWSKI: It's a heavily used
17 commercial corridor. I forget the EBT on the big wheels
18 going through there. But I thought it was -- is it
19 21,000 --
20 MR. OMER: I never argue with the director.
21 He's usually right. He has a really good --
22 MR. HALIKOWSKI: I can't remember if it's
23 per day or per month or whatever. But the EBT on those
24 heavy vehicles -- if you just go up and stand under those
25 bridges, as we have, the pounding they take day after day

1 is just incredible. And you can feel the thrum and the
2 rattle. And if you go and look at the cracks --
3 MR. CHRISTY: And that was the thought
4 process for the tolling.
5 MR. HALIKOWSKI: It was Mr. Chairman.
6 BOARD MEMBER: So what -- what is we can do
7 to enhance the -- the probability of a TIGER grant?
8 Sending Mayor Price back to D.C. and lobby for us?
9 MR. HALIKOWSKI: Well, we -- we continue to
10 work closely with the FHWA and of course our delegation,
11 if they can help us in any way.
12 But as you know, Congress doesn't do
13 earmarks anymore. And essentially, we're -- we're
14 pursuing the TIGER grant process or any other way that we
15 could.
16 But the problem really with the system,
17 quite frankly, is that there just -- as you guys know, our
18 board members, there's not enough cash in the system to do
19 all the things that need to be done.
20 And my concern is as you look out into the
21 future and Arizona wants to -- will add 6 million people
22 by 2050, the issue of economic compete- -- competitiveness
23 relating right back to our infrastructure, because the
24 Virgin River bridges are not the only bridges in need of
25 repair. As we look around our industries in Arizona,

1 whether they be mining or, you know, cattle, copper, or
2 whatever, we are in a place where we need to do some
3 significant rehabilitation throughout the system and
4 target those investments strategically and connect
5 economic centers.

6 MR. CHRISTY: Thank you, that's --

7 MR. OMER: Mr. Chair, I guess I would add
8 one other thing to that, as the director will remember,
9 one of the other avenues that we would take and with this
10 specific project and how we look at opportunities in the
11 future, we're also a member of the I-15 coalition in
12 partnership with California DOT, as well as the Utah DOT,
13 the Nevada DOT, and when we were successful on our grant
14 application in the past, this -- the Virgin River bridge
15 Number 6 was the number one-rated priority for the entire
16 coalition. And they saw the importance as well as, you
17 know, if something happened to one of our facilities along
18 the corridor, it's -- you know, it's catastrophic for the
19 entire I-15. If there's 20- or 30,000 vehicles a day,
20 that -- it's a very high percentage of those are trucks.
21 So it's important to the entire western United States and
22 the --

23 BOARD MEMBER: Which begs the question, why
24 don't they come to the table with money?

25 MR. OMER: That was the question that our

1 director asked and --

2 MR. HALIKOWSKI: We -- we actually made two
3 offers: Bring cash or just take that part of the state
4 into Utah. Neither one of those were greeted with -- with
5 any great enthusiasm, because quite frankly, Utah,
6 California, and Nevada, they're all in the same financial
7 boat we are now.

8 BOARD MEMBER: You should have told them to
9 keep their salt too out of our state.

10 MR. HALIKOWSKI: Well, it was actually, as I
11 recall, my history, Mr. Chairman, when they were building
12 this back in the late 60s, early 70s, the federal
13 government insisted that this come through because the
14 Virgin River gorge is such a pretty drive. As we're now
15 in this day and age, one of the things that is -- an issue
16 is that it's one of the most environmentally sensitive
17 places probably on the planet, which makes it very
18 difficult to get down into those gorges in the river
19 without a lot of mitigation during the process.

20 BOARD MEMBER: Well, you're working in the
21 wilderness area.

22 MR. HALIKOWSKI: Yes, sir.

23 MS. BEAVER: Mr. Chairman?

24 BOARD MEMBER: But the salt comes off of the
25 trucks coming out of Utah in the wintertime, and you know,

1 you start dropping down in that elevation, that snow comes
2 off their trailers and their tractors, drops on our
3 bridges and ruins our bridges. That's what I mean by
4 telling them to keep their salt.

5 MR. CHRISTY: Ms. Beaver?

6 MS. BEAVER: Yes. With regard to the reason
7 that the toll was kind of dropped from the thought
8 process, since there's three of us that are newer, what
9 was the reasoning on that? Since you indicated that
10 there's a great number of out-of-state vehicles that are
11 going through up there as opposed to in-state vehicles.

12 MR. HALIKOWSKI: Well, as I recall, there
13 were three slots under one of the transportation
14 authorization bills for tolling of an interstate. And the
15 policy of the Secretary of Transportation at the time,
16 Secretary Lahood was that they were not going to allow
17 tolling of an interstate unless it was a new interstate or
18 capacity was being added to it.

19 In our particular case, given the geometry
20 and geography up there, there's no place to add capacity.
21 And so that was one problem with our application.

22 The other was that given three slots, there
23 were other states competing for the ability to toll their
24 interstates. And they were adding capacity. And so
25 Arizona, for various reasons in that process was not

1 chosen.

2 The other things that happened is the
3 governor of Utah was -- I would say strongly opposed to
4 the idea of a toll on that. Nevada did not weigh in so
5 much. But Utah was strongly opposed. And the Mohave
6 County supervisors also passed a resolution opposing any
7 tolling of that particular stretch.

8 So there was not only the issue of not
9 having the application approved, there was also public
10 resistance to it.

11 MR. CHRISTY: Who is the -- whose district
12 is Mohave County? On the board.

13 MS. BEAVER: Mine.

14 MR. CHRISTY: There's a good project.

15 Mr. Rogers?

16 MR. ROGERS: Yeah, one other -- one other
17 thing that I think the new members ought to be aware of
18 here, in state law, you can bring a triple trailer 30
19 miles into Arizona but no further. And so what you have
20 on I-15 is triple trailers coming through that has caused
21 a lot of problems too, in my opinion. And I think that
22 was some others' -- people's opinion too. And I --
23 personally I'd like to see the states pass a law and
24 outlaw the triple trailers. But of course you know, that
25 would be a big problem with Utah and Nevada that allow

1 them and the shipping of things. But that is another
2 thing that I think played a -- an issue in the bridges
3 deteriorating.

4 MR. CHRISTY: Any further comments,
5 questions?

6 Proceed, Mr. Omer.

7 MR. OMER: So, Mr. Chair, as we move on to
8 the next slide, it's the specific preservation program for
9 FY 15 through 19. And I will say this is not every
10 preservation project that is in our ten-year program.
11 Last month, we did pass out to you -- or last month -- I'm
12 sorry -- at the work study session we did pass out to you
13 the Tentative Program which would have every preservation
14 project in the first three years of the program FY 15
15 through 19. You will notice here, though, that in FY 15,
16 we do have 17 million dollars set aside for the
17 replacement of the hell's can -- Hell's Canyon bridge that
18 you saw the photos a little bit earlier. And so we're not
19 sitting around and just doing nothing. We are actively
20 looking at taking care of the facilities that we have out
21 there.

22 Some of the specific modernization projects
23 across the state in the programs are -- are listed here as
24 well. Whether it is reconstructing parts of the 89,
25 constructing safety improvements on U.S. 93 as you come

1 out of Wickenburg, shoulder widenings, constructing
2 intersection improvements in Bylas, the Oak Flats climbing
3 and passing lane, or the Araby Road roundabouts and
4 reconstruction of the interchange at Araby Road, these are
5 the types of facilities that were recommended throughout
6 the program. But the this is not every modernization
7 project that's in the program itself. This is just some
8 of the ones we've highlighted and listed.

9 So in summary, what we do on an annual basis
10 and bring back to you is updated project costs for every
11 project that's in our annual program. We don't, you know,
12 put a number in in the fifth year of the program and let
13 it ride. We actually update those as we get new
14 information and continue the projects through the project
15 development process. We're increasing the preservation
16 spending by about 3 percent over our program from FY 14 to
17 18.

18 We did add the U.S. 89 slide repair project
19 to FY 15 (indiscernible) 25 million dollars. But to pay
20 for that, we actually deferred two pavement preservation
21 projects and one bridge rehab project.

22 As you guys remember, our program is -- is
23 fiscally constrained. So we have X amount of revenue. I
24 showed that on our first -- on the RAAC slide -- that we
25 can expend. So anytime we have to bring something in to

1 our program, such as the repairing the roadway falling off
2 the earth on U.S. 89, we actually have to move other
3 projects out to show that we can pay for that and remain
4 in fiscal constraint.

5 We're also including here the delivery of
6 the -- some of the older transportation enhancement
7 projects. That's a total of about 28 (indiscernible)
8 million dollars. We spread those out through FY 2015
9 through FY 2018. The majority of these projects occurred
10 on boards prior to yourself. Some of you were on -- on
11 the board at the time. But we haven't had a TERC in a
12 couple of years. So this is cleaning up all the old
13 transportation enhancement projects that previous boards
14 have committed to in the past.

15 Mr. Chair, at this time, I'll go on to our
16 development program.

17 MR. CHRISTY: Any questions at this point?
18 Please go ahead.

19 MR. OMER: Our development program is
20 something that's new for the Department that talks about
21 our years 6 through 10 of the program. And, again, this
22 is something that we feel like it sets in line with the
23 requirements of Map-21 about having a performance-based
24 system. As you can see, our expectations is to look at
25 about 73 percent of our total funding available in Greater

1 Arizona to be spent on preserving our system.

2 So you can see this throughout the program.
3 And by the year 2024, which is the tenth year of the
4 program, we're up to about 255 million dollars, which is
5 pretty close to what our engineering professionals feel is
6 the appropriate amount of funds available for preserving
7 our system. And that -- the preservation program includes
8 pavement preservation as well as the bridge preservation
9 programs.

10 You'll see in the burgundy modernization
11 area, that's 40 million dollars annually. That's amount
12 of -- about the amount of funding we have set aside for
13 the federal HSIP program or the safety funds, and which
14 allows us about -- you know, it depends on the year, but
15 you can see which projects we recommend to develop as
16 expansion projects in the program. First two projects
17 you'll see there is the I-8, I-10 Earley to I-8 project at
18 40 million dollars in FY 20; 8, 5 million dollars on I-10,
19 SR 87, Picacho Peak project. You'll remember at the study
20 session, that number was much higher. We did go back and
21 make sure that we had the most up-to-date number, and this
22 -- updated number, and this is it. The SR 260 Lion
23 Springs project, which is development in our current
24 five-year program. We're recommending that in 2022. 93
25 Carrow to Stephens is in 2023. And the I-40 Crazy Creek

1 port of entry is 20 million dollars in FY 24.
 2 So that's the Department's -- I guess that's
 3 like our strategic plan, as you would say. That's what we
 4 move forward in looking at the projects that we develop as
 5 a Department that will feed into the five-year program.
 6 So here's those same projects shown on a
 7 graph or a map. You can see how those projects are ranked
 8 out of the P-to-P project, you would note that the -- our
 9 ports of entry are not ranked at this time. It is
 10 something we'll go back and talk to the -- as we're
 11 developing this process about how we include rest areas
 12 and POEs on the overall ranking. But at this specific
 13 facility, it's important, as we come in on I-40, the
 14 amount of vehicles that come in, and it's -- it would be
 15 close to the -- what's the name of the existing POE -- I'm
 16 drawing a complete blank.
 17 MR. ROEHRICH: Sanders (indiscernible) 40.
 18 MR. OMER: Mr. Chair, as we move forward
 19 into the PAG five-year program, again, the --
 20 MR. CHRISTY: Go ahead.
 21 MR. OMER: The PAG or the ten-year program
 22 for the PAG region, we work collaboratively with the Pima
 23 Association of Governments, actually, I think Kwi
 24 (phonetic) is still here. Kwi works for John Liosatos and
 25 as we prepared (indiscernible) closely and Cherie Campbell

1 and all the PAG to develop the Tentative Program. How
 2 this works us, at least in my opinion, is we ask, what do
 3 you guys want, they develop the program, and together we
 4 sit down to make sure that we have sufficient cash and
 5 cash flow to fund those. And then we take their
 6 recommendations as far as their program and incorporate it
 7 directly into the ADOT program without making any changes.
 8 And that's the same thing we do in the MAG region.
 9 So the tentative five-year program in the
 10 PAG region is such that you'll see the -- this is not
 11 again every project, but this is certainly highlights on
 12 I -- I the I-19 project is split up between 2015 and '18.
 13 The Phase 1 project, that's the Phase 1 of the project and
 14 the Phase 2 of the project all together.
 15 In 2016, the I-10 Ina Road TI, that project
 16 is funded out of both our TA funds, which is PAG regional
 17 funds, as well as the state funding.
 18 In 2017 and '18, we have the I-10 route
 19 Ruthrauff TI. The first part of that project funds
 20 utilities and right of way. And there's about 86 million
 21 dollars set aside for construction of that project in
 22 FY 18, I believe.
 23 The next project, I-10 Houghton Road TI, is
 24 a new project to the program. And what that does is it
 25 divides up the development of the project in the early

1 years, and then the construction of the project is set
 2 aside for 25 million dollars in FY 19.
 3 And the I-19 (indiscernible) TI is design
 4 only.
 5 So that's the highlights of some of the
 6 things that have been changed in the existing program in
 7 the PAG region.
 8 MAG region, as I just said, we do the same
 9 thing we do with PAG. We get their improvements, and we
 10 incorporate those directly into the program. As you will
 11 see, the majority of the funding in the MAG region is
 12 still set aside for the (indiscernible) corridor with
 13 about 1.4 -- that should say 1.4 billion dollars, or, I
 14 guess, 1,390 million dollars. So that way I can say it's
 15 correct. It's still correct. But we'll make sure we make
 16 that change. It should say billions.
 17 In 2015, we have the U.S. 60 Bell Road TI,
 18 33 million dollars.
 19 The SR 303 loop interchange is divided up
 20 between FY 15 and 16 with the first project being
 21 landscape and the major -- the majority of the funds, 62
 22 million dollars, construction.
 23 And then 2017 and '19, we have the I-10 32d
 24 Street to the 202 project. This is really going to be the
 25 recommendations that come out of the "spine" study to do

1 spot improvements that we incorporate as a -- as a
 2 department in the region on making those improvements on
 3 the I-10 and I-17 corridors.
 4 That's the recommendation for the MAG
 5 region.
 6 We move into the state's aviation program.
 7 This is the statute that govern the aeronautics or the
 8 aviation program; the State Transportation Board's
 9 responsibilities are covered here. The amount of revenue
 10 that we take in FY 13 was about 19 million dollars. You
 11 can see that the majority of that fund comes in through
 12 the flight property taxes and through aircraft
 13 registrations.
 14 The same time frame, we expended about 17
 15 million dollars in program -- the 17 million dollars. And
 16 you can see these are the -- these are the types of
 17 specific programs that we fund. And you can see in FY 15
 18 our -- our recommendation that the APMS program or the
 19 airport pavement preservation program, does fund about 7
 20 million dollars a year in preservation of our airports
 21 across the state as well. That's usually on the runaways
 22 and aprons is where that funding is spent. And you can
 23 see that we set aside 4-and-a-half million dollars for
 24 federal match grants; 16 million dollars for state and
 25 local grants; the airport development loan program as well

1 as statewide planning services, how the total 32 million
2 dollars comes (indiscernible) for the airport development
3 program.

4 So from here, Mr. Chair, what we do is we
5 would ask for the board's approval of the Tentative
6 Program today. What that allows us to do is go out to our
7 three rounds of public information meetings -- I
8 apologize. We currently have two scheduled. Later on the
9 agenda today, you're going to talk about looking at that
10 schedule. So we typically have three. We could probably
11 have three if the board chooses to do so.

12 Then we present our final program to the
13 board on June 13th for your approval at our regularly
14 scheduled program. Take the program to the governor to be
15 signed by the end of June, and then our fiscal year starts
16 July 1st of each year.

17 Mr. Chair, that's all I have as far as my
18 preservation -- presentation goes. I have preservation on
19 the brain.

20 I will gladly answer any questions that you
21 have.

22 MR. CHRISTY: Mr. Rogers?

23 MR. ROGERS: Thank you, Mr. Chair.

24 Scott, I thought we were going to look at
25 doing the final on the five-year plan, to give us an extra

1 30 days to do it like in May, and we -- last year we were
2 down to the wire trying to finalize everything, and we
3 talked about possibly having that in May so that we had
4 some time to work through the issues, and issues came up.

5 MR. OMER: Mr. Chair and Mr. Rogers, we did
6 have that conversation last -- whenever the study session
7 was, a couple of weeks ago. And what the -- I think the
8 conversation we had at the study session was we would ask
9 the board -- I think there's already a study session
10 scheduled for the beginning of June. We would talk about
11 the recommendations that came out of the three rounds of
12 public hearings, which would give the board sufficient
13 time to not only have that open dialog during that study
14 session, but it would also allow the Department and the
15 board to reach consensus on what should be done. We could
16 bring that in for final approval at the June meeting.

17 I don't know the date of the study session
18 in June.

19 MR. ROEHRICH: Mr. Chair, Mr. Rogers, the
20 study session that we have scheduled right now is
21 May 20th, which would be after the -- any final public
22 hearing, which you all wanted a month. And we're going to
23 talk about that on Item 11. But that -- at the study
24 session on May 20th, the public hearings would be done.
25 And the board would then have a chance to start addressing

1 any of the other change modifications or discussions
2 within the five-year program as we had finalized, so we
3 could bring it back to the board in May.

4 Time frame-wise, you know, we follow these
5 steps in order to get to the -- adopt it in May, so we can
6 take it to the governor.

7 MR. ROGERS: All right, Mr. Chair, are you
8 guys okay with that. And I know we're all three involved
9 in that, and it got pretty hectic.

10 MR. CHRISTY: Basically what you're raising
11 here was the purpose of the May study session.

12 MR. ROGERS: Okay.

13 MR. CHRISTY: Take it to address
14 particularly that issue.

15 MR. ROGERS: All right. I'm good with that.

16 MR. CHRISTY: Okay. Mr. Anderson?

17 MR. ANDERSON: First off, I want to say that
18 I sit on the Sun Corridor MPO, and I do want to be welcome
19 Sharon Mitchell on board. We are very thankful that you
20 came across our interview table. And we're excited to
21 work with you on getting our feet off the ground.

22 Scott, the Thousand Trails project, the
23 access management plan, do we have that signed, sealed and
24 delivered?

25 MR. OMER: Mr. Chair and Mr. Anderson, I

1 remember very clearly our meetings last year,
2 Mr. Anderson's conversation that if we did not have the
3 Thousand Trails project ready to go in a year's time
4 frame, he would make the motion or take -- want us to take
5 into consideration to remove that funding.

6 I will say that the -- that the JPA for that
7 project has been signed by the Department and all of the
8 entities involved, so they have come to agreement on what
9 the access management for this -- for the project would
10 look like. And that was signed -- I think it was within
11 the last couple of weeks. But we actually have that. If
12 you would like to see a copy of that, Dallas Hammit has it
13 probably pulled up on his iPad right now. But we actually
14 do have a copy of that. I apologize I was going to print
15 out a copy and bring it in with me, but I ran out of time.

16 MR. ANDERSON: That suffices for me.

17 Secondly, the six- to ten-year plan from 20
18 to 20 -- 5 or whatever it is, are we approving that with
19 this tentative plan or is that just something that staff
20 is putting out there for us to look at, you know,
21 (indiscernible) or digest, so to speak.

22 MR. OMER: So Mr. Chair and Mr. Anderson,
23 it's a great question.

24 Now, the board does not approve the
25 Department's development program. We bring that to you

1 now on an annual basis -- or we will -- as we continue to
2 move forward, to give you the recommendations. This is
3 the Department's priorities. This is the way that
4 we're -- we think we should strategically be moving as we
5 identify funding for not only our preservation and
6 modernization programs, but those really high-priority
7 projects that -- from the technical side of the house,
8 make our highest priority list. So we do not ask you to
9 approve that. That's why on the beginning of the
10 presentation today, I specifically listed, you know, what
11 was the State Transportation Board's program and what was
12 ADOT's development program.

13 MR. ANDERSON: To follow up, the Carrow to
14 Stephens, that got deferred last year from '14. Now, it's
15 in '23. Correct? They're both at 22 million. You have
16 Lion Springs, we deferred that out. It's from '18 to '23.
17 But they're both funded at the same levels. Did they have
18 the potential of being bumped further out if the costs of
19 those projects substantially increase?

20 MR. OMER: Mr. Chair and Mr. Anderson, that
21 is something we would have to take into consideration if
22 the project costs exceeded our ability to fund them, even
23 in -- those out-years, our development program.

24 The -- our development program is not
25 fiscally constrained. And it's a -- it's a fine line and

1 it may seem like semantics, but the fiscal constraint is
2 specifically required for your five-year transportation --
3 or facilities program. They -- the Department has taken
4 the stance that we're not going to look at a development
5 program it is completely out of line with the amount of
6 funding that we have available. So our CFO actually
7 specifically sat down with us and developed a funding plan
8 for the next following five years of the program, our
9 development program, and we're call, that financial
10 constraint. So she would not allow us to put numbers in
11 there and develop projects in the future if we didn't feel
12 that we had -- you know, projected the amount of funding
13 to support those.

14 MR. ANDERSON: But we're going to be
15 realistic in those estimates --

16 MR. OMER: Yes, sir.

17 MR. ANDERSON: -- every year come -- come
18 before the board in terms of Carrow to Springs goes to 25
19 or Lion Springs goes to, you know, 45.

20 MR. OMER: Mr. -- Mr. Chair and
21 Mr. Anderson, that's accurate. We do still continue, as
22 we develop the projects, to look at the cost on an annual
23 basis to make sure that -- we look at our projects not
24 only for the costs but how if we can, you know,
25 realistically deliver them in the time frame as well.

1 That's why the Department doesn't recommend moving a
2 project to a year when we don't think that we have
3 sufficient time to actually deliver it. If we have
4 constraints, whether they be right of away or they be
5 utilities or environmental concerns, we would make the
6 recommendation to not put a project in a certain year,
7 first if we couldn't afford it, or second, if we couldn't
8 deliver it in that time frame.

9 MR. ANDERSON: You know, I guess lastly,
10 last week at the work session, I question -- I had a
11 question on (indiscernible) in Maricopa overpass on 347.
12 And I think Mr. La Rue followed up as well, that he'd like
13 to see staff continue to work on that. Mayor Price has
14 been following this board for the last couple of years and
15 keeping the board apprised.

16 In Ms. Ward's presentation in terms of the
17 bleak financial abyss we're facing, this project I think
18 is unique in terms of we've got stakeholders who are
19 willing to fund the project, maybe half, maybe whole, and
20 they're going for a TIGER grant. I guess the -- the
21 reality is it needs to be in the plan in some way, shape,
22 or form to allow these stakeholders to have a process of
23 seeing that project through. Is that correct? I mean I'm
24 hearing the Virgin River wasn't in the plan, but we got it
25 in after the fact and funded and (indiscernible) have the

1 TIGER grant. I mean, does that pertain to this project
2 or -- I mean, we were told it has to be in the plan to
3 follow the -- the steps that need to be done.

4 MR. OMER: Mr. Chair and Mr. Anderson, I'm
5 fairly comfortable that the SR 347 project is -- what we
6 need for that project is funding. Right? We do have --
7 the project is in the MAG regional transportation plan.
8 It is in the MAG's Transportation Improvement Plan or
9 their TIP. I will say I disagree with the funding source,
10 and we've had that conversation. And we do have
11 conformity. So I think those things all are at a point
12 where if the community wanting to apply for a TIGER grant
13 for that project, I think, you know, it's eligible. I
14 don't see a reason why it couldn't be applied for. The
15 schedule for that project is still in the DCR and the
16 environmental stages, so that should be completing in
17 FY 15. Then after that point, it's just identifying the
18 funding to -- to actually, you know, move it into the
19 construction program itself.

20 MR. ANDERSON: Mr. Chair, if I could -- you
21 know, I'd like to make a request of staff that, you know,
22 if we could prepare programming analysis of the design, a
23 programming analysis of the right of away, as well as the
24 construction, and phase the project for inclusion into the
25 tentative five-year plan, specifically looking for the

1 most realistic year each phase can be programmed, as well
2 as looking at impact of the existing program projects
3 within specific years. I'd like to, you know, encourage
4 the staff and that the local governments, either Maricopa,
5 we still need an IGA with (indiscernible), that needs to
6 be signed, paperwork that needs to be shown --

7 MR. ROEHRICH: Mr. Chairman, can I just --
8 if it's not an IGA, at this point, at least some
9 documentation in writing that would say to us that they
10 commit. Whether they commit to an actual dollar now or
11 just commit that they will help find funding and provide
12 funding. If we could tie a dollar amount, but I think
13 this is early for everybody. Just something that's
14 formalized in an official document, letter back to us that
15 says they're willing to -- to enter into an agreement, and
16 they'll fund this project, whether they commit funds now
17 or just we work that out given the final scoping phase and
18 determine what the final cost is.

19 But we would want something formally in
20 writing that would commit them to helping fund this, you
21 know, partnership arrangement.

22 MR. ANDERSON: I think it would help the
23 City of Maricopa along with their neighbors in terms of
24 going to them with a realistic goal of maybe parts of the
25 plan in this tentative project plan that would help

1 getting that paperwork accomplished. So if -- you know, I
2 don't want to -- if that's easily done in terms of, you
3 know, keeping an update to this board on what's happening
4 and -- just a timeline of the possibilities.

5 MR. OMER: Mr. Chair and Mr. Anderson, that
6 is something that the staff will -- if you want us to do
7 that, that's something we can do.

8 I will say -- I'll make statement, and I
9 hope you don't take this the wrong way. The Department's
10 position is if we bring a project into the program, again,
11 we're -- we're fiscally constrained. We have to remove
12 out the funding for that project somewhere else. So this
13 specific project in total is currently estimated at 55
14 million dollars. And all with who's paying for what
15 aside, if, you know, the locals are going to bring in some
16 funding, that's -- the potential that 55 million dollars
17 in other projects has to be removed. We wouldn't
18 recommend this project from the Department level. It
19 wasn't in our draft program. But we are more than willing
20 to sit down and work out an implementation plan to look at
21 how we could bring it into the Tentative Program.

22 I guess, what I would ask is to have --
23 sorry to put you on the spot, Mr. Anderson -- but
24 Mr. Anderson work with us directly, because someone needs
25 to -- on the board, at least in my opinion, needs to be

1 sitting down with us on which projects are going to be our
2 recommendation to move out.

3 MR. CHRISTY: I don't think Mr. Anderson
4 would have a problem doing that.

5 MR. ANDERSON: Well, I think as to
6 Mr. Rogers' point, you know last year at the last minute
7 in Pinetop, we made some changes, maybe I did. But we are
8 starting early now, and it will give us time, like he
9 talked about, Mr. Rogers, in terms of, you know, what --
10 what can be done, what can't done, and I think that's
11 probably the best way to do it. And it would give the
12 city and the other stakeholders time to formalize a letter
13 or some type of an agreement to say we are involved and we
14 are participating. And if they go for a TIGER grant, I
15 just think it's -- we need to leverage all the state money
16 in terms of every project we can do. And if they bring 30
17 million, 40 million to a project that costs 50 million,
18 that's -- you know, that's a great savings to the state.
19 So, you know, I think it's one we need to look at.

20 MR. ROEHRICH: Mr. Chair, there are two, if
21 I could make two -- just two comments about that. I would
22 say that we'll take that in as a recommendation from the
23 board. But that's separate from adopting this five-year
24 program so we can move into the public hearing. That must
25 happen so we can keep on schedule. And then we'll

1 continue that analysis, and it will be presented back at a
2 future date. So keep that and move forward.

3 And I want to make sure that we do have a --
4 a short conversation about the distribution by board
5 policy of the 50 percent statewide, 37 percent MAG and 13
6 percent PAG. Because these regions -- and where this
7 project is in the town of Maricopa, were brought into the
8 MAG region but is outside Maricopa County, those funds
9 that can go to this can still be statewide funds. So the
10 projects that come in from -- that will be deferred or
11 moved out from this, will end up having to be statewide
12 funds because those funds will fall in this region. Not
13 within Maricopa County, that portion, because that's
14 originally, if you will, kind of -- I think the intent of
15 the Casa Grande Accord when MAG, PAG, and the Greater
16 Arizona got their funds, it was really given to them when
17 Maricopa County was basically MAG at the time. But as MAG
18 has grown into the -- into the statewide -- the Greater
19 Arizona portion and brought those members in, that's where
20 those funds can be spent and, we think, without violating
21 the -- the board policy of -- established after the Casa
22 Grande Accord was approved.

23 MR. CHRISTY: And to your point,
24 Mr. Roehrich, then, I think it would be safe that I could
25 speak with a sense of the board -- or for a sense of the

1 board, that the board, I think, would support your efforts
2 to accomplish the whole process in the manner that you
3 laid it out. So if that's what you would require from the
4 board, you -- you certainly have that.

5 MS. BEAVER: I would like to ask a question,
6 just where I'm clear.

7 It was my understanding that if it fell
8 under MAG, that there -- through this, you know, flow, it
9 would need to be approved there before it would be put
10 into a plan.

11 And you're saying now, am I correct, that
12 the statewide -- they followed a category of either?

13 MR. OMER: Mr. Chair, Ms. Beaver, as the --
14 we have had further conversations since our study session,
15 and we've been given clarification that the specific
16 project in the town of Maricopa, even though it's in the
17 MAG region, would need to be funded out of the statewide
18 share. The way it would happen is if this board makes the
19 decision down the road to include that project in the --
20 the five-year program, the MAG TIP, would have to be
21 amended, and it would be an administrative modification to
22 the MAG TIP to include this project as well.

23 I've had the conversations with MAG. They
24 don't have any problems with including it in their TIP.
25 It is in the regional transportation plan, and they do

1 that conformity in the region. So that would not be a
2 problem.

3 If the board made the decision to attempt to
4 fund the project with the MAG's 37 percent share, then as
5 a Department, we would recommend that that not happen
6 because it could violate some other state statutes and the
7 board policy as well. And we couldn't do that on our own
8 without cooperation -- or I'm sorry, I think it's
9 cooperation --

10 MALE SPEAKER: Collaboration --

11 MR. OMER: -- collaboration with the MAG
12 region's specifically called out in the statute how we
13 have to (indiscernible).

14 MR. CHRISTY: Everyone clear on all that?

15 MR. ANDERSON: Thank you, Mr. Chairman.

16 MR. CHRISTY: If there are no further
17 questions of Mr. Omer, the chair would entertain a motion
18 to authorize the (indiscernible) to proceed with the
19 public hearings regarding the tentative five-year plan.

20 MR. ANDERSON: So move.

21 MR. CHRISTY: There's a motion. Is there a
22 second?

23 MR. CUTHBERTSON: Second.

24 MR. CHRISTY: There's a motion by Mr.
25 Anderson and seconded by Mr. Cuthbertson to approve the

1 public hearings and to proceed with them regarding the
2 tentative five-year plan.

3 Any discussion?

4 MS. BEAVER: I would just like to clarify,
5 it's as presented.

6 MR. CHRISTY: As presented.

7 MS. BEAVER: Okay.

8 MR. CHRISTY: Further questions?

9 Hearing none, I'll call the question, all
10 those in favor of the motion, signify by saying aye.

11 Opposed?

12 Hearing none -- from a distance -- then the
13 motion passes.

14 We'll move on then to Item Number 7, of
15 which we have a number of speakers who are here to speak
16 to Agenda Item 7, which is the Multimodal Planning
17 Division report. If the speakers are ready, we're ready
18 to hear you. We'll begin with the representative for
19 the -- spokesman for the Fresh Produce Association of the
20 Americas, Allison Moore.

21 MS. MOORE: Thank you for having me. I'll
22 Allison Moore of the Fresh Produce Association of the
23 Americas in Nogales, Arizona.

24 I've been engaged with the state on the --
25 on this process that we've been moving through on a

1 proposed future Interstate 11 and also the process that
2 was looking at alternative routes from the actual border
3 that Arizona shared with Mexico, to tie into the proposals
4 around the Phoenix area. And I'm just here, again, to
5 reiterate our support and the importance of -- of this
6 process for trade coming through in Nogales, Arizona, you
7 know, looking at tying in I-19, I-10 up to I -- you know,
8 proposed Interstate 11, for us is crucial. It's a project
9 that going to allow shipments all the way up to Canada
10 without having to go into the state of California, which,
11 you know, is a huge logistics advantage. It is an
12 important cost savings. You know, it's something that
13 attracts more business, I think, to our region, you know,
14 coupled with some of the improvements that have been going
15 on, including the 220 million dollar port of entry that's
16 coming on line, and that should serve Arizona for many
17 years to come as trade continues to increase.

18 You know, (indiscernible) just want to
19 reiterate how important it is that the discussions of I-11
20 don't stop in the Phoenix area, that, you know, whether
21 it's called the -- you know, the Intermountain West
22 Corridor or, you know, however that's designated, that it
23 really does tie in all the way to our border and ties into
24 15, which travels up the west coast of Mexico and is a
25 large corridor for a lot of trade that we see here and for

1 a lot of the trade leaving the United States going south.
2 It's two ways. So it is -- that's -- that's my main point
3 is don't stop in Phoenix. Because there's more, there's
4 like 50 percent more. I'd say definitely. I know the
5 director says it's (indiscernible) just 50 percent.

6 MR. CHRISTY: Thank you, Ms. Moore.

7 We'll hear next from the Pima Association of
8 Governments deputy director, Cherie Campbell.

9 MS. CAMPBELL: Good morning. We have
10 brought today copies of a resolution that was passed by
11 the Pima Association of Governments regional council. And
12 we'll hand those out to you.

13 I am going to summarize very briefly the
14 highlights of the resolution and the discussion that
15 occurred before that approval.

16 But I initially wanted to reiterate some of
17 the couple of things I've heard earlier, which was thanks
18 to ADOT for the great work you've been doing in our region
19 and for the cooperative efforts and working relationships
20 we've been able to develop with staff. And that's at all
21 levels, not just the district office, but the director's
22 office, state engineer, finance, programming, planning,
23 it's really been great to develop those relationships and
24 work out our mutual concerns and benefits in a successful
25 manner, so that's appreciated.

1 We also appreciate you coming to southern
2 Arizona and holding your meetings throughout the state. I
3 think it's of great value for all of us when that happens,
4 and we look forward to seeing you again in our area in
5 April, I believe you'll be having a meeting in Marana. So
6 welcome to the area, and we look forward to seeing you
7 again soon.

8 So the resolution that was adopted by PAG
9 regional council was adopted unanimously on January 23d.
10 And for your education, the regional council includes Pima
11 County, the City of Tucson, the City of South Tucson,
12 Towns of Marana, Oro Valley, Sahuarita, the Pascua Yaqui
13 Tribe, the Tohono O'odham Nation, and Mr. Christy as a
14 representative of the Arizona State Transportation Board.

15 In adopting that resolution, the board
16 discussed the importance of the I-11 corridor, the future
17 I-11 corridor coming through our region. As you know, the
18 feds designated the CANAMEX corridor to extend from Canada
19 to Mexico as a high-priority corridor probably, what, 15,
20 20 years ago. And it included portions of I-10 and I-19.
21 And then with Map-21, the most recent federal
22 transportation legislation, the addition of I-11 to that
23 scenario became a reality.

24 And that designation was only from Phoenix
25 to the Las Vegas area. And ADOT, in fact, undertook a

1 study of that particular route in a very specific manner,
2 but also incorporated this larger concept of the
3 Intermountain West Corridor and looking at the southern
4 connectivity of a potential future I-11 and the need for
5 that to extend southward to Mexico.

6 In that effort, ADOT looked at a variety of
7 alternatives. And the draft report that was issued
8 earlier -- or late last year, did recommend that a focus
9 occur an Alternative (C), which comes through the Pima
10 County region and extends to Nogales, and that that route
11 be considered for further study and further incorporation
12 as a potential I-11 corridor, should that be designated in
13 the future.

14 So our board looked at that and believes
15 that that was the right recommendation. And the
16 resolution unanimously supports moving forward with
17 Alternative (C) and appreciates and recognizes ADOT will
18 move forward expeditiously, we hope, with study -- further
19 study of that alternative.

20 We believe it's critical to not only our
21 region but to the state as a whole. As you've heard
22 earlier today, there's growth occurring in the Sun
23 Corridor. A new -- brand-new MPO has been established,
24 and we see there's going to be a lot of population growth
25 in that area. We need to serve it well.

1 Additionally, a route in this area will fix
2 some federal failings. If you look at the interstate
3 system, unlike the eastern half of the country, there's
4 not much in the west that goes north-south from border to
5 border, and this is critical for the nation as a whole.
6 In the Sun Corridor area itself, extension of a corridor
7 through this area will allow the Sun Corridor to realize
8 its potential as a mega region and to compete on a
9 national scale and an international scale in global
10 economy.

11 So the resolution supports the Alternative
12 (C) coming through the Pima County region to Nogales,
13 encourages the further ADOT study of that alternative, and
14 calls for continued cooperation among all the parties
15 involved to accomplish that in the near future. We're
16 enthused to hear about the Arizona interstate proposal and
17 the fact that you talked about the connection occurring
18 through Nogales. So it makes sense to us.

19 Thank you.

20 MR. CHRISTY: Thank you, Ms. Campbell.

21 Our next speaker is with Pima County
22 Department of Strategic Planning, Mr. John Moffatt.

23 MR. MOFFATT: Good morning, Mr. Chair, Board
24 Members, Director Halikowski. I'm John Moffatt. I'm the
25 strategic planning director for Pima County.

1 First of all, I think I need to go also that
2 we've had great support from the local office
3 (indiscernible) from ADOT and a number of the projects
4 that I'm working on, not just this specific one, but in
5 addition to that, the connection of I-10 and 998, which we
6 are working on as well.

7 The other part is the -- that was mentioned
8 is the Arizona-Mexico condition, I think what was
9 demonstrated, Jack, was down there, there was a tremendous
10 amount of attendance at Mr. Halikowski's sessions.
11 There's a lot of interest on both sides of the border.

12 One other clarification I'd like to make is
13 that Capitol Strategies does work for Pima County. But
14 we're totally aligned in our direction to them. It's also
15 that we were looking for a border-to-border concept for --
16 for the Intermountain West Corridor. So I think we're --
17 we're consistent, everything's great there. But -- but we
18 are both on that same team.

19 You already heard, I had a number of things
20 to talk to you about how important the southern leg was
21 and how important Mexico trade is, and I think you've --
22 you already heard enough about that. I don't need to
23 belabor that.

24 But I think there are a couple of other --
25 couple of points that are real -- real important.

1 The Mariposa port of entry is the formal
2 entry -- completion is in September of this year. One of
3 the things I noted in the five-year plan is that the State
4 Route 189 connection to that is -- I don't believe was in
5 that plan. You might want to consider how we continue to
6 take 21 lanes of traffic coming across that port and get
7 them on to I-19.

8 The other part is -- is with the growth of
9 the corridor, the study that was done, the I-11 study that
10 was done for the business case, which, again, was well
11 done, but it cites very specific things on page 4 under
12 the introduction, the report says: The potential to add
13 substantial economic growth and transportation demands to
14 north-south transportation corridors in the region,
15 further are exacerbating the congestion described above.

16 We're projecting a service level F of I-19
17 and I-10 through Tucson in -- in the 2030 range. We need
18 to keep working toward that.

19 Other -- you know, other parts in that
20 report were important, but the -- the other -- in the
21 preliminary business case foundation, the summary of key
22 findings. I'm just going to read a couple of them: I-11
23 and the Intermountain West Corridor will be needed to
24 accommodate the increased demand therefor preventing
25 possible gridlock -- which I just talked about,

1 (indiscernible) the projected economic growth.

2 By strategically enhancing transportation
3 infrastructure, the region may also have the opportunity
4 to enjoy incremental and significantly enhanced the
5 economic growth related to the important trends in
6 regional and national trade.

7 And the third one is the increasing
8 importance of Mexico as a trading partner and the
9 emergence of nearshoring as an important and strongly
10 growing structure, a feature of U.S. commerce is a
11 significant trend.

12 All these point to the fact that
13 Intermountain West Corridor needs to contact -- needs to
14 come all the way down to the border.

15 The -- the plan that was outlined in the
16 program and it's been discussed several times is
17 deficient. It -- the original plan calls for priority
18 segments to receive the additional studies, where they're
19 outlined in this -- in the plan here. But the southern
20 segment did not receive that last set of studies.

21 So we heard earlier that the program can go
22 forward with an EIS and further studies. But the southern
23 segment has not been brought to that level. So the
24 southern segment, if we're going to stay on the
25 border-to-border process, we need that whole southern

1 segment to be brought to the same level.

2 That's our major concern. The timing is
3 critical. We think that, you know, our -- the -- we think
4 it's pretty logical. We don't understand why in the
5 original -- if the original Congressional approach to this
6 was border to border, why did the designation
7 (indiscernible) them out from Wickenburg or Phoenix to Las
8 Vegas. We need a consistent approach across the whole
9 board.

10 Finally, the only thing that would -- I
11 think there's addition that we're going to be working on
12 from a lobbying standpoint, is there's an I-11 caucus that
13 some of our representatives have made us aware of. And I
14 think that that caucus includes Nevada, California, Utah,
15 and Arizona. So I think in addition, Director Halikowski,
16 when you guys go back there, that's probably already on
17 your list, but you might want to make sure that that group
18 is consulted and made aware of the importance of the whole
19 process.

20 So, now, our bottom line is we think the
21 study is fine.

22 MR. ROEHRICH: Mr. Chair, I hate to
23 interrupt, but we're going considerably over the amount of
24 time we gave the first call to the audience. I think in
25 fairness, we need to, again, keep it around that 3-minute

1 time frame, please.

2 MR. MOFFATT: I'm done, anyway. So ...

3 MR. CHRISTY: I was mesmerized. Thank you,

4 Mr. Moffatt. And thank you, Mr. Roehrich.

5 Our final speaker on this item is a former

6 chairman of this board and member of the transportation

7 board, Mr. Si Schorr.

8 MR. SCHORR: Thank you, Mr. Chairman,

9 members of the board. Thank you for what you do.

10 Every time people would say to me thank you

11 for what you do on the board, I always wondered whether

12 they knew what we were doing on the board. It's helpful

13 for me to sit through this morning's meeting and see

14 exactly what you do. And believe me, it's very important.

15 I was fortunate enough to sit on the board

16 when we had some money and when there were smiling faces

17 in the audience and we could consider more new projects.

18 You have a much more difficult job, one that will surely

19 test your discretions.

20 I'm here, however, to speak about I-11. And

21 let me introduce myself. I'm Si Schorr. I'm with the

22 firm of Lewis Roca Rothgerber, One South Church in Tucson.

23 But here, however, as a member of the board of the

24 Southern Arizona Leadership Council.

25 We are concerned about I-11. We think I-11

1 is, as other members -- as other speakers have told you,

2 terribly important to the future growth of Arizona, to my

3 children, my grandchildren, and perhaps even my

4 great-grandchildren. We don't see it happening very soon

5 because the financing will be very, very complex. But it

6 will lay the -- what we do here now does lay the

7 groundwork for what I-11 will look like. And we're

8 concerned that ADOT's ambitions for a border-to-border

9 strategy are belied by its actions. As Mr. Moffatt

10 pointed out before, when I-11 got its whatever

11 designation, it was limited. It did not include any of

12 the southern Arizona segment.

13 Moreover -- moreover, I read a copy of a

14 notice I received, which presumably is the one that

15 Mr. Halikowski referred to earlier, in which it is stated,

16 talking about the I-11 and giving notice of virtual public

17 meeting -- and this I read in the last week -- a new -- a

18 proposed new transportation corridor that would connect

19 Phoenix and Las Vegas and potentially extend north to

20 Canada and, parenthetically, potentially south to Mexico.

21 With all due respect, that does not sound to

22 me like a firm commitment that I-11, as we envisioned it

23 and as the other speakers have talked about, will become a

24 reality the same time frame as the portion from

25 Phoenix/Wickenburg to Las Vegas. If I -- it would seem to

1 me that if I-11, which is predicated upon trade to Mexico,

2 was to be planned and established and funded, it would

3 start with those features to it, the link to Mexico, the

4 link from the Mariposa port to I-19 in that area. But we

5 don't quibble with that.

6 But we don't understand why one aspect of it

7 has been singled out for priority. We don't understand

8 why at this very moment, there is not more significant

9 planning on the area from the Phoenix area down to the

10 border.

11 We understand that nothing really is going

12 to happen substantively until there's completion of the

13 studies from the area from Wickenburg or Phoenix north to

14 Las Vegas. To me, we don't understand that. And we

15 haven't heard anything really, with all due respect to the

16 speakers, which gives us that much confidence.

17 We understand -- the scarcity of funds. But

18 we don't understand why when we had high-quality lobbyists

19 in Washington lobbying for us, why the designation wasn't

20 for I-11 -- potential I-11 from a border-to-border concept

21 rather than the narrow construct.

22 We understand that sometime in the next

23 weeks, few weeks or so, the folks who are interested in

24 I-11 up in the Maricopa area, are going to have signs

25 talking about a proposed I-11 planted along some of these

1 roads. We offer to pay for additional signs if you would

2 do the thing for the area from Phoenix south.

3 Thank you very much.

4 MR. CHRISTY: Thank you, Mr. Schorr.

5 We will now proceed with the agenda item.

6 And particular point presenting for this agenda item is

7 again Mr. Scott Omer.

8 MR. OMER: Thank you, Mr. Chair.

9 The board has asked that I report back to

10 you monthly on the current status of the I-11

11 Intermountain West Corridor study, so that's why I'm doing

12 this part of the -- of the MPD report.

13 I would say that, first of all, where we're

14 currently in the status on this study, as you can see,

15 we're well into the study and we're scheduled to be

16 wrapped up later on this summer.

17 We are currently -- have been looking at

18 presenting recommendations for the corridor analysis, and

19 we had that in January; we've been doing that on a regular

20 basis.

21 Again, (indiscernible) really want is a

22 feasible a set of corridors that best meet the goals and

23 objectives of the original studies we started out. We're

24 currently in the public comment period. We have been

25 receiving public comments on the intermountain -- I-11

1 Intermountain West Corridor study. These are virtual
2 public meetings. We've had those and they've started
3 already.

4 As you can see, we are considering the
5 entire corridor as part of these public meetings.

6 The area that's been considered is from
7 northern Nevada all the way to the border of Mexico.

8 A joint workshop was held yesterday, which
9 was the Arizona DOT, the Nevada DOT, the Arizona Commerce
10 Authority, and the Nevada -- Nevada, they're going to get
11 mad at me for saying, it's Nevada -- the Nevada Governor's
12 Office of Economic Development, which is similar to our
13 Commerce Authority, that meeting was held yesterday.

14 Mr. Kies, who is my project manager on the I-11 study, was
15 actually in attendance. Left and drove down here this
16 morning, and so he could make sure that he was able to
17 attend the board.

18 My understanding in -- it was another great
19 meeting yesterday. We have great partners in this study
20 with the Nevada DOT, the Commerce Authority, the RTC and
21 the MAG, as well as the Nevada Governor's Office. And
22 we're all -- have that common goal of identifying, is
23 there a business case and what's the ultimate purpose and
24 need for the corridor. And we've been considering that as
25 we move forward.

1 So let me back up before I get there.

2 That's the general update that I have, that I would commit
3 to you or submit to you. You also asked me to -- you
4 wrote a letter to the Department, and you asked that I
5 respond in this meeting under the Item Number 7.

6 So if you don't have any questions on the
7 update, I can move into that --

8 MR. CHRISTY: Do you have any questions from
9 the board on an update on this agenda item?

10 Hearing none --

11 MS. BEAVER: Just --

12 MR. CHRISTY: Oh, excuse me.

13 MS. BEAVER: I was wondering if you --
14 excuse me, I should (indiscernible), if you could maybe do
15 some clarification, because it was my understanding at
16 some prior meetings that we've held and for those
17 individuals that have spoke, it might help them to better
18 understand, that this corridor justification summary had
19 to be completed, and then there's like environmental
20 studies, you know, before it could be absolutely
21 determined that this was going to be the chosen corridor.

22 MR. OMER: Mr. Chair and Ms. Beaver, I will
23 answer what I think you're asking me. I am not exactly
24 clear.

25 We started on the path of developing the

1 concept of I-11 intermountain corridor -- Intermountain
2 West Corridor study actually before there was a federal
3 designation; we had had the conversation with the Nevada
4 DOT before that. The federal designation did come out
5 with beginning in Map-21, which designated the future I-11
6 corridor from, you know, the vicinity of Las Vegas to the
7 vicinity of Phoenix, along the U.S. 93 corridor. And
8 that's pretty much what the language said. I wouldn't
9 quote it, but it is pretty much -- we didn't establish any
10 designation for the corridor. That was done by Congress.
11 It was incorporated into the Map-21 language. And that's
12 where we moved forward with from there.

13 The director mentioned earlier the
14 high-priority corridors. Those are the high-priority
15 corridors that were established as part of the National
16 Highway System high-priority corridors, and you were
17 correct, it was done in ICE-T (phonetic). So that's been
18 around for a very long time. And that part of the
19 language for the I-11 designation specifically comes from
20 the CANAMEX designation on Priority Corridor Number 26.
21 So as we mentioned earlier, that's been around for a very
22 long time.

23 So the concept and the idea of the corridor
24 is not something that's new. The Department took the
25 stance that if we were going to look at studying this

1 corridor, I-11 in the Intermountain West, we wanted to do
2 a couple of things. First, identify is there really
3 business case for this corridor? This isn't something
4 that's common. It isn't something that's done on a
5 regular basis. But we did feel it was appropriate to
6 identify is there a business case for developing the
7 corridor. What could come out of the corridor? What are
8 some of the economic benefits? What are some challenges
9 and opportunities? And we're well into that process with
10 the draft business case that has been out there, and we're
11 currently planning on wrapping that up this summer.

12 After that, the business case is completed
13 and the Planning/Environmental Linkages document that goes
14 along with that, at that point, the Department is
15 completed with this part of the study.

16 And so we could move forward into other
17 parts of the study. And I'll answer those specifically
18 when I get into answering the chair's letter. But we felt
19 it was appropriate to do a business case. The Department
20 didn't do the designation for the corridor itself. That
21 was done in Congress. That isn't something that we
22 drafted. That was -- came out of somewhere else. So, you
23 know, we developed the business case, and we're in the
24 process of developing the Planning/Environmental Linkages
25 document, which informs the NEPA process or the eventual

1 NEPA process in the future.
 2 The only work that we've done in the past
 3 year and a half is something that can't be completely
 4 rolled up and moved on into the eventual final
 5 environmental documents, you would say, for the corridor.
 6 That's the purpose of doing it the way that we did. So we
 7 could start out along the planning process, not lose any
 8 of the work we've done and incorporate into the eventual
 9 document.
 10 The outcome of the planning and the
 11 environmental linkages document and the business case is
 12 really drafting the purpose and need for the corridor,
 13 which is important especially in the environmental sense.
 14 MS. BEAVER: Yes, thank you.
 15 BOARD MEMBER: Just, Mr. Chairman, point of
 16 clarification, Scott, you keep saying we could move into
 17 the next phase of the environmental studies, but that is
 18 going to take, I would assume a substantial amount of
 19 funding to study under a full EIS.
 20 (Simultaneous conversation)
 21 MR. OMER: -- in the letter.
 22 BOARD MEMBER: Thank you.
 23 MR. CHRISTY: Mr. Rogers?
 24 MR. ROGERS: Scott, the question I've got
 25 with Nevada, what are they studying? Are they just

1 studying from Las Vegas to the border? What's their
 2 study?
 3 MR. OMER: Mr. Chair, Mr. Rogers, no, the
 4 Nevada DOT is also looking at the entire state of Nevada.
 5 They are looking at the -- the area from the pat -- I
 6 always say the Pat Tillman bridge to --
 7 MR. ROGERS: That's -- that would be
 8 correct.
 9 MR. OMER: That would be correct. To Las
 10 Vegas, that's one section. And then north of Las Vegas,
 11 they're actually looking at, you know, where an eventual
 12 corridor should move north and where it should connect
 13 into. So they're having the same, similar types of
 14 studies on the Nevada side as we are in Arizona. And
 15 they're looking at the entire state.
 16 MR. CHRISTY: And so we're on to the letter?
 17 MR. OMER: Yes, sir. So I don't know
 18 exactly how --
 19 MR. CHRISTY: -- why don't I do what I did
 20 with Mr. Biesty and refer to the actual letter, and then
 21 you can use what you provided the board as a resource.
 22 The first bullet point you said that the
 23 director was a -- regarding the justification of the
 24 corridor and the growing role that manufacturing and trade
 25 could play between Mexico and the United States.

1 So will this also be part of the business
 2 case justification for the priority -- quote/unquote,
 3 priority segment, Phoenix to Las Vegas, in the current
 4 study?
 5 MR. OMER: Mr. Chair, the answer -- the
 6 short answer to that is yes. The idea of Mexico's
 7 (indiscernible) North American manufacturing trade, will
 8 be included in the case for the entire study area. We
 9 consider that to be one of the key and vital components of
 10 the entire study itself.
 11 If I could go back to 18 months ago when we
 12 started this study, if there was one thing I could change,
 13 when we drafted our scope of work with Nevada, it would
 14 have been eliminating the term "priority corridor,"
 15 because I do think it's misleading. The entire corridor
 16 from border to border for the state of Arizona, to us as a
 17 department, is vitally important. This transportation
 18 board actually, you know, gave us guidance, and said if
 19 you're going to move long this path, don't just look at
 20 one small segment. Look at the entire state.
 21 And in good faith, that's -- that's the role
 22 that we've taken the entire time.
 23 We do consider that there is not one area
 24 over another when it comes to priorities. It's in total
 25 that we look at the study area itself.

1 So, again, if I could back up, I would say
 2 it wouldn't say priority corridor. We have been internal
 3 in our meetings now, we're not calling it high priority.
 4 We're calling it the Congressionally designated corridor,
 5 the part that is, you know, north of the Wickenburg
 6 region, because that's what it is.
 7 MR. HALIKOWSKI: So point of clarification,
 8 again, Mr. Chairman, Scott, ADOT did not seek out the
 9 designation from Congress. That was done by others?
 10 MR. OMER: Mr. Chair and Mr. Director, to my
 11 knowledge, the Arizona Department of Transportation did
 12 not ask for the designation of the I-11 or the
 13 Intermountain West Corridor. That's not something that
 14 came out of my division. It is not came -- something that
 15 came out of any other division I know of in the
 16 Department, so I would say no. We didn't (indiscernible)
 17 along the path of creating a new designation for this
 18 corridor.
 19 MR. HALIKOWSKI: Whether the designation
 20 exists or not, we continue to study this. It's a whole
 21 corridor from one end of the state to another. The
 22 designation came after the study was started.
 23 MR. OMER: Mr. Christy and Mr. Director,
 24 that is -- that's the --
 25 MR. HALIKOWSKI: You know, the other thing I

1 would point out, Mr. Chairman, is nothing precludes folks
2 from going to seek further designation if they want to.
3 And that's certainly something I'll be discussing when I'm
4 in D.C. to clarify these issues of designation. But if
5 folks want to designate this in some other way than it is
6 currently, nothing precludes them from going to Congress
7 and seeking that out.

8 MR. CHRISTY: Okay. Moving on to Point 2,
9 you stated that further study of the Southern Arizona
10 Future Connectivity Segment would occur only after the
11 completion of the current I-11 and Intermountain West
12 Corridor study. Can you provide this transportation board
13 with a timeline for the initiation and completion of the
14 studies for the Southern Arizona Future Connectivity
15 Segment?

16 MR. OMER: Mr. Chair, at this time, we can't
17 commit to a specific timeline because there's no funding
18 that's been identified for other studies. I think last
19 month or the month before, I had mentioned that we were
20 going to have conversations with the Pima Association of
21 Governments about what type of studies should occur in the
22 future. We still commit to doing that. But in good
23 faith, I can't say what that timeline would be, because we
24 don't have the funding identified for any future studies
25 as we move forward.

1 MR. CHRISTY: Can you give a timeline of
2 when you will be engaging with the Pima Association of
3 Governments to -- to explore for other -- study funding
4 sources?

5 MR. OMER: My conversations with the
6 executive director of MAG -- would have some conversation,
7 it would probably start in the March time frame. We have
8 not set a date yet for those conversations. We haven't
9 set a meeting. But we did commit to at least having the
10 conversation so collectively we could look at, you know,
11 where we're going to go in the future.

12 But until we identify funding for any
13 additional and future studies, it's conversations about
14 what we're going to do. There isn't a timeline that we
15 can commit to as a department.

16 MR. HALIKOWSKI: I would say, Mr. Chairman,
17 too, we -- since we started this initial study, have been
18 telling folks that we were going to go forward with a
19 full-blown EIS, that we would need funding in order to do
20 that. And it also have to -- I believe be in the
21 (indiscernible) of the RTPs and the areas for the -- where
22 we're going to talk about putting this through an EIS.

23 So there are some actions that we have been
24 putting on the table for a couple of years now regarding
25 funding and the fact that certain actions have to happen

1 by the MPOs involved.

2 Now, correct me if I'm wrong, but that's, I
3 think, the steps that have to be taken.

4 MR. OMER: Mr. Chair and Mr. Director,
5 that's accurate. You know, a lot of it would depend on
6 the specific types of language. It would depend on the
7 funding source of those studies. But, you know, until we
8 identify the funding for any future work, we can't commit
9 to a timeline.

10 MR. CHRISTY: Well, I would just suggest
11 strongly that efforts be made to reach out to PAG to
12 discuss funding sources for the EIS as soon as possible.

13 MR. OMER: Absolutely.

14 BOARD MEMBER: The EIS and what?

15 MR. CHRISTY: The southern connectivity
16 segment.

17 BOARD MEMBER: Because you're not doing an
18 EIS right now from Vegas to Phoenix.

19 MR. HALIKOWSKI: No, sir, we are doing what
20 is called a preliminary environmental linkage. It's a
21 high-level look. And --

22 BOARD MEMBER: Oh, yeah, that's what I would
23 do. I wouldn't ask for --

24 MR. HALIKOWSKI: That will be completed this
25 summer.

1 MR. OMER: Yeah, Mr. Chair, I want to make
2 one -- one clarification. The entire corridor from border
3 to border is incorporated inside of the
4 Planning/Environment Linkages document itself. So the
5 area from Pat Tillman Bridge to the border of Mexico is
6 all-inclusive inside of our Planning/Environmental
7 Linkages document that's due out later this summer. July,
8 I think is the date, so it includes the entire thing.

9 MR. ROEHRICH: And, Mr. Chair, to be
10 clarified, nothing moves forward on interstate -- future
11 Interstate 11, at any segment of it, because there is no
12 funding for any future studies.

13 MR. CHRISTY: Well, there's been discussion
14 of funding sources and problems with funding. And what
15 I'm trying to suggest is there may be alternative funding
16 available that I would think that the -- that it would be
17 a very productive and positive thing to engage in
18 discussion, just -- if nothing else, than to find out what
19 they might be. And that's why I'm suggesting that we
20 reach out to PAG as soon as possible, to see what PAG
21 might have in its -- in its quiver. Is that right?

22 MR. OMER: That nod was a yes, sir.

23 MR. CHRISTY: Okay. Third point is will the
24 study of the Southern Arizona Future Connectivity Segment,
25 upon its completion, bring the southern Arizona segment to

1 the same level as the current studies being completed for
 2 the priority segments, i.e., Phoenix to Las Vegas.
 3 MR. OMER: Mr. Chair, I think the answer to
 4 that question is -- kind of goes back to the previous one,
 5 until we identify the specific funding source and the
 6 specific type of study that we'd be moving forward with,
 7 it's kind of moot at this point.
 8 We -- in my opinion, the entire study is --
 9 it has the Planning/Environmental Linkages document
 10 completed on it -- will be completed on it. How we move
 11 forward in the future, will dictate -- will be dictated by
 12 the amount of funding that's required, where we can
 13 identify the funding, and if we can identify the funding
 14 and what that specific type of future study should be.
 15 You know, I don't want to dance around it, if we're
 16 talking about Environmental Impact Statement for corridor,
 17 then we don't have any type of funding available for that
 18 type of project at all.
 19 MR. CHRISTY: So you -- there would be no --
 20 no attempts to bring it up to the same level as the other
 21 studies that are being made north of Phoenix.
 22 MR. OMER: Mr. Chair, I didn't say that.
 23 What I said is we don't have the funding
 24 identified for this time or the specific type of study
 25 identified.

1 We can have the conversations with all of
 2 our regional partners about specifically how the --
 3 collectively the state and those partners should move
 4 forward. But at this time, we don't have the funding
 5 identified. And that's -- you know, the 800-pound gorilla
 6 in the room. Until we identify that, that's a huge
 7 challenge for us as a department.
 8 MR. ROEHRICH: Mr. Chair, I guess this
 9 question does confuse me, and so I guess I'll ask it. It
 10 says the same level of current studies. Plural.
 11 There's only one study. That's the I-11
 12 Intermountain West study that goes from Nevada border to
 13 Mexico border. So when it says current studies, plural,
 14 did you -- did you feel there was some other study or the
 15 Department was looking at some other -- something other
 16 than --
 17 MR. CHRISTY: But is there studies being
 18 made in the Phoenix-to-Las Vegas corridor that are not
 19 being put on the same priority level as anything south of
 20 Phoenix?
 21 MR. OMER: Mr. Chair, we don't have anything
 22 scheduled after the completion of study in any other
 23 corridors. So we -- when this study is completed in July
 24 of this year, we have a schedule, we have no funding or
 25 anything identified for any follow-on studies.

1 MR. CHRISTY: Okay. Is the funding for the
 2 further study of the Southern Arizona Future Connectivity
 3 Segment identified in the ADOT budget?
 4 MR. OMER: I would say -- I would respond
 5 again, Mr. Chairman, not having any further funding
 6 identified in the current project program or any other
 7 mechanism for moving forward with any future studies for
 8 the Southern Arizona Connectivity Segment or any of other
 9 segments, (indiscernible) to say the entire corridor wraps
 10 up this July.
 11 MR. HALIKOWSKI: And, again I need a point
 12 of clarification. Are you talking about the ADOT
 13 operating budget, Mr. Chairman?
 14 MR. CHRISTY: Well, yeah, it would have to
 15 come out of operations or some -- or some type of funding
 16 that is available for this type of study.
 17 MR. HALIKOWSKI: Mr. Chairman, I don't have
 18 any excess budget in ADOT operations. As you recall in
 19 2009, the legislature over two years cut us by a hundred
 20 million dollars and has not increased our operating budget
 21 at all since then.
 22 So I don't know that you could utilize the
 23 ADOT operating budget.
 24 And I'd ask Mr. Omer, normally we don't pay
 25 for studies out of the operating budget.

1 MR. ROEHRICH: Mr. Chairman, Mr. Director,
 2 that's correct. The -- the planning -- if you remember
 3 the -- the graphs from Mr. Omer's presentation, it shows
 4 in there an amount of money every year that is programmed
 5 out of the five-year program for planning and development.
 6 That's where the funds for our studies for our development
 7 of projects come from. It does not come out of ADOT's
 8 operating budget, because that's a separate authorization,
 9 allocation, specifically for operation of the agency.
 10 The transportation program and all of its
 11 planning and design and development, right of way and
 12 everything else, (indiscernible), comes out of the
 13 five-year program.
 14 MR. OMER: That's accurate, Mr. Chair and
 15 Mr. Roehrich. The funding for all of our studies come out
 16 of two mechanisms: the five-year program that the board
 17 approves and has control over; or there's a planning
 18 budget which we used to fund this study.
 19 Now, that -- we don't have the funding
 20 available in our overall planning funds either to complete
 21 the next phase of the study, even if it would be eligible
 22 for that type of funding. And we would have to identify
 23 what the specific type of funding is or study is before we
 24 can make that commitment.
 25 MR. CHRISTY: I think if -- the reason why

1 these questions are coming up goes back to the original
2 issue several years ago when all of a sudden there was a
3 decree handed down that 3 million dollars was to be made
4 available to -- by ADOT to study the Phoenix-to-Las Vegas
5 corridor. And if we recall, that was when Mr. Flores at
6 the time raised objections, wondering what was going to be
7 taken out of what budget for that funding source.

8 My -- our questions, if they can do it for
9 that study, between Phoenix and Las Vegas, when we have no
10 ADOT five-year plan providing for that money, when there
11 is no money -- there was no more money then than there is
12 now, but suddenly, 3 million dollars becomes available for
13 that study, then that's why we are led to believe that
14 perhaps then there might be money available for these
15 other studies.

16 MR. OMER: Mr. Chair, I can address that.

17 If we can go back three years to rewind the
18 tapes, I think what the board would remember is when that
19 project was brought forward and talked about, the board
20 said, no, we needed to make sure that we -- the board had
21 the control of those programming funds. And we -- at that
22 point, that issue was dropped.

23 The study that we're working on today is not
24 funded out of the five-year capital program. The funding
25 that we're studying -- this one today is being funded out

1 of our statewide planning funds. We brought this back to
2 the board when we started the process. The board chair at
3 the time was very clear that he didn't want just a
4 specific area studied at all. He would like to see the
5 entire state of Arizona included in the I- -- the
6 Intermountain West Corridor study. So that's what the
7 Department did.

8 That is how we started out. The 3 million
9 dollars that you referred to, was not used at all. And
10 that -- and I'd make it very clear, the total amount of
11 funding that we've invested in this I-11 Intermountain
12 West Corridor study in partnership with the Nevada DOT on
13 the Arizona side is one million dollars. And it came from
14 our statewide planning funds.

15 MR. CHRISTY: Say that again.

16 MR. OMER: One million dollars. And it came
17 in -- and it came from our statewide planning funds. It
18 did not come out of the five-year program at that time.

19 Now, as we move forward in the future, our
20 limited amount of funds doesn't just include our
21 programming funds. It includes or planning funds as well.
22 I think there are 16 million dollars --

23 MR. CHRISTY: Let me just interrupt.

24 That -- for a minute. So funding did become available
25 through some section of the -- of the Department to

1 proceed with the study of that implementation between
2 Phoenix and Las Vegas.

3 MR. OMER: Well, Mr. Chair, it didn't
4 include the section from Phoenix to Las Vegas. It
5 included the entire state from border to border.

6 MR. CHRISTY: Okay.

7 MR. OMER: That's what we moved forward
8 with. It was a partnership with the Nevada DOT.

9 MR. HALIKOWSKI: But the source of funds was
10 not our operating budget.

11 MR. OMER: The source of funds was not
12 operating at all. It wasn't our five-year capital
13 program. It came out of our statewide planning funds.
14 That is --

15 MR. CHRISTY: Begs the question why can't we
16 go to the statewide planning funds to proceed with the
17 funding mechanisms that we needed to pursue these further
18 studies?

19 MR. OMER: Mr. Chair, we have the same
20 caveats in the planning funds as we do on our overall
21 capital program funds. We have limited resources.

22 Our statewide planning funds are not just
23 available for ADOT to do planning with; we also provide
24 statewide planning funds to every MPO and COG in the state
25 of Arizona for their ability to plan and operate as they

1 do today.

2 That's not something the Department has to
3 do. That's something that was always done. It is
4 completely discretionary.

5 But a major portion of our planning funds
6 are actually distributed directly to MAG, PAG, YMPO, Sun
7 Corridor MPO, FMPO, and as well as the COGs in the state
8 of Arizona. And I'm sorry, I left off Sierra Vista, but
9 we'll distribute --

10 BOARD MEMBER: Mr. Chair and Mr. Roehrich,
11 I -- how big of a pot is your statewide planning funds.

12 MR. OMER: Mr. Chair -- I'm sorry,
13 Mr. Chair, Mr. Roehrich, I think it's 16 million dollars.
14 It's actually line item in the program. You approve
15 our -- our planning fund on an annual basis. And it was
16 listed in my presentation today as well.

17 BOARD MEMBER: So Mr. Chair and Mr. Omer --

18 MR. OMER: -- 19 million dollars.

19 MR. ROEHRICH: And that's what I was going
20 to say. It is in the program. You said it's not in the
21 (indiscernible) program, but it's in the five-year
22 program.

23 MR. CHRISTY: Yes.

24 MR. ROEHRICH: Those are not separate pot of
25 funds other than what has been identified. Out of that 19

1 million, how much gets distributed approximately to the
 2 locals and how much to (indiscernible).
 3 MR. OMER: I can bring the exact number --
 4 (Simultaneous conversation).
 5 MR. OMER: I'm thinking it's about 50
 6 percent, to tell you the truth.
 7 MR. ROEHRICH: So Mr. Chair, Mr. Omer,
 8 finding a million dollars in that was difficult at the
 9 time that we did it when we did the study. But we agreed
 10 to do that in order move forward, because we wanted to
 11 take advantage of the designation as well as build a case
 12 for the extension of a corridor all the way to the border.
 13 Moving forward, we're talking about tens of
 14 millions of dollars doing an EIS. That -- your subprogram
 15 for the planning funds could not support and sustain that
 16 type of a study.
 17 MR. OMER: Right. And I would add one thing
 18 to that and be more specific. My planning funds would not
 19 be eligible to be spent on any type of engineering or
 20 environmental work beyond planning. There's a subtle line
 21 where it -- where planning stops and preliminary
 22 engineering, development, and operations come -- come into
 23 place. We've taken the planning funds in this instance
 24 and used it on the planning (indiscernible) where we
 25 identified where the corridors.

1 But we have the same federal requirements
 2 over our funds in planning as you have in I -- on a
 3 construction site. You can only use funds where they're
 4 appropriate and where they're approved at. And this would
 5 not be an eligible funding source to move forward with an
 6 EIS out of planning funds.
 7 MR. CHRISTY: Well, I think you've given the
 8 board a sense of the situation from the Department's
 9 standpoint. And I have to commend you for standing there
 10 and answering questions. And it's very much appreciated.
 11 I think it may possibly prompt some more
 12 questions. And I think this mechanism to be developed of
 13 any questions that do develop prior to a board meeting is
 14 to present them in a letter form. You've been very
 15 helpful and informative.
 16 It's particular point, I think you've --
 17 MS. BEAVER: Mr. Chairman? I just want to
 18 ask one thing.
 19 Is it possible with regard to funding,
 20 specifically the state legislature, could they designate
 21 funds specific for this? Something outside the scope of
 22 the transportation department? If the state legislature
 23 was wanting to see this from border to border?
 24 MR. HALIKOWSKI: Mr. Chairman, it's very
 25 difficult to predict what the state legislature will do or

1 not.
 2 But let me say this, the state legislature,
 3 except for one time that I can remember, has never
 4 provided general funds to the Department. So basically
 5 what the state legislature does when they prepare ADOT's
 6 budget is they appropriate state monies coming to ADOT
 7 that are generated mostly by gasoline and vehicle license
 8 taxes.
 9 So unless they pull it from ADOT's budget
 10 somewhere else, i.e., construction or operations which I
 11 think would probably be problematic, given some of the
 12 hurdles we're facing, but I don't really envision them
 13 providing general funds for this. I'm not saying it's
 14 impossible, but they have not historically ever done that.
 15 MR. CHRISTY: Mr. Rogers.
 16 MR. ROGERS: I just want it on the record
 17 here, and I appreciate all you folks that spoke here from
 18 southern Arizona.
 19 And I want you to know that as far as I'm
 20 concerned, the way I see it, this is the logical way for
 21 it to go. And unless somebody comes up with a better
 22 plan, but I don't see how they can. But I think what I'm
 23 going to look at is when that plan comes in the end of the
 24 summer and if it doesn't include it, then we all need to
 25 come together and figure out a way to get a plan done from

1 Phoenix to Nogales.
 2 That's the way I see it. Let's wait until
 3 that plan comes in. Let's see what they come up with.
 4 And then let's react. And you'll certainly have my
 5 support, and I -- because I see it -- I see it as the
 6 logical way. I'm sitting over on the eastern end of the
 7 state, my people. What good is it going to do me if we
 8 put it over on the west side or if I put it -- we put it
 9 over on the west side, what good's it going to do
 10 Ms. Beaver here.
 11 So the logical way for everybody to benefit
 12 is to go right where it's going -- or what we talked about
 13 and what you're proposing.
 14 So I -- I say let's wait until that plan
 15 comes in. Then let's react.
 16 MR. CHRISTY: Well, I appreciate your
 17 comments and your support very much.
 18 I do have to just acknowledge one thing that
 19 kind of leads to a certain anxiety level from those of us
 20 in the southern Arizona and I am not going to go into
 21 names or places, but just to let the Department know that
 22 there have been instances where Department staff at
 23 certain various meetings, have made statements, one in
 24 particular being that anything south of Phoenix regarding
 25 I-11 or the intermountain connectivity is, quote, off the

1 table.
 2 We hear those rumors, and there are folks
 3 from southern Arizona who heard personally those rumors at
 4 those meetings. And this is why we keep coming back
 5 asking for reassurance, reassurance, reassurance,
 6 reassurance, yet at various and sundry meetings across the
 7 state, based on this -- on this topic, ADOT staffers have
 8 made statements contrary to it.

9 MR. HALIKOWSKI: Well, Mr. Chairman, if you
 10 can provide me the names of those staffers, I will ensure
 11 that they are completely straightened out and take
 12 appropriate action, because as we've said here, we are
 13 studying this issue from one end of the state to another,
 14 and we're trying to make sure that we identify the purpose
 15 and needs to meet the terms of that study, and as I have
 16 said for over two years now, our intention has been to
 17 keep rolling this forward, because there's lots of support
 18 out there for this idea, and we did not want a break and
 19 do not want a break between the preliminary environmental
 20 linkage and rolling into the full-blown EIS.

21 However, we've also said that folks are
 22 going to have to come together in a partnership, because
 23 we are going to need to bring all financial guns to bear
 24 if we're actually going to complete this. ADOT does not
 25 have the resources on its own, either to compel Congress

1 or anyone else to provide the funding in order to
 2 accomplish this.

3 MR. CHRISTY: Well, we pretty much devoured
 4 this agenda item.

5 Any further questions or comments from the
 6 board? Any closing observations or -- Mr.

7 MR. OMER: Mr. Chair, I was going to say,
 8 I'd like to move on the PPAC items at your pleasure.

9 MR. CHRISTY: That would be fine, if there's
 10 no objection to going on to the next agenda item, we will
 11 do so.

12 And that is Mr. Omer's agenda.

13 MR. OMER: Mr. Chair, thank you.

14 This month we did not have any consent
 15 agenda items from the PPAC agenda. And we also do not
 16 have any airport items. So all the specific items will be
 17 project modifications and new projects.

18 Our project modifications are Items 8a, as
 19 in "alpha" through 8q as in "queen." We can take those
 20 independently, or we can take those all together at the
 21 board's discretion, Mr. Chair.

22 MR. CHRISTY: Members of the board wishing
 23 to pull one of those from the project modifications?

24 Seeing none, a motion to approve the project
 25 modifications 8a through 8q.

1 BOARD MEMBER: So moved.
 2 BOARD MEMBER: Seconded.
 3 MR. CHRISTY: Seconded.
 4 STAFF MEMBER: Who seconded? Wait.
 5 BOARD MEMBER: I --
 6 STAFF MEMBER: Okay.
 7 BOARD MEMBER: Second.
 8 STAFF MEMBER: All right. I got it. Thank
 9 you.

10 MR. CHRISTY: Proposed? Same sign. Staff,
 11 the new projects.

12 MR. OMER: Mr. Chair, the new projects are
 13 Items 8r as in "Robert" through 8 alpha alpha. And we can
 14 take those independently, or we can pull any of those
 15 items, or we can take those together. It's your pleasure.

16 MR. ROGERS: Mr. Chair?

17 MR. CHRISTY: Mr. Rogers?

18 MR. ROGERS: I would like to pull 8y, 8a,
 19 and 8aa. And I would like to look into that a little bit
 20 further before we approve those.

21 MR. CHRISTY: All right. For motion to
 22 approve new projects which would be 8r through 8y?

23 MR. OMER: X, I'm sorry.

24 MR. CHRISTY: X, yes, correct.

25 Is there a motion to do so?

1 MR. ROGERS: I'll (indiscernible) that
 2 motion.

3 MR. CHRISTY: Motion by --

4 MR. CUTHBERTSON: I'll second.

5 MR. CHRISTY: Seconded Mr. Cuthbertson to
 6 approve projects 8r through 8x.

7 All in favor?

8 Opposed?

9 Mr. Rogers?

10 MR. ROGERS: Okay. On 8y, 8a, and 8aa, I
 11 just have some questions on -- I would like the ability to
 12 take this coming month and look at with some of our local
 13 people. This is in the area where I reside, and I have
 14 some questions on it before we go forward with it.

15 If you guys would allow me to do that, I'd
 16 appreciate that.

17 MR. OMER: Mr. Chair, I guess, from the
 18 Department's point of view, these projects are actually
 19 just (indiscernible) so if we pull them off the -- the
 20 agenda, we can speak on them independently. These three
 21 projects collectively are a result of wildfires that
 22 occurred. And these three projects specifically are
 23 emergency-funded projects that are funded 5.7 percent of
 24 state funds and 93.3 percent --

25 MALE SPEAKER: 94.3.

1 MR. OMER: 94 (indiscernible) like 94. I
2 can't do math while I'm talking and walking.
3 94.3 percent of federal funds. If -- I
4 guess the one caveat that I would say is this project was
5 identified as a need by the Department to replace the
6 fencing after the fires. And the funding that's been
7 identified cannot be used at any other location. So the
8 funding would specifically go to just these three
9 individual projects at these three individual locations.
10 Just for clarification.
11 MR. ROGERS: Okay. Let -- let me,
12 Mr. Chair, if I can, please.
13 For -- for the board's benefit here, this is
14 to replace the right-of-way fencing. I drive by this all
15 the time. Quite frankly, you've got a few stakes burn up.
16 And we're going to spend 6 million -- is it almost 6
17 million dollars, Scott? To replace some burned-up stakes.
18 Now, there are some areas where it burned hot and the wire
19 was probably -- pardon me?
20 MR. OMER: Mr. -- I'm sorry to interrupt,
21 Mr. Chair, Mr. Rogers, yes, I think it's 3.7, 3.8 million
22 dollars total for the three projects combined. 1.1, 2.0,
23 and 667,000 --
24 MR. ROGERS: Okay. All right.
25 All right. But anyway, my concern is is I

1 know that from -- from the -- from Eagar to the
2 (indiscernible) turn-off, for example, is about 11 miles.
3 All that was done in there was the grass was backburned.
4 And that's 1.1 million dollars we could spend on a new
5 fence, on the right of way there. I've got some heartburn
6 there.
7 I'm know from -- from Eagar to Alpine,
8 probably 80 percent of it, once again, is backburned,
9 probably grass. Maybe you got two stakes burned up. It's
10 not going to affect the wire. I got some heartburn with
11 that one.
12 Now, the one south of Alpine, I don't know.
13 I'd have to look at that one, because that was -- there
14 was some hot fire in there.
15 But, you know, to me, I -- I -- I don't care
16 if you tell me, Mr. Omer, that we can't use this money
17 anywhere else. This is money that's been given to us
18 because of emergency funds. This is taxpayer money. And
19 I can't in good conscience approve this.
20 I would like the opportunity to go look at
21 this. I would like your people to take and meet me so we
22 can -- they can show me where this fence needs be
23 replaced.
24 So that's -- and you know what? If they can
25 show it to me, fine, I'll come back and recommend all of

1 you can vote on it. But at this point, I certainly am not
2 going to vote for it. I would encourage you not to
3 either.
4 MR. ROEHRICH: Mr. Chair, Mr. Rogers, if I
5 could, I can -- I can fully understand, because we talked
6 earlier as well, your feelings in regarding to the
7 specific issue and these -- and these fence projects.
8 I do want to point out a couple of things,
9 though, that from ADOT's perspective, the agency
10 responsible for the safe operation of our roadways, when
11 our fences are damaged and even if there's breaches into
12 limited areas, not the whole length, and if you will, you
13 know, maybe the whole length of fence wasn't the --
14 impacted or negatively impacted by the fire or the
15 activity. But when there is a breach or failure in that
16 fence and cattle, horse, anything, kind of -- that the
17 fence was meant to keep out, wanders into the roadway and
18 there is an accident, our liability is a hundred percent.
19 There's no argument for that, because we did not
20 positively control our right of way. And we lose that
21 every time.
22 So one is a safety issue. It is a liability
23 issue.
24 But the second issue for our districts out
25 there is they -- as we've all been talking about today on

1 a number of issues, we have limited funding in all
2 aspects, whether it's operating budget, whether it's
3 maintenance budget, whether it's construction budget.
4 So here's an opportunity where stretches of
5 fence -- and maybe not the whole stretches -- were
6 damaged. But if -- if we don't go in and replace the
7 whole stretch and the maintenance folks have to go out
8 there and patch and try to keep it up, standing up and
9 keep it whole, piece at a time, it's using up maintenance
10 dollars we can put someplace else. Federal government
11 recognizes that there's a safety issue and liability issue
12 and that it was damaged as part of a federally recognized,
13 natural event that qualifies. So this is an opportunity
14 for the Department to go in there and correct deficiency,
15 whether it's the whole length or it's pieces or whatever,
16 but we go in there and we correct a deficiency that, one,
17 we don't have to -- to deal with from a maintenance
18 perspective and use those other precious dollars. Also
19 ensure that it's safely controlled of access so we can
20 maintain the safety, again, to the best of our abilities
21 for the roadway. And it helps protect our liability
22 through that area.
23 Whether, arguably, you feel that's -- it's
24 deemed a worthy effort for those funds or not, and I can
25 fully respect everybody's personal opinion on that, I also

1 respect the professionalism of our maintenance people out
2 there, and I guess the people out there determined this is
3 a needed project, and that is why it's taken forward. We
4 don't spend money frivolously just because we think we
5 have it. We spend it at a time where we think we need it,
6 when the opportunity arises for us to use it.

7 So I'll ask you to maybe give some
8 consideration for that as you decide whether you pull
9 these agenda items or to take action on approving them at
10 this point in time.

11 MR. CHRISTY: Mr. Rogers?

12 MR. ROGERS: Mr. Roehrich, I grew up in the
13 ranching business. I know when a fence is a good fence
14 and when it's not a good fence. Okay. And I can tell you
15 that. When it comes to fencing, I'm as professional as
16 anybody you got on your staff, so ...

17 But I will tell you this, I am not asking
18 you to put these off permanently. I'm asking you to give
19 me a month on it. Let me go take a look at it with your
20 people. That's all I'm asking for. Then if it's -- if
21 it's something that needs to be done, I'll come back and
22 recommend to all of you that we do it. That's all I'm
23 asking for. I'm not asking you to -- to throw it in the
24 trash can and forget it. That's not what I'm --

25 MR. CHRISTY: Could that be accommodated,

1 Mr. Omer?

2 MR. OMER: Mr. Chair, Mr. Rogers, for the
3 Department, we don't have a problem following the board's
4 recommendation. We, as a staff, we made our
5 recommendation through the priority programming committee
6 about these projects. If the board chooses to pull these
7 and give us direction to -- for the staff to meet with
8 Mr. Rogers at these locations, I'll take that back to our
9 deputy director of transportation or Ms. Toth, ask her to
10 coordinate those issues.

11 Our preference is -- well, you know, we made
12 our recommendation. The board's choice is to approve
13 these today or not.

14 MR. CHRISTY: Would a motion at this time be
15 in order?

16 MR. HALIKOWSKI: Yeah, well, if you pull
17 them, though --

18 MALE SPEAKER: Require a motion?

19 MR. SELLERS: Mr. Chairman? Can the items
20 just be continued to our next meeting?

21 MR. ROEHRICH: Mr. Chairman, so that is what
22 I think we would do is since you don't action them,
23 they've been pulled off. Right now, they've not been
24 actioned. I think the issue, they just be referred -- you
25 didn't action them, so we carry them to the next -- to the

1 next meeting.

2 MR. CHRISTY: Thank you, Mr. Sellers.

3 MR. ROGERS: And, Mr. Chair, one other
4 point. These don't come up. They're not advertised.
5 They're advertisement date is not until June 19th. So we
6 do have some time.

7 MR. CHRISTY: If that's the will of the
8 board, then we'd like to follow the recommendation of
9 Mr. Rogers through Mr. Sellers' suggestion that it be --

10 MR. ROEHRICH: Deferred.

11 MR. CHRISTY: Deferred.

12 Now, where are we? Is that it, as far as
13 the state -- okay.

14 We'll move on to the state engineer's
15 report. And, Ms. Toth, you've never looked lovelier.
16 (Laughter).

17 MR. HAMMIT: Mr. Chairman, I -- I'm filling
18 in for Jennifer Toth. My name is Dallas Hammit. I'm a
19 senior deputy state engineer for development.

20 Real quickly, the State Engineer's report,
21 we have 95 projects under construction currently at a
22 total value of about 713 million dollars. Through the
23 month of January, we've completed 12 projects are
24 finalized totalling just under 102 million dollars. And
25 year-to-date, we have finalized 96 projects.

1 That completes the State Engineer's report.
2 Any questions?

3 MR. CHRISTY: Any questions of the state
4 engineer?

5 Hearing none, we'll move on to construction
6 contracts.

7 MR. HAMMIT: Thank you, Mr. Chairman. And
8 thank you for approving the five projects in the
9 consent -- consent agenda.

10 We have two projects that need a
11 justification. Both are local projects. The first one is
12 in the City of Surprise. This was a ITS project or
13 putting cameras to help with traffic monitoring.

14 As we reviewed the bids, we saw that the
15 contractor, in discussion with them, they thought they
16 could get better production, which decreased the labor,
17 and then (indiscernible) the community station module,
18 they get better pricing than we figured. So it did come
19 in 25 percent under. We do recommend approval to Roadway
20 Electric for 369,869 dollars.

21 MR. CHRISTY: Mr. Sellers, I believe this is
22 in your district. Do you have any comments on this
23 particular one?

24 MR. SELLERS: No, I think that this has met
25 with the MAG approval. So I have no problem.

1 MR. CHRISTY: The chair then would entertain
2 a motion for approving the construction project Item 11a
3 as presented.

4 MR. ANDERSON: So moved.

5 MR. CHRISTY: There's a motion. Is there
6 second?

7 MR. ROGERS: Second.

8 MR. CHRISTY: There's a second. Motion made
9 by Mr. Anderson, second by Mr. Rogers to approve Item 11a
10 as presented.

11 Discussion?

12 Hearing none, all those in favor of the
13 motion signify by saying aye.

14 Opposed?

15 Hearing no opposition, the motion carries.
16 We'll move on to Item 11b.

17 MR. HAMMIT: Mr. Chairman, this project is
18 in the City of Coolidge. This is a pavement preservation
19 and sidewalk reconstruction. Again, a local project.
20 Again, when we discussed this with the contractor,
21 especially on the removal items, they thought they could
22 do it much faster than we believed they could. So they
23 saw a big savings in that. Also in their negotiations for
24 materials, both in asphalt and aggregate base, they get
25 better pricing than we used in our estimate. We do

1 believe we have a good bid and would recommend approval of
2 the Combs Construction for 1.578,802 million dollars.

3 MR. CHRISTY: Who is our district board
4 representative?

5 Mr. Anderson, do you have any questions or
6 observations on this particular item?

7 MR. ANDERSON: There's no questions that I
8 have, so I will move for approval on 11b.

9 MR. CHRISTY: There is a motion to move --
10 to approve Item 11b. Is there a second?

11 MR. CUTHBERTSON: Second.

12 MR. CHRISTY: There is a second, a motion
13 made by Mr. Anderson, second by Mr. Cuthbertson, to
14 approve Item 11b as presented.

15 Any discussion?

16 Hearing none, all those in favor of the
17 motion, signify by saying aye.

18 Opposition?

19 Hearing none of that, the motion is
20 approved.

21 This concludes the contracts.

22 MR. HAMMIT: Yes, sir.

23 MR. CHRISTY: And thank you for your
24 presentation.

25 I'll move on to Agenda Item 11, the upcoming

1 board meetings and public hearing.

2 Mr. Roehrich?

3 MR. ROEHRICH: Mr. Chair, at the study
4 session earlier this month, we discussed the number of
5 public hearings that we would -- that the board would like
6 to conduct this year. And we -- I guess the board at that
7 time had indicated that they would like to be go back to a
8 three location -- a three public hearing schedule. And
9 those traditionally have been in northern Arizona, central
10 Arizona, and southern Arizona.

11 By our board location and meeting location,
12 we do not have a northern Arizona location that would be
13 completed -- that would have been scheduled for a public
14 hearing prior to the June acceptance of the -- or
15 potential adoption of the five-year program.

16 So the recommendation, our discussion at
17 that time, what I'm proposing today is that the board look
18 at changing the location of the May 9th board meeting and
19 the June 13th board meeting and just swap those two to
20 where the May 9th meeting will not be in Flagstaff, and we
21 will conduct a five-year public hearing at that time in
22 conjunction with the board meeting. And then in
23 June 13th, we will go to Willcox, the board will go to
24 Willcox, and that's where they will adopt the program.

25 So in consideration of the -- holding three

1 public hearings in conjunction with board meetings for the
2 tentative five-year program, the board -- the staff
3 recommends that the board now move the meeting from
4 May 9th to Flagstaff and June 13th to Willcox.

5 MR. CHRISTY: Questions of Mr. Roehrich?
6 Ms. Beaver?

7 MS. BEAVER: Well, I'd like to make the
8 motion for this change. But I would just also like to
9 note that the reason it was changed from May to June had
10 to do with NAU's graduation falling at the same time and
11 lodging and logistics and things like that.

12 So if we're going to do this -- if it is
13 approved, that all needs to happen quickly and --
14 because --

15 STAFF MEMBER: I've got a call in to
16 Williams, to see about getting lodging there.

17 MR. ROEHRICH: Yeah, Mr. Chair, Ms. Beaver,
18 we're looking at -- the facilities obviously are available
19 because it's the city hall, and those aren't affected by
20 the -- the graduation.

21 (Simultaneous conversation)

22 MR. CHRISTY: Does NAU have any graduates?
23 MR. ROEHRICH: But as Ms. Trimmer said, we
24 are going to look -- the lodging might not be in
25 Flagstaff. We may have to go a little distance in one of

1 the surrounding communities or to -- to make it function.
 2 We'll look at as close as possible.
 3 BOARD MEMBER: -- Flagstaff? I know we
 4 usually have one there.
 5 MR. HALIKOWSKI: I believe there's a Boy
 6 Scout camp on --
 7 MR. ROEHRICH: There is also Fort Tuthill
 8 area, to see if those cabins at Fort Tuthill are
 9 available.
 10 We will work on lodging issue. And we've
 11 still got a little bit of time, Mr. Chair. If we run into
 12 a problem where we absolutely can't find lodging, then
 13 maybe we do look at a different location, one, maybe in
 14 that northern -- northern region, but maybe move to a
 15 different city, something along I-40 or something easily
 16 accessible.
 17 But for now, we think Flagstaff is going to
 18 make it work.
 19 MR. CHRISTY: Further questions?
 20 The chair will entertain a motion to change
 21 the meeting dates as presented by staff.
 22 MS. BEAVER: So move.
 23 MR. CHRISTY: Motion. A second?
 24 MR. ROGERS: Second.
 25 MR. CHRISTY: Motion by Ms. Beaver.

1 Seconded by Mr. Rogers to change the meeting dates
 2 accordingly --
 3 MR. ROEHRICH: Change the meeting locations.
 4 MR. CHRISTY: Excuse me. Thank you.
 5 Meeting locations as presented by staff.
 6 Discussion?
 7 Hearing none, all those in favor of the
 8 motion, signify by saying aye.
 9 Opposed?
 10 Hearing no opposition, the motion carries.
 11 We changed the meeting locations.
 12 And the final item is suggestions for future
 13 agenda items.
 14 Any board member want -- at this time want
 15 to --
 16 MR. CUTHBERTSON: Mr. Chair.
 17 MR. CHRISTY: Mr. Cuthbertson.
 18 MR. CUTHBERTSON: I think -- I think I could
 19 probably benefit from a better understanding of how the
 20 funding and the Casa Grande Accord gets distributed. And
 21 I don't -- you know, I could -- I could do that probably
 22 individual with one of the staff members. But I don't
 23 know if it would be something that the -- that we'd want
 24 to have, just for information only on a future board
 25 meeting, or if not I'll just proceed on that individually.

1 MR. CHRISTY: My personal feeling is I think
 2 that the board -- or the staff would be more than willing
 3 to engage in that conversation with you one on one, and it
 4 may not be necessary to put it on the agenda, unless --
 5 BOARD MEMBER: -- study session too.
 6 MS. BEAVER: Well -- and with this -- excuse
 7 me, Chairman, but with a study session coming up in May, I
 8 don't know, would that be appropriate time maybe? We
 9 could just --
 10 MR. CUTHBERTSON: It would be fine for me.
 11 I just --
 12 MS. BEAVER: I think if the board -- the new
 13 ones --
 14 (Simultaneous conversation)
 15 MR. CUTHBERTSON: I think I understand the
 16 basics of it, but I probably don't understand some of the
 17 finer points.
 18 MR. CHRISTY: We'd be more than willing to
 19 accommodate it as an agenda item, if that's the desire of
 20 the board.
 21 MR. CUTHBERTSON: Well, certainly I think I
 22 could gain something from that presentation as well, but I
 23 don't necessarily want to subject the whole board to
 24 something --
 25 MR. CHRISTY: I think it is something that

1 the staff is very able to accommodate.
 2 MR. HALIKOWSKI: We would be very happy to
 3 walk through the Casa Grande Resolve.
 4 MR. CHRISTY: So if we could put that as an
 5 agenda item, that would be great.
 6 Any other --
 7 MR. ROEHRICH: Mr. Chair, I'm sure that
 8 would be a study -- that would be a study session item.
 9 Not a regular board meeting, but we put that in a study
 10 session.
 11 I mean, how soon did you want it? Because
 12 May is -- is May fine?
 13 BOARD MEMBER: May's fine.
 14 MR. ROEHRICH: Okay.
 15 MR. CHRISTY: Any other suggestions?
 16 The chair would entertain a motion to
 17 adjourn.
 18 BOARD MEMBER: So move.
 19 MR. CHRISTY: There's a motion, second to
 20 adjourn.
 21 All those in favor say aye.
 22 Opposed?
 23 (The meeting adjourned.)
 24 * * *
 25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I, AMY E. WEAVER, do hereby certify that the
145 pages contained herein constitute a full, accurate
transcript, from electronic recording, of the proceedings
had in the foregoing matter, all done to the best of my
skill and ability.

SIGNED and dated this 6th day of March,
2014.

/s/
Amy E. Weaver - Transcriber

MEETING ADJOURNED 12:25 P.M. MST



Stephen Christy, Chairman
State Transportation Board

For 

John S. Halikowski, Director
Arizona Department of Transportation