

**STATE TRANSPORTATION BOARD STUDY SESSION
IMMEDIATELY FOLLOWING THE SPECIAL MEETING
9:00 a.m., Tuesday, January 27, 2015
Human Resource Development Center (HRDC)
Grand Canyon Room
1130 N. 22nd Ave.
Phoenix, Arizona 85009**

Pledge

The Pledge of Allegiance was led by Board Secretary Mary Beckley.

Roll call by Board Secretary Mary Beckley

In attendance: Kelly Anderson, Joe La Rue, Deanna Beaver, William Cuthbertson, Jack Sellers and Steve Christy (telephonically).

Absent: None

Opening Remarks - None

Call to the Audience - None

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ITEM 1: DPS TRAFFIC INCIDENT MANAGEMENT (DPS Captain Mike Prochto).....3

**ITEM 2: 2016-2020 TENTATIVE FIVE-YEAR TRANSPORTATION FACILITIES CONSTRUCTION
PROGRAM REVIEW (Kristine Ward and Scott Omer).....36**

1 (Beginning of excerpt.)

2 CHAIRMAN ANDERSON: Now we'll move into our
3 special work session. We've had the pledge. We've got a
4 quorum. Call to the audience?

5 UNIDENTIFIED SPEAKER: Mr. Chairman, I don't
6 believe we received any requests to speak for the study session
7 either.

8 CHAIRMAN ANDERSON: Okay. Good.

9 I do want to make one comment. Mary brought to
10 my attention that for the purposes of the agenda -- or the
11 minutes from the meetings, we need to talk as loud as we can.
12 If we need to pass the mic around for questions, we can do that
13 as well, right?

14 MS. BECKLEY: And identify yourself if you can
15 before you speak so that the tape knows which person is
16 speaking.

17 CHAIRMAN ANDERSON: I think sometimes it's hard
18 to identify who is speaking, so we'll make that clear.

19 At this time, I'd like to introduce Captain Mike
20 Prochko from the Department of Public Safety. I think,
21 Ms. Beaver, you had a question several months ago about
22 incidences on our highways, and Mike has had a very busy and
23 interesting evening, as well as morning as well, so maybe he can
24 go over that.

25 So Mike, I'm going to turn that over to you, and

1 the floor is yours.

2 CAPTAIN PROCHKO: Good morning. My name is
3 Captain Mike Prochko, with Arizona Department of Public Safety.
4 My normal job every day is I'm the Metro East commander. So I
5 command one of the largest districts in the State of Arizona;
6 also the busiest district in the State of Arizona, where in my
7 district alone, we'll take over 9,000 crashes, and we will take
8 about 32 percent of all the crashes in the State of Arizona will
9 happen in my district. So when we get an opportunity to talk
10 about traffic incident management, this is something that we
11 practice every day because we have to. We don't have enough
12 manpower not to practice traffic incident management. So I
13 appreciate the opportunity to come talk to you about this, and I
14 have a short presentation, and then following the presentation,
15 I'll be more than happy to answer any questions that you might
16 have.

17 The Department of Public Safety has, you know,
18 investigated traffic collisions, obviously, since our inception.
19 I came on 20 years ago, and the way we investigated crashes 20
20 years ago is completely different than the way we investigate
21 crashes now. When I came on, we would investigate crashes. We
22 would leave them in the middle of the highways. We would shut
23 highways down, and we wouldn't think twice about it. We didn't
24 think about congestion. We didn't think about the backup. The
25 only thing that we really thought about was the investigation,

1 because that's what we were there for. We took care of the
2 people involved in the collisions. We investigated them, and
3 then we moved on. We really didn't think about what else we
4 were causing because of what we were doing.

5 Two incidents kind of really pushed us in
6 different directions. In 1992, we were sued because we failed
7 to investigate a collision adequately. We try to clear the
8 highway as quickly as we can. We didn't collect all the
9 evidence that we needed to in a criminal investigation. We lost
10 the case and we got sued. So that kind of swung the pendulum
11 the other way going, hey, you know what, slow down. Do an
12 investigation. Do a thorough investigation.

13 A few years later, in 1998, we got sued again.
14 If you remember, it was an I-17 crash where we had the highway
15 shut down for hours. We had a 60-mile backup because of the
16 amount of time that we had the highway shut down. Obviously the
17 governor at the time didn't like that, because some of her staff
18 was caught up in that backup, and so we got the mandate back
19 down again going, pick up the pace a little bit. Let's go. And
20 so, you know, that pendulum kind of swung back and forth. So
21 we're really trying to, as a department, really to find where do
22 we clear the highways quickly, but still do the thorough
23 investigation that we need to do as we move through these
24 crashes.

25 It became a bigger issue for us when we started

1 looking at us getting hurt out there on the highway. First
2 responders are obviously in a hazard every time we go out on the
3 highway, but it also strikes home to us when our department's
4 lost 29 officers in the line of duty. Of those 29, 16 were
5 traffic related, and 12 of those were involved in secondary
6 crashes. So they were out at a scene. Something else, whether
7 it was a minor crash, whether it was a fatality, whether we were
8 doing a DUI investigation, and someone has come into their scene
9 and caused a secondary crash and we lost an officer's life.

10 The latest one was two years ago in May, where
11 outside of Wellton we had some officers that were investigating
12 the collision. They needed to block off the number two lane out
13 there, and a commercial vehicle came into their scene, flipped
14 one of the patrol cars, and then drove over one of our patrol
15 cars while an officer was inside of it doing the paperwork for
16 the collision. As you know, out there in that area in
17 Interstate 8 at Wellton, it's as straight as can be. There's
18 very little traffic, and it was one of those things where we
19 talk about, you know, the different types of drivers that are
20 out there. The driver just wasn't paying attention. He didn't
21 expect to see anything out there, and he went right over one of
22 our officers and killed him.

23 So we take it very personal when it comes to
24 dealing with traffic investigation. And it's not just us. It's
25 all first responders that go out there. You know, we look at

1 injury crashes where we take about nine people or first
2 responders out to every injury crash, whether it's law
3 enforcement, four people on a fire truck, two people on the
4 ambulance, a tow truck driver. It's about nine people that go
5 out. Across the country, there are three collisions every
6 minute that are injury collisions, so we look at 27 people going
7 out every minute. You times that by 60, you times it by 24, and
8 you very quickly get up into the 10,000 responders are going out
9 to these collision scenes all the time.

10 You start looking at the number of people that
11 are affected by it and get struck and killed: 278 law
12 enforcement officers in 24 years that were struck and killed.
13 In 2010, five firefighters were struck and killed. You know,
14 last year we just lost two more out on the east coast where
15 somebody came into their scene, and they struck and killed them.
16 Twenty-three highway workers were killed in 2010, as compared to
17 22 more in 2009.

18 One of the biggest things that you don't see on
19 this slide is the tow industry. The tow industry gets struck
20 and killed more than any other first responder that's out there.
21 People just don't pay attention to them. They don't move over
22 for their lights. So when we started looking at our traffic
23 incident management, we incorporated them into it as well,
24 because they were getting hurt out on our highways, and we
25 wanted to make sure we insured their safety as well.

1 Outside of the first responders getting hurt,
2 obviously there's a financial aspect to it. When we talk about
3 -- oops. Okay. Sorry about that.

4 UNIDENTIFIED SPEAKER: (Inaudible).

5 CAPTAIN PROCHKO: Back up one.

6 Obviously there's a financial aspect to people
7 sitting in congestion. Again, I didn't think about it 20 years
8 ago, but as a district commander, I think a lot about it now.
9 And so when we look at the amount of money that is lost just by
10 people sitting in congestion, we really take that serious, and
11 we want to keep that stuff rolling along as much as we can as
12 well.

13 These are the two types of congestion, as you're
14 well aware. There's re-occurring congestion and non-reoccurring
15 congestion. When we talk to our officers, we talk to them about
16 the non-reoccurring congestion. That's us. If you look at this
17 pie chart, 25 percent of all congestion is traffic incidents.
18 That's us. That's what we do every day. That's us making
19 traffic stops. That's us going out there and helping people
20 that are broken down on the side of the highway. That's us
21 going out there and investigating these collisions. So when we
22 look at how we affect congestion, we have the biggest part, just
23 by based on how we do our jobs. We can have the biggest effect
24 on congestion, and we're already out there. So that's what we
25 really wanted to address.

1 When we talk about secondary crashes, a secondary
2 crash is a crash that is the result of some primary incident,
3 whether it was someone broken down, whether it was a crash --
4 another crash that happened prior to that crash, whether it's a
5 traffic stop that's being made, people slow down, and then
6 someone runs into the back of someone else. We consider that a
7 secondary crash.

8 Nationally, 20 percent of all crashes are
9 secondary in nature. Okay? That is a lot of crashes that are
10 happening because of that primary incident. When we look at
11 fatal crashes, 18 percent of all fatal crashes are secondary in
12 nature. And so when -- we sit there and think about, you know,
13 how can we move traffic along and why should we move traffic
14 along, 15 percent of our fatal collisions are -- or 18 percent
15 of our secondary crashes are fatalities. That's a huge number
16 that we can go out there and address right away.

17 There's been some studies done on, you know,
18 traffic congestion based on these different incidents. A
19 vehicle sitting on the side of the roadway, for every minute
20 that it sits out there, there is a 2.8 percent chance of a
21 secondary crash based on that vehicle being out there, based on
22 us being out there on the side of the roadway. You do the math
23 real quick, and you start looking at if we're out there for 30
24 minutes, 33 minutes, we're pretty much guaranteed a secondary
25 crash. The problem that we have is that we don't know when that

1 secondary crash is coming. Is it the first minute or is it the
2 34th minute? So time is of the essence for us on trying to get
3 stuff moved off the highway as quickly as we can.

4 The other step that's up there, for every minute
5 a roadway's blocked, it takes four minutes to clear the queue.
6 Again, stuff I never thought about when I was first, you know,
7 coming on the roadway. As I leave, I go to lunch because we've
8 been out there for so long, and that's -- that traffic is still
9 sitting out there trying to go through. You know, it happens
10 all the time. You drive here in the metropolitan Phoenix area,
11 and traffic just comes to a stop for some reason. You have no
12 idea why, because at a certain point it opens back up. You get
13 there, and it's like, there was nothing here. Well, how long
14 ago was that incident there that had caused it to kind of back
15 up? And where was the original?

16 There's been studies shown in Seattle where they
17 watch the traffic cameras and how traffic is flowing, and
18 there's one where they actually watch a crash scene and how it
19 backed up all the other traffic. They get the crash completely
20 moved out of there, and the backup or the queue is two miles
21 back from where the original crash was. It's just the flow of
22 traffic. So we really pay a lot more attention to that to see
23 what we could do to make it better.

24 So what do we do from a traffic incident
25 management side? We pretty much have a three-step approach

1 that's kind of -- it narrows it down into the *Reader's Digest*
2 version. Education is huge for us, performance measures and our
3 personnel. How do we deploy them?

4 The first thing with the education, under SHRP 2,
5 the Strategic Highway Research Plan, they developed -- they
6 brought a team together called the Traffic Incident Management
7 Coalition back in 2004. What they brought is they brought first
8 responders together, and they said, how do we address the
9 congestion problem that we're having? You know, they really
10 looked at the four aspects of traffic, and they said
11 reliability. That's the one we really want to focus on, and
12 what can we do?

13 They came up with the national unified goal,
14 which is responder safety, safe, quick clearance of the
15 highways, and the prompt, reliable (inaudible) communication.
16 We want to make sure our first responders are safe. We want to
17 get it off the highway as quickly as we can so we can reduce the
18 congestion, we can provide for the safety, and just being able
19 to have everyone on the same page.

20 So what did they do? They came up with a
21 four-hour training class that is a multi-disciplinary class. It
22 is the first time in my career that I've had the police
23 departments or law enforcement, fire, DOT personnel and the
24 towing industry all come together and sit in one classroom and
25 talk about how we investigate crashes and what's everybody's

1 responsibility.

2 We've all heard about the incidents between fire
3 and law enforcement where fire will block our lanes. We'll say,
4 hey, move the fire truck. They won't move the fire truck. We
5 say, badge and gun, we're in charge, and we put handcuffs on
6 them, and we arrest the fire captains. Obviously when that
7 happens, it doesn't go well for anybody. We've had it here in
8 Phoenix. We've seen it in California. We've seen it across the
9 country. And so we really need to kind of get everybody
10 together and go, fire, why do you do what you do? And they sit
11 down and they go, hey, we do it for safety. This is why. And
12 in law enforcement, we say, huh, that makes a lot of sense.
13 Okay? And so it was just that kind of bringing the minds
14 together to talk about why everyone does it.

15 The towing industry, you know, where do we want
16 them to park so that they come in in a safe location and go
17 exactly where we want them to go? Never has happened before in
18 my career. I've never heard of it, because they're a private
19 industry. They're making money on these collisions, and
20 everyone else are public sector employees. So it was a huge
21 difference, a huge shift in the paradigm, so to say, to have
22 those guys come into our things.

23 So right now in Arizona, we've trained over 3,000
24 of our first responders in the traffic incident management
25 class. Our agency as well as ADOT has mandated it for all of

1 highway patrol personnel, as well as the ADOT people that
 2 respond out there on the streets, have mandated it for them as
 3 well. It is a huge team effort to get this out to everybody.
 4 Our next stint is really trying to get it out more to the fire
 5 department personnel and the city agencies, so when they come
 6 out, even on the city streets, they are kind of doing things the
 7 same way we are so that we can all do it as safely as we can.

8 The handout that I provided for you was just a --
 9 the first lesson in the four-hour class. You can kind of see
 10 how we break down the (inaudible) time line on page 2. But it
 11 also, on that first page, we talk about the D drivers, and we
 12 talk about the five Ds on driving: The drunk, the drowsy, the
 13 distracted, the drugged, and believe it or not in Arizona, we
 14 don't have some of the smartest drivers once in awhile, and so
 15 we call them just our plain dumb drivers.

16 And it's not just here in Arizona. It's across
 17 the country. This is a class that's being taught across the
 18 country, because we have to make sure every -- all the first
 19 responders pay attention and say, you know what, just because we
 20 shut the highway down and we have a fire truck blocking the
 21 lanes doesn't mean that we're all safe. These are the people
 22 that are hurting us. So we really want to bring that to
 23 everyone's attention so that they understand what's going on.

24 So is it really making a difference? We're
 25 reducing the amount of secondary crashes that we're having.

1 Like I said before, the national average for secondary crashes
 2 is 20 percent. Our agency, for our secondary crash rate, is
 3 about 7 percent. In my district, we're at about 10 percent for
 4 secondary crashes. So we've made a huge effort. You know, we
 5 travel across the country talking about what we do in traffic
 6 incident management, because other states want to copy what we
 7 do. We've had such an impact on reducing our secondary crashes
 8 that it's phenomenal.

9 We are probably number three or four in the
 10 nation for teaching the traffic incident management class across
 11 the country, and so we're continuously out talking about what we
 12 do, and it makes it really great. You look at some of the
 13 crashes that we've taken, you know, 26,000 crashes that we took,
 14 247 were fatal, 7 -- almost 7,500 were injury. When you look at
 15 how many crashes we take and take a look at it and go, okay,
 16 26,000 crashes, because you're 10 percent below the national
 17 average, we reduced 2,600 crashes that we didn't take because of
 18 our traffic incident management. So that is absolutely huge for
 19 us.

20 And this kind of talks about it a little bit
 21 more. 6 percent secondary crash rate, 540 of them -- these are
 22 officers that are involved in. 54 of the crashes involved first
 23 responders. So we have a 3.3 rate of all secondary crashes for
 24 first responders. We look at that as well. You know, how are
 25 we getting it? How often are we struck in -- involved in these?

1 The numbers that I showed before, those were the
2 first responders that were killed. We don't even touch upon the
3 number of officers, first responders that are hit at these
4 different scenes that survive their injuries, but maybe, maybe
5 not, they come back to work. So that's another factor that we
6 take a look at.

7 So the second thing that we do is we talk about
8 performance measures. We have the theory of if we don't measure
9 it, it doesn't get any better. So we look at four different
10 things -- or three different things about performance measures.
11 How long does it take us to clear the roadway? How long does it
12 take us to clear the entire incident? And was there any
13 secondary collisions? If there was a secondary collision, did
14 it involve a first responder?

15 I like to joke to my guys. I sit in my office
16 and come up with some great ideas on how we can improve traffic
17 incident management. They kind of snicker and go, yeah, okay
18 boss. But when we come up with these different ideas on how to
19 do it, without these performance measures, we have now idea if
20 we've made a difference. So we really rely on these performance
21 measures to go, okay, this is our baseline. This is the change
22 that we made and when we made it. Now, is it making things any
23 better? And so that's what we really look back to.

24 We're now in the process of having my sergeants
25 in my district use this data to go, okay, where are the crashes

1 at? Where are the secondary crashes at? Deploy your people to
2 them. And it's a different way for us to do business. You
3 know, we -- in the past, we just let guys go. You know, they
4 were -- within the district, as long as you were within your
5 district, you went. And now we really concentrate on, hey, you
6 know what, this is our crash picture. Go into our crash picture
7 and go make a difference in there. And we're starting to see
8 the numbers really come down through it.

9 When we talk about -- when we're dealing with
10 this as well, one of the things that our agency does is we have
11 a push, pull, drive mentality, where if there's a crash that's
12 blocking and it's a minor crash, we'll push the cars out of the
13 way, we'll pull them out of the way or we'll drag them out of
14 the way. Again, it's all geared towards these numbers of going,
15 get the stuff out of the highway.

16 Now, when we get into the crashes like this
17 morning on I-17, you have a wrong way crash where there's a
18 potential death, criminal charges are going to be involved, it's
19 a whole other ball game. You know, we still have to slow things
20 down and have the criminal prosecutions take place. Okay?

21 Where we make our biggest difference is these
22 minor property crashes. Not injury, two cars crash, they're
23 sitting in the middle of the roadway, get those off. Minor
24 injuries, get those off. Major injuries, get them out -- get
25 them taken care of, get the patients transported. Now get it

1 off the highway. So we're really looking towards, you know,
 2 getting everything progressing, doing more than one thing at a
 3 time to get this stuff moved off the highway, and it's based on
 4 having these performance measures as our guide.

5 The last thing that we have done and -- or the
 6 most current thing that we've done is we've started putting
 7 department personnel into the Traffic Operations Center. This
 8 has been a huge help. This is one of those things where, you
 9 know, we now have eyes that can see the entire valley here in
 10 Phoenix, and this is a tremendous help to us. It started in
 11 July of this year, this past year, when we promoted a new
 12 sergeant into the TOC, and we're now in the process of assigning
 13 officers into there as well. And one of the biggest things that
 14 these guys do for us is they give us the eyes that can see the
 15 crash before we get there.

16 In my district, it takes me 20 minutes from the
 17 time I call the tow truck to the time the tow truck gets there
 18 on average. If I could have someone sitting in the TOC and go,
 19 you need a tow truck, you need two of them, based on my
 20 experience of investigating crashes and being able to see it out
 21 there, they can start that tow truck five, ten minutes faster
 22 before my officers even get there, and it's going. So we've
 23 started that 20-minute clock. That is a huge asset for us,

24 Or if they can say, hey, you know what, the crash
 25 is over here. The crash is off right. They're moving the crash

1 off. We know exactly where it is. And so it becomes a team
 2 effort of dealing -- participating with the Department of
 3 Transportation people, sitting in there with them, seeing what
 4 they have and really being able to move that along. And it
 5 makes them a tremendous asset to have that as an officer,
 6 because they can look right into our cab, into our
 7 computer-aided dispatch and see the exact call. They can see
 8 all the information.

9 So if they say, hey, you know what, this looks
 10 like we're going to have to shut this down for awhile, they're
 11 sitting in the TOC, and we can have that direct communication
 12 with ADOT to say, hey, can you bring alert out? You're going to
 13 have some damage to the highway. Start thinking about how we're
 14 going to fix this. And it makes it a tremendous asset that we
 15 all work together. We're all in the same room.

16 The PIOS, we can give the direct information to
 17 the PIOS that's sitting in the TOC, and they can put out the
 18 information that's accurate, and it's exactly what we need to
 19 have out as far as when's the highway going to reopen, you know,
 20 what's going on out there? And it really makes it a team effort
 21 to kind of get it together.

22 This is kind of, again, the same thing. Timely
 23 updates. The biggest thing -- like I said --- serve as that
 24 point of contact. We're sitting in there with them. You know,
 25 we have our radio systems. We're talking back and forth. We're

1 sending it to the dispatch center, but if you can't see our cab
2 and we restrict it down, obviously there's law enforcement
3 sensitive material that's inside our cab, so without having that
4 officer being able to look directly at it, it really reduces the
5 amount of information that's there.

6 So is it working? It is. You know, we talk
7 about the number of secondary crashes. You know, it's really
8 working. We have a 6 to 7 percent crash -- secondary crash rate
9 as compared to the national average. Again, it's tremendous.
10 Would we like to reduce all the primary crashes? Absolutely.
11 But being able to control those secondary crashes are huge for
12 us. It increases first responders, you know, being able to go
13 do other things. If I'm not investigating a crash, I can go
14 concentrate on those hazardous violations and get people to stop
15 before they're involved in that primary crash. And just, again,
16 reducing that non-reoccurring congestion. That's that 25
17 percent that we participate in, and if we can reduce that,
18 that's great. You know, we kind of get that reliability factor
19 back and going.

20 Quality of life of the motorist. Everyone hates
21 sitting in traffic. I hate sitting in traffic every morning.
22 So if we could reduce that, great. Harmful environmental
23 impacts, when we talk about, you know, our air quality, stuff
24 like that, keeping traffic moving, obviously a benefit.

25 And the stakeholders, availability of training,

1 better responders in natural disasters, you know, we talk about
2 the floods that happened, you know, a few months back. Luckily
3 I was out of town for those, but having, you know, the ability
4 to see where things were at and be able to send that stuff out
5 to our officers, again, that's a tremendous asset having our
6 officers in the TOC and, you know, it just shows the great
7 cooperation that we have with ADOT and our department to do
8 that.

9 That is what I presented. I hope that answers
10 the questions that you are guys were looking for, but I'm more
11 than happy to answer any questions that you might have.

12 CHAIRMAN ANDERSON: Questions or comments of
13 Captain Prochko?

14 MS. BEAVER: Deanna Beaver.

15 I'm not sure that it answers what precipitated us
16 inviting you to come. It had to do more with, there were
17 several last summer, incidents on I-17, but I think it gives us
18 perspective. Somehow it seems when there's a backup, the
19 general public thinks it's ADOT's problem, and we have to turn
20 it over to you all, the first responders, as opposed to ADOT
21 handling it. And so this -- for public benefit, it kind of
22 allows them to see that there is a process. I think some -- and
23 I don't know that there's a fix immediately for the I-17
24 problem, if there was maybe more frontage roads or something,
25 but they seem to be in that stretch between about --

1 UNIDENTIFIED SPEAKER: Sunset Point.

2 MS. BEAVER: -- Sunset Point area where, you
3 know, they're either going to have to go around through Prescott
4 and down or -- you know, or sit it out.

5 CAPTAIN PROCHKO: That's one of the things that
6 we still talk about. You know, I talk a lot about what we do
7 here in the valley, but this is a statewide initiative with the
8 training now. So when the officers are responding to those
9 crashes that happen up on I-17, they're doing the exact same
10 things that we do down here in Phoenix. They're trying to drag
11 it out of the lanes. They're trying to take them off the
12 highway if they can, and they're trying to reopen the highway as
13 quickly as possible. That is their goal, as long -- in addition
14 to investigating the collision.

15 So when backups happen, you know, there are times
16 where it just takes us time. You know, if a commercial vehicle
17 rolls over and blocks all lanes, we can't drag that off the
18 highway. But what we do is we can drag it off to the side once
19 we get the, you know, heavy-duty tow trucks there, and we will
20 start opening up lanes as quickly as we can. One of the things
21 that we talk about in the four-hour class is only keeping the
22 amount of lanes closed that you need to keep closed, and
23 incrementally opening those lanes back up as quickly as you can.

24 So before where we would just roll over a
25 commercial vehicle, continuing to let them block all the lanes,

1 now we're to a point of where we're starting to try to drag it
2 off in two lanes so that we can start opening up at least one
3 lane, try to get the traffic flowing. If we can roll it back up
4 onto the shoulder and open the second lane up, we will do that.
5 So our goal is to try to open up the highway as quickly as we
6 can.

7 So we are doing things now -- before where we
8 would do one thing at a time, the way we investigate our
9 collisions now is we're doing multiple things at the same time
10 with the idea of we've got to get these lanes open. I will tell
11 you, we pressure our officers as much as we can with that
12 mindset of what can we do to open these lanes of travel. In
13 some places, you know, here in Phoenix it's easy to drive people
14 around, get them off at the next exit. You know, it's a mile
15 down the roadway. Come right back on or use the frontage road.
16 There's some places in the mountains, you know, going up in that
17 stretch that there's just really nowhere to take them.

18 So that's where we really rely on our officers to
19 go, you know what, open it up as quickly as you can, and they
20 know what they're supposed to be doing. They are trying to open
21 it up as quickly as we can. Is there still going to be backups?
22 There are. You know, like I said, if something completely
23 blocks it, we can't do anything about that. It's going to take
24 us time.

25 If it's a fatality where there's going to be

1 criminal charges involved, it's going to take longer. You know,
2 it just really is, because we have a responsibility to go out
3 there and investigate those crashes and prosecute people that
4 cause those crashes, just like if anyone's family member was
5 struck by someone going the wrong way who was intoxicated, they
6 would want us to do as much as we can to investigate that crash
7 and prosecute those people. We handle that every time, and a
8 lot of times those are the ones that slow us down. We make up
9 the time as quickly as we can on the smaller ones, but on the
10 bigger ones, it happens. You know, we just don't have any
11 alternatives. We try to open it up as quickly as we can, but if
12 there's criminal charges or if it's a commercial vehicle that's
13 -- one that's (inaudible), it does take us more time.

14 MR. CHRISTY: Mr. Chairman.

15 CHAIRMAN ANDERSON: Mr. Christy.

16 MR. CHRISTY: Good morning, Captain. This is
17 Steve Christy down in Pima County. First of all, thank you for
18 your presentation and being here this morning. Second of all,
19 thank you for your service to our state.

20 A couple of observations or -- a question related
21 as well. Sometime ago I was over in California going on a --
22 one of the major interstates there, and it was quite congested.
23 You know, all the four or five lanes were pretty full with
24 traffic, and out of nowhere a California highway patrol car, an
25 officer appeared before us, and he began moving across the lanes

1 in a fishtailing, fanning motion, very gently, but assertively
2 at the same time, gently slowing down all the traffic in all the
3 lanes.

4 And, you know, your first reaction to that is,
5 you know, what's this guy doing? And within a couple of miles,
6 if that at all, we all -- all of us in that traffic pattern came
7 upon a pretty significant traffic accident. And I thought it
8 was remarkable that there was that kind of communication that
9 they were able to bring onto the oncoming traffic approaching
10 this accident an officer who could effectively slow down the
11 oncoming traffic in a method that prevented any additional
12 accidents upon that scene. So I'm wondering if that type of
13 communication is utilized in our own state under those same sets
14 of circumstances.

15 And my second question is, we now have a law that
16 if there is a first responder vehicle on the berm or the
17 shoulder, that the law states that you must move into the far
18 lane away from it or at least slow down. My question regarding
19 that is how much enforcement do we do as far as making sure that
20 that happens? Do -- are people being ticketed if they don't get
21 over to the passing lane from the shoulder lane if there's a
22 first responder in the shoulder?

23 CAPTAIN PROCHKO: Okay. I'll take the first one
24 dealing with traffic breaks. What you're describing is what we
25 call a "traffic break" here in Arizona. A lot of times what

1 happens is we'll get phone calls saying we have a drunk officer
2 out on the side -- down the highway, because he's traveling
3 across all the lanes and swerving all over the place.

4 We do traffic breaks all the time, and we do them
5 in different circumstances where if there's debris out there in
6 the middle of the highway and we have to send someone out into
7 the highway to go remove that debris, we will try to get another
8 officer out there to do the traffic break so that the officer
9 can run out to the middle of the highway, grab the debris and
10 take it off.

11 We will also use that if we have people that are
12 off left on a highway, whether they have a flat tire, whether
13 they're -- whatever it is, and we will push, pull, drag them off
14 and try to get them off the highway as well, really trying to
15 reduce that 2.8 percent per minute that they're out there on the
16 side of the highway, trying to prevent that secondary crash. So
17 we do do that a lot.

18 One of the biggest times that we do it in the --
19 really trying to affect traffic is in Tempe when they have the
20 4th of July celebrations where traffic wants to stop and watch
21 the fireworks. And we will do those traffic breaks to make sure
22 that we slow traffic down and just kind of keep them flowing,
23 because they're following law enforcement. And it kind of tends
24 to keep them going, as well as we'll have other personnel making
25 sure that no one stops on the highways.

1 So we do utilize those for different scenarios.
2 A lot of times it's a manpower issue. If we can get more people
3 back there or how many people we have to investigate the
4 collisions, but we do utilize those in the same ways. If
5 something's in a bad area, we'll do that as well, try to get
6 people to slow down. If it's coming around a blind curve and
7 we're blocking, or if it's over a hill, something like that, we
8 will do the exact same thing.

9 As far as the next one, for the move over law,
10 the move over law is tough. A lot of times when we're sitting
11 on the side of the roadway, whether it is a traffic stop or
12 we're investigating a collision, and someone violates the move
13 over law, it makes it hard because we're already tied up. We
14 can't go then run down that person for not moving over. So we
15 look at the move over law more as an educational standpoint for
16 the motoring public to get them to understand the hazards that
17 we face out there and get that voluntary compliance to move
18 over.

19 Do we do details? We do. And we will set it up
20 where we're be on a traffic stop, and then we will have other
21 officers watch or sit further down in the roadway where they can
22 call people out. We put them in a two-man unit going, hey, so
23 and so, this is the type of vehicle that didn't move over. But
24 for the most part, it's a hard one to enforce because of the way
25 that the law is written, that it's a move over or slow down, and

1 the slow down portion makes it tough for us. You know, how do
2 you enforce slowing down? So if I take my foot off the gas and
3 I slow down two miles an hour, am I in compliance with the law?
4 That one's hard. So it's more of an education and getting the
5 compliance, the voluntary compliance of people to move over.
6 But that's another one that we talk about all the time.

7 MR. CHRISTY: Yeah, I do see pretty significant
8 compliance. But, of course, compliance is only gone through or
9 followed if there's that threat of some sort of fine or traffic
10 ticket accompanied with it. But yeah, I do -- I can see it
11 would be really, really difficult to try to enforce that.

12 CAPTAIN PROCHKO: It is. And it's one of those
13 that we will take the enforcement on it. And like I said, we'll
14 do different details and, you know, you'll see different times
15 where in cooperation, again, with the TOC where they will post
16 up onto the DMS boards the move over law, again, just really
17 trying to educate the public on, you know, the hazards and why
18 we're asking them to move over or slow down.

19 MR. CHRISTY: Thank you, Captain.

20 CHAIRMAN ANDERSON: You know, I -- first I want
21 to say this is excellent information, and as I reflect back on
22 many times that I've been on I-17 and I think stuck in some of
23 those incidences -- and I think I was in that 1998 one, because
24 it was, like, six fatalities up there, and there was helicopters
25 circling, and the highway was closed down just for hours, and we

1 were all camped out there.

2 And then this past summer, I was stuck on I-17
3 again, and as I listened to your information and I thought --
4 reflected back on the observations, I could now tie together the
5 changes. Because, you know, there was a message board alerting
6 us to the crash, and I knew to call on, you know, the cell phone
7 to get information, and we knew that it was at a certain
8 milepost. And, you know, based on, you know, how the traffic
9 was flowing, we said, well, it's easier just to slug it out
10 through versus find an alternative. And as we got closer, you
11 know, the commercial vehicle had all the lanes blocked. It was
12 out at Camp Verde, going up the grade. But a small tow trucked
13 had pulled the back of it. So there was one lane. We were all
14 crouched to one lane, and you know, ADOT was deployed there, you
15 know, DPS was deployed there, and it was kind of interesting.
16 And so thank you for all of that and all the work you're doing.

17 I guess the question that I had is you started
18 off saying that in 1992, DPS was sued because it didn't do a
19 thorough enough investigation. Then later DPS was sued because
20 we spent too long. You've got great performance measures. Do
21 we now have kind of standards that are codified that says, okay,
22 this is what needs to happen so there's no more suits going to
23 happen? I mean, where does that stand?

24 CAPTAIN PROCHKO: Well, you know, we really --
25 obviously, you know, we can get sued for, you know, whatever,

1 you know. No matter which direction we go, we're going to get
 2 sued. You know, it's kind of like our pursuits. We get sued if
 3 we chase people. We get sued if we don't chase people. And
 4 that's just kind of the nature of the business, and we
 5 understand that.

6 What we have to rely on is being able to go into
 7 court and go, this is why we do what we do. These are what's
 8 happening across the nation, and these are the results based on
 9 what we do. And I think now that we are one of the leaders in
 10 the nation for traffic incident management, it really makes it
 11 nice that we can go into court and go, look, this is why we do
 12 it, and the rest of the country is following us, and it gives us
 13 a defense on why we're doing what we do.

14 Is there more that we could do? Absolutely. You
 15 know, we're always trying to progress as much as we can. You
 16 look at Georgia and you look at Florida, and they have incentive
 17 programs for removing commercial vehicles out of the highways
 18 and out of the travel lanes and getting them off the side of the
 19 roadway, where they have an incentive, where they'll pay their
 20 tow companies X amount of dollars if within two hours of the
 21 time called, they can get it out of the highway. There's an
 22 incentive going, we'll pay you this money, and if you don't do
 23 it, there's a threat of a fine. They've never fined anybody,
 24 because the tow companies want that money.

25 And so, you know, that's one of the other things

1 that we were looking at, because that's really our biggest --
 2 you know, biggest factor that we need to deal with is commercial
 3 vehicles. We can't pull it with our car. You know, if it rolls
 4 over, it's just going to take us time to get there. If we can
 5 work towards doing something like that that we can say, hey, you
 6 know what, you have two hours, get it out of the highway. I'll
 7 take two hours over eight hours every day.

8 And it's just that incentive to go -- you know
 9 what, they laugh at us going, why do you pay people by the hour?
 10 We pay them by the job. So it kind of gives them the incentive
 11 to hurry up and get this thing going. So we're looking at. You
 12 know, there's some legislative changes we have to make to do
 13 something like that, you know, because of the, you know,
 14 potential for additional damage done to the commercial vehicles
 15 when we have people dragging them off the highways instead of
 16 just rolling them back over. So we have to look at that side of
 17 it still, but that is one of the things that we want to look at,
 18 I mean, down the road, because that's probably our next step on
 19 how we can make it even better. So we're continuously looking.

20 CHAIRMAN ANDERSON: Follow-up, Ms. Beaver.

21 MS. BEAVER: Chairman Anderson, I would just like
 22 to know with regard to the training that you're talking about
 23 you're doing, how much outreach do you do beyond the
 24 metropolitan area? Fifteen counties, is there that first
 25 responder coordination throughout this state, or where are we at

1 on that?

2 CAPTAIN PROCHKO: Absolutely. The 3,000, over
3 3,000 first responders that we've trained are statewide. We
4 were just in -- down in Nogales, Yuma and Douglas -- one other
5 place down south where we were doing train the trainer classes.
6 We have classes that are going up on the indian reservations.
7 We take it to -- you know, across the state. We have trainers
8 across the state, and it's the great teamwork of DPS, ADOT and
9 the fire departments that will go out together. Because we
10 don't want it just to be law enforcement going out, going, hey,
11 this is the way you need to do it. We don't want to be the
12 state, jamming it down people's throats going, hey, this is how
13 you have to do it.

14 We need the buy-in. So if I go in front of fire
15 departments, law enforcement and ADOT personnel or DOT
16 personnel, whether it's the state or county, I want
17 representatives from them as well teaching so that I can give my
18 perspective, we investigate it, but then I have a fire captain
19 or a fire chief standing right next to me going, this is how I
20 want my fire guys to do it across the state. And it really
21 gives us that buy-in from different perspectives going, we need
22 you guys to do this. It is beneficial for us to do it this way.

23 So we're having tremendous success going across
24 the state. We actually have better success in the smaller
25 towns, because they don't get as much training, so when they

1 have the ability to have that type of training, they eat it up,
2 and they're having tremendous success out there.

3 Here in the valley, we have some fire departments
4 that we're getting on and, you know, a lot of it though the DOT
5 personnel and the DPS personnel. We're really trying to look at
6 and bring in the fire personnel and really get into the cities
7 to get them to understand on when they come to our scenes, what
8 we're looking for them to do as far as -- and as well as getting
9 their perspective on, hey, this is why we do what we do.

10 So it is a -- it's a team effort. It's not DPS.
11 It's not ADOT, but it's all the first responders working
12 together for this training now, but it is statewide, and it's
13 actually international. When you go to Mexico, they are
14 practicing traffic incident management down there based on the
15 training that we have provided for them. They just asked me to
16 go three hours into Mexico. I'm not sure if I'm going to do
17 that yet, but they want that same type of training, because they
18 see the benefit of it and it's tremendous.

19 MS. BEAVER: Thank you.

20 MR. SELLERS: Mr. Chairman.

21 CHAIRMAN ANDERSON: Mr. Sellers.

22 MR. SELLERS: Yeah. First of all, Captain, thank
23 you. That was very, very good information for us to have on the
24 way you manage that. But I just want to comment on the --
25 putting the officer in the Traffic Operations Center. When that

1 came to our MAG Transportation Policy Committee, the big
 2 question seemed to be how are we going to pay for this? And
 3 obviously it's so cost effective that we felt we need to move
 4 forward with this, and we'll work out how it's going to be paid
 5 for as we go. So congratulations on that.

6 CAPTAIN PROCHKO: Well, thank you.

7 Like I said, as a district commander, I love it.
 8 You know, I love having an officer that can sit there and see
 9 what's going on and start directing resources before we get
 10 there, because it is increasing our time, you know. Five --
 11 five minutes, ten minutes are huge to us. So if we can start
 12 that tow truck five, ten minutes before we even get there
 13 because we know something's going to have to be towed, that's
 14 huge for us.

15 We're looking for more ways that utilize that.
 16 We just had the President here, and on the route, we had a
 17 crash. And either the people that were scheduling the
 18 Presidential visit or, you know, working that Presidential
 19 visit, I asked them, I'm like, hey, did you have -- just let the
 20 TOC know, to let them know so that they could be watching the
 21 route. And the captain's like, wow, I never even thought about
 22 using them for that.

23 So we're -- you know, it's new to us as well, so
 24 we're continuously looking at different ways, because he can see
 25 the entire route on the highway, and that's a tremendous asset

1 to have when we talk about security or we talk about, hey,
 2 something just happened on the highway. If we have to change
 3 routes, by knowing that ahead of time, it's tremendous. So it's
 4 going to be a great asset and, you know, based on my opinion,
 5 definitely worth the time, the expenditure to have that done.

6 CHAIRMAN ANDERSON: You know, maybe I can wrap
 7 this up, Captain Prochko. As chairman of this prestigious
 8 board, I've never been pulled over for speeding or any other
 9 infraction, but I've seen those people who have been pulled
 10 over.

11 (Speaking simultaneously.)

12 CHAIRMAN ANDERSON: You can be his first.

13 UNIDENTIFIED SPEAKER: (Inaudible.)

14 CAPTAIN PROCHKO: Maricopa, correct.

15 CHAIRMAN ANDERSON: Yeah. But I've thought to
 16 myself, if the lights appeared behind me, do I immediately pull
 17 over, or if there is a pull off or a safer place to pull off
 18 maybe a quarter of a mile ahead, maybe it's a -- you know, a gas
 19 station, whatever, do I take that initiative to do that, or I
 20 mean, what do you suggest, and what do most public safety
 21 personnel suggest?

22 CAPTAIN PROCHKO: That's another -- that's
 23 another step that we're trying to get with our officers. We
 24 would like them to make the initial stop, if someone pulls off
 25 right onto the shoulder, we would like for them to make contact,

1 receive the paperwork, their driver's license, registration and
2 insurance, and then take them off to the next exit so that they
3 conduct the traffic stop. Again, the 2.8 percent per minute for
4 that secondary crash. We're not there yet.

5 You know, we're trying to break officers who've
6 been doing this for 10, 15, 20 years where they make their
7 traffic stops. Those habits are hard to break, and so we
8 continuously stress to them to take them off. We train our new
9 officers that way to take those off. So if we can get them off
10 the highway, we will do that. One of the things that we
11 obviously still have to look for is if they're impaired, we're
12 not going to let them drive off. We're going to have to deal
13 with them right there.

14 As far as the public itself, if they take the
15 next exit, we will, you know, understand what they're doing. If
16 they pull into the first parking lot and stop for us, we don't
17 have any problem with that at all, and we would encourage that.
18 There's a lot of times where people will stop in a bad place,
19 and we'll get on our outside speaker and tell them, hey, pull
20 forward and take the next exit. The issues that we run into
21 sometimes, people will do that, and they'll miss the first
22 driveway, they'll miss the second driveway, they'll miss the
23 third driveway. Then we're like, hey, okay, somewhere we have
24 to pull over.

25 UNIDENTIFIED SPEAKER: Then they start speeding.

1 CAPTAIN PROCHKO: And then they speed off. So
2 yeah. We do encourage people to do that. You know, whenever we
3 talk to people, you know, if they don't feel safe stopping on a
4 highway, turn on your turn signal, take the next exit, pull into
5 the first driveway and you'll have no issues with what you're
6 doing. We get that.

7 You know, for awhile we had some issues with
8 there were some people out there that were impersonating
9 officers, and we had, you know, females saying, hey, I'm scared
10 to stop. It's dark out. Lights, you know, I don't feel
11 comfortable here. I don't want to pull off the road.
12 Absolutely. You know, like I said, we don't have any problem
13 with that. Just make sure that you're not passing four or five
14 streets and still going.

15 CHAIRMAN ANDERSON: Captain Prochko, we thank you
16 very much for the presentation, and you know, hopefully there's
17 something that the department can do in terms of driver habits,
18 driver awareness, things like that that we can discuss, you
19 know, throughout the year. So again, thank you very much.

20 CAPTAIN PROCHKO: Thank you, sir.

21 CHAIRMAN ANDERSON: Next up, we've got Kristine
22 and Scott, overview of the five-year Transportation Facilities
23 Construction Program. Ms. Ward.

24 MS. WARD: Good morning.

25 CHAIRMAN ANDERSON: Money first, right?

1 MS. WARD: That's right. Actually, you took my
2 very first line this morning.

3 CHAIRMAN ANDERSON: I'm sorry about that.

4 MS. WARD: No, no, no. Let's go straight to the
5 budget. Everything when we start construction or the
6 development of the tentative program, it all starts with money
7 and how much is available that can support the program.

8 So today, I'd like start with we're going to go
9 over the financial foundation that actually supports the
10 program, what are the revenue sources that are available and
11 then one of the financing mechanisms that are available to
12 accelerate projects. Then we'll move on to what we have in
13 terms of operating cash, our current balances as well as the
14 guidelines that we follow, our revenue forecasts for HURF, RARF
15 and federal aid, and then move into the debt program, and
16 ultimately the estimated funding available for the program.

17 So, you know, the funding for the program is very
18 complex, and it's very difficult to provide a comprehensive
19 picture because there's so many -- many elements that flow into
20 and support the program. Some of those things that flow in are
21 things that the department oversees and has control over. Other
22 times they're dollars that the local entities, local governments
23 have decided to contribute into the program, maybe for something
24 in their particular regions. So some funds available on an
25 ongoing, and some of them are one time in nature.

1 So often there's a mix-up between what we have in
2 terms of cash, actual dollars that we can expend, versus what we
3 have in terms of debt, which we have to pay back. So what these
4 green blocks represent are cash. These -- this is -- these are
5 actual sources that can be used to support the program. You'll
6 see at the very bottom, those are the ones I report to you on a
7 regular basis, HURF, State Highway Fund dollars, federal funds,
8 as well as regional area road funds.

9 On top of that, there are additional funds that
10 go into the program that are dictated or developed with NPD and
11 the locals to potentially facilitate a facility in their region
12 that they want to contribute dollars to. So sometimes local
13 funds like 12.62.6 moneys, these are dollars that flow from HURF
14 into the State Highway Fund and out to MAG and PAG. Sometimes
15 MAG or PAG will designate some of those funds to go into and
16 support the state program. They also have -- locals also have
17 their own federal funds as well as their regional
18 transportation, the RTA funds.

19 Sometimes we get private dollars. I know that I
20 believe 347, I believe there's some discussion over the local
21 government working with entities to try to perhaps bring dollars
22 into the mix. And then we've got grants. We've got, like,
23 TIGER grants. But these are intermittent, whereas those ones on
24 the bottom are ongoing funds that are available to support the
25 program.

1 The last item is STAMP (phonetic), State
 2 Transportation Acceleration. It was a program where GF --
 3 sorry -- the state provided general funding to support
 4 transportation and accelerates the projects.

5 So after you add the cash that's at the base,
 6 then you have the loans. You have the debt, and these are the
 7 various financing mechanisms that are available to further
 8 support -- to accelerate projects. And so you've got HURF
 9 bonds, which I talk to you about pretty regularly, GANs, grant
 10 anticipation notes, those are leveraging future federal funds,
 11 and then RARF bonds, Regional Area Road Fund bonds that pay for
 12 the regional system.

13 There are a whole host on top of that of little
 14 items, (inaudible) public private partnerships where the private
 15 partners will put in equity, HELP loans, the Highway Expansion
 16 Loan Project. I -- sometimes I give you the numbers on that.
 17 There's about \$78 million in that program. EFOs, (inaudible)
 18 obligations.

19 Each one of these are debt that can -- that
 20 either the local can bring to the table or are available to the
 21 department, but mainly we're not utilizing either, because it
 22 just doesn't -- we can't support it financially. But I want you
 23 to know that these are all of the elements that fold in.

24 Now, the ones that we are going to focus on today
 25 are those -- because the MAG and PAG funding hasn't fully been

1 ironed out for the tentative, that fund sourcing, what we're
 2 going to focus on today is the HURF, State Highway Fund, fed
 3 funds and regional area road funds, as well as our HURF bonds
 4 and RARF bonds that are folding in to support the program.

5 As we have future presentations on the tentative,
 6 I will provide you a full and comprehensive picture of every
 7 fund source and every debt instrument that is supporting this
 8 program, and you will know that in detail.

9 CHAIRMAN ANDERSON: Oh, boy.

10 MS. WARD: The items that have the little magic
 11 eight ball are the ones that we actually provide forecast, FMS,
 12 Financial Management Services, does the forecasting for. We
 13 handle those at ADOT. And then a last little attribute is those
 14 ones with little crosses there, actually little directional
 15 arrows, those are what sources are included in the RAAC
 16 allocation, Resource and Allocation Advisory Committee, which is
 17 the 50/37/13 breakdown. Is everybody familiar with...

18 All right. So let's start with cash. State
 19 Operating Highway Fund, our operating cash balance. I wanted to
 20 let you know, and I've spoken to you briefly about these before,
 21 but the department seeks to establish a \$150 million operating
 22 cash balance in the State Highway Fund, and we have been
 23 consciously moving towards that for the last few years. We need
 24 to have this cash balance, and last summer was a perfect example
 25 of it. We we need to have that cash balance in order to ensure

1 that we can tighten the payments out to our contractors, we have
 2 adequate funds to go do the -- max the federal funds we receive,
 3 timely pay the debts or just, you know, pesky little things like
 4 payroll and so forth.

5 And the reason we have to keep that buffer is we
 6 actually have had recent incidents that where had we not had
 7 that buffer, it would have been a problem. But I think it was
 8 so -- it was just last -- in the last two months, we had three
 9 consecutive weeks where our federal funding reimbursement was
 10 delayed, because it went from FHLBA, and it went around the
 11 corner, and the treasury offset program snagged it and said,
 12 hold on, don't give that to them yet. There's this little
 13 \$2,000 payment that the state hasn't made from another agency.

14 So they delayed our reimbursement because of a --
 15 I probably shouldn't say pathetic on the public record -- a
 16 dinky, little payment was due to another -- that was due from
 17 another entity in the state, but our payment got held up. But
 18 we still have to make the payments to the contractors.

19 The other things, they -- we had a problem with
 20 -- they shorted one of our GAN debt service, when our GAN debt
 21 service was due. Our federal reimbursement was diminished.

22 So these type of incidences -- and oh, let me
 23 point out this last one. Remember, the highway trust fund and
 24 insolvency issue we dealt with last summer when we were facing
 25 their cash management measures which would have delayed

1 reimbursements to the state, all of those types of factors are
 2 what dictate that we need to maintain a balance, an adequate
 3 operating cash balance in the highway -- in the State Highway
 4 Fund.

5 So what you see here is a -- an actual
 6 performance measure that we use in FFS. These are the balance
 7 that we are going for. This chart reflects FY '15. Our target
 8 is 87. -- by the end of FY '15 to have an \$87.8 million balance,
 9 operating cash balance in the State Highway Fund. You can see
 10 that we're very close to target. And in subsequent years, in FY
 11 '16, by the end of '16, we're aiming for 120 million, and then
 12 from '17 through '20, we should achieve that 150 and we will
 13 maintain there.

14 So revenue forecasts. In terms of HURF and RARF,
 15 the federal aid, after we assess the cash position, we then go
 16 into what we expect in those -- from those major revenue sources
 17 I discussed with you. What you see, the blue bars represent the
 18 actual revenues we received, and those brown bars represent the
 19 forecasts that we have for '15 and going into the five-year
 20 program.

21 The department went through its normal risk
 22 analysis process. It's our forecasting process where we gather
 23 economists together, and those panelists then give us their
 24 estimates for major variables. Overall, the panel members were
 25 not particularly optimistic. They were not happy. They were

1 concerned about employment growth, population growth and
2 personal income growth, and that -- those concerns impact both
3 the HURF forecast as well as the RARF forecast.

4 That red line depicts the actual growth rates.
5 We anticipate growth rates will be 2-and-a-half and 3-and-a-half
6 percent over the life of the program in HURF revenues.

7 CHAIRMAN ANDERSON: Kristine, one second.

8 Mr. Christy, are you still there? Hopefully he
9 calls back in. Looks like we may have lost Mr. Christy. Sorry.

10 MS. WARD: Yeah, he cuts out during the financial
11 (inaudible).

12 (Speaking simultaneously.)

13 MR. ROEHRICH: Hold on. I think he's --
14 Mr. Christy, are you back?

15 MR. CHRISTY: Yeah, I am. I'm sorry. The phone
16 went dead.

17 MR. ROEHRICH: That's okay. When your phone went
18 dead, that was where Kristine said that she's cutting all the
19 funds to Pima County.

20 MS. WARD: That would be an inaccurate
21 representation by Mr. Roehrich.

22 MR. ROEHRICH: My mistake. I guess I wasn't
23 paying attention.

24 MR. CHRISTY: Some things never change.

25 MS. WARD: What did he --

1 CHAIRMAN ANDERSON: Some things never change.

2 MR. ROEHRICH: Some things neve change.

3 MS. WARD: That is just -- that's just --

4 MR. ROEHRICH: No, about my --

5 (Speaking simultaneously.)

6 CHAIRMAN ANDERSON: Order, order, order.

7 MS. WARD: Okay. In terms of what these

8 forecasts mean to the overall program and the impact, this is
9 the net change to the HURF revenue forecast between our last
10 forecast and the current forecast. So it's a difference of
11 about -- it increases the revenues flowing in estimates by about
12 \$74 million. Of that, about 30 million of that, 31 million of
13 that will flow into the State Highway Fund and be available for
14 the program of meeting those cash balance requirements.

15 In terms of RARF, the same picture. Again, as I
16 said, panelists were not real excited. And the general -- their
17 general feeling on this was that we are just not going to
18 achieve for some time the growth rates that we experienced pre
19 the Great Recession, and subsequently, we are just -- their
20 growth rates they projected are very, very low.

21 In terms of the impact to the program, RARF last
22 year, compared to this year's forecast, it's a reduction of \$29
23 million to -- flowing into the program, estimated to flow into
24 the program. In the scheme of the RTP program, \$29 million is
25 small potatoes, so -- but nonetheless, we are not seeing the

1 growth, we're not benefiting from the growth (inaudible).

2 Now, I think I showed you this wonderfully
3 discouraging slide at the last board meeting. This is the
4 projections for the highway trust fund. The insolvency issue
5 that was originally scheduled for August of 2014 has now been
6 moved to August of 2015. Unless Congress acts, we're going to
7 have difficulties, and in order to not impact payments of
8 contractors, this is one of the reasons we have to keep that
9 State Highway Fund balance adequate. So the assumptions that we
10 have made going into the development of the tentative program is
11 that federal aid will remain flat. Some might say (inaudible).

12 In terms of financing mechanisms that are built
13 into the tentative program, we are at this point only
14 forecasting -- or planning the use of HURF bonds and RARF bonds.
15 We have not yet employed the use of grant anticipation notes.
16 We will look at that on a case-by-case basis. We might swap
17 things out as we get closer to the necessity to issue debt.

18 But as it stands, we estimate issuing \$1.1
19 billion in debt over the '16 to '20 program. I don't know if
20 you'll recall, but this is a substantially higher number than I
21 have provided to you before, and the reason for that is because
22 of South Mountain. South Mountain is scheduled, under the
23 current hopes for acceleration there, we need to -- we will be
24 financing more this period.

25 The blue bar represents the RARF bond issues.

1 The tan represents the HURF issues, totaling about 300 million
2 there. And then that tan with texture kind of issue, that --
3 those are HURF bonds that will be issued on behalf of the RTP
4 program. So the MAG program will take those dollars, pay the
5 debt service associated with that HURF bond issue. Those --
6 that 200 million for the MAG RTP program, those will be paid for
7 with the MAG's (inaudible).

8 So what funding is available for the program
9 itself? Just look at the big blue lines. They're kind of the
10 summation. The next State Highway Fund, 190 million will flow
11 into the '16 to '20 program. You'll note that there's operating
12 -- that operating cash requirements just up above the net State
13 Highway blue line. That is where we anticipate achieving the
14 \$150 million balance, and it's from that point on that the
15 dollars are flowing into and supporting the program. Net
16 federal aid, the financing mechanisms, all combined for your
17 total sources for the statewide program, not the MAG RTP, and
18 PAG, 2.9, almost \$3 billion in support of the program, available
19 (inaudible).

20 In terms of usage, what this reflects, when I
21 showed you those new revenue forecasts and so forth, plus the
22 additional changes, overall, there's an additional \$96 million
23 flowing into the program greater than originally estimated.
24 What you see here are that we are modifying what was originally
25 passed '15 to '19 program, and adding \$25 million to '16, 25

1 million to '17, '18 and '19, and then we have a new sixth year
2 number, funding available for the new sixth year -- for the new
3 fifth year, excuse me, of \$600 million dollars.

4 So then (inaudible) you got to be scared.

5 Let's keep in mind that the state has got -- has
6 a minor budgetary issue. So right now one of our major risks is
7 legislative action that will -- due to the state budget
8 shortfalls that will hit us, whether they might be fund sweeps
9 or something, but we just -- we don't know what they'll -- how
10 they'll be dealing with the issue.

11 The executive budget right now holds HURF, the
12 State Highway Fund, harmless. The legislative proposal is not
13 yet known, and the fund transfers and diversions right now,
14 there's about 20 million that the executive has built in to take
15 out of the HELP program, and 15 million out of the aviation
16 program in terms of funds used.

17 Other risks to the program, Congressional action.
18 We don't know what's going to happen with MAP-21
19 re-authorization as well as the highway trust fund insolvency
20 issue. We also have -- you know, and then there's the standard.

21 We have economic conditions. Keep in mind that
22 the recessionary cycle tends to run at about five to seven
23 years, a recession (inaudible) recession every five to seven
24 years. Well, guess what? We're in that a year -- this program
25 is within that period. So if history held true, we would

1 potentially be experiencing another recession in this program's
2 period.

3 And then we've got South Mountain. South
4 Mountain is the largest project that the State has ever
5 undertaken, and to the tune of \$1.7 to \$1.9 billion. And so how
6 that project rolls out and how -- what costs we actually
7 experience, it's a concern. (Inaudible.)

8 With that, I would gladly take any questions.

9 CHAIRMAN ANDERSON: Any questions on money for
10 Ms. Ward? I'm sure we will be hearing more as we go along
11 through the hearing process and...

12 MS. WARD: (Inaudible.)

13 MR. LA RUE: So Kristine, I can't help to think
14 about the 150 million cash balance that we're trying to achieve,
15 which is prudent. And that's -- you know, looks like 30-some
16 million this year, and then 30-some million the next two fiscal
17 years to make sure we get there. How much of that 150, to keep
18 that prudence, is because of the -- what's going on in
19 Washington and the fear of this -- you know, they're only --
20 they're only extending out a few months at a time, versus if
21 they came and really put out there on a long-term trajectory,
22 funded it satisfactorily, would we re-look at the cash balance
23 number and say, maybe 80 million is the correct number? I mean,
24 what sensitivity is on that number?

25 MS. WARD: The highway trust fund insolvency

1 issue is largely -- is a large consideration in this. But the
 2 issues -- some of the issues and incidences that we have
 3 encountered have nothing to do with the insolvency. They have
 4 system issues where -- (inaudible) but, I mean, the systems,
 5 literally, we will -- there will be another entity within the
 6 federal government that will snag our reimbursement before it
 7 gets to us. That has nothing to do with insolvency.

8 There will be changes in the two systems as they
 9 -- the federal system, FEMAS (phonetic), and the state system,
 10 Advantage, and there -- take, for instance, the \$62 million
 11 issue was because of security patches. Our two systems could
 12 not talk to one another because some security patches had been
 13 implemented. So some of these are just natural, just natural
 14 preparation for instances like that that had nothing to do with
 15 long-term authorizations.

16 CHAIRMAN ANDERSON: So what I'm hearing is then
 17 that 150 is a standard that's pretty well set no matter what
 18 happens on the --

19 MS. WARD: Yeah.

20 CHAIRMAN ANDERSON: -- insolvency issue.

21 MS. WARD: We look at the 150 every year, and we
 22 look at it in terms of, okay, what's my maximum exposure in
 23 terms of contractor payments? We do not want to delay payments
 24 to our contractors. We do not want to miss a payroll. So as
 25 the program shrinks or grows, that 150 will change. If our

1 contractor -- if our program grows and the payments due to
 2 contractors grow, then I'm likely going to be looking at that
 3 150 to say, what's our risk to contractors? So it will increase
 4 with that or shrink.

5 CHAIRMAN ANDERSON: Okay.

6 MS. WARD: Does that answer your question?

7 CHAIRMAN ANDERSON: Yeah, yeah.

8 MR. CHRISTY: Mr. Chairman.

9 CHAIRMAN ANDERSON: Mr. Christy.

10 MR. CHRISTY: We haven't really touched upon it,
 11 though it has arisen in the past couple years, but what is the
 12 contingency plan for road emergencies, like we saw with the
 13 washout up north -- northern Arizona and then the I-15 bridge
 14 issues? What happens if there's a major issue with some roadway
 15 or a bridge that either collapses or washes out or has some sort
 16 of calamity? How do we adjust to that? Because if it's an
 17 emergency situation, we have to come up with funds right away to
 18 deal with it. How do you deal with that in your budget, I
 19 guess, or views?

20 MS. WARD: There are a few different ways,
 21 Mr. Christy. Some of those are -- one of those is the feds --
 22 FHWA gives us a mechanism to request emergency funds. The other
 23 is -- there are a couple. The other is the state highway
 24 operating cash balance. That gives us a tool in our toolbox.
 25 Next, we look at what ability do we have to issue debt and issue

1 it quickly. So if we max out, completely max out our capacity
 2 to issue debt, we will not -- that is another tool in the
 3 toolbox. Make sure that we keep -- we maximize the amount of
 4 dollars flowing into the program, but we keep a prudent back
 5 pocket amount of bonding capacity to handle emergency projects.

6 Does that answer your question, sir?

7 MR. CHRISTY: Yeah, it does. I just recall, you
 8 know, the last couple of years, a couple of those incidents, and
 9 there's a lot of scrambling, and you don't have any money to
 10 begin with. How are you going to come up with money for an
 11 emergency?

12 MS. WARD: Understood. Any further questions?

13 CHAIRMAN ANDERSON: Questions?

14 MS. WARD: Oh, Scott Omer just came up here and
 15 whispered in my ear, do recall that we throw certain projects --
 16 we move certain projects out of the program and other projects
 17 into the program to deal with those situations. That actually
 18 is -- I apologize. That's actually what happened with 89.

19 MR. ROEHRICH: Mr. Chair, Mr. Christy, this is
 20 Floyd.

21 I do want to remind everybody that that came to
 22 the board. We worked out that at the staff level. Then the
 23 analysis came to the board and assessed how we're going to deal
 24 with this emerging situation. A lot of times if it's of a
 25 smaller incident, as Kristine said, we'll look for the

1 flexibility within the program. But if -- given the magnitude,
 2 again, you don't know the magnitude, but given the magnitude, it
 3 could end up that we have to come in and reprioritize and shift
 4 some things around to deal with the emergency situation and move
 5 off some of these other things a little bit longer, and that's
 6 exactly how the agency and the board addressed 89 in the long
 7 run.

8 MR. CHRISTY: Yeah. Okay. Thank you.

9 CHAIRMAN ANDERSON: Further questions?

10 MS. WARD: Thank you very much.

11 CHAIRMAN ANDERSON: Thank you.

12 Before we move on to Scott, is there a need for a
 13 break, a short break?

14 Scott, how long do you think we'll take? An
 15 hour? Hour-and-a-half? Couple hours?

16 MR. OMER: Let me just get the sundial out.
 17 Well, my presentation's probably 30 minutes, and then all the
 18 interaction, so it's...

19 CHAIRMAN ANDERSON: Okay.

20 MR. OMER: (Inaudible.)

21 CHAIRMAN ANDERSON: Don't see any requests, so
 22 we'll move forward.

23 MR. OMER: Okay. (Inaudible.) Thank you.
 24 (Inaudible.)

25 Mr. Chair, as Lynn gets me on the right page. As

1 usual, it's pretty hard to keep me in line and on the right
2 page.

3 But so thanks for letting us do this study
4 session. I thought it was very helpful last year to have this
5 conversation, you know, with the board at one time. So we
6 thought we'd try the same process again.

7 So what we're going to talk about is really very
8 brief over -- well, before I do that, let me tell you what's in
9 your packet. So in your packets, you'll have -- the beginning
10 of the packet is the presentation that we're going to do here
11 today. Behind -- oh, I'm teasing Bret now. Behind first blank
12 tab number one, you will see the entire draft tentative program.
13 It's just basically the Excel files that we printed out for you.
14 So all the projects themselves are there, including in the MAG
15 and PAG regions, but I don't think their major projects are in
16 there, just like the preservation stuff that would be inside of
17 there. And the airport projects are there as well.

18 And then behind the last -- the second blank tab
19 is just some background information about some previous years,
20 some extra information, you know, you can look at at your
21 leisure.

22 I won't be going through the stuff behind those
23 tabs unless you have specific questions about those. Okay?

24 What I will talk about is our process, that's the
25 P to P process. We'll go over the asset condition, so basically

1 our performance of the system itself. We'll go through the
2 tentative five-year program -- sorry, the draft of the five-year
3 program, the development program, PAG and MAG's programs and the
4 airport program. Okay?

5 So every year we do the same thing. We come to
6 the State Transportation Board, in coordination with the board,
7 with the -- basically the three major divisions and areas inside
8 of ADOT that work on the program is ITD, which Dallas, you know,
9 is a deputy director and state engineer, oversees Finance, which
10 our CFO, Kristine Ward, oversees, and then the Planning
11 Division, which I oversee. In addition with our regional
12 partners, we develop our program in coordination, collaboration
13 with all those.

14 We talked about how the state and federal tax
15 dollars are going to be obligated over the next five years and
16 then planned over the following five years. Last year was the
17 first time we went into a ten-year program. We ask the board to
18 approve it every year. Our fiscal year starts on July 1st.

19 Minor things like our five-year program up front
20 has to be fiscally constrained, not to the federal definition of
21 "fiscal constraint," which Kristine tells you before you adopt
22 the final program every year that this program is fiscally
23 constrained, and she has to -- she does have to sign off to
24 that. And then our development program, the second five years
25 is financially constrained, which is realistically about the

1 same thing. It's just not quite as detailed, but we don't plan
2 more than we reasonably expect to have money for in that second
3 ten years -- second five years. Sorry.

4 MAP-21 brought up the requirements as it passed
5 in 2012 that we have to live up to. And really, that second
6 part of this is about the National Highway Performance Program.
7 The notice of proposed rule makings are out now, and the overall
8 transportation system performance in these specific areas, like
9 safety and infrastructure condition, congestion (inaudible) all
10 either out are in the process of coming out.

11 Why that's important to us as when we start
12 talking about overall transportation system condition and how
13 the system performs, this is what we're referring back to to
14 make sure that we're not only meeting state targets, but also
15 the federal requirements for system performance as that's
16 released.

17 Then lastly, when we developed our P to P
18 process, it was specifically (inaudible) performance-based
19 system, which they called out for. So we're well ahead of the
20 game when it comes to that.

21 So our process, the P to P process that we follow
22 really incorporates our vision and long-range plan, along with
23 the implementation of a performance-based process. That's how
24 this works. It goes and starts out when we originally started
25 our vision with bqAZ in the 2007 time frame when it first began,

1 it talked about what should the entire transportation system in
2 Arizona look like? We refined that down when we developed our
3 long-range transportation plan to just along the state highway
4 system, and we broke that out into the categories:
5 Modernization, expansion, preservation, and non-highway modes at
6 that time, and that's still today. When we talk to you about
7 what our program looks like, it's in those categories of
8 modernization, expansion and preservation.

9 Now as we move into the individual five-year
10 program and to the development program, we move along further to
11 the performance scoring. That's when we prioritize and look at
12 exactly where we have the transportation needs. So that's the
13 process we follow. When we bring you projects, we've brought it
14 through this whole process.

15 Our goal when we developed P to P -- I actually
16 -- I was telling the team last week -- we meet weekly, and you
17 know, we come up with this program -- is the original goal was
18 to make sure that we could be transparent and defensible
19 (inaudible) and reproducible. You know, knock on wood, unless
20 something very unforeseen happens, this was one of the easier
21 programs for us to put together as staff, because I think we
22 have a very good process in place now. And the coordination
23 that we do, not only with the board, but our regional partners
24 is really probably the best that I've seen in our staff working
25 relationships between NPD and ITD, and even finance is pretty

1 good, so... If they gave us more money, it would be much
2 better, so...

3 MS. WARD: Yeah.

4 MR. OMER: I don't have control over that.

5 But here's graphically what it's all about for
6 us. It's about system performance being the foundation of what
7 we do. It's how we develop our delivery program, keys into
8 system performance and feeds off of that. Our development
9 program feeds into our delivery program. So we're not starting
10 over every fifth year with a brand-new process. It actually
11 comes in that way. And it originally starts with our long-range
12 planning process. So this is kind of, in a nutshell, the entire
13 process.

14 So we want to look -- the first thing we'll look
15 at what our asset conditions look like, see kind of what system
16 performance looks like, at least as far as the asset conditions
17 themselves. We updated the numbers and we have about a \$19.7
18 billion system today is the numbers that we come up with.
19 That's how it's valued. And remember a couple years ago we
20 talked about if we were to replace the system, you know, for
21 every dollar that you spend in preservation, it's probably going
22 to cost you anywhere from, you know, that \$7 to \$14 range to
23 replace it. So if you're replacing a \$20 billion system, it's
24 likely to cost you \$200 dollars to replace the whole system.
25 So, of course, we never expect that to happen, but that's

1 probably what the value would be. And it goes to show that you
2 have to keep your system well maintained and preserved and take
3 care of it (inaudible) replacement cost down the road is
4 something that it's unfathomable for the department to have to
5 do.

6 We know that preservation saves us money. You
7 pay more now -- or you pay now or you pay much more later on for
8 that entire process of system replacement. Public feedback, it
9 also tells us that maintaining our current transportation system
10 is -- in a state of good repair is very important. And this
11 study actually came out of an Arizona study. Plus it's -- you
12 know, it's -- as stewards of the state transportation system,
13 not only as the department, but as the board as well, that's all
14 of our responsibilities. MAP-21 specifically addresses these
15 areas, and I think we're doing a pretty good job of making sure
16 we're preserving the system ourselves.

17 High level look at bridge conditions across the
18 state. I will point out there is a little bit of a Freudian
19 error here.

20 CHAIRMAN ANDERSON: Okay. I hope so, or I'm not
21 driving anywhere.

22 MR. OMER: That should say "fair." Okay?
23 (Inaudible) said "fail," (inaudible). It should say "fair."

24 CHAIRMAN ANDERSON: I'm going to quit driving in
25 the state.

1 MR. OMER: I know. I saw it and I almost --
2 that's why I almost fell out of my chair back there. When I ran
3 across this, I go, oh my Lord, so...

4 About 95 percent of our bridges are in fair to
5 good condition, and so -- which means we've been doing the right
6 thing. Yes, we do have some that are in poor condition, but in
7 general, they're fair to good condition. And I will tell you,
8 we will correct this before the next meeting.

9 UNIDENTIFIED SPEAKER: I would like to correct it
10 before we post it on the --

11 CHAIRMAN ANDERSON: Yeah.

12 MR. LA RUE: Exactly.

13 UNIDENTIFIED SPEAKER: -- board's web site.

14 MR. OMER: It will be. Thank you.

15 UNIDENTIFIED SPEAKER: (Inaudible) say there was
16 a lot of green in Maricopa County, so...

17 MR. OMER: So here's a couple of examples of what
18 we do with our bridge preservation funding and making sure that
19 our bridges are in a state of repair. This is (inaudible) Wash
20 on SR-186 near Willcox. As you can see on the -- the poor
21 conditions on the left, this was a two (inaudible) box culvert
22 which had severe scour, and you can see it was not in the best
23 condition after the bridge was redone. The after condition on
24 the right is in much better condition. Our bridge group is very
25 proud, because the design of this bridge and the development was

1 all done in house using ADOT forces.

2 The SR-77 Dripping Springs Wash Bridge, again,
3 this is what it looked like before. You can see the pavement
4 condition on the top of the bridge, and the old bridge rail
5 versus the new -- newer bridge after it was rehabbed on the
6 other side.

7 The SR-87 Limestone Wash Bridge, the before
8 condition versus the after. We were talking about this
9 yesterday, and one of Kristine's people that work for her,
10 Patrick Stone, found this bridge, and believe it or not, the old
11 bridge was on the ugliest bridges web site. So he looked up
12 SR-87 Limestone Wash Bridge, and that's the site that he came
13 upon. So we thought it, you know, rustic. They called it ugly,
14 so...

15 The I-15 implementation plan, so what this is,
16 you know, we've been talking to the board now since, well, 2010
17 when I came back about I-15. I-15, while we have made the
18 decision -- the board made a decision awhile ago about not going
19 in and completely replacing everything at one time and spending
20 a huge amount of money, we do feel as a department, and the
21 board has invested also, in making sure that we're keeping the
22 I-15 corridor in acceptable conditions. So we actually did go
23 out and do an I-15 study that looked at current existing
24 conditions, the corridor as well as what we need to do to that
25 corridor to keep it to acceptable levels.

1 As part of that, we looked at, you know,
2 increasing the amount of investment in I-15, and really by
3 increasing 20 percent over the maintenance costs, so a little
4 bit more of the entire maintenance cost, we can get an
5 additional 60 years of added life to the bridges along the
6 corridor. So we thought it was pretty important.

7 So as we move through the presentation, you'll
8 see spots where we -- we're not, you know, hiding. We actually
9 show I-15, bridge number whatever it is, with the cost in there.
10 Generally, it will show up as -- in the modernization category.
11 Maybe some are in preservation, but it's -- we're culling it
12 out. This is the year that we recommend making these
13 improvements to make sure that we can get to that point of
14 keeping that corridor in acceptable conditions for us.

15 While we've done a really good job on bridges,
16 we've done a good job on pavement in certain aspects of it. Our
17 interstate conditions, you can see, are about 90 percent in the
18 good, and that's the goal that ADOT established years ago, was
19 to keep the interstates at 90 percent of the interstate
20 condition should be classified as good, the way that we classify
21 in ADOT (inaudible) doing that. That comes at a cost. It does
22 come at a cost of keeping the non-interstate condition in the
23 same level. So we have made a choice. So the non-interstates
24 are not as in good of a condition. Our pleas to you every year
25 about increasing the amount of funding and preservation, what

1 that will allow us to do is increase the amount of funding in
2 the non-interstate system.

3 I guess the other part where this really comes
4 into play is MAP-21 is -- came up with a not -- the national
5 highway system and expanded the national highway system. And a
6 lot of the facilities now that are non-interstates are on the
7 national highway system, and there will be some specific
8 performance criteria and condition criteria that as a department
9 we'll have to meet. So as those rules come out and we know what
10 those -- what the goals are that the federal highway
11 administration puts out, we set our targets, we'll have to come
12 back and talk about exactly how much should be invested in
13 preservation of the national highway system. So especially the
14 stuff that's the non-interstate part.

15 So as we've done, we've attempted to increase the
16 amount of funding for preservation in every year. We feel that
17 the right number is about \$260 million a year in preservation.
18 Preservation includes not only pavement, but also bridge
19 preservation, preservation of some of our other ancillary
20 assets. But when we look at that, that's where we feel we
21 should be, and we think if we can invest that much money in
22 preservation of the system, we'll be okay. We're never going to
23 be great just because as our system continues to age. So we
24 feel that's where we need to be at. If we were to ask -- when
25 we complete our asset management plan this year, I'm sure we'll

1 come up with some further recommendations, but for now, this is
 2 where we're at. We'll also be part of developing a long-range
 3 plan, which will start this year, too, and it incorporates the
 4 asset management plan into it. We might have to come back and
 5 re-address our goals for how much we expand in each one of those
 6 categories.

7 Having said that, and when we passed our last
 8 long-range plan, you could see -- you've seen this quite a bit,
 9 that we broke up our categories in expansion, modernization and
 10 preservation of the system. We had set aside some for
 11 non-highway -- for the non-highway modes. We do have the
 12 statutory requirements of (inaudible) invest our highway funds
 13 in the highway itself. So we really don't invest in the
 14 non-highway mode. We've basically invested everything we can in
 15 preservation, modernization and expansion of the system.

16 So from 2016 to '20, the tentative program years
 17 in place, if you look at greater Arizona MAG and PAG, the amount
 18 of funding to expansion is about 59 percent, 29 percent in
 19 preservation and 12 percent in modernization. As I move
 20 forward, you'll see how that kind of plays out.

21 The greater Arizona piece of it, of course, is
 22 primarily preservation. 68 percent of all the funding in
 23 greater Arizona is culled out for preservation of the system.
 24 Again, that's something that we feel very strongly we need to
 25 continue doing, with 24 percent in modernization.

1 Modernization, oftentimes what we'll see, those are safety
 2 projects, and we'll show you some examples of those in a few
 3 minutes. And then lastly would be expansion of the system.

4 So this is our tentative program and we've showed
 5 you this, this specific type of slide in the past. If you would
 6 start from the bottom by color, the orange color is the amount
 7 of funding in -- that runs our planning for the entire
 8 department and also funds all the regional planning across the
 9 state. The project development is in purple. The amount of
 10 funding in preservation is identified in the green. The amount
 11 of funding in modernization is identified in the reddish brick
 12 color, whatever that is. And then lastly, the amount of funding
 13 in expansion is in blue.

14 So in each one of the years, we've identified
 15 what the major projects are, and you can see in FY '16, we still
 16 have the SR-260 Thousand Trails project in, and the current cost
 17 estimates are \$62 million for that specific project.

18 The SR-347 overpass is five-and-a-half million
 19 dollars of right-of-way identified in FY '16.

20 The SR-189 Nogales project at Mariposa -- I'm
 21 sorry, the 189 project itself (inaudible) is about \$2 million
 22 dollars in environmental in FY '16.

23 FY '17 includes the SR-89 Deep Well Ranch Road
 24 project and the SR-347 additional funding for right-of-way that
 25 year as well.

1 FY 2018 has the US-60 Show Low Little Mormon Lake
2 project at \$6 million.

3 FY '19 has the US-93 Cane Springs project. So
4 this is a new one that you haven't seen before. It's called
5 Cane Springs, and the value of that project is \$5 million for
6 the design of the project, which you'll see later on into the
7 development program itself.

8 And then lastly, in FY '20 is the SR-347
9 construction project. Total cost of that -- of the construction
10 of the project is \$36.2 million, and that's broken down with
11 \$28.2 million from the greater Arizona share and \$8 million in
12 local funds. I had talked to the city itself and the mayor and
13 the staff. I said we would show this as (inaudible) funding.
14 And so they were aware this is how it would play out, but the
15 total cost of that is \$36.2 million.

16 So that's the major projects that we recommend
17 for the tentative program itself. We can -- I can pause here,
18 or if you want me to keep on going, if there's a question. This
19 is just the greater Arizona piece.

20 Okay. Hearing nothing, I'd ask for a motion to
21 approve and we could adjourn.

22 So the preservation program, I will say when you
23 see up here, it says (inaudible), it was too late yesterday when
24 we asked staff to throw in some bridge preservation (inaudible),
25 but there's plenty of bridge preservation projects in the

1 front-end part of the tentative program itself. But these are
2 some examples, not every preservation project by any means, but
3 these are some examples in each one of the fiscal years on the
4 facilities on our existing routes what some of these pavement
5 preservation projects would be.

6 As you can see, you know, if you just went for a
7 year, I-10 from US-60 to Milepost 42 in 2016 shows a project
8 that's \$20.3 million. If you went down to FY '17, US-93 will be
9 (inaudible) projects in here, so on and so forth. So these are
10 just examples of the preservation projects that are in our
11 program.

12 The way that we identify the specific projects
13 itself is two-fold. ADOT has a pavement management system,
14 which is the technical side of what's the pavement data look
15 like, and they'll say that these are the projects that they feel
16 have the most immediate need for preservation of the system. We
17 run that through the P to P process then, which looks at, you
18 know, economic development and some of the specific policy goals
19 that we have. We balance those out, and we'll come up with the
20 individual projects, where we think they should land in between
21 the fiscal years.

22 Going on to the modernization program, you can
23 see an example of modernization is on 264, the (inaudible) to
24 Fish Wash project, construct shoulder widening. Now, the reason
25 that this is a modernization project is -- it's a safety type of

1 project. It's one of the specific -- I don't want to lose the
 2 term, but it's one of the specific areas of focus in our
 3 strategic highway safety plan to stop run-off-the-road types of
 4 accidents and so vehicles have room to correct. So this is a
 5 modernization project, and it helps the overall safety of the
 6 system.

7 As well, on many of our rural highways, as you
 8 have driven, you'll notice that we have very little shoulders in
 9 many cases, and this is an area that we see that we need
 10 improvements on. So some of -- these are some of the types of
 11 individual projects. You may see construction of roundabouts
 12 and rock fall mitigation and then things like installing
 13 variable message signs. These are the types of examples of
 14 specific modernization problems that we include and the amounts
 15 for the program itself.

16 And then we go on to the expansion projects. So
 17 these are the expansion projects that we have identified in the
 18 program. We just went through those a second ago, Thousand
 19 Trails and the 347 project and 189 and the Junction 89 project,
 20 but what this shows you is the specific year, the amount, and if
 21 it's -- the type of work. So it's either the construction of
 22 the project, if it's right-of-way or environmental or the design
 23 of the project. This is all how it shows up. And then you'll
 24 see the US-93 to Cane Spring projects. This is in FY '19.

25 So in summary, what we do every year is go

1 through and update our overall project costs, and we do that so
 2 that -- we have the most updated information when we're
 3 developing our program. We don't want to leave a project either
 4 under or overfunded during the process. So we pay specific
 5 attention to the first year of the program, but we look at every
 6 project in the program. So this -- the activities we've done, I
 7 will say if you look down to the US-93 project, that should not
 8 say Carrow Stephens (phonetic). It should say Cane Springs.
 9 That was a design project in FY '19. The Carrow Stephens
 10 project is already designed, and it's currently in the program.

11 Moving on to our development program, again, this
 12 is an amount of funding that we (inaudible) we proposed into
 13 (inaudible) these categories, preservation, modernization and
 14 expansion. The projects that we talked about in the development
 15 program, you can see an example in FY '21, the I-15 Bridge
 16 Number 7 shows up as a preservation project. This is a
 17 (inaudible) preservation project, and it's a \$26.7 million
 18 project in FY '21. And then if you go to the very end on FY
 19 '25, the I-15 climbing lanes, those are a modernization project,
 20 and specifically based on safety that was recommended in the
 21 investment study itself.

22 The major projects that we would recommend in the
 23 development program, the 189 project last year was in FY '21.
 24 It remains in FY '21 this year. We feel comfortable that that's
 25 when the project will be ready to be delivered, and that's a \$64

1 million project.

2 The I-10, SR-87 Picacho projects, \$85 million.
3 That was in FY '22 last year. It's the same here, in this year.

4 FY '23, we recommend the I-10 to (inaudible)
5 project. It was the same last fiscal year, and we'd recommend
6 in addition to that the US-93 Carrow Stephens projects, which
7 the current cost estimates are \$31 million in FY '23.

8 We follow that up with the US-93 Cane Spring
9 project at \$45 million in FY '24.

10 Then lastly, the SR-260 Lion Springs project is
11 \$45 million, and that will be in FY '25.

12 So those are the major projects that staff would
13 recommend moving forward with.

14 Just share that's the greater Arizona piece.
15 Next I'll move into the PAG 10 program.

16 MS. BEAVER: I would like to on -- on the greater
17 Arizona.

18 CHAIRMAN ANDERSON: Ms. Beaver.

19 MS. BEAVER: With regard to the US-93 Carrow
20 Stephens, that was originally in the FY '14, '18, and then it
21 was totally moved out, and then in the FY '15, '19, it was put
22 in at the 2022. When it was originally in there, there must
23 have been a reason for it to have that priority, and I realize
24 that -- I believe it was the US-60, Show Low, Little Mormon Lake
25 was when it was kind of swapped. I guess there's only so many

1 dollars to go around. I was just wondering with that piece,
2 because it is more rural, why the significance? And now it
3 looks like we've moved it as prospective back to 2023 -- or out
4 to 2023.

5 MR. OMER: Yes, ma'am. So -- and I'm going to
6 take this off of my remembrance, so it might be a little skewed.
7 But I think we actually moved the Carrow Stephens project out so
8 that the SR-260 --

9 (Speaking simultaneously.)

10 MR. OMER: -- the I-17, Thousand Trails project
11 would be moved in. That was a \$62 million project, and that's
12 when we moved it out. It was to make room for that project.

13 Now, whether it's in FY '22 or FY '23, that's
14 where we have funding available for it. The board would make a
15 decision to move projects around.

16 The department's view on this is that if you look
17 at the I-10 corridor versus the US-93 corridor, if you just look
18 at, you know, the traffic volumes, you know, accidents and the
19 amount of freight and economic development that are on between
20 the two corridors, it really isn't that close. The I-10
21 corridor is a much higher priority, not only to the board, but
22 to the department and the state. So that's why we would have
23 those projects earlier on.

24 We did feel very strongly about bringing that
25 project back in, into the program. We thought we had capacity

1 in FY '23. That's why it wound up in that fiscal year. I would
2 say, again, this is staff's recommendation. I'm glad we're
3 having the conversation today, you know, with the board, but we
4 would -- if we were strictly speaking, you know, the I-10
5 corridor is much more a higher priority to the department, to
6 the state, and there was a board priority on it as well in past
7 years.

8 MS. BEAVER: I just find it interesting. Now
9 it's at '31 and it was, I believe, '21.

10 MR. OMER: '22.

11 MS. BEAVER: '22.

12 MR. OMER: Yes, ma'am. I can address that.

13 So remember what I did say is we update the
14 project costs every year. The US-93 Carrow Stevens project is
15 -- I'm looking (inaudible) still here. I think it's just about
16 fully designed or it's very close to being fully designed. So
17 we have a very good handle on the overall cost of the project
18 itself. Some projects, as they're earlier in the development
19 phase of the project, you know, we will have an instance where
20 we're constantly adjusting the cost, you know, during the
21 development process. But this project is pretty close to being
22 fully designed, and we're very comfortable with the overall
23 construction cost estimate, and that cost estimate, I'm
24 assuming, would also include all the development costs, so the
25 right-of-way and any of the other environmental clearance fees

1 that would be included. I don't know that specifically, but
2 that's my understanding. So we did update the cost. That's the
3 number we come up with.

4 MS. BEAVER: Thank you.

5 CHAIRMAN ANDERSON: Thank you. Further questions
6 of Scott?

7 MR. LA RUE: This is Joe La Rue.

8 So I don't know if it's a question more than
9 maybe how you can help us next time with some of the
10 information. You know, as you know, we're really trying to push
11 the cross border agenda, and so the way this booklet is
12 structured, I can pick out pieces that says, okay, I see how
13 we're promoting that agenda. It might be nice if you could in
14 some -- some organized format really show how these -- whether
15 it's a preservation, expansion, modernization project, whether
16 it's in this proposed five year or in the developmental
17 five-year after that, how are we -- how are we moving that
18 agenda forward with these different projects?

19 And I think what you just mentioned was what I'm
20 trying to key on is, you know, the US-93, if that's all you're
21 thinking about, you say, well, that's important for, you know,
22 creating a corridor and making sure it's a safe corridor. But
23 at the same time, before they get there, they're coming up I-10,
24 and I-10 needs improvements. So we're really looking to you to
25 say, you know, here is the series of improvements that you

1 recommend to move that agenda that we're all promoting around
2 the state to say how to grow trade in the state of Arizona.

3 MR. OMER: Mr. Chair, Mr. La Rue, it's a great
4 question. I appreciate the feedback.

5 So in our prioritization process, and I wish I
6 had I had it in front of me to tell you whatever one of those
7 specific priorities are, we do look at those -- the things that
8 you talked about, you know, the overall, you know, general
9 transportation types of information that we need to make a
10 decision. So the amount of traffic that's on the facility, the
11 amount of truck percentages and the total traffic truck volumes,
12 safety of the facility, so the number of accidents, fatalities
13 and the likelihood of accidents and fatalities.

14 And then we also look at other things like
15 economic development potential, and that's specifically where
16 areas like the promotion of trade and moving projects across the
17 border, moving projects along our key commerce corridors, which
18 you know our interstates and US-93 and I-19, for example, those
19 are all included.

20 So while those are not the reason we select a
21 project, it does actually come into our prioritization process
22 to make sure that they're included. The exact reason, **you know**,
23 that separates US-93 and I-10 is -- really it's math. If you
24 look at the I-10 corridor, it probably carries, as an example,
25 five times the amount of traffic along that section of the

1 corridor, if not more, and the truck percentages would be triple
2 the amount. You know, then you start looking at safety and
3 those things in particular is the reason that I-10 would be a
4 much higher rated priority versus US-93, and that will go along
5 any corridors you look at. So those are just some of the
6 criteria we would view.

7 What we can do is give you a little bit more
8 detailed look and provide some of our backup information for the
9 -- for your information before, you know, the next meeting where
10 you're adopting a draft program or the tentative program that
11 shows some high level look at what some of the specific criteria
12 and prioritization process was. So I look back to Mike Keis,
13 he's in the audience, so we'll pull that together and ask for
14 it, and expect me to send that out to you guys.

15 MR. LA RUE: Yeah, I would greatly appreciate it.
16 Thank you for that.

17 And then as I think about our DPS conversation
18 this morning, how does DPS play into what we're, you know -- how
19 do they have a voice in -- or at least what they see on the
20 highway? I mean, they're -- they're a primary user.

21 MR. OMER: Right. (Inaudible). I thought it was
22 a statement.

23 MR. LA RUE: No.

24 MR. OMER: That was a question.

25 So Mr. Anderson, Mr. La Rue, we -- I guess I

1 would say that we probably don't have a direct conversation with
2 the DPS, but we do have direct conversations with our operations
3 side of the house, which include our districts, which are in
4 constant contact with DPS. They're the people that, you know,
5 are often out doing traffic control for DPS. They see the exact
6 same accidents when the roads are closed. So they're very
7 familiar with the process, and many especially of our rural
8 districts, and even here in the Phoenix metro area and Tucson,
9 the working relationships between the district offices are --
10 you know, emergency response teams and DPS are very, very good.
11 So there's always an open line of communication.

12 While we don't go to DPS and say, can you give us
13 an example of the project you think we should include in the
14 program this year, I would say that they're still, you know,
15 involved in the process from the outside. They would look at
16 our list of projects as well and identify, yeah, these are
17 really the facilities that have the highest accident potential.
18 Again, this is just a very high cross-section look. It's not
19 all the individual projects. While there may be some individual
20 corridor with a much higher accident rate or something, as an
21 example, they probably wouldn't have all the other criteria that
22 we look to to move it forward to the front.

23 CHAIRMAN ANDERSON: Scott, when we were in
24 Cottonwood several months ago, there's a lot of appreciation for
25 the Thousand Trails project moving forward, and you've always

1 talked about that corridor, and specifically the Lion Springs
2 being a major part of that 260 corridor for transit as well as
3 economic development. How do we keep that project, not in the
4 limelight, but in -- you know, kind of on the side burner, and
5 whatever needs it needs in terms of engineering, feasibility
6 studies, whatever it might need? How do we keep that from not
7 -- pushed out even further?

8 MR. OMER: Mr. Chair, the first step is keeping
9 it in the development program, and that's our recommendation.
10 That really is our placeholder. That's -- you know, this is our
11 business plan about the upcoming projects that we're going to be
12 including. That specific project, I don't recall if we -- I
13 know, of course, we've done the preliminary engineering on the
14 project in the past, and we've had DCRs and some preliminary
15 environmental work. I'm not sure if we've ever started the
16 design on the project at all. Dallas says we haven't.

17 But if that project is programmed in FY '24 in
18 the development program, you can realistically look at four to
19 five years in front of that, we'd probably bring in -- start the
20 beginning of the final design of it. So it wouldn't show up in
21 this five-year program. It may show up in -- at the end of next
22 year's five-year program or the one after that.

23 How do we keep it there? Staff has it in the
24 front of our mind. It's moving forward in the process, and it's
25 really transportation board as well. If their priorities don't

1 change, this board -- prior boards (inaudible). We agree that
2 we should get some of these corridors completed, if possible.

3 CHAIRMAN ANDERSON: Thank you. Other questions?

4 MR. OMER: Mr. Chair, so we'll move on down to
5 the PAG and MAG (inaudible). This is very brief compared to
6 what we do for greater Arizona. Really the things that we
7 talked about is -- we have a lot of collaboration with PAG
8 first. PAG, we sat down -- my staff and the district itself
9 sits down with PAG staff and goes through the tentative program
10 and really what PAG regional council feels is appropriate for
11 inclusion into the program. We do that on an annual basis with
12 PAG and MAG both.

13 PAG regional council approved these specific
14 projects and this specific, I guess, tentative program, and
15 there (inaudible) approved by regional council on January 22nd.
16 So it's already been through the regional council.

17 Mr. Christy, I do apologize. I wasn't aware that
18 you didn't get the program up front. So we'll make sure that we
19 e-mail it to you after its over. But you were -- I'm sure you
20 were at the regional council meeting in January, and really what
21 we're doing in FY '16 and '17, through FY '19, is incorporating
22 the projects that were in the previous programs. I don't know
23 if there were any very large changes to what was in the program
24 last year, but what was improved in '16 and '17 was the I-10,
25 Ina Road project, and then the I-10 Houghton Road project in FY

1 '16 through '19.

2 So when they have two years like this, the first
3 year of it will be development of the project, and the last year
4 will be construction of the project. Oftentimes you'll see the
5 project split in half, and it will be phased construction. You
6 know, part of the project will be one year and part the next.
7 But this is -- covers the design and the construction of those
8 projects.

9 FY '17 and '18 is the I-10 Ruthrauff TI. FY '18
10 and '20 is the I-10 Country Club Road TI. I-10, '19 and '20 is
11 the I-10 (inaudible) Road TI of the design and right-of-way, for
12 a total of \$14 million. You go down the list. This is the
13 projects that have the region -- (inaudible) important, the
14 district agrees as well as the staff. So this would be our
15 recommendation as we proceed forward.

16 And like I said, I'll make sure that we get this
17 to Mr. Christy so he has a chance to look at it.

18 We also see --

19 MR. CHRISTY: Mr. Chairman.

20 CHAIRMAN ANDERSON: Mr. Christy.

21 MR. CHRISTY: I appreciate the fact that I'll get
22 all that information. One thing I just want to interject at
23 this point, PAG regional council did send ADOT and the board a
24 resolution regarding the Sonora corridor, and I just want to
25 make a note that I'll be looking for a resolution to be passed

1 by the board, hopefully by the February meeting. I think
 2 everybody should have a copy of the resolution regarding that
 3 project of the Sonoran corridor. So I just want to give the
 4 staff a heads up that I will be looking to hopefully get that
 5 agenda item for February.

6 MR. OMER: Yes, sir. And then I want to point
 7 out now if we look at the bottom of the screen, we talked about
 8 preservation, modernization and expansion, and if you look in
 9 the region, you know, about 95 percent of the projects in that
 10 region are in expansion. Yes, we do go through and we have
 11 preservation projects in there. Those generally show up on the
 12 statewide side, greater Arizona.

13 The MAG program, we're not as far along in
 14 coordination with MAG. What -- I guess I shouldn't put it that
 15 way. We're very far along in the coordination with MAG. The
 16 approval process is not as far along. So I believe what
 17 (inaudible) told me is next week will be the first committee
 18 meeting, TRC that will go through these recommendations. MAG
 19 regional council would go to (inaudible) on February 26th, which
 20 is after our meeting; however, that's not uncommon that we've
 21 done that in the past, that we would bring projects into the
 22 tentative program before they have final approval through the
 23 regional council.

24 So we have continuous communication with MAG,
 25 both at -- through the planning division and through the Phoenix

1 **district office**, but also Ms. Ward has a conversation on a
 2 regular basis with MAG about cash flow and those types of
 3 issues. Those all come into coordination when you talk about
 4 the projects and the program. So, you know, 97 percent of their
 5 program is really about expansion of the system. The SR-202
 6 loop, the South Mountain project is really the lion's share of
 7 that program, with a total of \$1.14 billion.

8 The other projects, the US-60 Thompson Road TI,
 9 the 303 I-10 interchange is -- the next phase of that project
 10 will go south of I-10. The -- in FY '16 through '20, the I-10,
 11 32nd Street, the SR-202 loop, and then last in FY '20, the US-60
 12 Crimson Road to (inaudible) TI. The projects that would be in
 13 the MAG regional program.

14 MR. LA RUE: You know, Scott, and I noticed that
 15 you mentioned Thompson Ranch TI, but I think there's also a Bell
 16 and Grand overpass. And maybe that's in more detail, but that's
 17 something that I know the area is interested in.

18 MR. OMER: Mr. Chair, Mr. La Rue, Mr. Hammit has
 19 pointed out that's in this fiscal year.

20 MR. LA RUE: Oh, that's in this year? Okay.
 21 Thank you. Wow. (Inaudible) mouth shut.

22 (Speaking simultaneously.)

23 MR. LA RUE: **The chair said I better attend the**
 24 meetings.

25 CHAIRMAN ANDERSON: Mr. Cuthbertson.

1 MR. CUTHBERTSON: I just had a question. I guess
2 I'm trying to understand these graphs, make sure I kind of
3 appreciate. You said something on the MAG region. So you see
4 such small preservation percentages in the MAG and the PAG
5 region. Are part of those preservation dollars what we see in
6 the graph of the state wide?

7 MR. OMER: Mr. Cuthbertson, I'm pretty sure they
8 are. They show up in the statewide percentage. The other
9 reason why a lot of the MAG region, specifically, and some of
10 the PAG region -- you'll see, like, the preservation number is
11 much lower -- is the system is much newer, and we haven't gotten
12 to the point of really the critical necessity for preservation
13 to the magnitude that we do in greater Arizona. However, that
14 day is -- it's not sneaking up on us. It's getting here really
15 quickly that we -- we'll have to make those conscious efforts as
16 regions and as the State's preserving those systems, or it could
17 come back later on.

18 I know we've had the conversations with MAG and
19 PAG as well about -- and they are aware, and they take that into
20 consideration about preservation is something that's vitally
21 important. Here in the valley, you know, we talk about
22 preservation projects, and again, I don't think it's gotten to
23 the critical mass point yet. Dallas and Floyd might disagree,
24 but it's really getting to that point. We have -- we're going
25 to have to take that into consideration.

1 MR. OMER: Moving on to the airport program. So
2 the FY '16, '20 airport tentative program we recommend does take
3 into consideration the \$15 million sweep that from the State
4 Aviation Fund. Mr. Klein had this program put together
5 completely well in advance of this and then had to go back and
6 send it back out to re-look at it after the proposed sweeps of
7 \$15 million in the budget.

8 So those are included in this estimate or this
9 tentative program. These are the specific statutes that cover
10 the state aviation program and the board requirements for these
11 programs. The revenue that comes in in FY '14 was about
12 \$24-and-a-half million, with about 50 percent of that coming
13 from flight property taxes, or \$12 million. So this is
14 specifically where the revenue comes in to support the program
15 itself. And then the next largest, of course, is the aircraft
16 registration fees.

17 The expenditures that would go out in FY '14, the
18 example is 61 percent went out to the Airport Pavement
19 Management System. So basically preservation of the runways and
20 preservation to the airports is how we expand the majority of
21 the funding.

22 The federal, state and local is really about when
23 we provide the match on -- for the federal grant. So you'll
24 see -- for example, if you think about PPAC items that you
25 approve on a regular basis, there will be an FAA portion, a

1 federal share of a loan. I'll use \$10 million as an example.
2 And then you'll see a state and local share. That's how we're
3 paying for the state and local share, out of this, and then the
4 other 14 percent is if there is no federal aviation percentage,
5 and I hope I got that right. And if I didn't, Mr. Klein will
6 correct me, so...

7 You'll see in the -- what we're presenting or
8 proposing for FY '16, we're not presenting any funding for the
9 Airport Development Loan Program. While that may look harsh, we
10 really haven't been expanding very much in the loan department
11 anyway. So we zeroed that out to help with the overall proposed
12 sweeps in the program.

13 So what we would do next is, again, ask you again
14 today for comments on what we've done so far, what you want us
15 to incorporate and include. We would move forward with
16 finalizing a tentative program to the board and present that to
17 you in February in Clifton. If the board approves the tentative
18 program, at that point we would go out to our three rounds of
19 public meetings in Tucson, Phoenix and Chino Valley in March,
20 April and May, and then present the final program to the board
21 in June. And then that's it after the governor signs it.

22 So that's our process. That completes the
23 presentation part. So Mr. Chair, any questions, I'll be glad to
24 answer.

25 CHAIRMAN ANDERSON: Scott, are you still planning

1 a work session after the May 15th board meeting like we did last
2 year?

3 MR. ROEHRICH: Mr. Chair, that is correct. There
4 is a study session after the May board meeting that month, the
5 last week of May, and that will be to have the board's
6 discussion about the comments they've seen in the public
7 hearing, any adjustments you want to look at before we finalize
8 it for a June action.

9 MR. OMER: Mr. Chair, I will make sure that we
10 include that on this slide. You see this every month, so I'm
11 glad you brought it up. That was a very helpful meeting last
12 year.

13 CHAIRMAN ANDERSON: Yeah.

14 MR. OMER: As this one, the beginning and -- kind
15 of starting and ending the process with the study session was
16 very helpful for us.

17 MR. LA RUE: Mr. Chair, if I may?

18 CHAIRMAN ANDERSON: Mr. La Rue.

19 MR. LA RUE: You know, Scott, I lose track of
20 this every so often, and I think every time I mention it, you
21 remind me, but, you know, in Wickenburg, every time we go out to
22 Wickenburg in there, it seems like we hear from the town about
23 just north of Wickenburg on US-93, the road narrows, and then it
24 opens up and there's a gap, and then there's new development
25 there. Are we actively addressing what the issues are going to

1 be there when that new development comes online and when we fix
2 some of 93 to the north? It seems like there's going -- you
3 know, we keep hearing about there's an issue from Wickenburg,
4 so...

5 MR. OMER: Mr. La Rue, Dallas saw me squirming,
6 so he's going to come up and talk. He knows me. He knows that
7 I was going to struggle. I was going to make something up,
8 so...

9 MR. HAMMIT: Mr. Chairman, Mr. La Rue, on that
10 the district is working with that developer. In each of the
11 years you saw on the modernization, we have a minor projects
12 program, and these are small projects that the district competes
13 for. There's \$20 million total. We used to divide that up, and
14 they found a way to do it -- well, we found out we couldn't
15 build a road project with that small amount of money. So we put
16 it all in one pile, and each district competes for that.

17 The Prescott district, we're -- that project's
18 in -- has been competing working with that developer, leveraging
19 funds to expand. To do the ideal project, we would get a big
20 chunk of money and go from the interim bypass all the way down
21 on 89, but we're doing it in small chunks until we get that big
22 chunk.

23 MR. LA RUE: Okay. Thank you.

24 MR. HAMMIT: So we are focusing on that.

25 MR. LA RUE: Thank you.

1 MR. OMER: And that kind of jogged my memory,
2 Mr. Chair, Mr. La Rue. The District Minor Program is something
3 that's invaluable to the districts. I'm sure that all of you
4 have been approached by your district engineers in the past.
5 They've heard about the District Minor Program.

6 How we address that is if -- Lynn, can you find
7 the development program for me real quick?

8 UNIDENTIFIED SPEAKER: In here?

9 MR. OMER: Yeah.

10 So in the development program itself, we
11 actually, in the modernization category -- back up one -- in the
12 modernization category, you can see, for example, in FY '21
13 through '24, there's \$60 million. For this purpose, we include
14 that District Minor Program there. So there's about \$20 million
15 a year set aside in the modernization pot for the specific
16 District Minor Program. And as Dallas said, that's a
17 competitive process. Not that -- when we say "competitive," we
18 let all the districts put in their idea for what the best
19 projects should be, and then there's a selection panel from the
20 state engineer's office that includes, you know, planning as
21 well. We short list that, and then we bring (inaudible)
22 recommendations back to the board for approval and inclusion in
23 the program. So that's included in the modernization pot.

24 CHAIRMAN ANDERSON: Okay.

25 MR. CHRISTY: Mr. Chairman.

1 CHAIRMAN ANDERSON: Mr. Christy.

2 MR. CHRISTY: Scott, it's probably in your
3 presentation packet. I don't have it before me, obviously, but
4 the EIS event for (inaudible) connectivity from Phoenix to the
5 border that we were able to accrue funds, how does that fit into
6 the five-year plan, or where does it fit into the five-year
7 plan?

8 MR. OMER: Great question, Mr. Anderson --
9 Mr. Chair and Mr. Christy. It's not in this tentative program
10 because it was in last year's actual program. So if you
11 remember, Mr. Christy, when you as a board chair and as this
12 board approved that project in December in Tucson, that
13 effectively put it in the FY '15 to '19 --

14 (Speaking simultaneously.)

15 MR. OMER: -- program. So it won't show up in
16 here. It's in the current program. Does that answer your
17 question?

18 MR. CHRISTY: Okay. So it was programmed out.
19 It's been programmed out then.

20 MR. OMER: Yes, sir. And we're still moving
21 along the path of having the project -- scope of the project out
22 in the spring, in the March time frame, and then award it before
23 the end of this federal -- state fiscal year, sorry, in June.
24 So that's when the project would get underway, but it's been in
25 the FY '15 to '19 program.

1 MR. CHRISTY: Okay. I appreciate that
2 clarification. Thank you.

3 MR. OMER: Yes, sir. That's a good question.

4 CHAIRMAN ANDERSON: And Scott, that's one that
5 came up in PPAC, right?

6 MR. OMER: Yes, sir.

7 CHAIRMAN ANDERSON: EIS.

8 Further questions, comments from the board for
9 Mr. Omer?

10 Scott, are you pretty much --

11 MR. OMER: Thank you, sir.

12 CHAIRMAN ANDERSON: That's it. Thank you.

13 MR. ROEHRICH: Mr. Chair --

14 CHAIRMAN ANDERSON: Mr. -- Floyd.

15 MR. ROEHRICH: Just as a follow-up, as Scott had
16 outlined on the next steps, I did want to remind any -- the
17 board members, as you go back and you start looking through the
18 detail, and if you've got questions, please give myself or Scott
19 a call on that. And individually, we'll try to, again, answer
20 any questions to help you get prepared, so at the February board
21 meeting when we do bring to this board the motion or the action
22 to approve the tentative -- start the process, we can finalize
23 any other comments or discussions you may have to make sure it's
24 clear in your mind exactly what this tentative is that's going
25 to the public, all the public hearings.

1 And then as we've already identified in late May,
2 we'll have another study session to address anything you've
3 heard from the public, as well as any other questions you may
4 have developed over time as you've continued to hear the
5 program. So again, we're going down to the start of the public
6 hearing process, but we will have a chance -- or this board,
7 this board will have a chance to make any final questions,
8 reviews or adjustments prior to approving that in June of this
9 year.

10 CHAIRMAN ANDERSON: Anything else from the board?
11 If not, I'll entertain a motion for adjournment.

12 MS. BEAVER: You know what --

13 CHAIRMAN ANDERSON: Okay.

14 MS. BEAVER: I only want to follow up on
15 Mr. Christy's, Chairman. He was wanting the item on the agenda
16 for --

17 CHAIRMAN ANDERSON: The resolution.

18 UNIDENTIFIED SPEAKER: (Inaudible.)

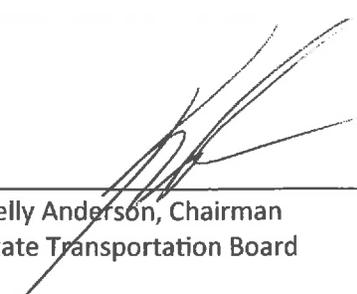
19 CHAIRMAN ANDERSON: Yeah.

20 MR. ROEHRICH: Mr. Chair, Ms. Beaver, we don't
21 set the agenda in this meeting, but we have an agenda setting
22 meeting with the board chair, and I expect at that time we'll
23 address those issues.

24 (End of excerpt.)
25

A motion to adjourn was made by Steve Christy and seconded by Bill Cuthbertson. In a voice vote, the motion carries.

Meeting adjourned at 11:15 a.m. MST



Kelly Anderson, Chairman
State Transportation Board



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