

MINUTES
STATE TRANSPORTATION BOARD MEETING
9:00 a.m., Friday, November 20, 2015
Town of Parker
Council Chambers
1314 11th Street
Parker, AZ 85344

Pledge

The Pledge of Allegiance was led by Board member Deanna Beaver.

Roll call by Board Secretary Mary Beckley

In attendance: Kelly Anderson, Joe La Rue, Deanna Beaver, William Cuthbertson, Jack Sellers and Michael Hammond

Absent: None.

Opening Remarks

Chairman Anderson thanked Town of Parker/Mayor Beaver and Lori Wedemeyer, Town Manager for the hospitality shown to the Board for tour of all of the great projects happening in and around Parker, as well as the dinner at the beautiful Havasu Springs Resort. The Board appreciates the Town hosting the board meeting.

Call to the Audience

The following member of the public addressed the Board:

1. Dan Beaver, Parker Mayor, re: welcome to board; extend appreciation to ADOT for projects and partnerships over a few years, Colorado bridge dedication in 2014, welcoming addition; California Ave. Spur 95 sidewalk enhancement project; port of entry modernization; overhead signage and lane widening; mentioned Parker 425 off road race, Mayor Beaver has promoted and entered 40 consecutive years in the race and only place race for three blocks on city streets, bringing 50,000 people to Parker for four days; commended Paul Patane and appreciation for his work.
2. Skip Becker, President/CEO La Paz Economic Development Corporation, re: Roseacre Farms (RAF) many site plan revisions in October; ADOT staff/Yuma office went out of their way to help with the RAF project due to change in business and industry wasn't able to apply for grant; will not waste time once the roads and plans are finalized.
3. Chris Bridges, CYMPO Administrator, re: Willow Creek Road realignment moving dirt; 89 design is at 30 percent and thanked ADOT and Board for that project; appreciate ADOT partnering with State Parks on the Yarnell Hill Memorial Trail and parking lot projects.
4. Christian Price, City of Maricopa Mayor, re: Maricopa won Tiger Grant of \$15 million and huge win to apply that grant toward the 347 overpass; applied seven times and finally won it, very competitive area with over hugely competitive – \$500 million awarded, over 10.1 billion in requests over 50 states; awarded 39 projects in 34 states; important for safety purposes; thank to Board and all involved.
5. Guillermo Valencia, Chairman of Greater Nogales Santa Cruz Co. Port Authority, re: reaffirm support and advocate for improving SR189; exports for first half year up \$750 million from last year and close to \$10 billion in exports by end of year; biggest challenge is all growth needs the infrastructure; invest in Mexico will help AZ economy; ports are gaining recognition; turned in resolution adopted by many MPOs in support for acceleration of the SR 189 Project in the five year plan.

STATE TRANSPORTATION BOARD MEETING - NOVEMBER 20, 2015

INDEX

PAGE

<u>ITEM 1: DISTRICT ENGINEER'S REPORT (Paul Patane)</u>	3
<u>ITEM 2: DIRECTOR'S REPORT (Floyd Roehrich, Jr.)</u>	10
<u>ITEM 3: CONSENT AGENDA</u>	11
<u>ACTION TAKEN</u>	
MOTION TO APPROVE CONSENT AGENDA	13
<u>ITEM 4: LEGISLATIVE REPORT (Floyd Roehrich, Jr.)</u>	13
<u>ITEM 5: FINANCIAL REPORT (Kristine Ward)</u>	17
<u>ITEM 6: MULTIMODAL PLANNING DIVISION REPORT (Michael Kies)</u>	22
<u>ITEM 7: PRIORITY PLANNING ADVISORY COMMITTEE (PPAC) (Michael Kies)</u>	38
<u>ACTION TAKEN</u>	
MOTION TO APPROVE PROJECT MODIFICATIONS 7a through 7d	38
MOTION TO APPROVE NEW PROJECTS 7e through 7m	40
MOTION TO APPROVE AIRPORT PROJECTS 7n through 7u	40
<u>ITEM 8: STATE ENGINEER'S REPORT (Dallas Hammit)</u>	40
<u>ITEM 9: CONSTRUCTION CONTRACTS (Dallas Hammit)</u>	41
<u>ACTION TAKEN</u>	
MOTION TO REJECT BID AND APPROVE ITEM 9a	42
MOTION TO APPROVE ITEM 9b	43
MOTION TO APPROVE ITEM 9c	45
MOTION TO APPROVE ITEM 9d	46
MOTION TO APPROVE ITEM 9e	47
MOTION TO APPROVE ITEM 9f	48
<u>ITEM 10: DRAFT 2016 BOARD MEETING AND PUBLIC HEARING DATES/LOCATIONS</u>	48
<u>ACTION TAKEN</u>	
MOTION TO APPROVE 2016 BOARD MEETING SCHEDULE.....	48
<u>ITEM 11: SUGGESTIONS</u>	50

1 (Beginning of excerpt.)

2 CHAIRMAN ANDERSON: That concludes the call to
3 the audience. District engineer's report. Paul Patane. You're
4 welcome.

5 MR. PATANE: Good morning. Thank you, Mr. Chair,
6 members of the Board. Welcome to Parker, and welcome to the
7 southwest district. Today I'm...

8 UNIDENTIFIED SPEAKER: (Inaudible.)

9 MR. PATANE: Today I'm going to give you a
10 presentation on happenings within the district. My focus will
11 be on La Paz County. As you're aware, that the Board will come
12 to the southwest district in January, so on January leading up
13 to ADOT projects in the Yuma and Maricopa County areas.

14 So under construction, currently we have four
15 projects under construction in diverse areas within the county.
16 They range from pavement preservation to the port of entry to
17 the safety improvements. This is on I-10 near Vicksburg,
18 Vicksburg Junction, the community of Vicksburg. It's a pavement
19 preservation along the Interstate I-10. As you know, we're
20 committed to preserving our interstates and maintaining the
21 mobility throughout our region. Projects like this definitely
22 are big boosts to the roadway system all with the district. So
23 we're near completion. We're just doing the final pavement
24 markings, doing installation, and it should be completed by the
25 first of the year, end of the year.

1 The next project, I think you all had a tour on
2 it, it is (inaudible) Springs Road. This is a safety project
3 that was eligible for HSIP funds, and so we're -- started it
4 this summer, and expecting completion after the first of the
5 year. We're close to 50 -- 70 percent complete. We're
6 installing turn lanes to help access (inaudible) this area.

7 Next is one of our bigger projects at the
8 Ehrenberg port of entry. The port of entries are critical to
9 our mission as an agency and protecting our infrastructure.
10 This is a -- phase one is what we're under construction. Phase
11 two is a design, and this project's a little over \$9 million.
12 Progressing well. They started doing the (inaudible) pavement
13 this week. We're looking at a new building, inspection
14 building, along with increased parking for the projected traffic
15 numbers along I-10.

16 This is the Parker port of entry. You might have
17 heard of this project already earlier today, but this is a
18 remodel, and part of remodeling is to include infrastructure for
19 new technologies. As you know, our folks at ECD are adopting
20 new types of technologies, and so your buildings, your
21 infrastructure have to have this setup in the buildings to make
22 (inaudible), and they can make sure the trucks that come into
23 our region are compliant.

24 Now, local government projects that we have on
25 their way, we're responsible for administration of the local

1 projects. They're important to the communities. They're small
2 on dollar wise, but they do have significant impacts to the
3 communities as far as enhancements. And projects, sometimes
4 really we oversee the design and the construction, and that's
5 the case in these three projects where ADOT did the design and
6 administering construction.

7 The first one is -- was mentioned earlier, also,
8 today. It's within Parker along 95 alternative route, 95 Spur,
9 and it's an enhancement to help pedestrians and pedestrian
10 traffic to access businesses. To start it, we just got underway
11 and should be completed by late spring.

12 This one's within the town of Quartzsite. It's
13 called a (inaudible) binding project, (inaudible) binding sign.
14 It helps you to -- the purpose of the signs is to help you get
15 to destinations, and this particular destination is (inaudible).
16 This is where back in the -- I believe in the Civil War, we had
17 camels here training and were -- I don't know if it was the
18 Civil War. It was back in time where we had the military trying
19 out camels in the region. And so part of the project is also
20 some landscape improvements, some bus shelters, because
21 Quartzsite is -- has kicked off a transit feasibility study. So
22 they have some shelters to accommodate pedestrians as they walk
23 through the (inaudible).

24 MR. ROEHRICH: Oh, is that an enhancement
25 (inaudible)? Is that (inaudible)?

1 MR. PATANE: Yes.

2 MR. ROEHRICH: Okay. (Inaudible.) I just want
3 to make sure the Board -- we're not putting highway money
4 (inaudible).

5 (Indiscernible conversation.)

6 MR. PATANE: It's one of the good attractions of
7 Quartzsite. A lot of (inaudible) go there, and they look up the
8 history, just like -- the history just like when they come to
9 Parker, the history is important.

10 MR. HAMMIT: How is it (inaudible)?

11 MR. ROEHRICH: Well, Mr. Chair Mr. Hammit, and
12 Mr. Hammond, the funding (inaudible) transportation has the
13 money, which is used -- it's a small pot of money that we get
14 through the federal aid. It could be used for
15 transportation-related activities, usually at the local level,
16 although we do at ADOT have done some enhancement projects
17 through that as well. But it is money that goes for specific
18 things like this. Repurposing, you know, old, like, railroad
19 stations or old buildings and the things like that that are
20 transportation related provides a small amount of money. It
21 does come through the board (inaudible) projects.

22 MS. BEAVER: I might just (inaudible). This
23 monument was even built by the State Transportation back in the
24 1930s. They -- as the highway system was developing, they built
25 several of them. There's also one in Ehrenberg at the cemetery.

1 So they've got them across the state, these type of monuments.
2 So it was something that the State Transportation Department
3 kind of had an initial investment in.

4 MR. PATANE: Okay. Moving on, this is another
5 project within the Town of Quartzsite. It's one of their
6 arterial streets. It's Blue Mountain Road, and the purpose of
7 the project is to reconstruct almost a mile of streets, along
8 with we also got some funding, Safe Routes to School funding, to
9 create a more safe pedestrian pathway for the students to get to
10 school.

11 Some of the upcoming projects, they range from
12 spot improvements to pavement rehabilitation, along with some
13 interaction improvements. We'll go through those.

14 The first project is on Exit 17 in Quartzsite.
15 The term is the west TI is what the locals use, and the purpose
16 of the project is to do spot improvements, to improve the ramp
17 and improve operations along this area. We have a Love's truck
18 stop. There's a new truck stop being proposed there as well,
19 and so these improvements will definitely help traffic
20 operations, and it's anticipated to go out to bid probably
21 fourth quarter of this year.

22 Again, continuing on with our pavement
23 preservation, this job will end at US-60 junction. We're going
24 to go from US-60 back east and tie up to where we just
25 completed. So the project cost is a little over \$12 million,

1 and we should be advertising here in the fourth quarter of this
2 year.

3 Here's within the Town of Parker. This is toward
4 the south end of town is Mohave Road Indian section, also known
5 as Indian Route 1. The purpose of this project is intersection
6 improvements where we're going to install traffic signals, and
7 so we're expected to start design this -- later this year and
8 get under construction in fiscal year '17.

9 Another project that's under design but is
10 currently not in the program, it's a pavement preservation on
11 State Route 72. It goes from just east of (phonetic) to
12 Vicksburg Road is the project limits. We're looking at doing
13 some pavement rehabilitation for the folks -- local folks. We
14 all know that's heavily used by trucks, oversized loads going to
15 different points, to California and also east through the state.

16 Just real quick, since the last time I talked to
17 you was in Wickenburg last year, just some of our
18 accomplishments, some of the projects that we completed over the
19 last year. I think you had a tour of this one. The big one is
20 the Colorado River Bridge. This is a joint project with
21 Caltrans, and ADOT does pay 50 percent of the cost, where
22 Caltrans is responsible for the administration -- design and
23 construction administration, so (inaudible).

24 This is in Ehrenberg, Exit 1 at Interstate 10.
25 This is on the south side of the interchange. It's a rural --

1 typical rural TI that was modified and included a round -- they
2 built a roundabout on the south side to help improve traffic
3 operations (inaudible).

4 This is again in Ehrenberg, another enhancement
5 project. The purpose of the project was to -- this bicycle
6 multi use path connects to the Colorado River Bridge and takes
7 you into Blythe. So what we did here, we just paved the path,
8 and La Paz County was the sponsor of the project. It's
9 (inaudible) and improve the aesthetics in the area.

10 One of the other projects is a rest area. The
11 rest areas are very important to the public, and we've been on a
12 statewide effort to rehabilitate those, and we get quite a bit
13 of use on (inaudible) keep that infrastructure as well.

14 So this is a quick snapshot of what we spent in
15 La Paz County over the last four -- four fiscal years, just to
16 see we're committed to the investment in the county. We all
17 have other parts within the state, and so (inaudible) over the
18 last few years.

19 Questions? Comments?

20 MS. BEAVER: Mr. Chair.

21 CHAIRMAN ANDERSON: Ms. Beaver.

22 MS. BEAVER: This presentation is going to be on
23 the web site?

24 MR. PATANE: Yes. (Inaudible.)

25 MS. BEAVER: (Inaudible.)

1 CHAIRMAN ANDERSON: (Inaudible.)

2 UNIDENTIFIED SPEAKER: It will be on the Arizona
3 State Transportation Board web site, aztransportationboard.gov.

4 UNIDENTIFIED SPEAKER: On Monday.

5 CHAIRMAN ANDERSON: Further comments or
6 questions?

7 Mr. Patane, on behalf of the Board, (inaudible)
8 staff, and we appreciate all the work that you guys do up here,
9 and keep up the good work.

10 MR. PATANE: Thank you, (inaudible).

11 CHAIRMAN ANDERSON: Director's report. Okay.
12 Floyd (inaudible).

13 MR. ROEHRICH: Mr. Chair, members of the Board,
14 (inaudible) he is having post-operative surgery on his knee. He
15 does expect to only be out for a few days. He said he'll be
16 available by phone, but we do expect him back in next week, so
17 -- a good week or so. So if there's any issue that you do have,
18 (inaudible) him or get ahold of me, and we'll be sure to
19 (inaudible).

20 CHAIRMAN ANDERSON: (Inaudible) report?

21 MR. ROEHRICH: There is no (inaudible) report
22 (inaudible).

23 CHAIRMAN ANDERSON: So no director's report from
24 you?

25 MR. ROEHRICH: Correct.

1 CHAIRMAN ANDERSON: Okay. Consent agenda. I
2 think, Floyd, we had (inaudible).

3 MR. ROEHRICH: Yes, sir. I do want to
4 acknowledge (inaudible) consent agent, but they were doing the
5 change that wouldn't be incorporated. So (inaudible) members of
6 the Board, in the consent agenda, on page 62 of 232, there's a
7 graphic which was identified as part of one of the right-of-way
8 resolutions. That graphic (inaudible), they have corrected
9 that. Mary has incorporated that in the final packet that will
10 be adopted today. So I just want to make sure and just make
11 sure that you're aware that when you approve the consent agenda,
12 there will be a new graphic in there that will change from what
13 was originally sent out, and that will be included in the final
14 recorded (inaudible). So I still think (inaudible) still
15 approve the consent agenda, but that on page 62 of 232, that
16 graphic has been changed (inaudible).

17 CHAIRMAN ANDERSON: (Inaudible.)

18 MR. SELLERS: Item 3J, just a curiosity question.
19 Why is City of Tucson contributing 4 percent to a Maricopa
20 County project?

21 UNIDENTIFIED SPEAKER: (Inaudible) why didn't I
22 (inaudible).

23 MR. SELLERS: 11 of 232.

24 MR. ROEHRICH: On what page is that, sir?

25 MR. SELLERS: 11 of 232.

1 UNIDENTIFIED SPEAKER: (Inaudible.)

2 MR. SELLERS: It's not a big deal, but I -- just
3 curiosity.

4 MR. HAMMOND: (Inaudible) to get full funding of
5 189.

6 UNIDENTIFIED SPEAKER: (Inaudible.)

7 MR. ROEHRICH: Mr. Chair, Mr. Sellers, I -- off
8 of my head, I can't tell you why that funding was set that way.
9 If you want to follow up and not approve this, I recommend that
10 you remove Item 3J from the consent agenda and defer it to next
11 month, and we'll get that answered, or if you're fine -- I just
12 want to know what it is (inaudible). (Inaudible) because it
13 went through financial analysis. I just don't know why
14 (inaudible).

15 MR. SELLERS: I don't have a problem with the
16 project. I'm just curious, so...

17 MR. ROEHRICH: Okay.

18 MR. SELLERS: We can approve it. Okay.

19 MR. ROEHRICH: And I can follow up with the
20 reason why, I guess (inaudible) report back if that would
21 (inaudible).

22 UNIDENTIFIED SPEAKER: (Inaudible.)

23 UNIDENTIFIED SPEAKER: Yeah. I'm assuming Pima
24 County agreed to this.

25 MR. ROEHRICH: Mr. Chair, (inaudible). We don't

1 take their money without them knowing (inaudible). (Inaudible.)
2 We do collaboratively coordinate those financial issues
3 (inaudible).

4 CHAIRMAN ANDERSON: (Inaudible.)

5 MR. LA RUE: I've got to make an ASU, U of A
6 (inaudible).

7 (Indiscernable conversation.)

8 MR. SELLERS: Mr. Chairman, I will move for
9 approval of the consent agenda.

10 CHAIRMAN ANDERSON: (Inaudible.)

11 MR. HAMMOND: Second.

12 CHAIRMAN ANDERSON: Seconded to approve consent
13 agenda (inaudible) by Mr. Roehrich. All in favor?

14 BOARD MEMBERS: Aye.

15 CHAIRMAN ANDERSON: Opposed?

16 Legislative report. Floyd.

17 MR. ROEHRICH: Mr. Chair, again, Kevin
18 (inaudible) make it (inaudible) regret.

19 The really -- probably the biggest issue what
20 we're dealing with at the federal level and throughout
21 (inaudible) MAP-21 funding. Originally the continuing
22 resolution extended funding for the transportation program
23 through today, expecting that the House and the Senate would go
24 through the Conference Committee and reconcile both of the
25 transportation bills that they have been working on. That's did

1 not happen, so this week they did pass another continuing
2 resolution that goes until December 4th. It's like the 35th or
3 36th continuing resolution, but now they've extended it until
4 December 4th, and then they'll continue to work the Conference
5 Committee, come to a final transportation bill that they can
6 send to the President.

7 The expectation is that the bill they're talking
8 about is a six-year bill, but only funding for the first three
9 years. They still have to figure out the funding for the three
10 years at the end of the bill. They are expecting that they can
11 (inaudible) forward with that type of funding and that during
12 the next (inaudible) years (inaudible) figure out how to fund
13 the (inaudible) the last three years of the bill will
14 (inaudible) they move forward into the future. So we're
15 expecting that (inaudible) in a couple of weeks. If not, we
16 anticipate more continuing resolution. So that's all I have on
17 the legislative update.

18 I do have a one (inaudible) questions regarding
19 that. I do have one other issue that Kevin was going to talk on
20 the communication side.

21 On the communication side, in the past we've had
22 a number of conversations with individual board members as well
23 as the whole board member at the study session. I talked how we
24 can continue to improve the flow of communication that comes
25 through ADOT efficiently (inaudible) board members. So Kevin,

1 in working with his strategic communication staff, is starting
2 to develop a strategy of looking at bi-monthly e-mail updates
3 that will include the timely recurrent issues that are
4 continuing to happen, give an update on where those issues are
5 at so the Board sees that. We will continue to provide through
6 Mary updates to the Board on press releases and significant
7 issues that have come through (inaudible). So immediately those
8 will continue on.

9 They're also going to look at creating one-page
10 fact sheets as well as talking points that can be provided to
11 all board members on the state of transportation (inaudible)
12 funding and current issues, so you'll have those (inaudible)
13 you'll be able to share when you're asked by constituents or
14 when you're out in part of your board duties talking with other
15 organizations.

16 I also want to make you aware that don't forget
17 we have a communication team available if you have to do
18 presentations or you have to speak at an event. They can help
19 develop slides. They can help develop general comments and
20 talking points that you can use. And the other thing is they're
21 available to assist with preparing you for any regional meetings
22 you have, your COG or NPO meetings, boards that you sit on as
23 part of your Transportation Board responsibilities. Our
24 communication team is available to assist in working on those
25 issues and preparing -- helping prepare you with background data

1 as well.

2 So we've got a great team, through myself, Kevin
3 or Mary. Work with us (inaudible) and we can get them to work
4 on an issue that you may need. But meanwhile, we'll continue to
5 develop a communication plan and strategy that gives you more
6 information and more (inaudible).

7 MR. HAMMOND: Mr. Chair.

8 CHAIRMAN ANDERSON: Mr. Hammond.

9 MR. HAMMOND: Floyd, just in my short tenure here
10 on the Board, I've been very impressed with ADOT's
11 responsiveness to my questions. I don't know how often other
12 Board members tap that resource, but it's very good, very
13 professional and very quick.

14 To the point -- to the point you can anticipate
15 those issues, it would be something if you -- improvement's not
16 the word, but it would be nice when an issue happens in an area
17 that you know is going to be controversial that you maybe be
18 proactive, if possible, on updating the board member. I have no
19 problem being proactive myself. But that communication has been
20 very good, and to the extent it can be improved, I'm all for it.

21 MR. ROEHRICH: Mr. Chair, Mr. Hammond, that's
22 part of what our communication team is working on, the strategy
23 of -- by giving you those routine updates, it keeps you current
24 on the ongoing issues (inaudible) develop over time, brings a
25 new issue (inaudible) we expect will help you keep current as,

1 you know, you talk to stakeholders, you talk to other people out
2 there (inaudible). We want to make sure that you have the most
3 current information available.

4 CHAIRMAN ANDERSON: Thank you, Floyd.

5 Financial report, Kristine.

6 MS. WARD: Good morning.

7 BOARD MEMBERS: Good morning.

8 MS. WARD: I haven't seen you in a few months.

9 UNIDENTIFIED SPEAKER: Where have you been?

10 MS. WARD: I'm very happy to be here.

11 THE WITNESS: What was your name again?

12 MS. WARD: I don't want you to -- I don't want
13 you to pass out as soon as I say it, knowing that the financial
14 report's coming.

15 All right. So where are we with HURF? We are
16 right on the edge of going above forecast. Gas tax has been
17 moderate. Gas tax revenues have been moderate. We're looking
18 at about 6.2 percent growth year to date. Diesel has also been
19 pretty moderate growth, about 5.3 percent year to date. And
20 overall, VLT has had a strong year to date with about 7.7
21 percent growth.

22 In terms of the Regional Area Road Fund, we have
23 had -- our (inaudible) were about 3.7 percent above last
24 September, and we're looking at 95 million collected year to
25 date, and about 4-and-a-half percent growth. Retail sales have

1 been strong.

2 Contracting might throw you off a little when you
3 see a negative 15.5 percent. That might be scary, but that took
4 -- while it says (inaudible) growth, it actually should be -- I
5 should have put in there anticipated growth. We are only 1.1
6 percent off of forecast, and the reason that says that is
7 because there was a legislative change that changed the way our
8 contracting is taxed. So that's -- it's really not as scary as
9 it seems.

10 Going on, restaurant and bar, thank you for
11 eating out. 6.8 percent year to growth -- year to date growth.

12 The fed aid program, Floyd, you covered it. The
13 President signed it this morning, signed the --

14 MR. ROEHRICH: (Inaudible.)

15 MS. WARD: The continuation through December 4th.
16 Now I will have to say I would appreciate if they would get
17 along, return these every few days. Make the financial people a
18 little antsy.

19 In terms of our debt program, we anticipate, as
20 you know, issuing about \$1.1 billion in debt over this five-year
21 program, and we (inaudible) issues you'll be seeing some
22 resolutions coming your way probably here in the next six months
23 for some bond issues.

24 Cash management, there's really nothing great to
25 say. We've only earned 6 -- .62 percent on our investments

1 through the year, but that has its advantages as well, with
2 about \$2 million earned.

3 That concludes my report, and I'd be happy to
4 take any questions.

5 CHAIRMAN ANDERSON: Thank you, Ms. Ward.

6 Mr. Hammond.

7 MR. HAMMOND: Just a question, if this budget,
8 federal budget, goes beyond the day-to-day extension and gives
9 us two to six years, will that change our view of the need for
10 reserves, the amounts of that sort to protect against, you know,
11 projected defunding issues? In my short tenure on the Board, I
12 understand we have made that fund a little more robust in
13 anticipation of issues like that. Would this allow us to free
14 up additional dollars to put into the program or not? Two years
15 isn't a long time, I know.

16 MS. WARD: Oh, Mr. Chair, Mr. Hammond, our
17 current target for an operating cash threshold is about \$160
18 million, and with regards to if we get a long-term
19 authorization, would we look to adjust that downward, and I
20 would not, and this is why.

21 The world that you have been -- and I have
22 experienced in terms of funding in the state highway fund has
23 been a very unusual world. Understand that, you know, half of
24 that fund normally existed with anywhere from 2 to \$400 million
25 as an operating cash balance. We have changed that to a hundred

1 -- just striving to get to \$160 million, and the basis of that
2 number is that we are issuing contractor payments, and ranging
3 anywhere from 35 to \$75 million in a month, and we issue our
4 payroll, which is 11 to \$12 million every two weeks, and things
5 like that.

6 And just in my tenure here, we've had repeated
7 occasions that have nothing to actually do with the highway
8 trust fund and the implications there, but just in the
9 transference of money from the federal government to those
10 reimbursements, we've had multiple occasions where, oh, I don't
11 know, a \$68 million reimbursement is delayed. Now, this is a
12 cause for anxiety. And so we try to ensure that we have an
13 adequate cash balance there to deal with all of those types of
14 elements.

15 MR. HAMMOND: Understood.

16 MR. LA RUE: Mr. Chair, if I could help,
17 Kristine, (inaudible) because our bond rating and
18 our bond council, our (inaudible) debt service reserves
19 (inaudible). Do they talk to (inaudible) about operating
20 reserves and what we should keep (inaudible)?

21 MS. WARD: Mr. Chair, Member La Rue, as a matter
22 of fact, we were just in conversations with (inaudible) this
23 week where they asked us about our operating cash balances.
24 They are our resolution. Do not speak to a state highway fund
25 operating cash balance. They do speak to a couple reserve

1 funds, one for our GAN, GAN credit, one for our HURF credit.
2 But they look to every time we provide a POS, every time we --
3 they -- the rating agencies call us with questions, it is a
4 standard question as to what our operating reserves are. Does
5 that answer your question?

6 MR. LA RUE: Well, it does, but just shows you
7 (inaudible) 1.1 billion bond, and so, you know, these operating
8 reserves are probably scrutinized by the rating agency and all
9 of those. So it's something to -- you know, we've got to
10 seriously -- and you are.

11 MS. WARD: Uh-huh.

12 MR. LA RUE: You're keeping your eye on it very
13 seriously with that policy in place.

14 MS. WARD: Uh-huh.

15 MR. LA RUE: While I'd like to lower the reserves
16 to put more work, I also know we need to balance how the rating
17 agencies look at it. So (inaudible) 1.1 billion in bonds. So
18 it's a balance (inaudible) you guys are looking at that balance
19 quite well.

20 MR. ROEHRICH: Mr. Chair, I would like to make --
21 I don't remember if I made this comment during my remarks on the
22 legislative. The highway bill, the funding that they're looking
23 at passing, even (inaudible), year to year, it's basically the
24 same obligation. We're going to anticipate any additional
25 funding that would allow us to grow the program.

1 They have talked about -- I know in the Senate
2 bill, at one point they talked about a larger number,
3 identifying the funding for that larger number, that would bring
4 in more funds to the State, but they were never able to come to
5 some recognition on that. So I think what Kristine and I
6 (inaudible) conference committee to basically any highway bill
7 that (inaudible) will be about the same funding (inaudible). If
8 there's something different than that, obviously then we'll be
9 able to share that once we get the final -- final piece of
10 legislation. But at this point, I think we're expecting
11 (inaudible) will be just the same funding as we basically are
12 seeing today. They're keeping the current program (inaudible).

13 CHAIRMAN ANDERSON: Further question or comment?
14 Thank you.

15 MS. WARD: Thank you.

16 CHAIRMAN ANDERSON: Item six is (inaudible) the
17 Multimodal Planning Division report, Mr. Kies.

18 MR. KIES: Thank you, Mr. Chair. Good morning,
19 Board.

20 This month, as I explained to you last month, I
21 wanted to provide the Board an update to the I-11 and
22 Intermountain West corridor activities that we have currently
23 going on. We're approaching a year since the Board provided
24 funding for ADOT to move to the next step on this large
25 cross-state project, and so I wanted to give you an update on

1 some of the activities that you may be hearing about or soon
2 we'll hear about.

3 First, first item is we concluded a two-year
4 study in partnership with NDOT about a year ago, or now it's
5 approaching a year-and-a-half ago, and there are two major steps
6 that we're -- are happening to move those ideas that came out of
7 that effort forward.

8 First is that there actually is a couple sessions
9 of Interstate 11 that are under construction, and I bring that
10 up, they happen -- they are in Nevada. It's related to the
11 Boulder City bypass where there's a new interstate connection
12 being constructed around Boulder City in Nevada and connecting
13 to the bridge at Hoover Dam. But I do get calls from the
14 public, especially in the Kingman area or Mohave County, hearing
15 that I-11's under construction and wondering when impacts are
16 going to happen in their area, and I do have to continuously
17 explain that that is in Nevada and it's limited to Nevada. I
18 just wanted you to be aware of that.

19 The other major effort is tier one EIS that this
20 Board provided funding for last December, and that the bulk of
21 my presentation will be on that activity.

22 So the tier one EIS, the results or the end
23 results of this activity is the expectation that will recommend
24 a single 2,000-foot wide corridor from Wickenburg to Nogales
25 that will clarify the concepts and the routes of a new

1 transportation facility or an enhanced transportation facility
2 that connects to Mexico in the Nogales area and provides
3 reliable transportation relief up and through the Tucson area
4 and potentially around the Phoenix metro area.

5 The goal of this activity is to obtain a record
6 of decision on this preferred corridor from the federal
7 government, from FHWA. What this will allow then is that all
8 activities can be then -- future activities can be focused on
9 that 2,000-foot wide corridor that's recommended from this
10 activity. That could allow local communities to start planning
11 land uses around the idea of this corridor. That could allow
12 people to start thinking about right-of-way preservation that
13 could happen. So it's a big event that will happen at the end
14 of tier one. Our expectation is that within three years of
15 publishing that's referred that as the notice of intent, we'll
16 be getting that record of decision.

17 So what do we mean by a 2,000-foot wide corridor?
18 Well, this graphic kind of showed that idea, is that if we --
19 what we'll be doing is working with what we call working
20 alignments. We'll be laying out a potential transportation
21 enhancement or idea on a route. That will be something that's
22 reasonably expected to be what a facility like this would look
23 like, but then we'll be recommending a 2,000-foot wide corridor,
24 which would mean 1,000 feet on each side of wherever that
25 working alignment turns out to be.

1 The working alignment is just for technical
2 analysis, but it would -- it's not a recommended alignment that
3 would be constructed. That would happen at the tier two
4 process. And that is something that I continuously work with
5 our stakeholders and agencies on to get them to understand that
6 we're not doing a project-level environmental document. We're
7 doing a tier one, and it's a wider corridor than people are
8 expecting.

9 Also what I continuously need to remind our
10 stakeholders in other agencies is that we're -- this analysis is
11 going to be at what we call a GIS level analysis, meaning high
12 level, look at data. We're not going to be doing noise analysis
13 on the ground. We're not going to be going out in the field and
14 locating cultural sites or mitigating cultural sites. It's more
15 of a high-level look at these resources and making decisions
16 about where is that appropriate 2,000-foot wide corridor based
17 on what we know from this level of analysis.

18 This is what many of our agencies expect when we
19 get to an end of an environmental study, that's the project
20 related where there's a defined alignment. There's the actual
21 footprint of the project laid out on a map. Again, this is not
22 what we're doing at this level of study, and this is, again,
23 what we're still working with our agencies to get them to
24 understand that the difference between a tier one and a tier two
25 analysis.

1 This tier one study will recommend, again, a
2 final corridor, and so some of these proposals that ADOT has
3 been provided, this is some detail about a proposal that Pima
4 County has provided us in the previous work that we did in
5 partnership with NDOT, where the idea is maybe there's a new
6 transportation corridor that rings around the Tucson area
7 through a valley called Avra Valley.

8 You can see some of the data that Pima County
9 provided to ADOT on this slide of how many homes this might --
10 this would impact, what type of mitigation, how many acres would
11 be set aside to -- for this proposal. Again, this is not the
12 detail that the tier one EIS will get to. If we were to
13 recommend an idea like this, again, it would be a 2,000-foot
14 wide corridor, and the details that Pima County provided us in
15 this proposal would be dealt with at a later date in the tier
16 two analysis.

17 Another idea that has been provided to us that
18 many of you are aware of is that MAG has proposed what they call
19 the Hassayampa Freeway. This will be vetted through this
20 process, and portions or maybe all of this idea could be part of
21 the recommendations out of this effort.

22 So with that said, what we -- what we've learned
23 over the past 11 months or so is that we've got some challenges
24 as we go through the tier one process. Again, we have a very
25 complicated alternative (inaudible) process that we're going to

1 go through. As you see on the map, we've got a five to 50-mile
2 wide corridor that we're working with to get down, and to get
3 from there to a 2,000-foot corridor is going to mean that we
4 have a lot of people that we work with, that we have to do
5 analysis on to look at a lot of options and then come down to
6 that recommendation.

7 As we've talked with stakeholders, they have let
8 us know that they want us to have a very robust outreach effort.
9 So we've been working on what is the scope and scale of that
10 outreach effort that we're going to be doing over the next two
11 years.

12 And then the last here on this slide is one that
13 I'm still working with agencies onto get them to understand that
14 this is a new tool for Arizona. Actually, we've only had one
15 successful tier one document get to draft a stage, and that's
16 currently in a passenger rail study that's been done from Tucson
17 to Phoenix, and it's at a draft tier one level right now. So
18 this is a new tool that a lot of our agencies aren't used to.

19 So with that, what's the current status of the
20 tier one EIS that this board provided us funding to move ahead
21 on? So I just want to go through all the major activities that
22 have been happening over the last year. The first one is when
23 -- in last December, we still were not complete with the
24 previous work that we were partnered with on NDOT. We have one
25 last document to produce and get approved, and that's what we

1 call the planning environmental linkage document.

2 Why this document was important to us was to make
3 sure that we created it and had it approved not only by ADOT,
4 but the Federal Highway Administration. As you may recall from
5 our previous work is we looked at all kinds of alternatives of
6 where a corridor like this might be located, and that map in the
7 bottom left-hand side of the slide shows all the alternatives
8 that have been addressed in the previous work, and I still --
9 recently I was in a meeting in the Douglas area, and there was a
10 question that came up as why isn't ADOT considering Interstate
11 11 coming to the Douglas area? And this document, it really
12 does answer that question. It has all the documentation of all
13 the analysis that we've done on all these alternatives and how
14 we came to the single corridor that you see on the right side of
15 the slide.

16 So this is a very helpful document as we get into
17 the tier one and we get those questions. We -- you know, we may
18 get questions here in the La Paz County area as to why isn't it
19 -- why isn't I-11 in consideration in this area, but the
20 document explains how we got from that -- all those alternatives
21 to this single alternative.

22 The other thing that we did early in this year
23 was, again, get out and talk to all of -- as many agencies that
24 would listen to us about this process and how we should approach
25 it, get a common expectation of the type of analysis we were

1 going to do and how we would get to a recommended corridor.
2 These are all the one-on-one meetings that we had in the winter
3 and early spring of this year talking about our scope of work,
4 and so all of this input led to us writing a scope of work of --
5 so that we could communicate our expectations to a consultant
6 team of how we intend to complete this tier one EIS.

7 So the second major milestone that we've
8 completed over the last year is we wrote that scope of work, and
9 then we had a request for proposals out to a consultant team to
10 actually help us fulfill the work, and that was a process of
11 putting out an RFP, getting proposals in, having a group of
12 people that we call the selection panel, which included ADOT,
13 representation from MAG, PAG and the Sun Corridor NPO, all get
14 together and look at which proposals were more favorable, go
15 through an interview process and then recommend a certain team
16 for selection. And then that started a negotiation period that
17 where we work with that consultant team to get them under
18 contract.

19 One other thing that happened in that time frame,
20 whether it be good or bad, I was promoted from my previous
21 position to the position that I'm in now, and thank you
22 everybody for supporting me on that. However, there was the
23 internal decision that then I know -- I've been managing all of
24 this activity up to this point that I don't have the opportunity
25 to continue to be the day-to-day manager of this activity, and

1 with the limited -- limitations that ADOT currently has for
2 hiring new employees, we decided that we would go back out to
3 our consultant community and hire another consultant to fulfill
4 some of the needs that we have on this project.

5 So that started another consultant selection
6 process to hire a ADOT project manager, a consultant who is
7 going to act as our internal ADOT project manager for us, and
8 that took awhile to get to selection. And during -- after we
9 made that decision, we decided to put the negotiations on pause
10 of that previous selection so that when this person comes on
11 board, then we can include that person in those negotiations.
12 So that provided a little more delay in getting everything
13 going.

14 Another activity that we're very happy that we
15 had the opportunity to do was through our partners at Federal
16 Highways, we were able to bring representatives from the Indiana
17 Department of Transportation to Arizona and have what we call a
18 peer exchange about tier one activities. As you may not be
19 aware, Indiana went through a tier one EIS process, or what's
20 called Interstate 69 or I-69, which is a nearly 200-mile project
21 from Evansville, Indiana to Indianapolis. They started this
22 tier one EIS back in 2001. It was completed in 2007. That was
23 a six-year duration, which gave us a little concern with our
24 three-year schedule, but one of the powerful things about this
25 peer exchange is that we got to learn a lot of the lessons

1 learned that Indiana went through, and maybe we can expedite our
2 process based on that.

3 Those slides on the right side of the screen show
4 how similar their process was to what we're proposing. They did
5 look at a -- generally a 2,000-foot wide tier one record of
6 decision. So they worked on a two-mile wide band and then got
7 down to a 2,000-foot wide recommended corridor, which they got a
8 record of decision on. All of their analysis was kind of what
9 they called a study area wide GIS format, meaning, again, high
10 level data, which corresponds directly to what we're doing.
11 This gave us a lot of opportunity to confirm our scope of work
12 and also let our consultant team understand some of the lessons
13 learned from Indiana that we're now working with in the
14 negotiations with our consultant team.

15 So lastly is the consultant's notice to proceed,
16 and I'm happy to announce that just yesterday or the day before,
17 our ADOT PM consultant is on board, and we are very, very close
18 to having our main team on board for the consultant activity.
19 ECS lets me know that either Monday or Tuesday of next week. We
20 may have that team under contract, which then allows us to kick
21 off everything, and so we expect by the end of the calendar year
22 that we'll start having kickoff meetings for the tier one EIS,
23 both internal at ADOT and with stakeholders throughout the study
24 area.

25 With that said, it seems like it's taken up a

1 long period of time to get all of this going and get our arms
2 around the scope of work and get our consultants on board and
3 get everything kicked off. I do want to remind the Board that
4 we are all -- we're still working what we call our interim
5 corridor and moving forward with projects that are moving the
6 interim corridor along as we continue to do all the planning
7 work for what we're calling the ultimate corridor, which could
8 eventually be a full interstate highway or a multimodal corridor
9 from Hoover Dam to Nogales.

10 So again, just to remind the Board, there are a
11 lot of projects that are either in the currently under
12 construction or currently in the existing five to ten-year
13 program that are looking to make improvements along this interim
14 corridor as all the planning work happens for the bigger scaled
15 project that could be quite a ways off into the future. So with
16 that said, that was my update on the I-11 and Intermountain West
17 corridor, and I'd be happy to answer any questions of the Board.

18 CHAIRMAN ANDERSON: (Inaudible.)

19 MS. BEAVER: (Inaudible.) Just one point that
20 just (inaudible) public than anything. The difference between
21 what Nevada's able to do right now is because they have a
22 dedicated funding source.

23 MR. KIES: That -- Mr. Chair and Ms. Beaver,
24 that's true. There are sort of two factors that Nevada took
25 advantage of to get under construction with what they have now.

1 First, the idea of a Boulder City bypass has been something that
2 they've been working on for about 20 years. They started the
3 planning activities a couple decades ago. They worked to get
4 environmental clearance and all of the things that we're working
5 towards with some of the sections that we're talking about in
6 Arizona. So when this idea of Interstate 11 came along, they
7 were much closer to being shovel ready than we are in some of
8 our areas of Arizona.

9 And then secondly, yes, you're correct, their
10 county took advantage of a state law that allowed counties to
11 raise or add to their gaps. Their local gas tax in Clark
12 County, which is where Las Vegas is, did raise their gas tax.
13 They called it indexing, which raises it against inflation, but
14 yes, they took it upon themselves to raise their taxes to pay
15 for that project.

16 MR. LA RUE: You know, Mr. Chair, sounds like we
17 didn't fully think through Mike's promotion before we promoted
18 him (inaudible). Probably too late to unring that bell.

19 MR. KIES: Unintended (inaudible) of my
20 presentation.

21 MR. ROEHRICH: Mr. Chair, Mr. La Rue, (inaudible)
22 on the director, we're happy that Mike did get the promotion,
23 but that doesn't mean we're not going to (inaudible) I-11.

24 MR. LA RUE: You know, we're going to keep
25 pushing it, and appreciate that we're shifting to bring somebody

1 from the outside in, but we've got to keep that (inaudible).

2 MR. SELLERS: I'll just make a quick comment.

3 Mike made this presentation to a group that I attended a couple
4 weeks ago at Arizona (inaudible), and people requested a
5 presentation, but in general, the main attitude was impatience.

6 MR. KIES: Yes, and I --

7 MR. SELLERS: That's a good word.

8 MR. KIES: I felt it.

9 UNIDENTIFIED SPEAKER: (Inaudible.)

10 MR. KIES: The only other thing, Mr. Chair, that
11 since there was discussions about that there could be a
12 potential for a longer term transportation bill that's being
13 debated in Congress, there are a couple items that are related
14 to this idea of I-11 that are being considered in the
15 conferencing of that federal bill. One is that there could be
16 the designation of Interstate 11 from Wickenburg down to Nogales
17 as an official act as Congress. As you may know, it's only been
18 officially designated from Las Vegas to Wickenburg. And there's
19 also the designation on the Nevada side where they're hoping
20 that they get designation from Las Vegas up to Reno.

21 And then secondly, there's the idea that some of
22 these larger, high priority corridors may benefit from some
23 exceptions from some of the federal requirements that require
24 funding to be identified before you do the planning work, and
25 that paragraph or language of that has been worked on over the

1 last couple weeks to see if that could be a pilot process that
2 Congress is interested in. So just for you (inaudible).

3 MR. HAMMOND: All right. I don't know whether it
4 was ADOT or PAG. I think PAG might have collected the data on
5 funding sources and then impact, and what other states have been
6 doing and the amount of money if you do X, whether it's the
7 sales tax, gas tax, users tax. It was an excellent study that I
8 saw in the last 30 days, and it may have come from PAG, that
9 first of all, the Board should get, but should be probably --
10 should probably get put on a web site so the public can see the
11 various options that are available.

12 And the 800-pound gorilla in that study is the
13 impact of a nickel, a dime of gas tax. That is really where,
14 you know, the serious funds are to solve some of these
15 infrastructure problems, and, you know, the -- I saw in the
16 paper this morning, gas dropped to \$1.95 a gallon in Tucson.
17 The public is -- if there's going to be any support, and I may
18 be in a minority on this, it has to come from the public,
19 because I think the political environment is very clear on
20 (inaudible), and if that's going to change or we want to change,
21 it's going to have to come from the public.

22 So I don't know whether this speech is
23 inappropriate for a board member, but we've got to find funding
24 solutions, and that study was a real eye opener even to me. It
25 pays a lot of attention to really where is the money to do

1 something substantive. And again, just by the look on your
2 face, Floyd, that did not come from ADOT?

3 MR. ROEHRICH: Mr. Chair, Mr. Hammond, last month
4 when we had the study session on revenues, ADOT did send out --

5 MR. HAMMOND: (Inaudible.)

6 MR. ROEHRICH: (Inaudible) report. It was an
7 ACRA (phonetic) report. We did share with the board members --

8 MR. HAMMOND: Okay.

9 MR. ROEHRICH: -- the ACRA report on revenues
10 that was compiled around the country (inaudible) --

11 MR. HAMMOND: That's exact --

12 MR. ROEHRICH: -- separate report. I can check
13 with them to see if that --

14 MR. HAMMOND: That's what I'm talking about.

15 MR. ROEHRICH: Okay.

16 MR. HAMMOND: Is that on the web site?

17 MR. ROEHRICH: I don't know off the top of my
18 head if it's on the web site. It's on ACRA's web site, because
19 that's where --

20 MR. HAMMOND: Okay.

21 MR. ROEHRICH: (Inaudible), but it is reference
22 to the web site (inaudible). We can either make that a link or
23 we can also put it up. I'll look into having that.

24 MR. HAMMOND: Yeah. I thought it was very
25 objective, very fair, very informative, and the public, as much

1 as we can, needs to see that. So I -- (inaudible) I saw it is
2 at the study sessions.

3 MS. BEAVER: Mr. Chairman, just for
4 clarification, too, when we talk about web sites (inaudible) of
5 ADOT's web site, and then there's the State Transportation
6 Board, and this would be under the State Transportation Board,
7 correct?

8 UNIDENTIFIED SPEAKER: (Inaudible.)

9 MR. HAMMOND: Sure. You were talking about the
10 ASHTO funding?

11 UNIDENTIFIED SPEAKER: (Inaudible.)

12 CHAIRMAN ANDERSON: (Inaudible.)

13 MR. HAMMOND: And I receive a lot of press
14 releases from ADOT. Could that go out on a press release if it
15 is available? Because my guess is that is a broad distribution
16 list. It's objective.

17 MR. ROEHRICH: Mr. Chair, Mr. Hammond,
18 (inaudible) look at that, but it's an actual report.
19 (Inaudible) ASHTO. I think we can post it up there and not only
20 show a copy of it, but also provide a link to ASHTO itself. We
21 have our -- there's a lot of other information on there as well
22 that ASHTO has compiled. (Inaudible) red one because that was
23 what the topic was for the study session. We'll look into
24 (inaudible).

25 MR. HAMMOND: Okay.

1 MR. ROEHRICH: I don't want to commit that,
2 because I don't think (inaudible) and, you know, maybe we
3 shouldn't have even downloaded it and printed it for you all
4 without checking with ASHTO. I didn't do that (inaudible).

5 (Speaking simultaneously.)

6 MS. BEAVER: (Inaudible.) Can I just clarify?
7 The last time we had a gap, a gap tax increases was in 1991?

8 MR. KIES: Yes. I believe it was -- state was
9 raised in 1991, and federal was raised in '92 or '93, but the
10 early '90s when -- is the last time that the gap tax was raised.

11 Mr. Chair, that concludes my MPD report.

12 CHAIRMAN ANDERSON: PPAC?

13 MR. KIES: PPAC agenda items. Yeah.

14 The project modification items are Items 7A
15 through 7D, and if the Board -- well, if the Board has no
16 questions or comments on the project modifications, I'd ask them
17 to approve Items 7A through 7D.

18 CHAIRMAN ANDERSON: The Board's pleasure on
19 project modifications 7A through 7D?

20 MS. BEAVER: I move for approval.

21 CHAIRMAN ANDERSON: Moved by Ms. Beaver.

22 MR. LA RUE: Second.

23 CHAIRMAN ANDERSON: Second by Mr. La Rue to
24 approve and accept project modifications Items 7A through 7D.
25 Further discussion?

1 All in favor?

2 BOARD MEMBERS: Aye.

3 CHAIRMAN ANDERSON: New projects.

4 MR. KIES: Mr. Chair, we've got some new
5 projects. Our Items 7E through 7M.

6 CHAIRMAN ANDERSON: Now, Mike (inaudible) the
7 public about the (inaudible) memorial. Can you just elaborate a
8 little bit more on that (inaudible).

9 MR. KIES: Oh, sure. Actually, I think I've
10 (inaudible). Mr. Chairman, members of the board, the Yarnell
11 memorial project here, the project that -- State Parks came to
12 us and asked us should we partner with them. The -- it's a
13 parking lot that would allow folks to park, hike up, and they
14 will be working on the trail and have a -- basically a tribute
15 to the fallen Prescott Hotshots. So this is a project we're
16 using with Transportation Enhancement Fund to fund this project,
17 both the design of it and in the construction (inaudible)
18 transportation. Any other questions?

19 CHAIRMAN ANDERSON: Questions on the project?
20 Thank you.

21 UNIDENTIFIED SPEAKER: (Inaudible.)

22 CHAIRMAN ANDERSON: Back to new projects.

23 MR. KIES: Yes. New projects are Items 7E
24 through 7M. So if there aren't any further questions or
25 comments from the Board, I'd ask for the approval of Item 7E

1 through 7M.

2 MR. SELLERS: So moved.

3 CHAIRMAN ANDERSON: Moved by Mr. Sellers. Second
4 by Mr. La Rue to approve new projects 7E through 7M. Further
5 discussion?

6 All in favor?

7 BOARD MEMBERS: Aye.

8 CHAIRMAN ANDERSON: Airport projects?

9 MR. KIES: Thank you, Mr. Chair. Yes. Items 7N
10 through 7U are the airport projects. There are eight of them,
11 and if there aren't any questions or comments about any of these
12 projects, I'd ask for the to approve Items 7N through 7U.

13 CHAIRMAN ANDERSON: Board's pleasure?

14 MS. BEAVER: So moved.

15 CHAIRMAN ANDERSON: Moved by Ms. Beaver.

16 MR. SELLERS: Second.

17 CHAIRMAN ANDERSON: Second by Mr. Sellers to
18 approve airport projects 7N through 7U. Further discussion?

19 All in favor?

20 BOARD MEMBERS: Aye.

21 MR. KIES: Thank you, Mr. Chair.

22 CHAIRMAN ANDERSON: Thank you (inaudible).

23 Mr. Hammit.

24 MR. HAMMIT: Thank you, Mr. Chair.

25 State engineer's report. Currently we have 127

1 projects under construction, totaling 792 -- did I say 700 --
2 127 projects under construction totaling \$792.7 million. In
3 October we finalized nine projects totaling 6.9 million, and
4 year to date we have totaled our final 58 projects.

5 Any questions on the state engineer's report?

6 CHAIRMAN ANDERSON: Questions on the report?

7 Moving on to construction contracts.

8 MR. HAMMIT: Thank you for approving the three
9 projects on the consent agenda. We have three -- or six
10 projects to talk about that need new justification.

11 The first project is in -- it's a local project
12 in the town of Avondale. If you remember, we talked about this
13 a little bit last month, and I asked you to postpone and come
14 back with you -- this is a sign installation project. We
15 reviewed this project. The low bid had multiple (inaudible)
16 control items where they had a bid of zero. We reviewed this,
17 asked them to respond, and we have deemed this project
18 non-responsive, because they did not respond to or they bid zero
19 on traffic control items where they're going to need traffic
20 control. So after review, the department recommends rejection
21 of the bid of Traffic (inaudible) Signs (inaudible), Inc. There
22 will be a second motion on the rest of the project later.

23 CHAIRMAN ANDERSON: Moved by the first
24 (inaudible)?

25 MR. HAMMIT: Yes.

1 CHAIRMAN ANDERSON: Staff is asking to reject the
2 (inaudible) Sales Inc. bid. Board's pleasure?

3 MR. HAMMOND: Move to accept staff's
4 recommendation.

5 CHAIRMAN ANDERSON: Moved by Mr. Hammond.

6 MR. CUTHBERTSON: Second.

7 MS. BEAVER: Second.

8 CHAIRMAN ANDERSON: Second by Mr. Cuthbertson to
9 reject (inaudible) Sales, Inc. Further discussion?
10 (Inaudible.)

11 BOARD MEMBERS: Aye.

12 MR. HAMMIT: So moving forward, now the low bid
13 after that on that project was \$154,969. The State's estimate
14 was \$225,030, leaving the project under the State's estimate
15 \$70,061 or 31.1 percent. In looking at it, we got very good
16 prices in the sign panels, and even with the second bidder, we
17 got good prices on traffic control. We have reviewed the bids,
18 and the department believes that this bid is a reasonable and
19 responsive bid and would recommend award to CS Construction,
20 Inc.

21 CHAIRMAN ANDERSON: Board's pleasure on 9A?

22 MR. LA RUE: I'd move to recommend it.

23 CHAIRMAN ANDERSON: By Mr. La Rue.

24 MR. SELLERS: Second.

25 CHAIRMAN ANDERSON: Second by Mr. Sellers to

1 accept and approve staff's recommendation to award the contract
2 9A to CS Construction, Inc. Further discussion?

3 All in favor?

4 BOARD MEMBERS: Aye.

5 MR. HAMMIT: The next project is also in
6 Avondale, Item 9B. The low bid was \$1,560,582.60. The
7 department's estimate was \$1,277,702, or the project was over
8 the State's estimate \$282,880.60 or 22.1 percent. As we've
9 looked at it, this is a local project. It has some decorative
10 light poles. We underestimated what those poles, those fixtures
11 would be. We are -- we saw because of the small quantities and
12 higher-than-expected price with the pavement. Again, this is a
13 local project funded with local funds. We have reviewed it and
14 believe that it is a responsible and -- responsive and
15 responsible bid and would recommend award to Combs Construction
16 Company, Inc.

17 CHAIRMAN ANDERSON: Board's pleasure on 9B?

18 MR. LA RUE: I have a question. So I guess
19 (inaudible). I move to approve.

20 MS. BEAVER: Second.

21 CHAIRMAN ANDERSON: Moved by Mr. La Rue, second
22 by Ms. Beaver to award the contract to Combs Construction
23 Company. Further discussion?

24 Mr. La Rue.

25 MR. LA RUE: So I'm assuming, Dallas, your

1 recommendation, the local is accepting the bids and asking for
2 this even though (inaudible).

3 MR. HAMMIT: That is correct. We have checked,
4 and they have -- they're using -- they've apportioned some
5 federal funds that are apportioned to MAG, and they're using
6 from those funds. But yes, they are covering those (inaudible).

7 MR. LA RUE: So it's kind of in their best
8 interest to value (inaudible) in their best interest.

9 MR. HAMMIT: Yes, sir. (Inaudible.)

10 CHAIRMAN ANDERSON: Further discussion?

11 All in favor?

12 BOARD MEMBERS: Aye.

13 CHAIRMAN ANDERSON: 9C.

14 MR. HAMMIT: Thank you, Mr. Chairman.

15 Another local project in Mohave County. The
16 project low bid was \$842,842. The State's estimate was
17 628,712 -- or 214,130 over the State's estimate of 34.1 percent.
18 Again, this is a local project. They took projects -- five
19 different small projects throughout Mohave County, combined them
20 into one. There was striping in one area, a guardrail in
21 another, intersection improvements, rumble strip installation
22 and roadway widening. Because there's so many areas, we saw
23 higher-than-expected prices for mobilization, which increased
24 asphalt and pavement markings. We worked with (inaudible)
25 covering the differences, just like on the last one. We have

1 reviewed the estimate, and the department believes that it is a
2 responsible and responsive bid and would recommend award to
3 Intermountain West Civil Contractors, Inc.

4 CHAIRMAN ANDERSON: Board's pleasure on 9C?

5 MS. BEAVER: So moved.

6 CHAIRMAN ANDERSON: Moved by Ms. Beaver.

7 MR. CUTHBERTSON: Second.

8 CHAIRMAN ANDERSON: Second by Mr. Cuthbertson to
9 accept and approve staff's recommendation to award the contract
10 of 9C to Intermountain West Civil Contractors, Inc. Further
11 discussion?

12 All in favor?

13 BOARD MEMBERS: Aye.

14 MR. HAMMIT: Mr. Chairman, Item 9D is a project
15 in Show Low, and in August I came to the Board and -- brought
16 this Board and asked the Board to postpone this. This project,
17 the low bid was \$775,000 even. The State's estimate was
18 516,507.50, or \$258,498.50 over the State's estimate 50 --
19 basically 50 percent. We saw -- it is a sidewalk, curb and
20 gutter and new lights. We saw a higher-than-expected price on
21 the concrete items due to the location, and again, they have
22 decorative poles. The local had to come up with the difference
23 in funds. They took some time, but they were able to come up
24 with the money. The City of Show Low came back to us and said,
25 "Yes, we're ready to go." Since it had already been over 60

1 days, we talked to the low bidder. They will honor their bid,
2 and so with that, the staff believes that it is a reasonable and
3 responsive bid and would recommend award KAZ Construction, Inc.

4 CHAIRMAN ANDERSON: Board's pleasure on 9D?

5 MR. CUTHBERTSON: So moved.

6 CHAIRMAN ANDERSON: Moved by Mr. Cuthbertson.

7 MR. LA RUE: Second.

8 CHAIRMAN ANDERSON: Second by Mr. La Rue to
9 accept and approve staff's recommendation to award the contract
10 for Item 9D to KAZ Construction, Inc. Further discussion?

11 MS. BEAVER: (Inaudible.) They agree to do
12 anything in writing (inaudible)?

13 MR. HAMMIT: Mr. Chairman, Ms. Beaver, yes, we
14 did an agreement. We update the JPA, and they make the funds
15 available to our folks before we go to award. So yes, they have
16 made those funds available.

17 CHAIRMAN ANDERSON: Further questions on 9D?

18 If not, all in favor?

19 BOARD MEMBERS: Aye.

20 CHAIRMAN ANDERSON: 9E, Mr. Hammit.

21 MR. HAMMIT: Thank you, Mr. Chair.

22 This is a project in Casa Grande. It's a Safe
23 Routes to School project. The low bid was \$89,549.90. State's
24 estimate was \$54,702. It was \$34,847.90 over the State's
25 estimate or 63.7 percent. Big percentage, but as you see, it's

1 a very low dollar amount, doing a federal project. We saw
2 higher-than-expected prices for traffic control, pavement
3 marking. In reviewing the bid, the department believes it is a
4 responsible and responsive bid and would recommend award to
5 Falcone Brothers & Associates, Inc.

6 CHAIRMAN ANDERSON: Board's pleasure on 9E?

7 MR. HAMMOND: I'll make a motion.

8 CHAIRMAN ANDERSON: Moved by Mr. Hammond.

9 MS. BEAVER: Second.

10 CHAIRMAN ANDERSON: Second by Ms. Beaver to
11 accept and approve staff's recommendation to award the contract
12 for Item 9E to Falcone Brothers & Associates, Inc. Further
13 discussion?

14 All in favor?

15 BOARD MEMBERS: Aye.

16 MR. HAMMIT: Mr. Chairman, the last project, 9F,
17 is on State Route 86. This is a state project. Pavement
18 preservation and some drainage improvements, putting in some
19 pipes and box culverts. The low bid was \$7,806,454.73. The
20 State's estimate was \$7,075,204.15. The project was over the
21 State's estimate \$731,250.58 or 10.3 percent. With the
22 location, we did see higher-than-expected prices in our asphalt,
23 concrete, the roadway excavation and our aggregate base. There
24 is some trucking cost to get it out that far. We have reviewed
25 the bids. The department believes it is a reasonable and

1 responsive bid and would recommend award to Show Low
2 Construction, Inc.

3 CHAIRMAN ANDERSON: The Board's pleasure on 9F?

4 MS. BEAVER: So moved.

5 CHAIRMAN ANDERSON: Moved by Ms. Beaver.

6 MR. SELLERS: Second.

7 CHAIRMAN ANDERSON: Second by Mr. Sellers to
8 accept and approve staff's recommendation to award the contract
9 for 9F to Show Low Construction, Inc. Further discussion?

10 All in favor?

11 BOARD MEMBERS: Aye.

12 CHAIRMAN ANDERSON: Thank you, Mr. Hammit.

13 MR. HAMMIT: Thank you, Mr. Chair.

14 CHAIRMAN ANDERSON: Item 10, (inaudible) 2016
15 Board (inaudible) public hearing date and (inaudible), and
16 (inaudible) you have questions or comment and (inaudible).

17 MR. LA RUE: Well, I would move it.

18 CHAIRMAN ANDERSON: It's a surprise.

19 MR. LA RUE: Well, no. I would move the draft
20 (inaudible), but I do have a comment once it's been seconded.

21 MS. BEAVER: Second.

22 (Speaking simultaneously.)

23 MR. LA RUE: (Inaudible.)

24 CHAIRMAN ANDERSON: Discussion?

25 MR. LA RUE: Well, I think in discussion we've

1 heard so much about the (inaudible) we should preempt one of
2 these (inaudible).

3 UNIDENTIFIED SPEAKER: Second.

4 MR. LA RUE: Invite all the (inaudible).

5 MR. ROEHRICH: Mr. Chair, Mr. La Rue, I would
6 point out that even though (inaudible) coordination, adjustments
7 can be made (inaudible) time to coordinate the arrangement.
8 It's not written in stone.

9 CHAIRMAN ANDERSON: Do we have a motion and a
10 second on this? (Inaudible.)

11 MR. ROEHRICH: I would like to make just some
12 real quick comments (inaudible). I (inaudible) everybody
13 realizes in August we're not having an official board meeting,
14 as we did this year, but just remind the Board, we will have to
15 coordinate a telephonic meeting, because the statutory time
16 frame to award projects, we'll have to award projects at that
17 month so -- or at least take action on projects to ensure we
18 keep things moving along.

19 And the reciprocation, again, of the study
20 sessions in January would be (inaudible) the suggestion for a
21 tentative five-year program, (inaudible) public hearing for
22 (inaudible) would be to hear any final comments or adjustments
23 in the program that the Board hears from the study session, and
24 then, of course, we can have other topics as time permits as
25 well. So just those are my comments. I want to make sure just

1 to remind the Board (inaudible) part of these things.

2 CHAIRMAN ANDERSON: Further questions on the
3 location (inaudible)?

4 All in favor?

5 BOARD MEMBERS: Aye.

6 CHAIRMAN ANDERSON: Opposed?

7 The motion passes.

8 Suggestions for the final meeting (inaudible) of
9 the best chairman ever?

10 MR. ROEHRICH: And a reminder, Mr. Chair, Board
11 members, that meeting will take place in Maricopa next month in
12 December.

13 MS. BEAVER: (Inaudible.)

14 CHAIRMAN ANDERSON: (Inaudible.)

15 MR. LA RUE: Mr. Chair, I do have a suggestion.
16 I don't know if it's a study session topic or further.

17 First, I want to, you know, kind of self-disclose
18 that I -- you know, I've been on here going on four years, and I
19 would say that over those four years, I've been very kind of --
20 a little bit of tunnel vision and a little (inaudible) really
21 more focused on pavement and asphalts and lane (inaudible) and
22 those things.

23 And up here in Parker, I've had a chance to
24 dialogue with a few enforcement officers at the ports of entry
25 and things. And it's opened my eyes to say, you know -- you

1 know, much like the (inaudible) and making sure those guys are
2 adequately funded (inaudible), I would -- I, as a board member,
3 would like to learn more about our enforcement mechanisms across
4 the state, our port of entries, all of those things, and how
5 those things (inaudible) way of operation can actually roll in
6 to making sure that our highways -- we're getting the most out
7 of those (inaudible), the most out of our pavement, the safety
8 and security (inaudible) traveling public, as well as given all
9 the events happening around this globe and, you know, this
10 unreal time period we find ourselves in, what can we do to just
11 create a safer environment for all of us.

12 And I'd be interested if we have a strategic plan
13 on that. What does that look like? How are we deploying it?
14 What are our goals and objectives? Are there resources
15 (inaudible). I think I've made a few votes on this board where
16 I've (inaudible) on pavement and asphalt and those things. But
17 I, for one would, like to have a deeper dive into that and see
18 how we support that as a board, because I think that's critical,
19 and as we heard earlier from the speaker about all the foreign
20 trade, the foreign and domestic trade, this (inaudible) going
21 forward. (Inaudible.) So I would suggest that (inaudible)
22 figure out (inaudible) study.

23 MR. ROEHRICH: Mr. Chair, Mr. -- absolutely, and
24 I'll work with Chief Lane. He's here and we'll work out exactly
25 the mechanism for that and set it up, and it can be a regular

1 board meeting or a study session, just depending on how detailed
2 you want (inaudible) or how much time you want to put into it.
3 Study session seems probably a little bit more reasonable
4 because then it's less formal. You got more time to really
5 dialogue it and talk back and forth and really have good
6 interactions. But let's put together something, (inaudible)
7 outline what it's going to be like, and then we'll find the best
8 time to (inaudible).

9 I think that's a great idea. We're seeing a lot
10 more activity, especially at the federal level and local level
11 and impact or emphasis on the overweight vehicle -- (inaudible)
12 vehicle, because of the freight, commerce, the activities of it,
13 and these enforcement remain in activities at the port of entry
14 along the infrastructure. It does make a difference to how much
15 damage happens to the infrastructure, and then it makes a
16 difference how much you have to spend on preservation or
17 (inaudible) other improvements (inaudible) upgrade and expand.
18 So all that can relate to that. Enforcement is a key component
19 of the safe operation. So we'll work on (inaudible). We'll
20 find a time. Probably sometime in 2016. I don't see it
21 happening next month.

22 MR. LA RUE: All right.

23 MR. ROEHRICH: Definitely 2016. We'll do it as
24 early as we can.

25 CHAIRMAN ANDERSON: And it might even (inaudible)

1 to one of these ports of entry to sometimes (inaudible) walking
2 through and (inaudible) and maybe Nogales or something, but that
3 would be (inaudible).

4 MR. SELLERS: And, well, as a part of that topic,
5 I guess I would like to also have some discussion around what
6 the State's responsible for and what the federal government's
7 responsible for and how that might differ from our state and
8 other states.

9 UNIDENTIFIED SPEAKER: Yes, sir.

10 CHAIRMAN ANDERSON: Any other comments or
11 suggestions of future board meetings?

12 MR. ROEHRICH: Mr. Chair, members of the Board, I
13 do have to -- just one last comment.

14 I have to apologize to the Board. You're missing
15 a lot of things that you normally have here that makes the Board
16 go smoother, but I also want to recognize the significant role
17 that Mary Beckley has done. She was handed a very tough
18 situation today. She entrusted her board (inaudible) a member
19 of ADOT staff who seemingly either lost it, misplaced it or was
20 stolen out of his vehicle (inaudible). (Inaudible) pretty
21 significantly in order to make this work, and the Board, you
22 guys managed to spot this without a change of heart to either of
23 them. So between the board and Mary, you guys did phenomenal.
24 But that ADOT staff person (inaudible).

25 UNIDENTIFIED SPEAKER: (Inaudible.) Thank you.

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UNIDENTIFIED SPEAKER: (Inaudible.)

(Speaking simultaneously.)

(End of excerpt.)

2016 Transportation Board Meeting Locations

Date	2016 Board Locations	Remarks
January 15	San Luis	Board Meeting & Rural Transportation Summit
January 26	Phoenix-HRDC	Study Session
February 19	Nogales	
March 18	Oro Valley	Board Meeting & Public Hearing
April 15	Phoenix	Board Meeting & Public Hearing
May 20	Flagstaff	Board Meeting & Public Hearing
May 31	Phoenix-HRDC	Study Session
June 17	Holbrook	Board adopts 5-YR Program
July 15	Camp Verde	
August	BREAK	No meeting scheduled
August 30	Phoenix-HRDC	Study Session
September 16	Bullhead City	
October 21	Wickenburg	
November 1	Phoenix-HRDC	Study Session
November 18	Safford	
December 16	Surprise	

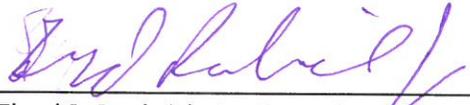
Adjournment

A motion to adjourn the November 20, 2015 Board meeting was made by Jack Sellers and seconded by Deanna Beaver. In a voice vote, the motion carries.

Meeting adjourned at 10:35 a.m. MST.



Kelly O. Anderson, Chairman
State Transportation Board



Floyd P. Roehrich, Jr., Executive Officer
Arizona Department of Transportation