

MINUTES
STATE TRANSPORTATION BOARD STUDY SESSION
11:00 a.m., Tuesday, May 20, 2014
Human Resource Development Center (HRDC)
Grand Canyon Room
1130 N. 22nd Avenue
Phoenix, AZ 85009

Pledge of Allegiance

The pledge was led by Board Member Jack Sellers.

Roll call by Board Secretary Mary Beckley

In attendance: Steve Christy, Kelly Anderson, Joe La Rue (arrived at 11:50 a.m.), Deanna Beaver, William Cuthbertson and Jack Sellers. Hank Rogers attended the meeting telephonically.

Absent: None

Call to the Audience

The following members of the public addressed the Board:

1. Christian Price, Mayor, City of Maricopa, re: requests SR 347 overpass be included in the five year plan.
2. William J. Antone*, Vice Chairman, Ak-Chin Indian Community, re: requests SR 347 overpass be included in the five year plan. *Mr. Antone spoke during the Study Session and not during the call to order (at approximately 12:20 p.m.).

ITEM 1: Funding Request for the Recreational Trails Program in the Five Year Program

Arizona State Parks respectfully requests an increase of \$268,000 to \$1.723 million in obligation authority for the Recreational Trails Program in the Five-Year Transportation Plan beginning in July of 2014.

(Information and discussion only – Bryan Martyn, Executive Director, Arizona State Parks)

ITEM 2: 2015– 2019 Tentative Five-Year Transportation Facilities Construction Program Review

Staff will present an overview, discuss project modifications, and review public comments on the 2015-2019 Tentative Five-Year Transportation Facilities Construction Program.

(For information and discussion only – Scott Omer, Assistant Director, Multimodal Planning Division)

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1
2 UNIDENTIFIED VOICE: This one sounds better?
3 I'll leave this one here for the call to the audience and
4 for the presentation discussion. But please hold the
5 microphone close when you speak so we can -- Mr. Rogers
6 can hear it, and then we can make sure to get it on -- on
7 record. Thank you.

8 CHAIRMAN CHRISTY: I'm going to -- when it comes
9 to my -- my comments on this, I think what I'm going to do
10 is have Mr. Roehrich just give a brief synopsis of the
11 purpose of this study session today.

12 MR. ROEHRICH: Yes, sir. Mr. Chair, members of
13 the board, staff, and audience. The purpose today of the
14 study session is we have spent now three months reviewing
15 the tentative five-year program, staff recommendation for
16 the next five-year program from fiscal year '15 to fiscal
17 year '19. And that's state fiscal year.

18 And -- and hearing the -- the call to the
19 audience as well as the -- the review of -- of the
20 comments that we've received by the public, the purpose of
21 today's meeting was for staff to analyze some of that,
22 come back if we feel there are any requested modifications
23 to the program that staff feels is -- is -- is necessary,
24 and to start the battle off with the board on what
25 adjustments you would like to see made to the program.

1 The purpose of today is to -- to discuss those,
2 start weighing how we can -- can make sure that the
3 program stays fiscally constrained, still meets work
4 policy as far as -- as the -- the -- the level of
5 commitment for preservation modernization expansion and
6 ensure that we're in compliance with the -- the
7 (Inaudible) traffic board and the other funding
8 distribution requirements by federal law and state statute
9 and board policy.

10 So the purpose is to -- to talk to that today,
11 discuss any modifications from the board. We'll probably
12 as staff have to go back if there's significant
13 modifications, analyze it to make sure that we are
14 fiscally constrained, make sure that we meet the statutory
15 requirements and the distribution requirements, and -- and
16 have that all prepared so we can bring it back in June at
17 the regular board meeting for final adoption of the
18 five-year program.

19 So today is -- is the day to look at any
20 adjustments the board may have, question any of the other
21 questions -- or question any of the other staff
22 recommendations. And staff will present some of the
23 modifications that we proposed today from staff's
24 recommendation. So that is the purpose of -- of this
25 study session.

1 CHAIRMAN CHRISTY: Thank you.

2 MR. ROEHRICH: And the first part is also to hear
3 from our stakeholder at State Parks, the -- the -- the
4 State Parks' director. Bryan Martin is here to discuss
5 the State Parks' program. Not just recreational trails,
6 but the State Parks' program and funding element that the
7 board has -- has worked with them in the past for
8 transportation infrastructure.

9 CHAIRMAN CHRISTY: Thank you, Mr. Roehrich, for
10 that framing of today's study session. And at this point
11 we'll go to call to the audience.

12 We have one request to speak to the board, and
13 that request is from the mayor of Maricopa, Christian
14 Price.

15 If you'd state your name and position again for
16 the record.

17 MR. PRICE: Thank you Mr. Chairman, members of
18 the board. My name is Christian Price, and I'm the mayor
19 of the City of Maricopa. And I just wanted to take a few
20 moments to say thank you very much for holding this
21 meeting today. I know that you guys have done a lot
22 hearing the same thing over and over again with the
23 five-year plan as it's been outlined.

24 But I know this board session is a wonderful
25 opportunity to look at those final things and see what

1 people have been saying to you over the past three work --
2 three sessions on -- on that public hearing.

3 So I thought it was a good sign when I showed up
4 today and that this building is underneath an overpass.
5 That's convenient, because that's what I want to talk
6 about was an overpass.

7 And the City of Maricopa is desperately looking
8 for an overpass on the SR 347. We had a work -- an item
9 that was on the agenda last time and -- so in Flagstaff.
10 And as you were all presented with that, the need for
11 that.

12 I passed out to each of you before you came in a
13 letter that is both from us as our planned commitment to
14 this project. A regional \$10 million is on City of
15 Maricopa letterhead, as well as a -- the Congressional
16 letter to the Honorable Anthony Fox, the Secretary of
17 Transportation, signed by our Congressional delegation
18 supporting this project.

19 And so I know that as today is kind of D-Day, we
20 really appreciate your consideration and your support on
21 getting the SR 347 into the five-year plan, as it is such
22 a huge need for the City of Maricopa moving forward.

23 And as I said before, this is not a want, but
24 rather this is an absolute need for public safety. To
25 give you all the stats again, I've done this for two

1 years. You've seen me. You know me. And I appreciate
2 your consideration.

3 So, again, with that, if there is anything I can
4 do to help answer questions or give assistance, I'm here
5 at your service. So thank you very much.

6 CHAIRMAN CHRISTY: Thank you, Mayor Price.

7 This -- unless there's someone from the audience
8 who has not filled out a request form, we'll -- we'll call
9 a close to the call of the audience.

10 Seeing that there are no other requests, we'll
11 move on to the agenda Item No. 1, which is a funding
12 request for the recreational trails program in the
13 five-year program. And this is for information and
14 discussion only.

15 And to give us that presentation is the deputy
16 director of Arizona State Parks, Mr. Kent Ennis.
17 Mr. Ennis.

18 UNIDENTIFIED VOICE: Mr. Chair, it's going to be
19 their director of State Parks.

20 CHAIRMAN CHRISTY: Oh, I beg your pardon.

21 UNIDENTIFIED VOICE: I'm sorry.

22 CHAIRMAN CHRISTY: That's even better. If you'd
23 state your name and -- and who you represent.

24 MR. MARTIN: (Inaudible). My name is Bryan
25 Martin. I'm the director at Arizona State Parks. And,

1 first, I -- I can't begin to tell you how pleased I am
2 with having the opportunity to -- to come before you and
3 tell you -- remind you of our great partnership over all
4 these years.

5 In front of you, you have a packet that lists --
6 it's the Arizona State Parks packet there. There's
7 information in there. I'll speak to it very briefly on
8 those things.

9 First I'd start off with what's the mission of
10 Arizona State Parks. Arizona State Parks, number one, we
11 are a resource protection agency. And the resources we
12 protect are those that the Arizona legislature has said
13 that we need protect. Those include everything from the
14 historic house up in Flagstaff, to a boat launch in
15 Lake Havasu, to a really cool cave down in southern
16 Arizona.

17 Our number two mission is we provide public
18 access to those resources. So (Inaudible) is number two.
19 The expense is number one. We need to (Inaudible)
20 resource. You put too many people in a house, too many
21 people on a boat launch, or too many people in a cave. So
22 we actively manage our resources.

23 And our third and probably our most important
24 mission. The reason we were established by government
25 (Inaudible) in 1957 is we are an economic driver for rural

1 areas. So we drive the economies of rural Arizona. There
2 are those state parks in Maricopa County. 29 of our
3 properties within our portfolio all reside outside the
4 lines of Maricopa County. So that is what we're about.

5 I always start off by talking about that mission
6 because a lot of people get confused on what we do.
7 That's all we do. Everything else outside of that,
8 there's probably some other agency or entity that's better
9 equipped to do that.

10 So to that end, times have changed. Parks used
11 to be kind of like a library or a museum. It didn't
12 matter who made money. Hence, our social contact we have
13 with different people.

14 Well, in 2007 we had a budget of \$81 million.
15 Today my budget is \$22.5 million. In 2007 we had 420
16 full-time employees. This morning I have 158. Still have
17 the same number of parks. Still 29 parks.

18 And by the way, all your parks are open. That's
19 a big deal. And for the future, never, never, never close
20 a park, because if it's closed for two weeks, people will
21 think it's closed for two or three years. So I still
22 continue to remind people, all your parks are open.

23 ADOT plays a huge role in Arizona State Parks.
24 You have Mohave. You have (Inaudible) play into this.
25 ADOT has the ability to give Arizona State Parks

1 \$5 million a year for infrastructure related to
2 transportation. Transportation includes things like boat
3 launches and (Inaudible) and roads, and a very big, big
4 part of what our agency is.

5 A perfect example of a recent case where it -- it
6 makes a difference to our product was at Homolovi. I
7 don't know if you've ever been to Homolovi State Park.
8 It's up by Winslow, Arizona. Homolovi roads -- no one
9 around there. You probably have to get some general work
10 following your -- your drive on that road. It was not --
11 not good at all. In fact, a lot of our customers have
12 half million dollar RVs that it would do that drive once.
13 They would never come back.

14 At Arizona State Parks we use kind of a
15 McDonald's model. The McDonald's model means they -- the
16 menu at McDonald's is here -- the same here in Phoenix and
17 it's the same in Chicago and it's the same in Tokyo. I
18 say the menu might be a little bit different, but the
19 product is the same; the same smiling face, the same clean
20 uniforms, the same clean bathroom kind of thing.

21 The same thing for Arizona State Parks. It only
22 takes one bad experience to go in McDonald's in Somalia,
23 and it's a bad experience that many people will say I'll
24 never go to another McDonald's. The same thing for
25 Arizona State Parks. One bad experience can (Inaudible)

1 the entire (Inaudible).

2 We talked about first impressions. Arizona State
3 Parks (Inaudible) impression is the first impression
4 because it only takes one bad thing. So a road into
5 Homolovi was the perfect example. Even though you may not
6 know, Arizona -- any other park, if you go to Homolovi, it
7 was a bad experience based on the road.

8 In the past we had about \$1.5 million set aside.
9 There was already (Inaudible) by ADOT for that road.
10 Well, the bottom fell out and the money was taken away for
11 other things. But I still have that road. So somehow
12 (Inaudible) found about a quarter million dollars to put a
13 Band-Aid on this road and then get -- we didn't get the
14 whole road down. We did the part that was important. And
15 now we've got that customer experience for fixing the
16 road. In fact, as we speak, it should be done on Friday.
17 That's a big deal for our agency. It's a big deal for the
18 economies of all rural Arizona. Because the experience
19 you have at Homolovi translates directly all the way down
20 to Patagonia. You may not go down to Patagonia. You may
21 not go to Show Low. You may not go to Safford where other
22 parks are because of the bad experience. We owe all of
23 that to ADOT.

24 In front of you you've got a little worksheet
25 that shows a bunch of the projects that ADOT has done

1 recently. We talked about in the past it's up to you to
2 get us the \$5 million. And it has dropped down to the \$1
3 million range. And we've been working closely with ADOT
4 staff to try to boost that up and demonstrate value added
5 and why it's important and why Arizona State Parks is
6 worth investing in. And we've gone up to \$1 million, \$1.5
7 million, and all the way up right now to close to \$2.5
8 million in fiscal year '17.

9 Today I'd just like to tell you that one of the
10 (Inaudible) in Arizona State Parks through your
11 obligations here, frankly, is directly to the economies of
12 Arizona. This is a good, good thing for rural Arizona.
13 And \$2.5 million sure doesn't go very far on a freeway
14 here in metro Phoenix. God knows we need it. I will tell
15 you, another \$2.5 million or \$3 million or \$4 million or
16 \$5 million goes a very, very long way to improve the
17 economies of -- the economies that need it the most.

18 We look at our employment rate. We look at all
19 these issues in rural Arizona. And rural Arizona exceeds
20 metro Phoenix in every negative category. Every single
21 one. This is an opportunity for ADOT to help Arizona
22 State Parks to drive the economies.

23 As a former elected official, I've sat pretty
24 much in your seat, and I get the ask piece. My job today
25 is just to demonstrate value added and to reaffirm our

1 commitment to work together. I understand the cut lines
2 where priorities are. As a county supervisor, it seemed
3 that we took care of cops, courts, and kids first, and
4 parks was somewhere right around here.

5 My job is to demonstrate that parks are a lot
6 more than just a place where you can go fish or camp.
7 Parks are about thriving economies. So when you do the
8 best in the parks, there is a value added. So hopefully
9 we can get to the point where we have demonstrated our
10 value added and you are comfortable as a board saying, you
11 know, yeah, we've had to (Inaudible) a lot of money, but
12 that's the bang for the buck.

13 Recently we -- I got a -- last year we got
14 \$1 million from the general fund, interest on the rainy
15 day fund. I took that interest, that \$1 million and
16 invested it in three parks. I electrified three
17 campgrounds. I matched it with some land (Inaudible)
18 conservation money and some other money (Inaudible).
19 We'll trade that \$1 million over the next ten years into
20 \$3 million. We will triple that -- that investment in
21 three years -- in ten years. That's a -- (Inaudible)
22 investment available to triple your money in ten years.
23 That's how quickly. We are stewards of your dollars, and
24 we are about making it -- making it last and go on.

25 So just in front of you you've got the laundry

1 list of all the great things that we've done over the
2 past.

3 On another (Inaudible) issue, the -- we also
4 receive a lot of grant money that comes through
5 Recreational Trails Program, the items on your agenda.
6 Recreational Trails Program is allocated to about
7 \$1.8 million. Those trails programs go to motorizing
8 nonmotorized programs.

9 Well, I heard there was talk about interest in
10 riding trails. Nonmotorized trails. That's -- that's
11 good news. That's what we do with these monies. They go
12 throughout the entire state. In the past we didn't have a
13 lot of interest in this. We didn't have the (Inaudible)
14 projects because there's matching portions to this.

15 We're at the point now that there are more
16 projects than funds. Again, these are those things that
17 make our communities better, drive economies, bring
18 businesses in. This is not just about public health or
19 nice to have. These are good things to drive our
20 economies throughout the state, wherever these trails show
21 up.

22 Right now the allocation that we received from
23 you up (Inaudible) 1.8 is about \$1.4 million. We'd like
24 to see if we could get that increased to match about what
25 you do on most programs like this where you reserve about

1 10 percent for administrative. We're asking for an
 2 increase, a proposed increase of about \$258,000 to take us
 3 up. None of this park -- none of this money goes to state
 4 parks. This is about giving the money, obviously, to the
 5 economies and communities of -- of the area of the state.

6 So as you work through your -- your plan as you
 7 go forward here, we'd like to see if there's -- we had
 8 interest from the community, from the citizens of Arizona
 9 who are applying for these grants. And when you get a
 10 grant that meets all the criteria, that's a good program,
 11 a good grant, and then you talk about, well, we only have
 12 enough money for this many. And I have three -- in this
 13 case the last one we had three more programs that were
 14 worthy that could have worked, but the money wasn't there.
 15 I know the money is being utilized as effectively as ADOT
 16 can manage it.

17 I'm just asking that you go the standard model,
 18 the usual model of 10 percent in administrative costs to
 19 ADOT and the rest to allocate for the programs that are
 20 (Inaudible). So with that I will stop talking. And I'm
 21 happy to entertain any questions.

22 In your packet you have a green guide, which is a
 23 book that talks about all our Arizona State Parks, where
 24 they're all at, what they do. By the way, we are
 25 experiencing record attendance and record revenue. We

1 just went over the \$13 million mark. \$13 million.
 2 That's -- that's a good mark. Arizona State Parks would
 3 like to see that. We are not out of the woods yet, but we
 4 are making great progress.

5 And the more money that we get invested in our
 6 programs and our parks, the more money we generate and the
 7 more money we generate for the economies of rural Arizona.
 8 Thank you, Mr. Chairman.

9 CHAIRMAN CHRISTY: Thank you, Director Martin.
 10 Does any of the board members have any questions for the
 11 director?

12 No questions.

13 Thank you for your presentation and for coming
 14 today.

15 MR. MARTIN: Thank you, (Inaudible).

16 UNIDENTIFIED VOICE: Thank you, sir.

17 CHAIRMAN CHRISTY: We'll move on to item 2 of the
 18 agenda today, which is a 2015-2019 Tentative Five-Year
 19 Transportation Facilities Construction Program Review,
 20 which will be presented by the assistant director for
 21 multimodal planning, Mr. Scott Omer.

22 MR. OMER: Thank you, Mr. Chair. So I'm assuming
 23 you guys are tired of hearing me and seeing me, so
 24 hopefully never if we get through today and (Inaudible) up
 25 the board meeting in June and we can have a program. So

1 that's all of our goals.

2 So let me -- before we get started, let's talk --
3 let me tell you what's in front of you. First of all, you
4 have a new draft, final (Inaudible) -- I don't know what
5 we're going to call it. It's a working tentative program.
6 And you'll notice as you go through it there's some
7 individual projects in here that are going to be
8 highlighted in yellow. So those are project modifications
9 or changes that we've had for a couple of various reasons.
10 I'll explain that as we go through.

11 And then you also have an 11 by 17 Excel sheet
12 from the (Inaudible). Each one of these yellow
13 highlighted (Inaudible) in the program. It's explained in
14 a little more detail on that 11 by 17 document. Since I
15 don't have that document in front of me, Mr. Sellers, can
16 I borrow yours?

17 UNIDENTIFIED VOICE: Here's an extra one right
18 here.

19 MR. OMER: Okay. For example, this 11 by 17
20 document goes into detail about the specific (Inaudible).
21 Let's take the first one on the page, which is a bad
22 example. But let's go down to I-10 Wild Horse Pass SR
23 347/Queen Creek Road. So it's the fourth line on the
24 page. You'll notice it says around I-10 to Wild Horse
25 Pass and 347/Queen Creek Road. The type of work is major

1 renovation.

2 What we've done is moved the project from FY 15
3 to FY 14. So we extended (Inaudible) from the tentative
4 program to the current program the board is operating on
5 today. Total budget for that project was \$5,500,000. So,
6 effectively, we've reduced the FY 15 budget by \$5.5
7 million. And you can see that over there where it says FY
8 15, that line item, and the five and a half -- the other
9 side is on advanced to FY 14.

10 So we've tried to make a loan -- tried to lay out
11 exactly what the actions were in this stretch east so it
12 makes a little bit more sense as you're looking at, you
13 know, the program we're talking about today. So we
14 have -- the details kind of go through the explanation
15 process of how we have got here. So --

16 CHAIRMAN CHRISTY: Let me just interrupt. At
17 that point do any of the board members have any questions
18 on this particular aid that Mr. Omer has presented us? Is
19 everybody clear on that? Thank you.

20 MR. OMER: Mr. Chair, I'm sure it's clear as mud
21 as we continue through this, and you'll ask questions.
22 And please don't wait. If there's a question, let's stop
23 and make this a -- you know, really a working session. So
24 roll up our sleeves and have a conversation at that time
25 so we don't lose our train of thought. That's completely

1 fine with me, so. So thank you everyone for being here.
 2 I really appreciate it. I'm glad to get -- I think it's
 3 been a good (Inaudible) for the issue, so.

4 MR. ROGERS: Mr. Chair, can I interrupt for a
 5 moment, please.

6 CHAIRMAN CHRISTY: Sure, Mr. Rogers.

7 BOARD MEMBER ROGERS: And I'm sorry to stop you
 8 here. I need Scott to get a little bit closer to that
 9 microphone if he could or talk a louder or something.
 10 That -- that microphone there just doesn't -- you -- you
 11 all are coming great. But anybody that talks that's
 12 presenting is really difficult to hear on the phone.

13 UNIDENTIFIED VOICE: I don't think it's the
 14 microphone. I think it's the phone line.

15 CHAIRMAN CHRISTY: Try that one.

16 UNIDENTIFIED VOICE: We'll try -- try to move
 17 this. Do the best you could.

18 MR. OMER: Is this working better, Mr. Rogers?

19 UNIDENTIFIED VOICE: It's a lot better, Scott,
 20 yeah.

21 CHAIRMAN CHRISTY: Mr. --

22 MR. OMER: Hello?

23 CHAIRMAN CHRISTY: Mr. Rogers?

24 BOARD MEMBER ROGERS: Yes.

25 CHAIRMAN CHRISTY: Can you hear better now?

1 UNIDENTIFIED VOICE: Test. One, two, three.

2 BOARD MEMBER ROGERS: (Inaudible). But that's

3 all right. I'll -- I'll just do my best here, and I'll --

4 I'll just clarify (Inaudible) clarify (Inaudible).

5 UNIDENTIFIED VOICE: Mr. Chair, would it be
 6 better if he sat right in front of that? Maybe that --

7 CHAIRMAN CHRISTY: Yeah.

8 UNIDENTIFIED VOICE: -- speaker would pick it up
 9 better instead of standing there. Scott, do you feel
 10 comfortable coming right on?

11 UNIDENTIFIED VOICE: Morris, up here?

12 BOARD MEMBER ROGERS: (Inaudible) microphone,
 13 (Inaudible).

14 CHAIRMAN CHRISTY: Mr. Rogers, we're going to
 15 bring Scott right -- right closer to the -- to the
 16 microphone, and hopefully that picks it up better than
 17 through the -- the -- the sound system. Let's see how
 18 that works.

19 MR. OMER: So, in actuality, Mr. Rogers --

20 BOARD MEMBER ROGERS: (Inaudible) really good.

21 MR. OMER: -- you know, the board chairman wanted
 22 me to stand up the whole time, and he said it was
 23 punishment. But he's giving me a dirty look, but we'll
 24 try this and see if it helps you out any better.

25 BOARD MEMBER ROGERS: Okay. Thank you.

1 MR. OMER: You're welcome. So where we're at in
 2 our process is we completed three public hearings in, you
 3 know, the Tucson region, the Phoenix region, and the
 4 Flagstaff region. And we -- we did -- the first thing, we
 5 received numerous comments via our web page, in person,
 6 written, talk communication, letters, e-mails, all these
 7 different types of things. And as of last week we
 8 received (Inaudible) comments. So I think the -- the
 9 chairman and Mr. Anderson and the board if you remember
 10 last year, I think the number was around 800. So this
 11 year we only received about 71. They're good comments.
 12 It's just not the magnitude we received this year. All
 13 the (Inaudible) from last year. So I don't know why we
 14 received so many last year, but we did. But we have our
 15 new process. We received 61. And we addressed those as
 16 we receive comments.

17 Next -- the next page is we have received an
 18 additional \$7.5 million of obligation authority, which is
 19 the funding we use for our program in fiscal years 2015
 20 through 2017. I see Ms. Ward, our CFO, back in the back,
 21 so if I don't get this right she's going to come up and --

22 CHAIRMAN CHRISTY: Correct you.

23 MR. OMER: -- put me in a headlock.

24 CHAIRMAN CHRISTY: Just correct -- she'll just
 25 correct you.

1 MR. OMER: She will -- she's a professional.
 2 Definitely correct me.

3 But I think the reason that we received this
 4 additional \$7.5 million is you remember we started out
 5 our -- our -- this process with a forecast of the amount
 6 of funding that we feel we're going to have available for
 7 federal aid. And we do that early on in the process. She
 8 gives us a number, and then we start developing the
 9 current -- the strong end and really drafting the program
 10 we bring to the board. And she stands in front of you in
 11 January I think it is and says these are the numbers we're
 12 working with.

13 Well, since that time, we've had some updated
 14 information. And the amount of funding that's going to be
 15 available is about \$15 million more each year. The reason
 16 we show \$7.5 million on the State's side of the program is
 17 because that goes through (Inaudible) allocation
 18 percentage. 50 percent goes to State program, and the
 19 other 50 percent is divided up between the many packages.

20 So all these changes -- or they're just
 21 projections. They can change at any time if the -- if the
 22 US DOT decided or Congress decided that we didn't have --
 23 need this much money, (Inaudible) go back to make our
 24 changes again. But other than that we can incorporate the
 25 initial \$7.5 million in each of the three years for FY 15,

1 16, and 17. Kristine is good. I'm not in trouble.

2 So as we move forward, we've updated the program
3 for project costs. We do that all the time. We're always
4 on top of what our projects -- projects and (Inaudible)
5 are going -- they're going to cost. And we update that on
6 an annual basis, a monthly basis. We're always looking at
7 the overall project costs.

8 There's also (Inaudible) combine some projects
9 for efficiencies, and I'll give you an example. The
10 project that we're showing here is actually on SR 264.
11 It's called Burnside-Fish Wash. We originally had this
12 project programmed in FY 16 at \$800,000 for fencing. Then
13 we had \$3.5 million for safety improvements in FY 16.
14 Then we had \$10.8 million available in FY 17. It's a
15 pavement (Inaudible). We can only go there three times in
16 the exact same location and work on the project. So we
17 took those three projects and combined them into one \$15.1
18 million project in FY 16 that will cover not only the
19 pavement improvement -- pavement preservation project, but
20 also (Inaudible) improvements will all done at one time
21 instead of going back three times.

22 So there's examples like this throughout the
23 program where we've combined stuff. And you will see
24 those -- all those changes highlighted in yellow or on
25 your spreadsheet specifically what the changes are. So

1 that's the type of reasons why we made the changes on an
2 annual basis through our programming process. It's an
3 interim process which (Inaudible) adopted (Inaudible).

4 Another issue, a really large change to the
5 program was we took out the SR 86 Valencia-Kinney project
6 and the adjustments required because of that.

7 As you know, we talked about it last month at the
8 board meeting -- well, actually, this month at the board
9 meeting down in Flagstaff. That was a \$43.4 million
10 project that was scheduled in FY 14. It wasn't going to
11 be ready this fiscal year, so we had to physically move
12 the project to FY 15. So you'll see it in this program in
13 FY 15.

14 But to make sure that all the federal funding for
15 that project is obligated, you took actions last month --
16 or this month in -- (Inaudible) -- sorry -- to move this
17 \$43 million or so to FY 14. So the I-40 Walnut
18 Canyon/Twin Arrows project, SR 86 out in Page, that's the
19 Rock Slide project, and then the SR 86 (Inaudible) Sells
20 project. Those projects were all taken from FY 15. And I
21 think one of them is actually in FY 16 originally. And
22 they were all moved to 14 to -- to soak up the obligation
23 of 40 that Valencia to Kinney originally was going to
24 make.

25 So these are -- there's a big change to the

1 overall process. So we felt it was important to talk
2 about it today. It's just why we had to make those
3 changes, because that project wasn't going to be ready.

4 So some of the recommendations that we're going
5 to make today is we received -- we received a lot of
6 comments, a lot of communicate about the SR 189 project in
7 Nogales, which is my next screen.

8 That total project cost today is estimated about
9 \$69 million. What we're going to recommend to the board
10 in part of the -- as part of this program change is to
11 include \$2 million for the environmental document in FY
12 16. It includes \$4 million for the design of this project
13 in FY 18. And then the construction of this project is --
14 it should say -- there's a typo on the screen. It should
15 say 2021. That's in the second year of our development
16 program. And that amount is rough right now, estimated at
17 \$63 million for the construction of this project. I'm
18 comfortable putting it in the development program that is
19 not physically constrained. It's financially constrained.

20 We understand that, too, during the next six
21 years or so that it takes us to get there if the funding
22 becomes available, we'll bring that project forward into
23 the capital program. Or if it's 2021 and the project
24 still isn't constructed, that sometimes we know that we're
25 going to make the decision on whether to build the project

1 or not. But it's a vital project to not only southern
2 Arizona, but the entire state of Arizona. So we thought
3 it was important to put it in there. We have received
4 numerous comments on this project.

5 The SR 347 project is another example of a
6 project change we're recommending. That project on SR 347
7 road overpass that we've -- that we've heard about and I
8 think I presented to you last month. The project is
9 currently estimated about \$55 million. What we recommend
10 is putting \$5 million for the design of the project. That
11 should say 5.0 instead of 5.5. \$5.0 million for the
12 design of the project in FY 15, with an additional
13 \$500,000, for a total of \$5.5 million in FY 15. And that
14 \$500,000 would be incurred at the beginning of the
15 right-of-way process. FY 16 we have put another \$5.5
16 million in for right-of-way. FY 17 we have put \$7.3
17 million in for right-of-way. And then in 2020, the first
18 year of the development program, we put the remaining
19 \$36.2 million available for construction of that project
20 itself. We don't have the funding available to construct
21 the project now, so we put it in 2020 would be the
22 department's recommendation.

23 CHAIRMAN CHRISTY: Just as a point of interest
24 here. We do have a letter from the City of Maricopa
25 outlining their jurisdiction's and other jurisdictions'

1 agreement to bring in monies to this particular project to
2 the tune of almost \$9.5 million.

3 Where in that program does the two changed here,
4 where does that money enter into the picture?

5 MR. OMER: It doesn't. You have -- because we
6 didn't have the letter when we sent this today. That's
7 part of the conversation. As we move throughout the day,
8 we need to actually have is all the total money that's
9 going to be available, how the board -- the board choose
10 what this project, the program, how we do the funding
11 around, and so forth. So that would be part --

12 UNIDENTIFIED VOICE: Scott, what are you asking?

13 MR. OMER: I asked Len for my water, if
14 (Inaudible,) mine.

15 UNIDENTIFIED VOICE: Oh, by the podium.

16 MR. OMER: So that's how we would kind of divide
17 the stage. But we -- I think we need to have a
18 conversation here. We didn't have that letter until --
19 until now. So that's -- that's part of it.

20 But that board -- the Maricopa's \$10 million or
21 whatever the number is, is not included in this amount.
22 Okay?

23 UNIDENTIFIED VOICE: Mr. Chairman.

24 Scott, is there the opportunity to move all these
25 phases up a year or two or three in terms of when all the

1 money involved, the financial commitments are in?

2 MR. OMER: So I have another slide that's a
3 little later that's going to get into the specifics about
4 this project.

5 So I think there is an opportunity to move the
6 project forward, but I'll talk -- at that time I can talk
7 about the constraints. There are some constraints about
8 when we could actually do the construction, and
9 specifically because of the (Inaudible) purchases.

10 But, yes, there is an opportunity to move the
11 project forward. We are starting in this -- this
12 current -- or the upcoming fiscal year. There's an
13 opportunity, yes.

14 UNIDENTIFIED VOICE: And Mr. Chairman, we do have
15 representatives from the Ak-Chin committee via Friends and
16 Neighbors to the South, Chairman Manual, Vice Chairman
17 Antone here. They were delayed getting here because
18 this -- it's a little hard to find if it's your first
19 time. I don't know if it's -- if it's protocol to let
20 them to -- to speak on this subject since we're past that
21 slide among the agenda or --

22 CHAIRMAN CHRISTY: It's a study session.

23 UNIDENTIFIED VOICE: (Inaudible).

24 UNIDENTIFIED VOICE: I think it's a -- yeah, I
25 think it's up to the board chair to decide, as long as it

1 does not bring in a new topic or exceed the discussion
2 of -- of where we're going.

3 CHAIRMAN CHRISTY: When are you going to be
4 dealing specifically with the SR 347 railroad overpass,
5 Mr. Omer?

6 MR. OMER: In -- in -- in coming up or?

7 UNIDENTIFIED VOICE: Yeah. (Inaudible).

8 CHAIRMAN CHRISTY: Okay. Why don't we have --
9 we'll have -- we'll have the representatives speak at --
10 when you get ready to embark on that particular topic,
11 we'll ask the Ak-Chin representatives to -- to speak to
12 it. But let us know when you're getting ready.

13 MR. OMER: Yes, sir.

14 CHAIRMAN CHRISTY: Okay.

15 MR. OMER: So that's how we would look at
16 addressing the SR 347 project.

17 And we were also asked by Board Member Rogers to
18 talk about the US 60 Show Low to Little Mormon Lake
19 project.

20 CHAIRMAN CHRISTY: Mr. Rogers, can you hear
21 Mr. Omer?

22 MR. OMER: And I would also update that project.
23 And that comes up right after 347.

24 CHAIRMAN CHRISTY: I'm hoping he can hear you.

25 BOARD MEMBER ROGERS: I can hear a lot better,

1 Steve -- or Mr. Chairman (Inaudible).

2 MR. OMER: All right. So when we look at the --
3 and I'm going to point out a couple of typos on this. So
4 when we look at our tentative program I'm going to be
5 showing you on the operation page is we've been shown
6 putting the project funding inside of our chart here.
7 You'll notice that the SR 347 project shows a total of
8 \$6 million in FY 15, a total of \$5.5 million in FY 16. I
9 did notice that the \$7.3 million is not on the -- the
10 chart, but that would also be included in FY 17, exactly
11 the way I had showed you before in the physical delivery
12 program itself.

13 And then the US 189 project, you can see the \$2
14 million for the -- I mentioned a few minutes ago, for the
15 environmental documents in FY 16. In FY 18 we show
16 (Inaudible) \$4 million for (Inaudible) -- \$4 million for
17 design in FY 18.

18 And then when you go to the next page, it
19 basically shows where we're at in the development
20 (Inaudible). So construction in FY 20 for 347. FY 21 for
21 SR 189. In order to do that, what we did was removed the
22 two I-10 projects that we had scheduled for fiscal years
23 2021. We moved it back a year.

24 And then in FY 24, the project that we have
25 scheduled for FY 24, we're not actually showing a major

1 construction project in FY 24 itself. So we originally
 2 had the Crazy Creek Port of Entry. I still think it's a
 3 good project. It's a viable project. But with these
 4 significant changes, we -- we show towards adding
 5 construction funding to the program, that does impact our
 6 overall preservation program in the years -- those years
 7 to make it happen, we made the choice to not have that in
 8 as a major construction project.

9 But if it's the board's desire, you can ask and
 10 we can put it back in there. And, again, this is develop
 11 (Inaudible). It's not the physical construction program
 12 that the board oversees.

13 CHAIRMAN CHRISTY: So in a -- in a nutshell here,
 14 the 347 overpass and the 189 Nogales Port of Entry
 15 projects are -- have been changed and moved up by pushing
 16 back the I-10 -- the two I-10 projects one year each?

17 MR. OMER: Yes, sir. Yeah, we -- we listened to
 18 the comments. We (Inaudible) those to the board to -- and
 19 the board heard the comments and the staff and the
 20 department heard the comments. We received, you know, the
 21 letters, the numerous letters and communique. And so
 22 that's the purpose of today is to have that conversation.

23 CHAIRMAN CHRISTY: Yeah, I think it's a
 24 significant issue, because particularly in our neck of the
 25 woods, southern Arizona, the I-10 projects are very

1 important and very -- very significant.

2 But due to the constraints that we're
 3 experiencing and the necessity to get these other
 4 projects, particularly the 189 Nogales Port of Entry in
 5 the program, I guess this is probably the best and easiest
 6 way to accommodate the whole thing.

7 MR. OMER: That's the staff's recommendation,
 8 Mr. Chair. I think it's just all about having the
 9 conversation today, so.

10 Then we move on to the proposed changes to the
 11 PAG program. There were -- there really wasn't a lot of
 12 significant changes to the PAG program other than the SR
 13 86 Valencia Road project, which by now you're very aware
 14 of the impacts of that.

15 We did make some changes on the I-10 Ina Road
 16 traffic interchange. We decreased the amount of RTA bonds
 17 by \$1.5 million in FY 16. We did add some (Inaudible) STP
 18 funds. Some specifications in the program fund in FY 16
 19 for \$600,000 to the project. And these changes that were
 20 approved by the PAG will be approved -- sorry -- will be
 21 approved by the PAG Regional Council on March 27. So --

22 CHAIRMAN CHRISTY: In March?

23 MR. OMER: -- at the PAG Regional --

24 CHAIRMAN CHRISTY: March?

25 MR. OMER: I'm sorry. They were approved on

1 March 27. So since that action has already been taken, if
 2 the board approves these changes in the June meeting,
 3 there's nothing else that we would need to do for the Ina
 4 Road project. That would be (Inaudible) program probably
 5 to our -- the best of our knowledge.

6 The last two on this list, again, 86, Valencia to
 7 Kinney, that's Route 86 down to Sells. We took the action
 8 at the previous meeting for the Town of Sells that this is
 9 more of a notice that this is what we've done to move it
 10 around. And Valencia-Kinney will -- that's the action
 11 we're taking in the June meeting is to physically move
 12 that project up FY 15. And that's what PAG is referring
 13 to (Inaudible). There were no other major project changes
 14 in the PAG program.

15 The MAG program also had very minor changes. We
 16 didn't go through and approve the management system
 17 program. And the MAG freeway management system program is
 18 updated to align with the newest -- newest and latest
 19 revenue projections. The MAG management committee --
 20 management committee approved those on May 14th. It's
 21 scheduled to go to MAG regional council on May the 28th.
 22 So it will be approved on May 28th. And that sets the --
 23 our board up for the final approval of that at the June
 24 meeting.

25 Also, one other project that was touched was the

1 I-10 Fairway Drive (Inaudible) TI. It added design to the
 2 project in FY 15 for a cost of \$1 million. That driveway
 3 project -- the driveway to the project is for \$900,000, FY
 4 15 also.

5 So those were the two major changes that were in
 6 the MAG program. Everything else should be the same.

7 Are there any questions on that (Inaudible)?

8 CHAIRMAN CHRISTY: Any questions of Mr. Omer on
 9 these?

10 All right. Go ahead, Mr. Omer.

11 MR. OMER: So getting into a little bit more
 12 detail on the SR 181 project. This study is located in
 13 Santa Cruz County, and it's, of course, in, you know, in
 14 Nogales. And we've heard so much about the project in the
 15 past. And many of you have gone to visit the project and
 16 visit the location. This is really going to improve the
 17 operations along the entire (Inaudible) corridor.

18 The current status of the project is it's an
 19 ongoing study with the design concept report and the
 20 environmental document developed -- developing three
 21 individual preliminary alternatives.

22 The current cost estimate of the project we have
 23 showing the program is \$4 million for design and \$65
 24 million for construction. We consider the delivery risk.
 25 It's probably a medium type of risk that (Inaudible) is on

1 hold. But it's only on hold until we identify the funding
2 source and be implemented to actually include the
3 recommendations. I'm going for look Mike in the back.

4 So this environmental document, correct me if I'm
5 wrong, is actually being done as an environmental
6 assessment. The reason that it's not being approved is
7 because we don't have funding identified.

8 MR. ROEHRICH: It's currently being done as a
9 planning environmental linkage document.

10 UNIDENTIFIED VOICE: (Inaudible) probably crossed
11 out.

12 UNIDENTIFIED VOICE: (Inaudible).

13 MR. ROEHRICH: Thinking about that other overpass
14 project in a different community.

15 MR. OMER: Oh, yeah. But the team assures me
16 that if the board does approve the funding as recommended,
17 it can easily be converted to an EA and the schedule
18 wouldn't be affected.

19 CHAIRMAN CHRISTY: Mr. Omer, would you --

20 MR. OMER: (Inaudible).

21 CHAIRMAN CHRISTY: Would you -- would you kind of
22 characterize this particular part of the -- of the
23 project. Is planting the flag more or less getting it
24 into the plan, the five-year plan?

25 MR. OMER: Mr. Chair, I don't know if I would say

1 planting the flag. What I would say is we're starting
2 this project -- we understand the importance to the State
3 of Arizona to include the US -- the SR 189 project into
4 our capital program.

5 So if you mean planting the flag and starting the
6 first steps toward the ultimate delivery of that program,
7 then the answer would be yes.

8 CHAIRMAN CHRISTY: So this is the first step?

9 MR. OMER: This is the first -- well, the first
10 step is really when we started the study, which we are
11 well underway on.

12 But this is -- is specifically allocating funding
13 for (Inaudible) ultimate design of the project and for the
14 environmental clearance of the project so that we can move
15 forward with the construction of the project in FY
16 (Inaudible).

17 CHAIRMAN CHRISTY: Well, what are the -- the
18 number of comments to this whole issue came out of the
19 fact that everybody is saying how important for the State
20 of Arizona, economic development, et cetera, the border to
21 border concept is, and that it should start from the south
22 in Nogales and go all the way up to Las Vegas as a
23 statewide project. But as much of the importance was
24 recognized, there was no monies set into the plan. Now,
25 this does that, just that?

1 MR. OMER: Yes, sir, it does. And just to be
 2 clear. It doesn't put construction funding in. That's in
 3 the development program. But it's out there. Now that it
 4 gives the board (Inaudible), direct staff to move the
 5 construction into the program. I don't know if I would
 6 recommend that since I recommended put it in the developer
 7 program. That gives us a chance and an opportunity to get
 8 the project developed, get the project design, get the
 9 environmental clearance documents complete to see if
 10 there's any other issues that are going to pop up.

11 As we move along, it will give the board --
 12 future boards the opportunity to either move it forward or
 13 to leave it there and start construction in 2021.

14 BOARD MEMBER CUTHBERTSON: Mr. Chairman.

15 CHAIRMAN CHRISTY: Mr. Cuthbertson.

16 BOARD MEMBER CUTHBERTSON: So, Mr. Omer, when
 17 the -- when the design is completed in fiscal year '18,
 18 2018, would it be ready to -- if you had funding available
 19 in 2019 to 2020, would it be ready to go? I mean is that
 20 the last -- I mean you'll have the environmental
 21 clearances and everything else --

22 MR. OMER: So Mr. --

23 BOARD MEMBER CUTHBERTSON: -- (Inaudible).

24 MR. OMER: -- Chair, Mr. Cuthbertson. The design
 25 work will be complete -- or I'm sorry. We begin in FY 18.

1 BOARD MEMBER CUTHBERTSON: Yeah.

2 MR. OMER: So it wouldn't be completed in 2018.
 3 It's probably --

4 BOARD MEMBER CUTHBERTSON: Okay.

5 MR. OMER: -- going to be one of those --

6 BOARD MEMBER CUTHBERTSON: Okay.

7 MR. OMER: -- 18 to 24 months, that's a guess,
 8 for the design of the project. And then it gives us the
 9 ability to get all of our final environmental,
 10 right-of-way, utility clearances set aside as well.

11 You know, it's our best estimate today that by
 12 the time we get everything wrapped up and the project is
 13 completely ready to go it would be FY 21.

14 BOARD MEMBER CUTHBERTSON: Okay. So -- so that's
 15 cutting the (Inaudible) line. If you were to move that
 16 up, you'd have to move everything -- you'd have to move
 17 design up and --

18 MR. OMER: Yes, sir, that's true.

19 BOARD MEMBER CUTHBERTSON: -- (Inaudible). Okay.

20 UNIDENTIFIED VOICE: Mr. (Inaudible).

21 UNIDENTIFIED VOICE: Mr. Chair, Mr. (Inaudible).

22 MR. ROEHRICH: Or change the -- the only other
 23 option that could possibly be, if you could lump the money
 24 together and still design build. Lump them together to
 25 accelerate things.

1 At this point we've not identified the total
2 amount to do that, which is why we think it's kind of a --
3 I think where you were going, Mr. Christy, plan the flight
4 and start the thesis.

5 We do the environmental work. We do the design
6 work. We start moving forward with some right-of-way
7 probably around 19 -- or 2020, 2021, leading up to the
8 2021 construction. That's a -- showing the proper move
9 forward to get it to construction.

10 If funding becomes available, if we can get
11 something where we could either reprioritize or move this
12 up with additional funding if funds are (Inaudible), then
13 we could look at that delivery method. And we won't lose
14 time. We've gained time. And -- and it will be at our
15 advantage. We just can't do that today. We don't have
16 the money identified today.

17 MR. OMER: Well, the significant element here is
18 that we have started the project. This starts the
19 project.

20 MR. ROEHRICH: And, Mr. Chair, I prompted the
21 other board members as well. State Route 189, we're
22 continuing to do work on that today. We've got interim
23 improvements. Along with the work of Mariposa, we've done
24 almost \$20 million worth of work as part of our -- for
25 operations to expedite going forward.

1 We've probably put more than \$25 million to \$30
2 million in this corridor already with -- with the work
3 that we've done, with the studies, interim improvements,
4 the work at the Port itself to coincide with that. And we
5 know -- do know that we need more to put into that, and
6 we're working towards that, given again the funding
7 constraints that we have.

8 The significance of this corridor, and ultimately
9 if it becomes that -- that other interstate corridor that
10 you alluded to, this could lay the groundwork to tie into
11 that. It's -- none of it's being lost. It's all valued
12 work.

13 MR. OMER: Mr. Chair, may I also add --

14 CHAIRMAN CHRISTY: Let me interrupt real quickly
15 just for the record. Mr. La Rue has joined us,
16 fortunately. Thank you for coming.

17 MR. OMER: Mr. Chair, may I add -- also add what
18 Mr. Roehrich said as far as the interim improvements.
19 Those interim improvements were -- actually helped us with
20 the -- the ability to put the project out a couple years
21 before we even (Inaudible). The interim improvements
22 were -- were -- the interim improvements were put into the
23 program to buy us that seven to ten years before we need
24 to make those immediate, you know, operational issues that
25 the major project will do.

1 So we're very comfortable that, you know, during
2 this time frame to get this project to construction, we
3 have -- will have significant or sufficient capacity in
4 operational improvements made by those interim projects to
5 keep this going until that time frame.

6 BOARD MEMBER ANDERSON: Mr. Chairman.

7 CHAIRMAN CHRISTY: Mr. Anderson.

8 BOARD MEMBER CUTHBERTSON: Scott, when it says
9 delivery risk, can you just in one or two sentences, what
10 does that mean and how does it affect a project?

11 MR. OMER: Sure. Mr. Christy, Mr. Anderson, it's
12 a good question. So when we look at overall risk to being
13 able to deliver the project or deliver our program, we
14 look at the same thing you do when you look at risks as
15 far as your business goes. What's the likelihood of an
16 issue coming up and what's the impact of that issue coming
17 up.

18 So we'll look at right-of-way concerns,
19 environmental concerns, utility concerns, environmental
20 documents being completed. Anything that would stop us
21 from moving forward with the ultimate construction and
22 implementation of that project. We look at all of those
23 areas and apply the risk to it. That's our risk of being
24 able to deliver the project when we say that we're going
25 to do it.

1 In this case in FY 21, we feel that there's --
2 and there's still a medium type of risk in the project to
3 deliver at that time. We look at the financial. Do we
4 have any funding available. All of these things come into
5 the conversation about what is the department's local risk
6 in delivering the project when we say we're going to.

7 BOARD MEMBER ANDERSON: So the majority of the
8 plan -- the projects in the current tentative plan are,
9 what, probably medium to low risk?

10 MR. OMER: I would say that they're -- they're
11 probably -- and I don't want to get caught in the middle
12 of this. So there's --

13 BOARD MEMBER ANDERSON: I --

14 MR. OMER: So there's a big trap on it, and I
15 don't want to fall into it, because even if a project
16 doesn't go oh, Omer said they were all great.

17 To the best of our knowledge, the problems that
18 are in our existing programs today, you know, we feel
19 comfortable that we can deliver those programs --
20 projects. So, yes, they would be in a low to medium type
21 of risk.

22 If we felt very uncomfortable that we can deliver
23 a project, you know, especially in the first couple of
24 years of the program, right, we wouldn't put a project in
25 the first couple of years in the program that we were not

1 comfortable, you know, delivering.

2 We've had -- we had this conversation last year
3 on the 260 project is a prime example that the department
4 wanted some time to get the project developed before we
5 can move to construction. We look at that ability to
6 deliver as a huge risk, because why put significant
7 amounts of funding or any funding of a project that we're
8 not sure that we can actually deliver in the time frame we
9 say we will. Fund -- our funding too high.

10 There could be something pop up. It always
11 happens. There's something that happens (Inaudible). Our
12 program is also dynamic. It includes throughout the
13 years. And we'll bring the changes back to the board.

14 CHAIRMAN CHRISTY: I want to just make sure
15 Mr. La Rue is up to speed. If you take a look at this
16 handout and you'll go to under project -- excuse me --
17 under Review of Project -- Project Changes, the three
18 significant changes that staff is recommending. He's just
19 finished the 189 Nogales.

20 I believe you're finished.

21 That would be a -- would it be a good time now
22 for the Ak-Chin?

23 MR. OMER: Yes.

24 CHAIRMAN CHRISTY: Why don't you (Inaudible) --

25 BOARD MEMBER BEAVER: (Inaudible).

1 CHAIRMAN CHRISTY: Yes. Board member Beaver.

2 BOARD MEMBER BEAVER: Yes.

3 UNIDENTIFIED VOICE: Ms. Beaver, could you pull
4 that microphone up so we can make sure to get --

5 BOARD MEMBER BEAVER: I want just clarification
6 for myself. With regard to the discussion we're having on
7 SR 189 today, that has nothing to do with the proposed
8 I-11 and what we're working on with regard to that?

9 CHAIRMAN CHRISTY: Yeah, they -- these are
10 separate projects.

11 BOARD MEMBER BEAVER: Even though there might be
12 mutual benefit, there's --

13 CHAIRMAN CHRISTY: I think that characterizes it
14 probably the best, that there's mutual benefit, but
15 they're separate.

16 BOARD MEMBER BEAVER: Okay.

17 CHAIRMAN CHRISTY: Mr. La Rue.

18 BOARD MEMBER LA RUE: Yeah. Mr. Chair, if I
19 could. And thank you for getting me up to -- up to speed
20 on this. And I guess I appreciate staff hearing all the
21 comments and making this change.

22 The question I have -- and I apologize for coming
23 in late in the discussion, and maybe you've already
24 discussed this.

25 But I think what we need again on 189 is a big

1 policy statement by the board to say we believe in trade
2 corridors. We believe in cross-trading with our neighbors
3 to the south. We need to send that big policy, you know,
4 affirmation between Canada and Mexico. It's really our
5 future.

6 So I look at this and say I appreciate it, but
7 then I also have the question, is it enough. Are we doing
8 enough to send the appropriate message from a policy
9 statement.

10 I understand the risk, the delivery risk and
11 the -- all the, you know, things to watch out for. But,
12 you know, is there more that we could do to say we get it
13 and we're going to move this state in that direction?

14 CHAIRMAN CHRISTY: Do you care to comment on
15 that, Mr. Omer?

16 MR. OMER: So, Mr. Chair, Mr. La Rue, I think
17 it's a great -- a great point. So I'll put in my -- the
18 other side of my finding division director (Inaudible)
19 will talk about, you know, long range planning for, you
20 know, our transportation system.

21 And what Mr. La Rue is talking about is one of
22 the key components that we've been working on for a couple
23 years now is our key commerce corridors initiative.

24 And the project along -- anything going on
25 (Inaudible), and specifically it starts at the 189

1 project. As -- as trade and commerce, you know, travels
2 back and forth between the United States and our southern
3 partner, Mexico, that's imperative to the overall growth
4 and economic prosperity of the state of Arizona.

5 And then as we move from, you know, the I-19
6 corridor into the -- into Tucson and along I-10 both east
7 and west, again, improving the Interstate 10 connections,
8 you know, connecting the state of Arizona with California
9 and with the state of Texas again goes a long way toward
10 improving our economic prosperity in the country.

11 And then eventually when we -- you know, when and
12 if the (Inaudible) corridor happens, it allows us to grow
13 an additional north and south (Inaudible).

14 So, Mr. La Rue, I completely support your -- your
15 question does this do enough.

16 Well, it probably doesn't. But I will say that
17 it's all -- we can only do what we can do. If we had more
18 funding available, then I think we would be looking at
19 adding significant amounts of funding to not only the I-19
20 corridor, but the I-10 corridor and every other one of
21 those key commerce corridors that we have identified as
22 imperative to the success and the growth within our state.

23 But we still have a limited -- a limited amount
24 of revenue that we have available today to preserve and
25 maintain and continue to operate the remainder of our

1 system.

2 At this time as staff we're not comfortable, you
3 know, adding significantly more to those corridors. And
4 not because it's not needed. It's just because we don't
5 have it. We have to look at the funding we have available
6 and invest it in whatever we see fit.

7 So, Mr. La Rue, I don't want to talk around it,
8 but I hope that does -- we have to look at the operations
9 and our -- the condition of our existing assets too, and
10 not just that the, you know, ultimate construction of this
11 project or any other. We have to take care of everything
12 else also.

13 BOARD MEMBER LA RUE: That's -- so I think that's
14 a good answer. And I think that, really, for us as a
15 board, is there something else in this five-year program
16 either in project preservation or something else that we
17 need that's a lesser priority than making this statement
18 here.

19 And I for one have not studied it and not make a
20 call right here, but I'll keep looking at this.

21 CHAIRMAN CHRISTY: Well, I -- I want to thank
22 you, Mr. La Rue, for your comments. I attempted to
23 articulate exactly what you just said earlier, but you did
24 a much better job of it, and I appreciate that very much.

25 Mr. Cuthbertson, did you have a question?

1 BOARD MEMBER CUTHBERTSON: I just have a general
2 question. The -- the changes, the proposed changes in
3 this -- this five-year plan, you haven't gone back with
4 the -- with the longer range than the 2025 year plan and
5 made any adjustments. So you're shifting money or -- or
6 we're looking at \$65 million in fiscal year '22 in this
7 case. That -- you haven't tried to identify that in
8 the -- in the -- in the 2020 to 2025 plan, the longer
9 range plan at this point, I mean I'm assuming, or have
10 you?

11 MR. OMER: Mr. Chair and Mr. Cuthbertson, we
12 have. You know, not to the level of detail that comes
13 into our five-year capital program that, you know, by not
14 only the federal departments, but our State statutes
15 (Inaudible) physically constrain.

16 BOARD MEMBER CUTHBERTSON: Right.

17 MR. OMER: So we look at our financial constraint
18 program. We didn't go out and just add \$65 million of new
19 money. All right?

20 We did make sure we're still financially
21 constrained in order to add -- to give you an example, at
22 65 whatever million dollars it is to this project in FY
23 21, that brought -- the funding had to come from
24 somewhere.

25 BOARD MEMBER CUTHBERTSON: Okay.

1 MR. OMER: We did that by moving projects that we
2 originally had slated for I-10. You remember we had the
3 first two years of the program were I-10, we moved those
4 back in order to set these two projects. And any
5 differences in the overall costs we would balance out of
6 the overall preservation program itself.

7 MR. ROEHRICH: Yeah. And, Mr. Chair,
8 Mr. Cuthbertson. I point back to when -- when Scott
9 and -- and Kristine have talked about the financial
10 over -- over the past few months and then have looked at
11 it. They've always identified that once you take out
12 preservation program, you take out the -- the distribution
13 of -- funded that requirement to the regional
14 distribution.

15 And you get it all the way down, you've got \$25
16 million for statewide new projects. Well, you can,
17 obviously, see this is \$40 million more than that. So it
18 is balanced out of doing less projects or less
19 preservation in order to make these work. But we realize
20 you can't just keep limiting yourself to just \$25 million
21 and not do these type of projects. You got to fit them
22 in.

23 But that's why they're spread out. Instead of
24 doing them all at one time all today or all accelerated,
25 we have to try to balance them out to where we're not

1 sacrificing the whole (Inaudible) preservation program for
2 a year or multiple years in order to make that happen or a
3 bridge program or some other program.

4 But in these years, the '21, '22, '23, '24, if
5 you remember that (Inaudible) you had, the preservation
6 programs were smaller in those years because we were doing
7 bigger projects.

8 And -- and that's the sac -- and that's -- not
9 sacrifice, but that's the balancing that we have to
10 discuss. And that's where the board needs to weigh in.
11 And if you've got a different priority or a different
12 thought on that, that's how -- that's what this is
13 intended to do is discuss that.

14 CHAIRMAN CHRISTY: And to Mr. La Rue's point, I
15 don't think there could be a more significant statement
16 from this board than bringing the SR 189 project to
17 fruition in the five-year plan by pushing back or pushing
18 out further the I-10 improvements.

19 So we are really moving SR 189 in front of those.
20 And that's a significant statement of the importance that
21 this board feels if it should accept the recommendations
22 of SR 189.

23 BOARD MEMBER ROGERS: Mr. Chairman.

24 CHAIRMAN CHRISTY: Mr. Rogers.

25 BOARD MEMBER ROGERS: Yeah. I just want to

1 clarify something if I can. Can I jump in at this point?

2 Is this a good time for me to jump in?

3 CHAIRMAN CHRISTY: Sure.

4 BOARD MEMBER ROGERS: All right.

5 CHAIRMAN CHRISTY: Or I should say, yes,

6 Mr. Rogers.

7 BOARD MEMBER ROGERS: All right. I just want to
8 clarify. So you're saying that you have the funding to
9 finish the Highway 60 project from (Inaudible) --

10 CHAIRMAN CHRISTY: (Inaudible).

11 BOARD MEMBER ROGERS: -- (Inaudible) miles,
12 finish the -- the (Inaudible). And then you've got --
13 you've got it spotted for 2018; is that correct?

14 CHAIRMAN CHRISTY: We're a little bit -- you put
15 us a little bit ahead of the -- of the way we're going
16 here. We're -- we're taking each of the three changes in
17 order. We're having the discussion on the -- on Nogales
18 right now. And then we're moving to the Maricopa
19 overpass. And then we're going to be addressing the US 60
20 Show Low to Mormon Lake.

21 BOARD MEMBER ROGERS: Okay. Sorry. I'm sorry.

22 CHAIRMAN CHRISTY: That's all right.

23 BOARD MEMBER ROGERS: All right. (Inaudible),
24 Chair, if you'll let me know when they get to that point
25 so I don't miss it. Okay?

1 CHAIRMAN CHRISTY: You bet.

2 Mr. Omer.

3 Mr. Sellers.

4 BOARD MEMBER SELLERS: I guess just to -- kind of
5 a general question. How prepared are we to talk about our
6 priorities as some new funding (Inaudible)?

7 MR. OMER: Mr. Chair, Mr. Sellers. We're
8 completely prepared, as the department is, to talk about
9 our priorities.

10 Linking our capital plan, our long range plan to
11 our capital program (Inaudible) process really does help
12 us prioritize the department's position on where we bring
13 in profits into the program.

14 We have, you know, five categories; whether it's
15 preservation of the system, modernization of the system,
16 and specifically expansion of the system we can identify
17 where we feel our future investments should be in.

18 And it's no secret. And when we've said
19 repeatedly that those corridors that -- that support and
20 enhance commerce and trade are -- are very high priorities
21 to us as a department. Not only because of, you know,
22 the -- the ability to create and to expand the job base in
23 Arizona, but those are also, in general, our interstate
24 corridors, whether it's I-19 or I-10 or I-17 or even I-20
25 up north. All of those corridors are surprisingly

1 significant to not only regional, but statewide and
2 national trade.

3 So that's where we'd start as a department in
4 conversations on where those improvements should be made
5 at.

6 BOARD MEMBER SELLERS: Okay. Well, and the
7 reason I -- the reason I asked that question is because as
8 various groups look at ways to try to generate new
9 revenue, having to wait and settle that is going to be
10 very important.

11 So the stronger statement we can put out about
12 what we can do for additional revenue I think will be very
13 potential.

14 MR. ROEHRICH: And Mr. Chair and board members.
15 I -- I point to the presentation I've been giving to this
16 board in the past that the director embarked on this here,
17 that's the (Inaudible) key commerce corridors. The plan
18 to do \$20 billion worth of work over 20 years for economic
19 development tie into transportation investment strategy
20 towards that, as well as taking the existing -- and that's
21 where the new funding starts. Taking the existing funding
22 starts to continue on these -- these initiatives that look
23 at that other routes, that look at the preservation
24 program, that looks at the local network to tie in those
25 activities locally regionally into the statewide network

1 so the whole system works -- works together.

2 And -- and -- and as far as having conversations
3 if funding sources are identified that would increase,
4 absolutely we could be back here as -- as staff
5 recommendation working with the board on increased funding
6 how we would prioritize that. That -- that's, again, the
7 board's function as well as ours.

8 BOARD MEMBER SELLERS: Well, and again, part of
9 my motivation here is that I think that the importance
10 that we're hearing from a lot of different venues about
11 this particular process, just stating that that would be a
12 priority to us if we had additional funds. I don't look
13 at them to help us find funds.

14 CHAIRMAN CHRISTY: Mr. Omer, are you prepared to
15 go on to SR 347?

16 BOARD MEMBER BEAVER: Mr. Chairman, could I
17 just --

18 CHAIRMAN CHRISTY: Ms. Beaver.

19 BOARD MEMBER BEAVER: -- make one point to
20 Mr. La Rue's comments earlier. I think we have again this
21 kind of shared benefit from the I-11 thing which also
22 takes in SR 189.

23 We have got our director that has been back to
24 Washington DC, and -- and the federal level doesn't
25 recognize it yet. And so I think those efforts is showing

1 that we are trying to move that direction. We need the
2 federal government to -- to pass legislation that
3 recognizes that as a (Inaudible) corridor.

4 The other point that I would like to make is that
5 continuation need to not just put absolute focus on that
6 one corridor, because I know for the areas that I
7 represent, they all have economic issues as well, and --
8 and it has to do with having a good roadway where they can
9 get product in and out of their areas. So it's a
10 balancing act is kind of where I'm seeing it.

11 But I think we are moving in the right direction
12 between our outreach to the federal government, as well as
13 what Mr. Omer has presented here today.

14 CHAIRMAN CHRISTY: Good -- good points,
15 Ms. Beaver.

16 If we can, we can go ahead and (Inaudible) your
17 guests from Ak-Chin.

18 UNIDENTIFIED VOICE: Yes.

19 CHAIRMAN CHRISTY: Why don't you introduce them.

20 UNIDENTIFIED VOICE: Once again, this afternoon
21 we have with us Chairman Louis Manuel from Ak-Chin
22 Reservation, as well as Vice Chair William Antone. And I
23 don't know if you gentlemen want to address the board on
24 the overpass issue.

25 UNIDENTIFIED VOICE: Mr. -- it might be easier

1 to --

2 CHAIRMAN CHRISTY: Sure.

3 UNIDENTIFIED VOICE: -- (inaudible).

4 CHAIRMAN CHRISTY: Okay. You don't have to.

5 MR. ANTONE: Like he said, I'm Vice Chairman
6 William Antone for the Ak-Chin community. I thank you all
7 on the board for having us here today and be a part of
8 this discussion for the (Inaudible) issue before us
9 (Inaudible) for this operation.

10 Ak-Chin is still committed to funding some of the
11 funds that are involved in 347. And as of right now, we
12 (Inaudible) tribal politics. We have 1,004 people that we
13 need to pave to asset to, so -- and we're trying to do
14 that. We -- we also understand the commitment that we --
15 that we have words of (Inaudible) this report, the
16 project.

17 So in looking at that, we're going to have to sit
18 down and discuss how much we are going to support or fund
19 (Inaudible). We need a little bit more time. We are
20 committed to doing it. And we're not going to back out of
21 it.

22 I think we shared a lot with ADOT over the years
23 on projects, and we have never backed out of any of the
24 projects. And we're still looking at committing ourselves
25 to this (Inaudible), because we -- you know, we benefit

1 from what is happening. And I think our real goal is for
2 Ak-Chin is still the same deal what's happening out there
3 and we will continue this.

4 And I think that he gave us a model that -- was
5 it 25, \$25 million? We're going to have to go back and
6 discuss that (Inaudible). And for us it's -- it's a good
7 number. And there should be never an amount given to
8 safety of what's happening out there, so everything. I'm
9 not sure if it is -- it's more important than what it is
10 out there, and there's no real price for their safety.

11 So we are committed to this, and (Inaudible) and
12 we will come through. Whatever the model is, we will be a
13 part of it. We want to continue. Thank you.

14 CHAIRMAN CHRISTY: Thank you, Chair. With that,
15 Mr. Omer, if you want to proceed with State Route 347.

16 MR. OMER: Mr. Chair. And also (Inaudible) on
17 the SR 347 project, the same format that I just did for US
18 189.

19 That SR 347 overpass project in the City of
20 Maricopa, we'll construct a new SR 347 (Inaudible)
21 separating costs (Inaudible) Pacific railroad track main
22 line, and then it includes the relocation of the existing
23 Amtrak station.

24 The current status of the project is on concert
25 for (Inaudible) environmental documents are -- is they're

1 expected to be completed --

2 UNIDENTIFIED VOICE: I think that should say
3 2014.

4 MR. OMER: -- F -- of 2014 or FY 15. So that
5 should say 2000 -- winter of 2014, which is our fiscal
6 year '15. So I apologize.

7 The current cost estimate is -- is at \$55
8 million. We consider that a delivery risk of medium also.

9 The specifics I covered a little bit earlier
10 about how we look at funding that project is we would set
11 aside \$5 million for design and \$500,000 for right-of-way
12 of the project. And FY 15 -- I apologize. That was my
13 previous thought. I have to go back and show that.

14 Okay. It would be \$5.5 million for right-of-way
15 in FY 16, \$7.3 million for right-of-way in FY 17, and then
16 we're showing the construction of the project at 36 -- the
17 remaining \$36 million or so in FY 20, which is the
18 beginning of the development program. So that would be
19 the staff's recommendation, given the considered delivery
20 risk of this project medium.

21 To be a little bit more specific about the
22 delivery risk of this project. There are a lot of moving
23 pieces and parts when you're building a railroad or any
24 type of overpass in the middle of an urbanized area.

25 As you can imagine, just the coordination with

1 the railroad, all the utilities that need to be relocated.
 2 Remember last month at my presentation I -- I talked to
 3 you about the 12 commercial properties and the five
 4 residential properties that all have to be relocated, and
 5 to be relocated in a fashion that still meets our federal
 6 requirements. So it does take some time. The relocation
 7 process -- process itself will probably take a couple of
 8 years just for their relocations of those right-of-way
 9 properties. So to me that's a pretty large risk on where
 10 the project winds up at.

11 We can't start the construction of the project
 12 before we get the final design complete, the right-of-ways
 13 set up, and then the overall -- that right-of-way process
 14 cleared.

15 And then again, we're working with railroad.
 16 While they have been a great partner on this project,
 17 we're still relocating the Amtrak station adjacent to a
 18 live and active, you know, Union Pacific rail line. So it
 19 does take a lot of coordination.

20 We're comfortable with the schedule we're showing
 21 here. We feel that risk is -- you know, there is a risk,
 22 but it's something you can address. Not knowing exactly
 23 how much funding is going to be made available for the
 24 project ourselves is a risk. It's not -- it doesn't show
 25 up in the -- in the Maricopa (Inaudible) to the MAG tip

1 itself. It shows up as an illustrative project.

2 So again, if it was in the MAG project as fully
 3 funded, it would be a different story. But I'm not -- to
 4 make that clear, it shows up in the MAG project as
 5 illustrative because we're not showing what we put the
 6 state funding into. So that's where we're at. And I'll
 7 gladly ask -- answer your questions.

8 UNIDENTIFIED VOICE: Questions?

9 CHAIRMAN CHRISTY: Mr. Anderson.

10 BOARD MEMBER ANDERSON: Mr. Scott, it shows 2020,
 11 \$36.2 million for construction. Is that construction
 12 beginning of 2020 or completed in 2020? I'm -- I'm a
 13 little confused of how this timeline works.

14 MR. OMER: Mr. Chair, Mr. Anderson. So that
 15 would show that -- when we program the construction of a
 16 project, that's the beginning of the construction of the
 17 project. So it would be -- I don't know -- Mike, you know
 18 the construction duration that we've estimated off the top
 19 of your head?

20 I don't know the construction duration off the
 21 top of my head. But that's what it --

22 UNIDENTIFIED VOICE: But in 2020, it means it
 23 could effectively be advertised in 2019 or 2020.

24 MR. OMER: Correct.

25 MR. ROEHRICH: I mean it -- it would be dependent

1 how the design, right, when all the clearances shape out,
2 but that would be in that fiscal year --

3 MR. OMER: Correct.

4 MR. ROEHRICH: -- when it starts July 1st of '19
5 and goes into June 30, '20.

6 MR. ANDERSON: So basically it could be seven to
7 eight years before we would start turning dirt or digging
8 pile lines.

9 And in that interim you could have another 10,000
10 to 20,000 cars a day, maybe another 200 buses a day going
11 across that separate -- or the at-grade crossing.

12 So that's my only concern is we have a way of --
13 of advancing or moving things up a year or two or more.
14 And that would be greatly beneficial to -- to the city and
15 the communities south of the town.

16 MR. ROEHRICH: I think, Mr. Chair and
17 Mr. Anderson, I think there's a great opportunity to
18 advance this, especially if we're in agreements with --
19 with -- with the locals, whether it is with -- with the --
20 with the City of Maricopa or with the Ak-Chin community
21 been very gracious in coming forward to look at this.

22 I think if a strategy like this allows us to --
23 to commit the funds in 2015 to keep the design going,
24 helps us refine the design, better understand the costs
25 and -- and what other issues are, and then that allows us

1 to work on putting the agreement in place. We can't
2 program to a wish that we have this money or -- or some
3 program.

4 It's like we did with the 260 folks in
5 Camp Verde. We'll program their project, but you get all
6 the agreements in place.

7 I think if we can look at a strategy such as this
8 and over the next year work on those agreements not yet
9 tied down, formal agreements that identify specific
10 dollars amount, then that can decide if it is \$25 million,
11 if it's \$15 million, if it's \$10 million or what --
12 whatever.

13 Once we have that, then we can determine how much
14 the impact is that we would have to deal with as far as
15 adjusting what's in the current program and then we can
16 see if acceleration is possible.

17 So I don't want to lose the value of that,
18 because it's not -- the construction is not (Inaudible)
19 the program that we stop working that issue, because we
20 will never stop working the issue. We're committed to
21 doing the design to start identifying right-of-way to move
22 it forward. And I think over this next year we can
23 determine if we can get all the funding identified, all
24 the agreements in place, and get the acceleration then
25 to -- to bring it into the next five-year program.

1 BOARD MEMBER ANDERSON: You know, the comments
2 from the vice chair alluded to the safety and the other
3 issues they have with the -- the at-grade crossing. It
4 sounds like they're committed to working with not only us,
5 but the City of Maricopa.

6 How much of that \$36.2 million on construction,
7 could we cut that in half and really advance the a whole
8 thing even quicker? I mean what is the importance of the
9 stakeholders in that area? I mean what is their magic
10 number or a dollar figure that would help?

11 MR. OMER: I mean I guess that would be more of
12 a -- a -- a -- it would be between the two entities in
13 saying, you know, what can we all do to help advance, and
14 what's that dollar figure for everybody.

15 MR. ROEHRICH: Yeah, I mean, Mr. Chair and
16 Mr. Anderson. And I think that's exactly what it is is
17 type out what people can -- that can commit to, give them
18 a formal agreement so that we can program for that.

19 We're not programming, again, to -- to
20 speculation or to somebody saying, oh, a verbal
21 commitment. We're all honorable to this and we're not
22 questioning that, but we have to have something typed out
23 in a formalized agreement in order to program to that.

24 Once we identify how much that is, then we can
25 determine how much more has to come out of the program.

1 And then how will that come out. Are we shifting the
2 project or are we shifting preservation. What are we
3 doing in order to figure out what year we can get the
4 funds available. And are the funds from the staple that's
5 coming, when are those available. Are they available a
6 year from now, two years from now. All that would be in
7 the agreements so we can establish that. So -- so we're
8 talking about specifics in order to see what the full
9 impact is.

10 BOARD MEMBER ANDERSON: Well, this proposed
11 change to the plan would show the basic '15, '16, '17, and
12 '20 with those dollar amounts. If the agreement between
13 the two entities happens six months from now or a year
14 from now, that would help potentially accelerate the
15 project. We're not tied into a -- a -- let's get a dollar
16 figure today or tomorrow or, you know, next month in
17 Willcox.

18 MR. OMER: Mr. Chairman, that's -- and
19 Mr. Anderson, that's accurate. The way that our program
20 is, it's adopted by the transportation board in June,
21 approved by the governor, and it's a -- it's a living
22 document. We make changes to the five-year program
23 throughout the year. You -- you see that we bring them to
24 you every single month, the changes to the existing
25 program. But it's always under the context that we --

1 that we maintain physical control -- or fiscal -- fiscal
2 strength of the program itself.

3 So we're showing this, you know, the \$36 million,
4 and everything we're showing here is coming out of the
5 state fund. We're not showing this using any local
6 funding or any funding from, you know, any of the other
7 partners.

8 And the reason -- I'll -- I'll tell you the
9 reason I wasn't covering -- put those in there is because
10 I didn't want to see the department or the board put at
11 risk about putting down a number that wasn't finalized.
12 And to me that wasn't necessarily something that was
13 appropriate.

14 It was same conversation we had last year with
15 the 260 project that, you know, our -- the staff's
16 recommendation we don't confirm that. We would program
17 the entire cost of the project and then let any agreements
18 change that after the fact. You know, you really want to
19 make sure that the entire project is -- is financially
20 in -- financially constrained as a program itself
21 constrained.

22 MR. ROEHRICH: And it's not so much a lot of it
23 needs to be. We cannot --

24 MR. OMER: Yes.

25 MR. ROEHRICH: -- expect -- fund your program on

1 speculation. It's estimated -- but it's estimated based
2 upon we don't bring in federal funding in order to get
3 state funding. That's what it -- when third parties come
4 in, we can't estimate what they're giving, which is why we
5 need a formal agreement, which is the same issue we did
6 with the Camp Verde program. Given us a formal agreement
7 or -- or it's not going to happen.

8 BOARD MEMBER ANDERSON: We are -- it's a
9 different set of circumstances and dollar figures today
10 than probably, you know, over the last three or four
11 hearings even a year ago. We've got state dollars. It's
12 just a matter of the acceleration of the project that the
13 stakeholders want.

14 And I think the City of Maricopa is definitely
15 committed. I think Ak-Chin is definitely committed. It's
16 just in terms of, you know, the funding level from both
17 entities. And then we plug that back into the -- the
18 formula when we get that formal agreement. Right, Floyd?

19 MR. ROEHRICH: Mr. Chair, Mr. Anderson, that is
20 absolutely correct right now. And as Scott said, this can
21 be modified at any time or next year. All the (Inaudible)
22 in place by next year, it will be in the new program
23 cycle.

24 This document is -- is never in stone. It is
25 continually modified. But it's always modified with the

1 board's input. It's never done without coming back to the
2 board.

3 BOARD MEMBER ANDERSON: Well, I was under the
4 impression I would have to push some projects out, maybe
5 take something out of preservation or maybe a rest area or
6 two that I would have to pull out to help find some
7 funding.

8 So it was a little difficult for me to attend a
9 meeting with the mayor two weeks ago with the tribal
10 council in terms of I'm going to need \$20 million to \$25
11 million to get this project up and going.

12 So now we've got a different set of scenarios. I
13 think a different starting point. And I think it's better
14 for everybody to -- you know, to get together and -- but
15 I'm glad it's here. It's -- it's going to be, you know,
16 in concrete, so to speak.

17 But if we can define that last \$36.2 and help
18 advance that, I think that will be my goal.

19 MR. OMER: So Mr. Chair, Mr. Christy, if I can
20 clarify one thing for us as we move -- as -- with this
21 conversation is you're right. You know, the conversation
22 we had a couple weeks ago and a month ago over the last
23 year about this project was we need to identify the
24 funding. We still need to identify the funding for the
25 construction of the project.

1 Now, we have identified funding for design, for
2 the bridling fences, and those types of things. But the
3 funding for the construction of the project is still
4 unidentified. That's why it's showing up year 2020, which
5 our development program.

6 Now, if as staff we would have come in here today
7 and said we're putting this project in FY 18, as an
8 example, we would have made a recommendation on which
9 projects to physically remove from the program. That's --
10 that was the -- we thought this is a good compromise. It
11 gives us this time to still complete the discovery
12 process. It gives us time to continue moving the projects
13 through the program to remove that -- you know, move our
14 level of risk down on the project. And then also it gives
15 the department, the City of Maricopa, and any other
16 partners the ability to finalize any agreements on future
17 funding opportunity. And that makes the board's
18 conversation much easier in the future if you know all the
19 variables. Right now we'd be making the decision we still
20 have too many variables in our equation to solve it.

21 BOARD MEMBER ANDERSON: But the -- the funding
22 level specific to the various years do not include the \$10
23 million that the City is putting in. So there's --
24 there's another bucket of money that can be used toward
25 the project that's not identified on our -- on our paper

1 before us.

2 MR. OMER: Mr. Chair, Mr. Christy -- or Mr. Chair
3 and Mr. Anderson, that's correct. The \$10 million -- or
4 that's the number that always sticks in my head. I don't
5 know exactly what it was that the City of Maricopa had --
6 has laid out in their (Inaudible).

7 We do not include that in the cost of this
8 project. We fully expect that the funding that they have,
9 that \$25 million that they said that they had in their
10 back pocket or whatever it was -- sorry, Mr. Mayor. It
11 may not be \$25 million. But that final dollar amount we
12 would apply towards the project when we do those
13 (Inaudible).

14 BOARD MEMBER BEAVER: Mr. Chairman.

15 CHAIRMAN CHRISTY: Ms. Beaver.

16 BOARD MEMBER BEAVER: As to Mr. Roehrich's point,
17 I -- I think that next year when we come to review this
18 living document, the five-year plan, if all of those
19 documents are signed, you know, we can look at it maybe in
20 a different fashion next year, you know, as far as moving
21 it around in the five-year plan.

22 UNIDENTIFIED VOICE: Mr. Chairman. But I was
23 always under the impression that I was kind of under the
24 gun to get these agreements and documents in place prior
25 to the Willcox meeting. So we've been doing a lot of

1 work, a lot of due diligence to get that done.

2 So I think the three parties, or at least
3 Maricopa and Ak-Chin, are prepared to move forward. And,
4 you know, it's a great -- for me it's a great fight to see
5 that it's a recommendation by staff to put it into the
6 plan.

7 UNIDENTIFIED VOICE: Well, I think it speaks to
8 Mr. La Rue's earlier comment about SR 189. I think it
9 shows a commitment of this board and a determination of
10 this board for this project.

11 But I think to Mr. Anderson's point, what he's
12 trying to get at is let's say next week, next month, six
13 months from now all of the parties come in with an agreed
14 to amount of -- of monies to go toward this project. By
15 doing so, will it accelerate the schedule of construction.

16 MR. OMER: Mr. Chairman, Mr. Anderson, I think
17 the answer is it can't. It depends if the -- there's
18 funding made available for construction of the project,
19 and the board chooses at that time to accelerate the
20 construction of this project, and, you know, you're -- you
21 talk to, you know, staff and say this is what we'd like
22 you to do, we'll find a way to do it. But it will mean,
23 you know, if it's in the five years of this program, if
24 the entire \$36 million isn't identified, then that means
25 we're going to move some stuff around. But that's back to

1 the board's direction. That's what staff will do.

2 I will say that before we choose a year for
3 construction, staff would ask that you sit down with, you
4 know, some representatives from the board with the local
5 municipalities and all the interested stakeholders and
6 talk about implementation of the project.

7 And, again, I'm very, very cautious and pretty
8 conservative, and I get really overly concerned about, you
9 know, the relocation process. You know, we're relocating
10 12 commercial properties and five residences. We have to
11 allow time for that process to happen.

12 UNIDENTIFIED VOICE: And a railroad station.

13 MR. OMER: And a railroad station. So I don't
14 think even if we had the money fall in our lap and we're
15 told go ahead with construction in FY 16 and all good
16 things that the department would say, we wouldn't be able
17 to do that because we do not have the funding available at
18 that time. Even if it was a -- an alternative delivery
19 project, I would be very concerned about our ability to
20 deliver on that time frame because of the relocates.

21 That's my perspective. That's not our stated
22 (Inaudible) perspective. That's just mine.

23 CHAIRMAN CHRISTY: And just -- just to that point
24 about moving things around. It should still be noted
25 that -- that even at this juncture with the SR 347 in its

1 proposed change, there are some moving around, and that's
2 in that -- in the out years, we're pushing back I-10,
3 the -- the improvements on I-10 to accommodate this at its
4 current state.

5 MR. OMER: Yes, sir, that's true.

6 UNIDENTIFIED VOICE: So that is without the
7 stakeholders' contribution.

8 CHAIRMAN CHRISTY: Right. Yeah.

9 UNIDENTIFIED VOICE: You got -- you got to
10 subtract that out.

11 CHAIRMAN CHRISTY: Okay. That's a good point.

12 BOARD MEMBER BEAVER: Mr. Chairman.

13 CHAIRMAN CHRISTY: Ms. Beaver.

14 BOARD MEMBER BEAVER: Mr. Omer, with regard to
15 the -- the relocation process, when you -- when you ask or
16 suggested that there be a meeting of the stakeholders,
17 this, of course, would include Amtrak or the railroad
18 company? I mean because they're -- they're going to play
19 a big part in it, I would assume, (Inaudible) their
20 business (Inaudible).

21 CHAIRMAN CHRISTY: I think Mr. Anderson might
22 address that.

23 BOARD MEMBER ANDERSON: Yeah, this -- this
24 relocation project with Amtrak has been ongoing for about
25 ten years. It's been one that the City has been

1 continually dialogue with UPRR, Amtrak. The -- the
 2 officials have gone back to DC to talk with the
 3 delegation. So it's something that's -- it's ready to go,
 4 right there Christian or Price?

5 It's -- it's ready to go. We're ready to
 6 relocate. It's just a matter of, you know, cutting ribbon
 7 and taking off. So all that footwork and prior work has
 8 been done.

9 MR. OMER: Mr. Chair, Mr. Anderson, (Inaudible).
 10 When I keep talking about the relocation process, I want
 11 to make sure that we follow the federal process for
 12 relocating the commercial properties and the residences.
 13 And if we get -- if we're not following the federal
 14 process, we do run the risk of not being eligible for
 15 federal reimbursement in the future.

16 So as the department, we're very cautious and
 17 careful that we actually follow and cross all the I's, dot
 18 all the T's to make sure that we're following that -- that
 19 process. It's very prescribed in how we have to do that.

20 The U -- the UP relocate and the Amtrak station
 21 relocate, yes, ma'am, they would be included in that
 22 conversation.

23 (Inaudible) businesses in terms of getting, you
 24 know, their agreement up front and the stakeholders,
 25 (Inaudible). But I was specifically talking about the 12

1 businesses and the five residences.

2 CHAIRMAN CHRISTY: Any more -- Mr. La Rue.

3 BOARD MEMBER LA RUE: Scott, a couple questions.

4 One is what the \$5.5 million design? Does that fully
 5 design (Inaudible) separation in the budget?

6 MR. OMER: So I'm looking at Mr. Keys. And the
 7 \$5.5 million in the design that we have identified in
 8 FY --

9 UNIDENTIFIED VOICE: 15.

10 MR. OMER: -- 15 I think I think were the final
 11 design of the project, which would be from in the
 12 complete -- (Inaudible) separation of the project, all of
 13 the local improvements that go along that need to be done
 14 and incorporated in with that, and as well as the -- I
 15 don't know if the design of the Amtrak station was
 16 included in that dollar amount or not because it was --

17 UNIDENTIFIED VOICE: Yeah.

18 MR. OMER: -- (Inaudible).

19 UNIDENTIFIED VOICE: I believe the City has
 20 already designed or worked with design for the -- for the
 21 rail relocation for the Amtrak station. I'm going to
 22 guess that that \$5.5 million, the engine station, is that
 23 if the board takes action on this funding and there's
 24 funding in the program and the environmental document that
 25 they worked on then simply can be signed by HWA on the

1 schedule at the time and then design for the entire
 2 project to start soon after that in fiscal year 15, it
 3 would be a tight schedule between the (Inaudible) sign in
 4 the winter of '14/'15 and then getting that design
 5 underway before the end this year.

6 MR. ROEHRICH: Mr. -- Mr. Chair. I would say
 7 that -- sorry. I would say that my staff recommended the
 8 design in '16 (Inaudible) '15, because I -- I thought it
 9 was important. There is -- it is tied in. The
 10 environmental document wasn't signed. (Inaudible) we
 11 couldn't the signature, written letter, and the date was
 12 set back a little bit. But that's the -- our -- our
 13 effort of -- of the department (Inaudible).

14 BOARD MEMBER LA RUE: Mr. Chair, it's kind of a
 15 comment, but my second question is, you know, what caught
 16 my eye with this project more than a year ago is that
 17 (Inaudible) down there is very, very engaged and they're
 18 very resourceful. And -- and I want to encourage that
 19 from a policy standpoint across the board, at least for
 20 the time that I'm on.

21 And so as I listen to Scott, your presentation
 22 and the (Inaudible), and it's the right-of-way thing that
 23 I keep looking and going \$13 million, \$14 million on the
 24 right-of-way, you kind of explained that.

25 Do we have any models where we can use that

1 resourcefulness of the City to take on that right-of-way,
 2 knowing that you've got to follow federal guidelines with
 3 those dollars? But is there a model out there to let the
 4 City take on, is that the kind of a (Inaudible here to
 5 take care of that right-of-way while we're designing it
 6 and figuring out how to construct it?

7 MR. ROEHRICH: Mr. Chair and Mr. La Rue, there
 8 have been. And other communities have used it as well
 9 where it is part of the agreement. If we -- it depends
 10 upon the type of funding.

11 Let's -- let's say we have state funds. You
 12 know, we could give state funds to the locals and make
 13 them go out and purchase the right-of-way. We don't know
 14 the power of money of the -- of this project yet. We want
 15 to get federally eligible. That's why all along we're
 16 saying we'll -- we'll follow federal process to make sure
 17 that we don't invalidate that.

18 That's a detail that we would work out through
 19 our -- our private development process. It doesn't --
 20 it's not going to get solved here. It's not going to get
 21 programmed that way. We don't program like that.

22 But that can all be worked at and solved once we
 23 move forward and -- and -- and do the coordination, enter
 24 the agreement, and -- and move the right-of-way along.
 25 Those are things that we can talk about, and we will talk

1 about. That's our normal process.

2 BOARD MEMBER LA RUE: So it's a benign from the
3 board's -- from my position on the board, I would
4 encourage work on that. We need that improvement.
5 (Inaudible) resourceful. Maybe they can figure some
6 things out to help to advance the project through this
7 acquisition (Inaudible).

8 CHAIRMAN CHRISTY: Mr. Jepson, did you want to
9 make a comment?

10 MR. JEPSON: I just wanted to clarify.
11 Everything would be under the federal process. We're --
12 we're within the federal guidelines of the -- the \$4.5 on
13 the (Inaudible) and \$4 million the -- the City has
14 identified is to advance the construction of a rail site
15 away from the site and getting that going, the few pieces
16 (Inaudible) to deal with. I mean they're -- they're not
17 hard, but they're -- they're difficult today. So -- so
18 we're -- we're working toward that.

19 So that money is exclusively to get that Amtrak
20 relocation out of the way and the stations built. And
21 that's how where the City is focusing on, just so we can
22 clear that out so -- so ADOT can do their -- their work on
23 the site itself.

24 CHAIRMAN CHRISTY: Any other further comments or
25 questions regarding State Route 347?

1 UNIDENTIFIED VOICE: Thank you, Chairman.

2 CHAIRMAN CHRISTY: Can we move on then to US 60,
3 Show Low to Little Mormon Lake?

4 Mr. Rogers, this is your district. Are you
5 there?

6 BOARD MEMBER ROGERS: (Inaudible). I'm here. I
7 can hear you well.

8 MR. OMER: Mr. -- Mr. Chair. The US 60
9 Show Low-Little Mormon Lake project. This project is
10 located in Navajo County. And it's -- it's set up to add
11 turn lanes, widen the roadway in intersection (Inaudible).
12 (Inaudible) project US 60 and State Route 77.

13 The current status of the project is it's in
14 phase two. We're about at 30 percent design of the
15 project. And it's currently on hold. The current cost
16 estimate for the project is -- is around \$10 million. The
17 original amount that was programmed for the project was
18 \$6 million, if I remember correctly. That's really what
19 brought this project to our attention, that it was -- you
20 know, we had a 40 percent increase to the overall cost of
21 the construction of the project.

22 Consider the delivery risk to the project at
23 medium at best because of the funding issue. We don't
24 have the funding for the project. It is currently on
25 hold.

1 Now, the future traffic volumes for this project.
 2 We are -- you know, we hear different things. When we
 3 look at the overall traffic volume of this project, you
 4 know, the future volumes are 2,500 to 5,000 vehicles a
 5 day. Okay? We heard last week from City of Show Low they
 6 were significantly higher than that. But that's -- that's
 7 our numbers. Future truck volumes are less than 50
 8 vehicles a day. The number of accidents over the last
 9 five years has been about 42. And they're all accidents
 10 consistent with, you know, in a smaller urbanized area.
 11 There was no fatalities. Those were just -- you know,
 12 they're accidents.

13 When we look at this project compared to the
 14 other projects that are in the program, and we ran this
 15 project through our prioritization project, this was the
 16 last ranked capacity project or expansion project that we
 17 had on our list.

18 Staff's recommendation is to not include this in
 19 the program. I do understand that Mr. Rogers wants to
 20 have a conversation. But staff did not put it in the
 21 final program because of the change to the increase in the
 22 overall construction costs of this project and because of
 23 the fact that when we look at what the project gives us
 24 and the future traffic volumes and the benefit, we didn't
 25 see that this project was one of our higher priorities.

1 So our staff recommendation would be to not include this
 2 project in the program itself.

3 CHAIRMAN CHRISTY: So there is no change on this
 4 one then?

5 MR. OMER: No, sir. Our recommendation -- we
 6 were asked to talk about this project.

7 UNIDENTIFIED VOICE: It was removed from --

8 MR. OMER: It was removed from the program.

9 UNIDENTIFIED VOICE: -- from the packet that was
 10 set in public.

11 UNIDENTIFIED VOICE: Mr. Chair and board members
 12 and Mr. Rogers, if you could -- if you could address your
 13 comments here now. And in that --

14 UNIDENTIFIED VOICE: Show Low and the locals have
 15 come in and said they would like the project back in at
 16 the increased amount.

17 CHAIRMAN CHRISTY: Mr. Rogers.

18 BOARD MEMBER ROGERS: Mr. Chairman.

19 CHAIRMAN CHRISTY: Go ahead.

20 BOARD MEMBER ROGERS: Okay. Thank you,

21 Mr. Chairman.

22 Mr. Roehrich, we had a conversation yesterday.
 23 Your conversation -- our conversation accomplished -- was
 24 not what Mr. Omer just told me. How come?

25 MR. ROEHRICH: Mr. Chairman, Mr. Rogers. I'm a

1 little -- I'm not entirely sure, because I had a different
2 conversation as well; one where we talked about possibly
3 putting this project back into the program.

4 And at this point I can -- I'm willing to take
5 the hit that I had talked to Mr. Rogers and said that we
6 were looking at possibly moving this into outer years, but
7 that we might be able to fit it into the program,
8 realizing that it had \$6 million and we need an additional
9 \$4 million.

10 So at this point, though, we still have the issue
11 of identifying adding in a \$10 million project, where
12 would this fit in if we intended that we wanted to add it
13 back into the program.

14 UNIDENTIFIED VOICE: Mr. Christy.

15 BOARD MEMBER ROGERS: Mr. Roehrich.

16 CHAIRMAN CHRISTY: Go ahead, Mr. Rogers.

17 BOARD MEMBER ROGERS: Mr. Roehrich, we -- our
18 conversation yesterday was you would continue the study,
19 complete the study, you would contact (Inaudible), and
20 then this project would be put into '18. That was our
21 conversation yesterday. And I don't understand why that
22 has changed now.

23 Now, here's another thing that I would say to
24 Mr. Omer. While traffic patterns aren't where you want
25 them, Mr. Omer, how were they there when -- when you had

1 this project in there and almost got the -- the funding?
2 Obviously, someone did something, or, you know, are we
3 back to (Inaudible) about the amount of cars that are
4 going -- or amount of traffic that's going through there?

5 MR. OMER: Mr. Chair, Mr. Rogers. We're not
6 confused about the amount of vehicles that are coming
7 through the project. I understand that -- and I guess
8 Mr. Roehrich and I had a misunderstanding yesterday.

9 So what we're recommendating -- recommending is
10 not putting this in the delivery program. If the -- if
11 the board chooses to add this to the delivery program,
12 that's -- that's your request, then we will do that. Or
13 if you want it in the development program, again, that's
14 the board's prerogative.

15 So I'm not going to -- I don't know how the
16 project was originally put in the program, and I'm not
17 sure of the exact year.

18 We -- the project came to our attention because
19 of the increase in the overall cost of the project. As we
20 update project costs and annual -- on an annual basis, we
21 look at, you know, the project purpose and need. We look
22 at what the project is designed to do. We look at all
23 those variables. We actually went back and looked at why
24 this project was in the program.

25 We don't feel that -- we -- we do feel the

1 existing capacity that's there today on that section of US
 2 60 in the city of Show Low is more than sufficient to
 3 carry the amount of traffic that's there. We also feel
 4 that the types and the number of accidents are not one
 5 that would justify the expansion of this facility from the
 6 existing two lanes out to a four lane section.

7 Again, that's the department's recommendation.
 8 There's, you know, plenty of room for the conversation.
 9 This is your program. The department makes a
 10 recommendation, and the board adopts those or adds or
 11 gives us direction on what to do.

12 BOARD MEMBER ROGERS: Mr. Chair.

13 CHAIRMAN CHRISTY: Go ahead, Mr. Rogers.

14 BOARD MEMBER ROGERS: Mr. Chair, Mr. Roehrich.
 15 How did you take (Inaudible) like this, pick them up a
 16 year from building this thing, and then yank it out from
 17 underneath? I don't understand how you could do that.
 18 You know, basically, (Inaudible) amount of money you
 19 invested and the time you invested in the City of
 20 Show Low.

21 Businesses have relocated upon your -- your
 22 having this inside your program. You know, we'd like to
 23 (Inaudible). And the former -- the former chair and
 24 former members of this board (Inaudible) last -- the last
 25 court date in Flagstaff. You know, it used to be as they

1 said, the five-year program is a contract.

2 And what I don't understand, you've got funding
 3 issues and things like that. You don't even mention the
 4 funding issues. You've -- all you've mentioned is that
 5 the project (Inaudible) project. And that's not your
 6 words. They're mine. But that's how I take it. So I
 7 don't understand this.

8 And I'm (Inaudible) I'd like to see in your
 9 opening statement there you made to limit the fact that
 10 your count and the City's count was different. Well, we
 11 need to find out what the count is. We need to find out
 12 what the real count is. What are the (Inaudible) there.
 13 What are the (Inaudible). And, you know, because,
 14 obviously, not like ours. So I would recommend you do
 15 that before you yank this and (Inaudible) facts
 16 (Inaudible) discussion (Inaudible). And they are
 17 (Inaudible).

18 You've -- you've already committed money to the
 19 study. What does that do to that money? Are -- are --
 20 are we (Inaudible) federal money (Inaudible)? Are we
 21 (Inaudible) with using federal money? Is it (Inaudible)?
 22 Will we get ourselves in trouble there?

23 And another thing is, obviously, (Inaudible), so
 24 we wasted money. The way we've (Inaudible) it now,
 25 we've -- we've basically wasted all the money. So

1 (Inaudible) this money isn't (Inaudible).

2 MR. OMER: Mr. Christy, Mr. Rogers. So when we
3 look at these projects, and, you know, you go back to how
4 a project gets into the program or not gets into the
5 program. So when we evaluate these projects individually,
6 we look at overall how -- how an individual project
7 affects or impacts the transportation system performance
8 for the entire state. It's not about an individual
9 project at a point location always. We look at if it's in
10 the overall transportation system.

11 I will say that, yes, you're right, Mr. Rogers,
12 that we have invested -- I think the number is about
13 \$400,000 in the overall federal aid on this project
14 itself. If this project is not advanced within the next
15 ten years to construction or a (Inaudible) isn't purchased
16 on this project in that time frame, yes, we're at risk of
17 paying back the \$400,000 that we invested on the future.

18 But again, I recommend -- our recommendation is
19 that investing \$10 million in this project today or in the
20 near future isn't something that is in -- is not something
21 that's needed at this time. That's -- that's the staff
22 recommendation, Mr. Chair.

23 BOARD MEMBER ROGERS: Mr. Chair.

24 CHAIRMAN CHRISTY: Mr. Rogers.

25 BOARD MEMBER ROGERS: Yeah. Mr. Chair,

1 Mr. Roehrich. Again, I'll go back to our conversation
2 yesterday. I made a phone call yesterday and told the --
3 the City of Show Low what you told me. Now, I'm
4 (Inaudible) here. So I'm a little disappointed in what
5 has happened here, gentlemen, and I'm not very happy.
6 I'll just -- I'll just tell you that right now.

7 MR. ROEHRICH: Mr. Chair, Mr. Rogers. I -- I'll
8 admit that that is not what we talked about. I had the
9 understanding that we needed a little bit more money for
10 design. We already had money in design because it's on
11 hold, but we need a little bit more money.

12 We're going to put that money in 2015 to continue
13 to move forward with the design and, hopefully, get a
14 better handle on the construction costs. And then in 2018
15 we would add it into the -- to the program, which would
16 mean that it would basically just come out of the
17 preservation program at some small amount, whether it's a
18 few hundred thousand for the design and the rest would
19 come out of the preservation.

20 That was my understanding then. Mr. Rogers, I
21 admit that that's what I told you, because that's how I
22 left the meeting. So, obviously, I took very poor notes.
23 Did not understand that.

24 I think that's still a viable option, and I would
25 not want to take that off the table. I think it's

1 something that, you know, again, the board has the right
2 to say that -- that we do that, or if you want staff to
3 look at it and respond back directly to you, Mr. Rogers,
4 we can do that.

5 I -- I just think I -- I felt that we had an
6 understanding that this project would move forward with
7 design in '15. We'd add a little bit of money in it
8 because it needed more money for design. And then in '18
9 we would construct it. That was my understanding, and
10 that is what I did tell you. I'm agreeing --

11 CHAIRMAN CHRISTY: Let --

12 MR. ROEHRICH: -- to that. I'm not backing off
13 from that.

14 CHAIRMAN CHRISTY: Let me ask a question,
15 Mr. Rogers. On that -- based on that conversation that
16 was just articulated by Mr. Roehrich, was that whole
17 scenario acceptable to you?

18 BOARD MEMBER ROGERS: Yes, it would. And
19 (Inaudible) I act for the City of Show Low, and, you know,
20 I would -- I would like to see that City right there -- in
21 fact, I will say this.

22 I was under the assumption that this study would
23 continue, but then I concede that I could have -- I could
24 have misunderstood there. So -- and I'll agree to that.
25 But, yeah, if you -- we can -- if we can make the study

1 (Inaudible) funded by '15 and have it on '18.

2 And -- and the other thing I would like to see,
3 too, (Inaudible) perform the -- we've got -- we've got --
4 we've got businesses that have invested money. We've got
5 a city that has invested money and time and effort into
6 this. And -- and we need to -- we need to be a little bit
7 more sympathy to that. These small communities don't have
8 a lot of money.

9 And so I would say if there is extra money and it
10 becomes available for it, I would like to see it moved up.
11 I think we need to move it up to '15 -- I mean from the
12 '18 to '16, possibly.

13 So anyway, yeah, I'm -- I'm okay with that
14 Chair -- Mr. Chair. And I'd like -- I'd like to see that
15 happen.

16 CHAIRMAN CHRISTY: Very good. We'll throw that
17 into the mix on -- on the other items too.

18 Any -- any questions, Mr. La Rue?

19 BOARD MEMBER BEAVER: Mr. --

20 BOARD MEMBER LA RUE: Yeah.

21 BOARD MEMBER BEAVER: Mr. Chair, I --

22 CHAIRMAN CHRISTY: Or Ms. Beaver.

23 BOARD MEMBER BEAVER: I guess what I would like
24 to see is where we've seen with other communities, like
25 we've seen with Maricopa, we've seen with Camp Verde,

1 we've seen it with Prescott and Chino and Prescott Valley,
 2 we're seeing and hearing kind of that activeness. And I
 3 haven't seen or heard that with Show Low. I'm -- I'm
 4 coming into this late, because I'm not even sure what year
 5 it was in the five-year plan to come out of the five-year
 6 plan.

7 I do know that we've had a reduction in monies
 8 available to us, though. And so there was a lot of belt
 9 tightening going down. But I -- I think I would like to
 10 see a little bit more activity with Show Low.

11 I know Mr. Rogers is saying that Show Low has
 12 been very active and all that, but could -- could we see
 13 that?

14 BOARD MEMBER ROGERS: Mr. Chair.

15 CHAIRMAN CHRISTY: Mr. Rogers.

16 BOARD MEMBER ROGERS: Mr. Chair, board member
 17 Beaver. Two people were there for Show Low at the meeting
 18 in -- at -- in Flagstaff. And I also had some of the
 19 Navajo County that stood up. And then Mr. (Inaudible)
 20 stood up and represented us at the meeting in Show Low.
 21 So they -- they are active, and -- and they will continue
 22 to be active.

23 And -- and they -- this -- this project was
 24 supposed to have fund in '15. And, you know, and they
 25 understand, you know, that -- that it's -- that it's

1 predefined. They understand that there's funding issues,
 2 and -- and they're -- they're okay with that.

3 I mean but to be -- to (Inaudible) up a year from
 4 funding and then take it clear out of the program, you
 5 know what I mean, (Inaudible).

6 MR. ROEHRICH: Mr. Chair and Ms. Beaver. I think
 7 the other point is I think when Mr. Rogers says involved,
 8 this had been already started design, so we held some
 9 coordination meetings with stakeholders. Show Low --
 10 Show Low had representatives there as we were scoping and
 11 starting the preliminary design.

12 As -- as Scott had said, we were at about
 13 30 percent design when it -- it determined with such a
 14 large increase in -- in -- in this project, was it scoped
 15 right. Were we going down the right direction in order to
 16 really address the problem. Did it need further review.
 17 And that's why the design was on held, because we were
 18 having those discussions.

19 CHAIRMAN CHRISTY: Mr. La Rue.

20 BOARD MEMBER LA RUE: Thank you, Mr. Chair. I --
 21 I really did connect Ms. Beaver's comments and Floyd's. I
 22 think Floyd really is sailing the point.

23 You know, as I sit here as a board member in
 24 Phoenix, Arizona really focused on Maricopa County, I'm
 25 kind of uncomfortable trying to make a thumbs up, thumbs

1 down on what's happening in Show Low and what's best for
2 the residents of Show Low.

3 And I look at this \$10 million project and say,
4 there's got to be other solutions. This is their highest
5 priority. There's got to be other solutions up and around
6 Show Low and Navajo County or whatever -- whoever is
7 affected to say that we push the preservation here a
8 little bit. Can we advance this. Do we do that. Our
9 district folks up there and the residents and the guys are
10 up there, they -- they figure that out. They should be
11 able to. And that's what I want the hear back. It's our
12 work effort to have the local folks there figure this out
13 and come back with a solution that fits into our
14 (Inaudible).

15 You know, as I travel the state, I'm just -- and
16 this is kind of an editorial. I'm -- I'm -- I'm concerned
17 about rural Arizona. You know, you look at Maricopa
18 County. And the job recovery in Maricopa County, while
19 it's benign, it is far greater than anywhere else in the
20 state. And -- and Maricopa has recovered like 45,000 jobs
21 this year. I think the Tucson area is about 4,000. The
22 rest of the state is about 1,500.

23 I think we need to be doing things and investing
24 dollars in helping these little communities figure out how
25 that we can use our budget to drive some of their economic

1 growth or it's not going to get better, obviously. And
2 it's -- it's -- it's -- from a policy perspective
3 (Inaudible).

4 UNIDENTIFIED VOICE: Mr. Chair, I guess --

5 CHAIRMAN CHRISTY: Mr. Earll.

6 MR. EARLL: -- what we would offer would be that
7 it's up to the board's direction as to put this project
8 back in the program. The earliest possible year that the
9 project would be ready would -- I think Mr. Roehrich had
10 said the FY 18 time period.

11 The board wants to have this project in the
12 program. I think (Inaudible). That's why we're here
13 today in this meeting, a work study session, and not in,
14 you know, the final meeting of the years for this
15 conversation.

16 If the board's direction is we want this project
17 back in the program, then that's the direction that we
18 take. And I would just -- I've implied that Mr. --
19 Mr. (Inaudible) and La Rue make the statement.

20 But I would just clarify and say that if the
21 board wants the project back in the program, give staff
22 direction. We'll talk to our district staff, we'll talk
23 to the respective parties and identify the funding for the
24 project inside of the existing program.

25 I don't know if that would be a preservation

1 project that moves out in Navajo County, because I'm not
 2 exactly sure if there (Inaudible) be there. But we would
 3 probably take the funding for this project from the
 4 existing preservation program or from the modernization
 5 program. It would not come from a different capacity
 6 project or expansion project unless the board of directors
 7 to do it that way.

8 CHAIRMAN CHRISTY: At this point I think we've
 9 gone over these statuses or stati, statuses pretty --
 10 pretty much in-depth.

11 At this -- again, at this point, is this where
 12 staff would like to hear from the board as to how their
 13 feelings on this and any other type of projects are, just
 14 so you can put this all together?

15 MR. OMER: Yes, sir, Mr. Chair, is what we're
 16 looking for as staff is now is the time that we would ask
 17 the board to give us your direction. Is what we presented
 18 today with these -- with these changes, does that make
 19 sense to the board? Does it fit our needs? Or is -- you
 20 know, there's other changes that you would like us to
 21 make. If you want us to put the 60 project back in the
 22 program or you want to make other changes, then we'll take
 23 the direction.

24 I don't know the format on how we do that, if
 25 it's just direction from --

1 CHAIRMAN CHRISTY: General. At this point is
 2 there a board member who would like to lead off on -- on
 3 direction to the staff as regards to these projects?
 4 Ms. Beaver.

5 BOARD MEMBER BEAVER: Mr. Chairman, I'd like to
 6 ask a question. With regard -- if we are looking at
 7 putting this back in the program, did I understand from
 8 Mr. Omer that what they would do is look at funds that are
 9 going into Navajo County in that area and basically
 10 reallocating them forward to this project?

11 Is that the way I understood it?

12 MR. OMER: Not necessarily, ma'am. I think what
 13 we would do is we would go through the available funding
 14 from our different program areas and see where we could
 15 find the money.

16 I -- I -- the only reason I say not necessarily
 17 is because I don't know the specific projects that are in
 18 the present -- that are in the program in Navajo County,
 19 and I'd rather not --

20 MR. ROEHRICH: Yeah.

21 MR. OMER: -- say specifically coming from there.

22 MR. ROEHRICH: Yeah, Mr. Chair, Ms. Beaver. At
 23 this point, FY 18 is a little bit more illustrative.
 24 There's some lump sum areas in preservation in some of the
 25 subprograms. We don't identify all the specific projects

1 like we do the first three years of the program. '15,
2 '16, and '17 now have more definitive project listing out
3 of the subprograms; preservation and those type of program
4 that's. Why I thought when we talked about it we looked
5 at '18. We got latitude of adjusting it as we develop the
6 projects in there.

7 It wouldn't come out of the greater Arizona area.
8 I mean it's going to come out of the rural -- we're
9 pulling it out of any of the subprograms. But we don't --
10 haven't identified that it impacts any one specific
11 project, but it is going to affect some program somewhere.

12 CHAIRMAN CHRISTY: Well, the start of the
13 conversation -- go ahead, Mr. Rogers.

14 BOARD MEMBER ROGERS: I've been on the other
15 side. I would -- you know, this is the point that we
16 direct staff in how we feel about it. I would encourage
17 the board members to support me here and -- and -- and
18 look to direct the staff to do the thing, complete it as
19 soon as they can, and -- and then put it in for '18,
20 (Inaudible) for '18, and then we'll adjust it again next
21 year and see where we're at at this point next year.

22 CHAIRMAN CHRISTY: Thank you, Mr. Rogers. As
23 Chair, I think I'll take the liberty to start the
24 conversation with my comments regarding the staff's
25 proposed changes, and specifically regarding to US 60.

1 I would like to see that staff's recommendations
2 regarding SR 189 and SR 347 be implemented as proposed, as
3 presented.

4 And regarding US 60, put back into the plan as
5 was initially discussed between Mr. Rogers and
6 Mr. Roehrich for completion in '18. And put it back to
7 staff on that particular project to come up with the --
8 the ingredients to make all parties in -- in cohesion on
9 that.

10 So that's how I'd like to see it. And I'll
11 entertain anybody else's comments at this point from the
12 board.

13 BOARD MEMBER ANDERSON: Chairman.

14 CHAIRMAN CHRISTY: Mr. Anderson.

15 BOARD MEMBER ANDERSON: I just have a question on
16 Lion Springs. We went -- we pushed that out to '19 on the
17 design. Is that -- am I reading that right?

18 MR. OMER: Yes, sir. We're moving the design of
19 the project from the current tentative program in FY 2018,
20 we're moving it out to FY 2019.

21 And off the top of my head that was so we would
22 have the capacity in '18 for the -- one of the SR 347
23 phases -- one of the 189 phases. So we moved that project
24 back a year to land 189.

25 BOARD MEMBER ANDERSON: There's no specific way

1 or -- to get that advanced? When is it -- I'm trying to
2 remember on the long range plan that Lion Springs is
3 supposed to be.

4 MR. OMER: Mr. Chair. So in the development
5 program, it used to be in FY 23. So we not only moved the
6 design of the project out to FY 18, we removed the -- you
7 know, the construction in the development program out of
8 the development program also. So we brought in 347 and
9 189. Everything else back out. So it would be, you know,
10 after 2024 as we would see -- as we would see it. Again,
11 there's staff recommendation.

12 BOARD MEMBER ANDERSON: So I guess once we get
13 347 all wrapped up, all the parties fine tuned and
14 delivered, there would be a possibility of bringing that
15 back in, advancing the design and getting it back into the
16 long range plan with some type of funding. Like you said,
17 it's (Inaudible) and always moved. It's an opportunity.

18 MR. OMER: Mr. Chair, Mr. Anderson. I wouldn't
19 want to get the long range plan now and the government
20 program mixed up --

21 BOARD MEMBER ANDERSON: Right.

22 MR. OMER: -- because it is in our long range
23 plan. But our long range plan doesn't carry specific
24 projects. It's program based, and it's really about how
25 we want to see us incorporate -- it's a policy based

1 program. And we've always considered that 260 project in
2 the long range need in the state of Arizona. It just
3 didn't fall into the first ten years of the program,
4 because we moved 347 and 189 back.

5 Now, I would say, if the board feels it's
6 important that that specific project is something we start
7 looking into the development program, that's not a board
8 action. That's really about the board saying, hey, we
9 want you to start considering this inside of your
10 development program. Because the board action is really
11 about the five year construction program. And that's --
12 that's -- this is just what we -- we do to bring stuff
13 into the program, so. We can take that as direction also,
14 (Inaudible).

15 CHAIRMAN CHRISTY: Any further comments of
16 direction? Mr. Cuthbertson.

17 BOARD MEMBER CUTHBERTSON: You know, I guess my
18 comments are, you know, I'm -- I'm happy with the -- with
19 the project changes the staff recommends on SR 189 and
20 347. I think they did a good job in fitting those into
21 the program.

22 60, you know, I -- I would certainly support
23 trying to move it in -- 2018 and 2019 look like they
24 have -- they don't have a lot of the expansion funding
25 identified. Like you said, a lot of it -- I -- I am

1 beginning to get sensitive, I guess, a little bit to
 2 the -- the need for our preservation and modernization
 3 money and trying to keep a balance in that. But still,
 4 you know, \$10 million isn't -- isn't a huge amount.

5 And although if you try to pull all that out of
 6 preservation from -- actually, for Navajo County might --
 7 it might hurt them.

8 So I don't know that I would say I -- I would
 9 think that you would earmark dollars out of that county
 10 just for that project necessarily. But it seems like
 11 statewide you should be able to find the funding in -- in
 12 those outer years, maybe. So that's -- that's all of
 13 my -- my comments.

14 CHAIRMAN CHRISTY: Mr. Sellers, Ms. Beaver,
 15 Mr. La Rue, your comments?

16 BOARD MEMBER ANDERSON: Mr. Chairman.

17 CHAIRMAN CHRISTY: Mr. Anderson.

18 BOARD MEMBER ANDERSON: So I take it the meeting
 19 is in Willcox next month will be -- will (Inaudible) of
 20 the draft plan for -- for -- for final adoption with these
 21 changes --

22 MR. OMER: Yes, sir.

23 BOARD MEMBER ANDERSON: -- (Inaudible)?

24 MR. OMER: It's not in the minutes, but I was not
 25 (Inaudible) that what we would bring to you in the

1 Wilford/Willcox meeting is after our discussion today, we
 2 would bring forward the changes that we've highlighted
 3 here, the -- you know, the minor changes that we show in
 4 the program and stuff that's moving around in yellow, all
 5 the changes that are shown in this 11 by 17 sheet.

6 But the specific, you know, projects that we're
 7 talking about is we would bring the 189 and the 347
 8 projects into the final program for the board to adopt
 9 based on our conversations today with the construction of
 10 both of those projects being in the development program,
 11 not in the -- not in the five-year program.

12 And the conversation that we just had on the US
 13 60 project, if there's -- if there's consensus with the
 14 board that they want the project back in FY 18, we would
 15 bring that project in at the same time as well.

16 The last but three changes that -- that I would
 17 recommend -- well, we'd bring all the changes, but that's
 18 the three specific items that we make sure we highlight.
 19 We'll give you a brief conversation about everything that
 20 we changed in the program. And it's not the entire --

21 UNIDENTIFIED VOICE: Mr. Chairman, board members.
 22 Do you mean all the changes?

23 MR. OMER: Yes.

24 UNIDENTIFIED VOICE: The spreadsheet? I want to
 25 make it clear.

1 MR. OMER: Yes, the spreadsheet, yeah.

2 UNIDENTIFIED VOICE: These are already changes as
3 well. We didn't discuss every one of these in detail, but
4 these adjustments are -- are, as well, will be
5 incorporated in the final draft as presented to the board
6 for adoption?

7 MR. OMER: Yes.

8 CHAIRMAN CHRISTY: Well, if the will of the board
9 is that those changes be made as presented by Mr. Omer.

10 UNIDENTIFIED VOICE: Mr. Chair, I do want to be
11 careful here.

12 CHAIRMAN CHRISTY: I'm not making a motion.

13 UNIDENTIFIED VOICE: You're not making a motion.

14 CHAIRMAN CHRISTY: No.

15 UNIDENTIFIED VOICE: We're not making an action.

16 CHAIRMAN CHRISTY: No.

17 UNIDENTIFIED VOICE: Okay. Great. Great. Okay.

18 CHAIRMAN CHRISTY: I've learned my lesson well
19 after going on six years.

20 UNIDENTIFIED VOICE: So this is the guidance from
21 the board.

22 CHAIRMAN CHRISTY: The guidance from the board.
23 And correct me if I'm wrong, counselor, guidance from the
24 board or the -- or the sense of the board I believe to be,
25 unless any board member would like to interject at any

1 point, is that we -- we instruct staff to proceed with the
2 five-year plan by incorporating the changes of State Route
3 347, State Route 189. And with regard to US 60, putting
4 it back into the status of completion by 2018.

5 And I don't think, unless anybody wants to add
6 anything to that, that unless there's something more from
7 staff, we can move along.

8 Ms. Beaver.

9 BOARD MEMBER BEAVER: I just want a
10 clarification. When you're talking about completion,
11 you're not talking about just the design, you're talking
12 about completion?

13 UNIDENTIFIED VOICE: No, ma'am. We are --

14 MR. OMER: We're --

15 UNIDENTIFIED VOICE: Staff wouldn't say that.
16 The final construction of the property would begin in FY
17 2018. The construction completion would not occur at that
18 time unless it fit in that --

19 BOARD MEMBER BEAVER: I just wanted a
20 clarification on that.

21 UNIDENTIFIED VOICE: -- construction duration.

22 CHAIRMAN CHRISTY: But bear in mind regarding
23 that, staff has its work cut out for it to find where that
24 funding can be identified, as well as bringing all the
25 stakeholders of that district into play in this matter.

1 But the board's desire is that that work by the
2 staff be done regarding US 60.

3 Mr. Rogers, am I leaving anything out that you
4 want to put in at this point? Apparently not.

5 BOARD MEMBER ROGERS: Mr. Chairman.

6 CHAIRMAN CHRISTY: Is there anything more you'd
7 like to say to this, Mr. Rogers?

8 BOARD MEMBER ROGERS: Yeah, I think -- yes, I
9 would. Now, I want to make sure we're clear here. We
10 also have the funding for the study to complete the study
11 on highway safety for -- for '16, I believe, or it was
12 '15?

13 MR. ROEHRICH: Mr. Chairman, Mr. Rogers. Yes, we
14 would go back. In order to put this in, in -- in -- in
15 2018, we would ensure that we have sufficient funds and
16 timeline for it to be ready to advertise in that fiscal
17 year. So if there is funding needed, we will address that
18 as well.

19 BOARD MEMBER ROGERS: Okay. So the study won't
20 continue then?

21 MR. OMER: That -- that's the direction that the
22 board is giving staff.

23 BOARD MEMBER ROGERS: Okay. All right. I just
24 wanted to make sure we're clear on that. Thank you.

25 CHAIRMAN CHRISTY: I'm pretty tired out milking

1 the board for any further comments. So not hearing any
2 further comments, unless staff has anything more that they
3 wish to put forth at this time.

4 BOARD MEMBER CUTHBERTSON: I -- I have one
5 comment. Originally, we -- we kind of talked about having
6 a discussion about the (Inaudible) in this study session.
7 But I think it probably wise that that we push it out. It
8 would just kind of muddy this -- this discussion. But I
9 think it's still an item that at some point in the future
10 that maybe you could be -- it would be helpful for me.

11 CHAIRMAN CHRISTY: That was the intent of
12 Mr. Roehrich's --

13 BOARD MEMBER CUTHBERTSON: Yep.

14 MR. ROEHRICH: Mr. Chair, Mr. Cuthbertson.
15 That's exactly right. And we might talk to -- to the --
16 to the chair about that. That was the whole point of
17 taking that funding issue, since it really is separate
18 from this, to deal with that in the future, because that's
19 a longer political implications as well, and I did not
20 want to bog down our process of getting the five-year
21 program out by bringing in those discussions at this
22 point.

23 Let's get this program done. That's our primary
24 function. That's one of the significant events the board
25 does for the year. And then we'll talk the longer term

1 issue of funding and -- and -- and -- and the -- these
 2 discussions either at their office -- the next study
 3 session we have is in August or another point in time that
 4 we set.

5 BOARD MEMBER CUTHBERTSON: Yeah. All right. I
 6 appreciate that. I think that was -- that was a good
 7 move.

8 MR. OMER: Mr. Chair, (Inaudible) you (Inaudible)
 9 a staff meeting. And so I would like to say thank you.
 10 Because this was -- our permanent process is difficult,
 11 obviously, to get, you know, the entire program done on an
 12 annual basis.

13 And last year was a prime example of the
 14 difficulty, you know, when we bring the final program in
 15 June, and then we come back to make sure we can make it
 16 work.

17 So our intention about having this as a study
 18 session was specifically so staff and the board could have
 19 an open conversation about, you know, the importance of
 20 our program and the process to get the projects in there.

21 So I know it's difficult for the board, because
 22 you all have lives, you have jobs, and this is a day in
 23 the middle of the week that you probably had plans. So
 24 putting these -- you know, putting this together as a
 25 study session, but very, very valuable to us as a staff,

1 and so we do appreciate it. And thank you for
 2 (Inaudible) --

3 CHAIRMAN CHRISTY: I appreciate those comments,
 4 Mr. Omer. Thank you.

5 BOARD MEMBER LA RUE: Mr. Chair.

6 CHAIRMAN CHRISTY: Mr. La Rue.

7 BOARD MEMBER LA RUE: Sorry. You know, you were
 8 milking it so long, I think my brain (Inaudible) --

9 CHAIRMAN CHRISTY: Something soured.

10 BOARD MEMBER LA RUE: -- (Inaudible). Yeah. At
 11 the last series of -- at the last public hearing we heard
 12 a lot about the Grand Canyon Airport.

13 Where is that in this plan? Is it still in? And
 14 maybe you guys already talked about it (Inaudible).

15 CHAIRMAN CHRISTY: No. I'm -- I'm glad you
 16 brought that up.

17 MR. OMER: So having expecting this conversation
 18 to come up today, I actually brought my client with me,
 19 who is our airport manager. And so I would want to hand
 20 over the microphone.

21 And he will explain a little bit about the
 22 project at Grand Canyon and Sierra Vista. Those were the
 23 two that were brought up. The department's role in it and
 24 where they're at. He'll give us a status.

25 MR. KLEIN: So does that put me on the spot then?

1 MR. OMER: Yep.

2 MR. KLEIN: Thank you. Mr. Chairman, Mr. La Rue.

3 UNIDENTIFIED VOICE: You have to get closer to
4 them.

5 MR. KLEIN: I'll get close to both of you. Okay.
6 I get to sit down.

7 The context that we're talking about at Grand
8 Canyon Airport, to start with. In the fall the
9 establishment of the water well on the airport to replace
10 the source of water that we removed by the FAA because of
11 runway safety conditions.

12 There was a catch in the area in between the
13 runway and taxiway in which they recovered and processed
14 the water. That was taken out under new federal
15 regulations.

16 So to replace that water, we began studying a
17 well. That has become, to say the least, controversial.
18 So we are scheduling a NEPA process to withstand that we
19 have done a water well study. And that study is the
20 precursor to an environmental assessment. It is the NEPA
21 process that we're talking about.

22 A lot of the complaints that come to us, that we
23 are not following the NEPA process, and we are. That's
24 the next step.

25 In addition to that, there's been complaints

1 about terminal building development or remodeling or the
2 evil word of expansion. Those have been postponed for an
3 indefinite period until the airport can conduct a formal
4 FAA funded master plan on the entire airport.

5 So those are the two steps that we are now taking
6 in support of aeronautics (Inaudible) with the airport
7 development funds. And the airport has a sponsor to
8 receive funding to do those projects as the Grand Canyon
9 position right now.

10 The Sierra Vista position is slightly similar in
11 that it involves water. The difference there is that the
12 complaints that we've been receiving regarding Sierra
13 Vista's project has been the development that they are
14 asking for, the extension of a certain parallel run -- not
15 runway. Water. I blew that one -- taxiway to the end of
16 their longest runway would provide for more development
17 along that taxiway when, in fact, it would eventually.

18 That's the cause of concern by these
19 environmental groups, that that water will be drawn from
20 the same aquifer; hence, that's wrong.

21 There's been a couple of groups that stood up and
22 said that ADOT and the City are doing illegal things. I'm
23 at a loss to figure that out, because we are following
24 federal criteria. We are not funding alone these
25 projects. The FAA is a primary driver of these projects.

1 They are the ones that call the shot as to what will be
2 funded and what NEPA process will be followed.

3 So at this point in time we are matching federal
4 grants from the FAA for the City. Those grants go
5 directly to the City. They don't come through us, unlike
6 in transit. That would be our share.

7 You know, there is -- the taxiway and the jet
8 extension of the state would be putting in about \$100,000
9 against a \$2.5 million piece of work. But it is federally
10 (Inaudible). They choose the debt that they choose. If
11 they -- if the FAA chooses to fund the project, then we
12 would match about 4.5 percent of that total project. So
13 we're following NEPA. We're following the FAA. And it is
14 their call.

15 What you see in your file -- in your program for
16 all airports is a request from the sponsors for federal
17 funding. We don't prioritize them. We don't rank them.
18 We produce their request, and the FAA takes the state up
19 and passes it on to the FAA -- to themselves (Inaudible).
20 they take the NEPA and start their own prioritization
21 process.

22 We only prioritize and fund what we consider
23 State obligible projects. And that's what's in the
24 five-year program is State only funding.

25 CHAIRMAN CHRISTY: How -- in the five-year plan,

1 what impact is there in the five-year plan in regards to
2 those two airports at this point? If you say everything
3 is on hold and studies, what is our -- our -- the
4 five-year plan's impact on that?

5 MR. KLEIN: The impact on the five-year plan by
6 putting both projects, the Grand Canyon is a lower
7 expenditure of State monies. That's the primary impact.

8 What we do is ask the board to set aside a
9 certain amount of money that we anticipate the Feds will
10 be funding. This is our beginning formula so that we know
11 what the FAA is thinking about funding and fund your plan.
12 We will be asking the board to approve an amount of money,
13 generally, \$4.5 million a year that will be used
14 exclusively to fund a federal share, 4.5 percent of a
15 project.

16 And we put those projects off. Some of them go
17 out of the five-year plan because of the duration of each
18 preliminary steps. Some of them will be put in out years
19 '17 or '18. We adjust that funding package to meet the
20 possible money for our five programs statewide.

21 CHAIRMAN CHRISTY: Well, I'm glad Mr. La Rue
22 brought this up, because I was looking for an
23 opportunity -- there was some pretty strong made
24 statements by groups at the last meeting regarding the
25 Grand Canyon Airport and the Sierra Vista Airport.

1 And I was hoping there'd be an opportunity, and I
2 don't know if this is it, for the department to have its
3 day in court to respond directly to those -- to those
4 statements. And I'm talking, as you highlighted a little
5 bit, on the water issues, the expansion issues.

6 And the other thing that's troubling that they've
7 brought up, and again, we weren't in the position where we
8 could hear the other side, was that they say that -- these
9 groups have been saying that the Grand Canyon Airport is
10 running in the red.

11 And those I think -- I'd -- I'd like to have an
12 opportunity to hear from the department in response to
13 those statements. And I'm not sure what the proper
14 setting for that would be.

15 MR. ROEHRICH: Mr. Chair, I think the setting for
16 that would be we could agenda it as a separate item and
17 discuss it.

18 I think the think to remember here is whether
19 it's South Mountain corridor, whether it's any other
20 corridor that we do, whether it's the Grand Canyon
21 Airport, you have people that support the project and
22 people who don't support the project. And if you don't
23 support the project, you come out and you explain why you
24 don't support it.

25 I -- I -- I think as Mike -- Mr. Klein here was

1 just commenting about, our day in court comes when we
2 follow the state and federal regulations and -- and laws
3 requiring us to follow these, but to follow whatever the
4 development process is. And if you follow that process
5 and everything is -- is -- is in line with us to move
6 forward with the project, we move forward with the
7 project.

8 If during the course of that study we find out
9 that there are fatal flaws. We find out there's
10 something, you know, wrong with it, we either mitigate it
11 or we say that's not a viable option and we -- we go to
12 something different. So we did it by following the
13 process to make sure that we are meeting all the
14 requirements in order to move it forward.

15 The issue with the Grand Canyon Airport, there is
16 a lot of emotional issue here. People who want -- don't
17 want any further impact on -- on the -- the Grand Canyon
18 itself would like that airport to go away. There are
19 people passionate about that.

20 Unfortunately, it doesn't go away. It's a state
21 asset and we have a responsibility to operate it, maintain
22 it, and to do what we can to make it functional, which is
23 issues, you know, like Mike was saying. Water became an
24 issue. We got to deal with the water stuff.

25 Now, if you want to agenda an item, and I always

1 come in to talk about the -- the future plans for our
2 Grand Canyon Airport and kind of look at any master plan
3 or development of issues moving forward, we can deal with
4 that.

5 CHAIRMAN CHRISTY: Okay.

6 MR. ROEHRICH: I don't think that's a problem. I
7 think we can put something together for that at some point
8 in time.

9 CHAIRMAN CHRISTY: Okay. Is that -- would that
10 be a good idea?

11 UNIDENTIFIED VOICE: I think that would help, but
12 also to help refresh what our role is, you know, is ADOT
13 (Inaudible). I know I read it, you know, two years ago,
14 three years ago when I was on the board. But I think
15 maybe when you frame it, you frame it in your head to help
16 us refresh (Inaudible) --

17 CHAIRMAN CHRISTY: Let's -- let's --

18 UNIDENTIFIED VOICE: -- because they were strong
19 statements. But as I'm listening to you, we're really
20 kind of an ancillary agency involved here to spend State
21 dollars when the FAA deems it's appropriate. And that's a
22 whole different position.

23 CHAIRMAN CHRISTY: And I -- I think we -- I think
24 that -- that the staff as well as this board should have
25 the opportunity to explore that and hear that in addition

1 to addressing some of these issues that have been raised.
2 And I would be for one in favor of agendizing that at a
3 future meeting.

4 MR. ROEHRICH: Mrs. Chairman, Mr. La Rue. We can
5 do that. But we're basically -- I'm going to tell you,
6 the relationship is very similar to the Federal Aid
7 Highway System. Federal Aviation controls and issues
8 funds. Federal Highway Administration controls those.

9 This board has a responsibility to prioritize the
10 projects sitting in the improvement (Inaudible) go on.
11 The operations and everything else related to the highways
12 and the airports, through the agency. So, again,
13 there's -- there's some separation there as part of what
14 the responsibilities are.

15 We can could delve further into that, as well as
16 the (Inaudible) master planning for -- for the airport as
17 an item.

18 CHAIRMAN CHRISTY: Well, let's --

19 MR. OMER: Mr. Chair, Mr. La Rue. Agendizing it
20 is the right thing. We had a whole conversation
21 (Inaudible) years ago on how the aviation program works.
22 It's a good chance to bring it back.

23 But, in general, when I bring you aviation
24 projects every month to the board, next month when we come
25 to the board (Inaudible), we have some look at that item,

1 it will specifically tell you FAA funding, State Funding,
2 and local match.

3 If there's FAA funding on that project, it's an
4 FAA prioritized project, and the State and the local
5 entity are required to pay the match in order to get the
6 federal money.

7 So the FAA is a little different than federal how
8 it actually sets the priorities for those funds. They're
9 submitted to FAA as a grant -- through a grant process.
10 They approve it. They set the priorities. And then the
11 state and the locals are required to pay the match.

12 The State can choose to not pay a portion of that
13 match. And if the local entity didn't pay -- pay the
14 entire portion of it, then the federal funding for that
15 project would be at risk.

16 CHAIRMAN CHRISTY: Does -- does the board have
17 the authority to tell the state, we don't want to approve
18 that funding that's required by the FAA?

19 MR. OMER: The board has the approval -- has the
20 authority as part of the state transportation board's
21 statutory requirements is to approve State funding.

22 CHAIRMAN CHRISTY: Okay.

23 MR. OMER: State aviation funding, it goes to,
24 hey, that's what we use it for is our State -- our -- our
25 match. There's other things we use it for, but that's the

1 example on this project.

2 And the well is a great example of an FAA
3 prioritized project up for construction.

4 CHAIRMAN CHRISTY: Well, let's -- let's save
5 that --

6 MR. OMER: -- (Inaudible) project.

7 CHAIRMAN CHRISTY: -- that -- all that for an
8 agendized board meeting. But --

9 MR. OMER: And Mr. Chairman.

10 CHAIRMAN CHRISTY: -- I think -- I think the
11 point that I was trying to make is that this board does
12 have, potentially, an impact on airport projects --

13 MR. OMER: That's --

14 CHAIRMAN CHRISTY: -- as far as funding.

15 MR. OMER: I think that's a (Inaudible).

16 CHAIRMAN CHRISTY: Okay.

17 UNIDENTIFIED VOICE: Mr. Chair, I do think it's
18 important to point out Scott is not providing legal advice
19 to you. He's providing administrative advice.

20 If you want legal advice, we have the
21 availability here to get an interpretation of what
22 statutory and federal regulations are required of the
23 authority that the board does have.

24 And when we have that discussion, I guess I'd ask
25 Michelle, we should bring you into that so you can look at

1 it from the legal side as we talk about from the
2 administrative side.

3 MICHELLE: I agree. And I think we are getting a
4 little bit off topic, and I think we should --

5 CHAIRMAN CHRISTY: Yeah.

6 MICHELLE: -- wrap this up.

7 CHAIRMAN CHRISTY: Yep. Well, all right.

8 UNIDENTIFIED VOICE: Chairman, I have one more
9 question.

10 CHAIRMAN CHRISTY: As long as it's on topic and
11 not --

12 UNIDENTIFIED VOICE: It is.

13 UNIDENTIFIED VOICE: The wrong timing.

14 UNIDENTIFIED VOICE: It's going to be on
15 (Inaudible) topic. (Inaudible).

16 BOARD MEMBER LA RUE: I was looking at all my
17 (Inaudible) questions that I made. We heard from a
18 (Inaudible) people talking about some roadway near
19 (Inaudible) camping, and I didn't write down which
20 roadway.

21 But I'm struggling with what is ADOT's
22 involvement in that? Because it doesn't look like a
23 highway. It looks like they just want a road improved
24 next -- within Mohave County (Inaudible).

25 UNIDENTIFIED VOICE: (Inaudible).

1 MR. ROEHRICH: Mr. Chairman, Mr. La Rue, that's
2 correct. She came in and asked for funding for
3 (Inaudible), for which is a local road. We -- we -- we
4 don't have any jurisdiction there, nor could we spend our
5 money on that. It's not in the State system.

6 BOARD MEMBER LA RUE: We communicated that back
7 to them and (Inaudible)?

8 MR. ROEHRICH: Correct. And that's one
9 (Inaudible) talked to her about. But, you know, they did
10 come here and it was open to the public and she made her
11 pitch for funding and the answer is no, no.

12 You know, unless the board would take an action
13 and say, I'm taking that route into the system.

14 UNIDENTIFIED VOICE: No.

15 BOARD MEMBER BEAVER: No.

16 UNIDENTIFIED VOICE: Then you're responsible for
17 it, the liability of the fund. The -- the -- the funding
18 of it after that.

19 CHAIRMAN CHRISTY: You personally.

20 UNIDENTIFIED VOICE: Well, it's in Ms. Beaver's
21 (Inaudible).

22 CHAIRMAN CHRISTY: That doesn't matter. You,
23 you, Mr. La Rue.

24 BOARD MEMBER BEAVER: Mr. Chairman.

25 UNIDENTIFIED VOICE: Go ahead, (Inaudible).

1 BOARD MEMBER BEAVER: Mr. Chairman, I -- I don't
2 know where we're moving on this. But with regard to the
3 five-year plan, which I think this is within the scope of
4 what we've discussed, the tri-city area up in Yavapai
5 County has provided a State Route 89 fact sheet with
6 regard to the SR 89 is in 2017.

7 And I was just wondering if that could be
8 incorporated into the minutes. I believe we all are --

9 MR. ROEHRICH: Mr. Chairman, Mrs. Beaver. That's
10 incorporated into receiving public comments as part of the
11 five-year program as part of the opening public hearing
12 part. So it's in the record as a -- as a comment.

13 We have not as staff presented you an option to
14 put it in the program because it's not -- we're not
15 prepared to do that at this point.

16 BOARD MEMBER BEAVER: Okay.

17 MR. ROEHRICH: Unless you're saying you want --

18 BOARD MEMBER BEAVER: No. I wanted --

19 MR. ROEHRICH: -- to do something with the
20 record.

21 BOARD MEMBER BEAVER: -- to just have this
22 incorporated --

23 MR. ROEHRICH: Okay.

24 BOARD MEMBER BEAVER: -- in. They didn't speak
25 under (Inaudible).

1 CHAIRMAN CHRISTY: You want to make it noted?

2 BOARD MEMBER BEAVER: Yes.

3 CHAIRMAN CHRISTY: Okay. With that -- Mr. La
4 Rue.

5 BOARD MEMBER LA RUE: Mr. Chair, I think I would
6 like not to put it in the plan, but hear how we're going
7 to deal with this at some point over the next ten years.
8 Because I've heard a lot of speakers on this (Inaudible).

9 MR. OMER: Mr. -- Mr. Chair, Mr. La Rue. It's in
10 the program on (Inaudible).

11 BOARD MEMBER BEAVER: Yeah, 2017.

12 MR. OMER: It's physically in the program, isn't
13 it (Inaudible)? So I believe that as far as the staff
14 goes, we have -- this is a fact sheet. It's good
15 information. But the projects are in the program.

16 CHAIRMAN CHRISTY: Any further questions?
17 Hearing no further questions, the Chair would accept a
18 motion to adjourn.

19 BOARD MEMBER SELLERS: So moved.

20 CHAIRMAN CHRISTY: There is a motion by
21 Mr. Sellers.

22 BOARD MEMBER CUTHBERTSON: Second.

23 CHAIRMAN CHRISTY: And a second by
24 Mr. Cuthbertson to adjourn.

25 Discussion?

1 Hearing none, all those in favor of adjournment

2 say aye.

3 ALL BOARD MEMBERS: Aye.

4 CHAIRMAN CHRISTY: We are adjourned.

5 (The recording stopped.)

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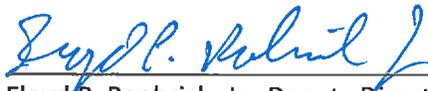
Adjournment

A motion to adjourn the Board Study Session was made by Jack Sellers and seconded by Bill Cuthbertson. In a voice vote, the motion carries.

Meeting adjourned 1:26 p.m. MST



Stephen W. Christy, Chairman
State Transportation Board



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