

**STATE TRANSPORTATION BOARD MEETING**  
**9:00 a.m., Friday, November 15, 2019**  
**Wickenburg Town Hall Council Chambers**  
**155 North Tegner Street, Suite A**  
**Wickenburg, AZ 85390**

**Call to Order**

Chairman Sellers called the State Transportation Board Meeting to order at 9:00 a.m.

**Pledge**

The Pledge of Allegiance was led by Board Member Knight.

**Roll Call by Board Secretary**

A quorum of the State Transportation Board was present. **In attendance:** Chairman Sellers, Vice Chairman Hammond, Board Member Stratton, Board Member Thompson, Board Member Elters and Board Member Knight. Board Attorney, Michelle Kunzman, was also in attendance. There were approximately 45 members of the public in the audience.

**Opening Remarks**

Chairman Sellers thanked the Town of Wickenburg, the Wickenburg Chamber of Commerce and Rusty Gant, owner of Rancho de los Caballeros, for their warm hospitality and wonderful reception that was held for current and past board members. Vice Chair Hammond commented that the reception was a great event. Board Member Knight stated he always feels so welcomed when he comes to Wickenburg. Board Member Thompson added that there was great conversation throughout the evening and thanked everyone who had a role in arranging the event. He added that this was Native American month, Thanksgiving is almost here and we are all blessed. Board Member Stratton also thanked the Town, Chamber of Commerce, and Mr. Gant for their hospitality.

**Title VI of the Civil Rights Act**

ADOT Executive Officer, Floyd Roehrich, Jr. reminded all attendees to please fill out the optional survey cards to assist our Civil Rights Department.

**Call to the Audience for the Board Meeting**

An opportunity was provided to members of the public to address the State Transportation Board. Members of the public were requested not to exceed a three minute time period for their comments. There was one member of the public that addressed the board.

ARIZONA STATE TRANSPORTATION BOARD  
STATE TRANSPORTATION BOARD MEETING

REPORTER'S TRANSCRIPT OF PROCEEDINGS

Wickenburg Town Hall  
Council Chambers  
155 North Tegner Street, Suite A  
Wickenburg, Arizona 85390

November 15, 2019  
9:00 a.m.

PREPARED FOR:  
ADOT - STATE TRANSPORTATION BOARD

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CALL TO THE AUDIENCE

SPEAKER:	PAGE:
Sylvia Cannon.....	4

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1                   CHAIRMAN SELLERS: Okay. Next is call to the  
2 audience. This is an opportunity for members of the public to  
3 discuss items of interest with the board. If you would like to  
4 speak to us, please fill out a public input form and give it to  
5 the board secretary. In the interest of time, a three-minute  
6 time limit will be imposed.

7                   Right now I only have one card from Sylvia  
8 Cannon. Sylvia.

9                   MS. CANNON: I'm Sylvia Cannon, and I live out on  
10 Highway 93, and my question is when does Arizona State  
11 Transportation plan on contacting the property owners and  
12 letting them know how much land exactly they want to acquire in  
13 the acquisition? I haven't heard anything. I keep hearing that  
14 we need to acquire the land, but they're not telling me how much  
15 they want. And so when do they plan on doing that?

16                   Thank you.

17                   CHAIRMAN SELLERS: Thank you.

18                   Okay. We'll now move on to the director's  
19 report. This is for information only.

20                   MR. ROEHRICH: Mr. Chair, on behalf of the  
21 director, he apologizes. An issue came up that he needed to  
22 address back in Phoenix.

23                   He did have one thing that he wanted to bring to  
24 the Board's attention, and that is this week he met with a group  
25 of citizens in the Gold Canyon region of Pinal County, which is

1 off of US-60 on the east side of the valley. The group is --  
2 they call their self ADOBE, Association For the Development of a  
3 Better Environment, and it's a group that is advocating for a  
4 bypass of US-60 through that Gold Canyon area. It is a corridor  
5 that we've studied in the past, although we've never funded it  
6 given the amount of funding we're talking about. Probably  
7 300-plus million dollars to build a bypass.

8           And I know earlier this year, Mr. Stratton, along  
9 with ADOT staff, has also met with this group to talk to them  
10 about getting projects in the program, the funding situation on  
11 what are the likelihoods of moving forward.

12           He wanted the Board to know that we will continue  
13 to coordinate with this group. We've asked the state engineer  
14 and his team to look at what can we do for traffic calming or  
15 elements that we can do on the current US-60 to help with the  
16 congestion as well as the speed along that corridor, as we  
17 continue to look for opportunities to provide funding for a  
18 bypass or some other improvements in the future.

19           He's advised them to talk to legislators and talk  
20 to other political leaders on the revenue situation we have, and  
21 how a project of this magnitude is going to be very difficult to  
22 get into the program given the state of our revenues and our  
23 focus on preservation and modernization, outside of expansion,  
24 and that he would continue to work with them. He agreed to come  
25 back and talk to them in a few months to kind of see how things

1 are progressing and help advise them on how to work with our  
2 political leaders.

3 What he wanted the Board to know is that as they  
4 organize, they intended to start spending a lot of time coming  
5 to board meetings and discussing that topic, and he wanted the  
6 Board to be aware of that, that was an issue that would be  
7 coming up.

8 At this time, that's all that he has for the  
9 Board.

10 CHAIRMAN SELLERS: Okay. Thank you.

11 We'll now move on to Item No. 2, the district  
12 engineer's report with Alvin Stump. This is for information and  
13 discussion only. Alvin.

14 MR. STUMP: Good morning, Mr. Chair and Board.  
15 I'll give you our Northwest District update.

16 First of all, we have two expansion projects  
17 under construction right now. On 89 in Prescott, we have the  
18 Deep Well Ranch to 89A project. And then over north of Wikieup  
19 on 93, we have the Carrow Stephens widening project.

20 And these are just a couple of pictures of the  
21 Deep Well project, which it's essentially done other than just  
22 punch list items, and then once this project has been accepted,  
23 it will be transferred to the City of Prescott. So it's been a  
24 great partnership. It was kind of a four-way partnership  
25 between ADOT, City of Prescott, the county and CYMPO.

1                   These are just some pictures of the Carrow  
2 Stephens project. It's coming along nicely on schedule. So  
3 looking forward to having that one done as well towards the end  
4 of the year. Next year, that is.

5                   As far as preservation projects, we have two  
6 projects north of Kingman on 93. The White Hills to 11th  
7 Street, and 11th Street to Windy Point Plaza. These also have  
8 HSIP funding for shoulder widening. And then over on I-40, west  
9 of Seligman, we have a pavement preservation project as well.

10                  As far as the I-17, just a quick update. We have  
11 advertised our request for qualifications, and those are due in  
12 December. And this will be a design build, P3 project, which  
13 over the next year we'll be going through the process to select  
14 a team, and by December next year, we expect to have that team  
15 under contract.

16                  Here locally, we have a US-60 corridor study  
17 between here and Wickenburg and SR-74 to look at future  
18 modernization needs for projects.

19                  And last, the -- our Gap project, Project A, of  
20 course -- let me back up. This project's been broken up into  
21 two segments. One is north of Wickenburg Ranch. The other one  
22 is south of there. The northern project is at 95 percent plans.  
23 We expect to advertise early 2020, probably January or February.  
24 and it's estimated at 8.7 million, and this is 100 percent  
25 developer driven. So this was the partnership we have.

1                   And then the second project is getting close to  
2 95 percent plans. We expect to adverse it for construction in  
3 June of 2020. We are just starting, you know, getting into the  
4 utilities and right-of-way. So that process will be taking  
5 place over the next few months, and it's currently estimated at  
6 41 million as well.

7                   So that's my update. I'll be happy to take any  
8 questions.

9                   CHAIRMAN SELLERS: Well, just a couple comments  
10 for me. Number one, you had some excitement for your district  
11 when we did the press conference with the governor on the  
12 improvements to I-17 at Anthem. Even though we did that in the  
13 rain, it was a very nice event, and a lot of people are really  
14 excited about that. And in my job now as a county supervisor,  
15 even though I'm in Maricopa County, one of the things I hear  
16 about all the time is State Route 93 improvements and  
17 potentially an I-11 alignment. So I know you probably enjoy  
18 your job.

19                   MR. STUMP: Yes.

20                   CHAIRMAN SELLERS: Any other questions?  
21 Comments?

22                   Thank you, Alvin.

23                   MR. STUMP: All right. Thanks.

24                   CHAIRMAN SELLERS: Okay. We'll now move on to  
25 the consent agenda. Does any member want an item removed from



1 consent?

2 Do I have a motion to approve the consent agenda  
3 as presented?

4 MR. STRATTON: So moved.

5 MR. THOMPSON: Second.

6 CHAIRMAN SELLERS: Moved by Board Member  
7 Stratton, second by Board Member Thompson. Any discussion?

8 All in favor say aye.

9 BOARD MEMBERS: Aye.

10 CHAIRMAN SELLERS: Any opposed? That motion  
11 carries.

12 Okay. Now moving on to the financial report.  
13 Lisa Danka. This is for information and discussion.

14 MS. DANKA: Thank you, Mr. Chairman.

15 For the record, my name is Lisa Danka. I am  
16 ADOT's debt management and compliance administrator, and I'm  
17 standing in for the CFO today. I am handling two items on the  
18 agenda. I believe it is -- I just lost my agenda here -- Items  
19 4 and 5, beginning with Item 4, which is the financial report.

20 With regard to our HURF revenue, little bit out  
21 of variance for forecast, but the individual components,  
22 including gas tax, are showing moderate growth of 3.3 percent  
23 month over month, and 2.7 percent for the year.

24 Diesel tax is also showing moderate growth month  
25 over month of 5.5 percent, and 4.2 percent fiscal year to date.

1           And then vehicle license tax, also moderate  
2 growth for the year at 2.4 percent.

3           With regard to RARF, we also see moderate growth  
4 and strong growth in the contracting category. Retail sales --  
5 pardon me -- retail sales came in at 6.3 percent year to date.  
6 Contracting, 23.2 percent, and restaurant and bar came in at 3.  
7 -- or I'm sorry -- 7.3 percent.

8           With regard to the federal aid program, we are --  
9 we're coming up to the expiration of the FAST Act at the end of  
10 federal fiscal year '20, and so we are carefully monitoring the  
11 conversations in Congress regarding either the extension of that  
12 act or a new long-term program authorization.

13           With regard to the debt financing program, which  
14 we'll talk about more in a moment, our current HURF capacity is  
15 4.69 times coverage, and our current RARF capacity is 1.85 times  
16 coverage.

17           With regard to the yield on our investments, we  
18 are currently at 2.32 percent for the fiscal year today, or we  
19 earned 7.9 million. And it's been a number of years since I've  
20 been before you, but I can remember the last time, I think I  
21 reported our yield was .83 percent. So 2.32 percent is an  
22 improvement, dramatic improvement.

23           Members, I'm happy to answer any questions  
24 regarding the financial report at this time.

25           CHAIRMAN SELLERS: Any questions? Board Member

1 Thompson.

2 MR. THOMPSON: I do have one question, that you  
3 did indicate that there would be 2.7 growth for the HURF  
4 dollars?

5 MS. DANKA: Seven -- our --

6 MR. THOMPSON: 2.7.

7 MS. DANKA: Let me pull my notes here. Sorry.

8 Mr. Chair, members, we have earned to date 7.9  
9 million in investment earnings.

10 MR. THOMPSON: But you're looking at additional  
11 growth by the end of the year.

12 MS. DANKA: Yes.

13 MR. THOMPSON: Maybe I misunderstood you a  
14 little.

15 MS. DANKA: Well, we earn income on our  
16 investments every month, and that 7.9 million is just year to  
17 date. So it's from July through the end of October.

18 MR. THOMPSON: Okay.

19 MS. DANKA: That's what we've earned so far.  
20 Yes, we do anticipate we will continue to earn investment income  
21 over the course of the year.

22 MR. THOMPSON: So Floyd, I'm assuming that those  
23 dollars that -- be represented growth well is already planned  
24 for for certain projects?

25 MR. ROEHRICH: Mr. Chair, Mr. Thompson, as we're

1 going through the process right now of developing the tentative  
2 five-year program, bringing it to the Board in January, Kristine  
3 and her team are running through the finances, looking at what  
4 money is available for the program. Remember, HURF increases,  
5 that slipped. ADOT gets about 45 percent. The rest of it goes  
6 through distributions to everybody else.

7           So we -- she just had the meeting with the  
8 Resource Allocation Advisory Council, the RAAC council, with the  
9 COG and MPOs to outline the funding -- sources and the funding  
10 levels available for the tentative program, and we'll be  
11 bringing that to the Board in January like we do. So any excess  
12 revenues that are available will be identified when we present  
13 it to the Board as we start developing the five-year program.

14           If I understand your question, so additional  
15 revenues that come will come to the Board and will be part of  
16 what gets programmed as we update the tentative program.

17           MR. THOMPSON: Chair, board members, I'm looking  
18 at those projects that were submitted for BUILD grant, and they  
19 have been denied. I'm kind of looking at the way how do we  
20 begin to bring some funds to work through the project. That's  
21 my reason for asking.

22           MR. ROEHRICH: Mr. Chair, Mr. Thompson, those  
23 projects that -- if they got submitted for the BUILD grant, they  
24 didn't (inaudible) the BUILD grant, those projects will still  
25 then go through our P2P process, the programming -- the planning

1 to programming process. They'll go through that process, be  
2 evaluated, and they'll come through the -- this Board when we  
3 get all the tentative as projects that are recommended, and then  
4 we will have the discussion with the Board in the public hearing  
5 process to determine if they stay in the program or what  
6 projects get in the program. So that process will still  
7 continue on. We don't drop that.

8 MR. THOMPSON: Thank you, Chair.

9 CHAIRMAN SELLERS: Thank you.

10 MS. DANKA: Mr. Chair, members, if I may, those  
11 funds have already indeed been spoken for. We forecast interest  
12 income and include it in the revenues that fund the program  
13 every year. So we were counting on these funds to make the  
14 program, also.

15 Any other questions? I can move on to the next  
16 item if we're --

17 CHAIRMAN SELLERS: Lisa, you're up to Item No. 5.

18 MS. DANKA: Okay. Thank you, sir.

19 Members, the resolution before you is to approve  
20 a planned HURF refunding issue, and as Kristine reported to you  
21 at the October meeting, the Board has the opportunity to refund  
22 or refinance some of its outstanding bonds. These would be  
23 primarily from the 2011A and the 2013A new money issues, and the  
24 refunding would be completely for debt service savings.

25 Depending on the interest rates at the time of

1 the sale, we anticipate that up to 526.4 million of the Board's  
2 outstanding bonds may be viable for the refunding. And since  
3 Congress has eliminated our ability to refund our debt more than  
4 90 days before its call date, this will be a taxable refunding.  
5 Usually what we bring to you is a tax exempt deal. But in the  
6 tax -- recent tax legislation, they eliminated the ability of  
7 state and local governments to do tax exempt refundings for  
8 their outstanding tax exempt debt.

9           While interest rates are typically higher with a  
10 taxable deal, the overall level of interest rates right now are  
11 significantly low enough that we still expect to have  
12 significant debt savings to the tune of about \$40 million.

13           As always, with the -- in the case of a  
14 refunding, if interest rates go up and the refundings no longer  
15 make viable sense, we will not go forward with the refunding.

16           So the resolution before you authorizes the sale  
17 of the bonds for refunding purposes only and in the amount  
18 necessary to accomplish the refunding subject to the following  
19 caveats. First of all, the bonds will be issued as senior lien  
20 debt. Secondly, the interest rates may not exceed 6 percent,  
21 although we expect them to be quite a bit lower at the time,  
22 depending on when we -- what's going on when we price. There  
23 will be no extension of the maturity range of these bonds. So  
24 the debt will be outstanding for the same amount of time that  
25 the 2011A and 2013A bonds are currently outstanding. And the

1 actual amount that we'll be able to sell the day of the pricing  
2 will be a function of the interest rates.

3 The bonds are currently expected to be sold in a  
4 negotiable sale in early January, and we plan to close in mid  
5 February. But if -- that is subject to change based on market  
6 conditions, which we will monitor as we go forward.

7 The bonds are expected to be rated AA plus by  
8 Standard & Poor's and AA1 by Moody's. The resolution also  
9 authorizes the refunding of any outstanding senior or  
10 subordinated HURF bonds for the purpose of debt service savings  
11 only. This is to provide flexibility for any future refinancing  
12 opportunities so the Board and the department can get to the  
13 market quickly in circumstances where that is helpful. You  
14 know, if interest rates are starting to go down, we want to be  
15 able to move expeditiously.

16 To be able to proceed with such a refunding, the  
17 resolution requires that our debt service savings net of any  
18 cost must be at least 2 percent, and generally would be quite  
19 higher, and then the maturity length, again, is not extended.  
20 We will, of course, inform the Board in advance, as we do now,  
21 let you know that we are anticipating doing the refunding, and  
22 we will also report the sale or the -- the results of any sale  
23 after the deal is done.

24 Mr. Chairman, members, I'm happy to answer any  
25 questions at this time.

1 CHAIRMAN SELLERS: Board Member Hammond.

2 MR. HAMMOND: You generally answered my question,  
3 but I have a curiosity question. You did say it has to be at  
4 least 2 percent net of cost, of the savings. I've seen a lot of  
5 bond closings, and I know they're very, very lucrative for the  
6 -- all the attorneys involved, and there's a lot of fees. Is  
7 there a rule of thumb if our bond issue's outstanding say 5  
8 percent, does it have to be four and a half or less or 4.7? Is  
9 there kind of a rule of thumb on how that -- all those calls are  
10 offset set versus the interest rate that you need to get?

11 MS. DANKA: Mr. Chairman, members, two things  
12 come to my mind in response to your question. First of all,  
13 federal tax law limits the cost of issuance on any bond yield to  
14 2 percent of the -- I believe it's par value, although it may be  
15 the entire.

16 Secondly, with regard to our process, we  
17 generally, as a financial management services policy, we say  
18 2 percent, but we generally look at those maturities that  
19 provide us with 3 percent savings and greater to make sure --  
20 and it's net of the costs to make sure that we are, you know,  
21 doing the most efficient refunding that we can possibly do.

22 And not all of the maturities in -- that are  
23 outstanding in the 2011A issue, for example, will get refunded.  
24 It's only those where it's economically viable at the day of the  
25 pricing, depending on what the -- is going on in the market,



1 what the interest rates are that day, you know, the direction  
2 that the treasury rates are going, et cetera.

3 MR. HAMMOND: Thank you.

4 CHAIRMAN SELLERS: And any other questions?

5 Do I have a motion to approve this authorizing  
6 resolution?

7 MR. ROEHRICH: Mr. Chair, just to make sure that  
8 we have this expressly identified, I think -- I want to make  
9 sure that we feel comfortable exclusive. So I have a  
10 recommended motion unless, Lisa, you have one.

11 MS. DANKA: No.

12 MR. ROEHRICH: So I would ask that the Board  
13 adopt a motion that authorizes the resolution presented for the  
14 Highway Revenue Refund Bond, Series 2020, as presented.

15 CHAIRMAN SELLERS: Okay.

16 MR. KNIGHT: So moved.

17 MR. HAMMOND: Second.

18 CHAIRMAN SELLERS: I have a motion by Board  
19 Member Knight, second by Board Member Hammond. Any further  
20 discussion?

21 All in favor say aye.

22 BOARD MEMBERS: Aye.

23 CHAIRMAN SELLERS: Any opposed? The motion  
24 carries.

25 MS. DANKA: Thank you, board members. We'll be

1 back with the results.

2 CHAIRMAN SELLERS: All right. Moving on to  
3 Agenda Item 6 with Clem Ligocki, for information and discussion.  
4 Clem.

5 MR. LIGOCKI: Good morning, Mr. Chairman, board  
6 members. I'm here on behalf of Greg Byres to present the MPD,  
7 Multimodal Planning Division report.

8 And so really, I only have one item that we want  
9 to talk about, is the update on the P2P, or planning to  
10 programming process, and where we're at with that and some of  
11 the recent things that have been going on there.

12 But I just put this little note on here to remind  
13 you that board members had requested that we present on tier one  
14 studies at some point in the future, and Greg will be here to do  
15 that in December. So just to keep that going.

16 So we just completed in October the district  
17 workshops, and we had very good participation in that. We are  
18 very grateful to everyone who did participate. So I want to  
19 publicly recognize Dan Gabiou, who's our staff leader on the P2P  
20 process, and he and his team did a super job. Alvin is here,  
21 and his team was outstanding as always, as were the other  
22 districts and directors and their teams.

23 I also want to thank all the other parts of ADOT.  
24 It's really a full team effort. The Metropolitan Planning  
25 Organizations, some of which are here, Councils of Government,

1 and of course, board members.

2 We had invited you to participate, and some of  
3 you had some really helpful things to say in advance of the  
4 district workshops. We did incorporate those things, and those  
5 of you who did participate, thank you for that. It was very  
6 helpful, as you'll see some of the suggestions we'll talk about  
7 just here shortly.

8 So we did a number of things there in those  
9 workshops, and so that included reviewing all of the projects in  
10 the list, and we had some 196 projects that we rated. There  
11 were 1,370 total on the list. We probably would still be doing  
12 that if we went through every one of those projects, but you  
13 know, we went through the ones that were looking the highest  
14 rated and moved through 196 of those.

15 In some cases, we looked where the preservation  
16 projects might be combined with other, you know, bridge and  
17 pavement projects together in the same segment. We looked at  
18 areas where modernization projects might be incorporated  
19 together. So those sorts of things were discussed there in just  
20 (inaudible) data that we had.

21 And we did receive some really good  
22 recommendations for improving the process, you know, this time  
23 and next time around. Some from district engineers and their  
24 staff from -- some from other staff, and then certainly some  
25 from board members.

1           So to highlight a few of those that we did get  
2 specifically from you, one of those is that it seemed quite  
3 worthwhile to us and to the board members that participated in  
4 the workshops that we continue this, and that we would -- we  
5 would do it again next year, and we continue those invitations  
6 after that.

7           But it was also suggested that we have invited  
8 board members to recommend projects, but we probably didn't have  
9 a real good, firm, solid way of doing that, that was real  
10 systematic. So we want to really get that into the process and  
11 make sure we do that, and we do it at the appropriate time to  
12 allow enough time for you to do what you need to do to be able  
13 to recommend projects at an early enough stage in the process.  
14 So we have that.

15           It was also suggested that we try an earlier  
16 coordination workshop at the time the project nominations are  
17 coming in, kind of make sure everything's on the table, things  
18 that we want to consider, and that we're all ready to go early  
19 on in the process.

20           One other good comment we had was that sometimes  
21 if you -- if you think of the five-year program, public hearings  
22 that we have, people come and testify and request projects, and  
23 it might be that it's a little tougher at that point when we've  
24 already got a tentative program to try to squeeze in a lot of  
25 the things that may be getting recommended, and it may be

1 tougher for them to compete. It can be kind of late for them to  
2 get started getting rated. The process is already moving. So  
3 we probably should clarify that, you know, there's comments on  
4 the tentative program, but also, there could be project  
5 recommendations to say for next year's P2P process. And so we  
6 want to try to make that clear and try to join that when we do  
7 the public hearings so that is clear to people that there's  
8 different things that can be recommended there and there's  
9 different opportunities.

10 So how did we fit that in? Here's the flow  
11 chart. I hope you can see that. Also, I put into places the  
12 other chart, the (inaudible) chart that you probably have seen  
13 before. And so you should have a copy of that as well that you  
14 can look and see how it's placed there. But I tried to  
15 highlight in either the red font or the red outlines on some of  
16 those new things I just talked about.

17 So over on the right, you can see the public  
18 outreach, and that input can be taken on P2P process at that  
19 time as well. That's usually March through May.

20 And then on the left, the -- in the middle there,  
21 May, that the project nominations make it clear that they come  
22 from the Board, and maybe make that invitation there, and then  
23 also early coordination workshop that we would add. Now, there  
24 was some -- there was -- that we've had.

25 There was some discussion about when should we do

1 that. We talked a little bit about April or May. So we could  
2 still work on that, but I think at this time we -- we're  
3 thinking that if we're taking public outreach, and it's real and  
4 genuine like that, we have March, we have April and May, and  
5 maybe we wait until the end of the public outreach so that we  
6 hear everything, and then that will help us form, you know, what  
7 comes in for analysis, rather than going earlier, and then we  
8 have public outreach afterward. It might make sense to just  
9 have -- bring it all together. So that's kind of what we were  
10 thinking as far as that goes. We're very appreciative for the  
11 recommendations. We do think this will improve the process, and  
12 so we look forward to moving ahead that way.

13           So right now, we have completed those workshops.  
14 We are working on finalizing the lists of these scored projects  
15 in all the categories, preservation, both pavement and bridge,  
16 modernization and expansion. So when we're done, then we'll get  
17 those to the programming section after we go through management  
18 review. So first we'll go to the management and get a good  
19 review and get the list of them so that we can make sure that  
20 we've got everything. Then we can submit those to the  
21 programming section to start working on the tentative program.

22           At the same time, the preservation projects go to  
23 our corridor planning group for planning-level scoping, which we  
24 think will really help us in firming up, you know, the scope of  
25 the projects, get the cost of it before we put them in the

1 program so we can minimize all those changes that we bring in to  
2 the Board, and then try to get things a little more straight  
3 from the beginning with better costs and better scopes as we  
4 form the program.

5           So then after that -- by the time we get to  
6 January for the board study session, we will have a draft  
7 tentative program for you. We -- in February, we'll have the  
8 results of the planning level scoping so we can firm up and kind  
9 of get things a little better situated for the eventual final  
10 program. And then, of course, June, the final program will be  
11 presented.

12           So I hope this is helpful. Again, we appreciate  
13 everything you've been doing to help improve our process and  
14 everyone else here in the room, and if there are any questions.

15           CHAIRMAN SELLERS: Any questions or comments for  
16 Clem?

17           Yeah. Board Member Stratton.

18           MR. STRATTON: Thank you, Mr. Chair.

19           Not a question but comment. Clem, first of all,  
20 I'd like to thank staff for inviting us to participate in this  
21 year's P2P. I found it very interesting and educational. As  
22 far as the suggestions that were made, I'm happy to see that  
23 they're being implemented. I think it -- it would be beneficial  
24 not only to the Board, but also to the public and become more  
25 transparent. I just want to thank you. You did a good job.

1 MR. LIGOCKI: Thank you, sir. We appreciate the  
2 opportunity.

3 CHAIRMAN SELLERS: Board Member Thompson.

4 MR. THOMPSON: I'm missed doing the workshops. I  
5 don't know how I missed them, but I just, you know, failed to do  
6 that, and now I wish I had. But my concern is just where you  
7 talk would about 191 and other projects that (inaudible)  
8 approved by the BUILD program. Those are the ones I'm really  
9 interested in, getting it back on. And the (inaudible) of the  
10 community input. In the area that I represent, there are three  
11 tribes, Hopi, Navajo and White Mountain, and your staff, they  
12 provide partnership meetings. I think those are a good time to  
13 bring them in, in this kind of meetings you're talking about.  
14 So those are well attended by the various agencies, and this  
15 will be a good time to do it. Thank you very much.

16 MR. LIGOCKI: Thank you, sir.

17 CHAIRMAN SELLERS: Other comments or questions?

18 Board Member Knight.

19 MR. KNIGHT: Mr. Chair, thank you.

20 I do want to thank you for having us attend. I  
21 think it was very, very beneficial. I think it was very  
22 productive. I was able to attend the first one. I had two, the  
23 one Monday and one on Friday. The first one in person, the  
24 second one through teleconference and the webinar. It was  
25 almost like being there. I had everything on the screen that



1 was being put up, so it was -- it was great, and I'm really  
2 happy to see that a lot of the comments that were made and  
3 suggestions have been implemented. I think it's definitely  
4 going to improve the process. Thank you.

5 MR. LIGOCKI: Thank you, sir.

6 CHAIRMAN SELLERS: Thank you. Any other  
7 questions? Comments?

8 All right. Well, we're moving on to Item No. 7,  
9 PPAC items, for discussion and possible action.

10 MR. LIGOCKI: Okay, Mr. Chairman. Thank you.

11 We have 32 total items. We have them broken up  
12 into four different sections. So first we have four new  
13 projects to recommend. These are Items 7A through 7D. So we  
14 would respectfully request approval of those Items 7A to 7D.

15 MR. KNIGHT: Mr. Chair.

16 CHAIRMAN SELLERS: Board Member Knight.

17 MR. KNIGHT: I've got one question. On 7A --  
18 it's just a minor question, but this is an annual fee, yet it's  
19 being taken from the contingency fund. So it seems like if it's  
20 -- if it's an annual fee that we pay, it would have dedicated  
21 funding rather than to take it out of contingency. So I'm just  
22 kind of questioning why contingency instead of a dedicated fund.

23 MR. LIGOCKI: Mr. Chairman, Mr. Knight, so it's  
24 intended moving forward to be an annual, but this is really the  
25 first time, and so it's coming out of contingency this first

1 time. We'll probably transition it that way. We've done some  
2 work on this, especially our transportation system management  
3 and operations group, but getting this, you know, electronically  
4 from the local government, law enforcement, it's really helping  
5 our database on safety. So we -- it looks as a project moving  
6 forward. It's just the first time.

7 MR. KNIGHT: Okay. Thank you.

8 MR. LIGOCKI: Thank you, sir.

9 CHAIRMAN SELLERS: Is there a motion to approve  
10 PPAC new project Items 7A through 7D?

11 MR. ELTERS: So moved.

12 MR. THOMPSON: Second.

13 CHAIRMAN SELLERS: Moved by Board Member Elters,  
14 second by Board Member Thompson. Any discussion?

15 All in favor say aye.

16 BOARD MEMBERS: Aye.

17 CHAIRMAN SELLERS: Any opposed? The motion  
18 carries.

19 MR. LIGOCKI: Next, Mr. Chairman, we have six  
20 project modifications, Items 7E through 7J. So we ask approval  
21 of those items. Again, 7E through 7J.

22 CHAIRMAN SELLERS: Is there a motion to approve  
23 PPAC project modification Items 7E through 7J?

24 MR. KNIGHT: So moved.

25 CHAIRMAN SELLERS: Moved by Board Member Knight.

1 MR. HAMMOND: Second.

2 CHAIRMAN SELLERS: Second by Board Member

3 Hammond. Any discussion?

4 All in favor say aye.

5 BOARD MEMBERS: Aye.

6 CHAIRMAN SELLERS: Any opposed? The motion  
7 carries.

8 MR. LIGOCKI: Thank you, sir.

9 Next we move into airports. We have two  
10 different sections of airport projects here. These first 16 are  
11 the projects that were -- funds were appropriated, you might  
12 recall, the -- last year in the Legislature, in the Capital  
13 Outlay Bill, appropriated \$10 million for airport projects.

14 We've already -- you've seen Prescott, which was  
15 the one that was spelled out specifically, and now this  
16 continues that. And so we have the 16 airport projects, and  
17 this is the federal/state match that goes along with the -- and  
18 the legislative money. Items 7K through 7Z, ask approval of  
19 those.

20 MR. STRATTON: So moved.

21 MR. HAMMOND: Second.

22 CHAIRMAN SELLERS: We have a motion by Board  
23 Member Stratton, second by Board Member Hammond. Any  
24 discussion?

25 All in favor say aye.

1 BOARD MEMBERS: Aye.

2 CHAIRMAN SELLERS: Any opposed? That motion  
3 carries.

4 MR. LIGOCKI: Thank you, Mr. Chairman.

5 And the last group is six other airport related  
6 items, 7AA through 7AF, and these are federal/state/local  
7 projects. There's one, I think it's 7AD, that were --  
8 unfortunately that the airport name was incorrect. So then  
9 that's followed by 7AE, which corrects that. So those are 7AA  
10 through 7AF. Ask approval of those items.

11 MR. HAMMOND: So moved.

12 MR. THOMPSON: Second.

13 CHAIRMAN SELLERS: Motion by Board Member  
14 Hammond, second by Board Member Thompson. Any discussion?

15 All in favor say aye.

16 BOARD MEMBERS: Aye.

17 CHAIRMAN SELLERS: Any opposed? Okay. Thank  
18 you.

19 MR. LIGOCKI: Thank you, Mr. Chairman, board  
20 members.

21 CHAIRMAN SELLERS: All right. Moving on to  
22 Agenda Item No. 8, the state engineer's report. This is for  
23 information and discussion only, with Dallas Hammit.

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

25 Currently, we have -- ADOT has 86 projects under

1 construction, totaling \$1.76 billion. We had 12 -- we did  
2 finalize 12 projects in October, totaling 20.1 million, and year  
3 to date, we have finalized 41 projects.

4 A couple updates. One on our development of the  
5 Lion Springs project. The RFP has been drafted, and we look to  
6 advertise it either late this month or the first of next month,  
7 with a tentative selection time of January of to 2020. So we  
8 are continuing, and I will continue to update the Board on that.

9 And which was alluded to earlier, we have good  
10 news and bad news this month. The projects that ADOT submitted  
11 for the BUILD grant were not selected, but Arizona did receive  
12 close to \$40 million in grants. One in Pinal county that will  
13 touch the ADOT system, and we will be working with them on it,  
14 and then Sky Harbor received a grant. So ours didn't get  
15 selected, but Arizona did receive money out of the program.

16 Any questions from the state engineer's report?

17 CHAIRMAN SELLERS: Any questions or comments?

18 MR. HAMMOND: Could you just (inaudible) maybe,  
19 but South Mountain, everything going fine?

20 MR. HAMMIT: Mr. Chairman, Mr. Hammond, yes,  
21 we're moving forward. We are moving forward with a dedication  
22 date on I believe it's December 18th with the governor and  
23 others will be overseeing or participating in, and then we look  
24 to open shortly after that. Within probably four to five days.  
25 There's still a lot of work to be done, so they are making very

1 good progress, but if -- heavy rain set in for whatever reason,  
2 there's still a lot of work to be done, but we anticipate being  
3 done by the completion date of -- or not done. Open to traffic.

4 MR. HAMMOND: Open.

5 MR. HAMMIT: I want to stress that. It is open  
6 to traffic, that the project still has work to -- will then go  
7 into the spring of next year.

8 MR. HAMMOND: And all the lawsuits trying to stop  
9 it are gone?

10 MR. HAMMIT: All those lawsuits trying to stop  
11 the project are done, but there are some concerns on right-of-  
12 way, on noise walls that we're working with through our normal  
13 process. But there is a right-of-way one that is out there  
14 right now with the courts.

15 MR. HAMMOND: Thank you.

16 CHAIRMAN SELLERS: And it's my understanding that  
17 our board may get a tour of that project the day before our  
18 board meeting in December.

19 MR. HAMMIT: If you're very good.

20 MR. ROEHRICH: No, Mr. Chair, don't listen to  
21 him. We are in the process of coordinating with the project  
22 team to do a board tour the afternoon of the 19th of December,  
23 before it opens. So you'll be one of the last group to go  
24 through. And because of that comment, I know who will not be  
25 invited. They're already on the naughty list.

1 CHAIRMAN SELLERS: Would you like us to vote on  
2 that?

3 MR. ROEHRICH: I don't need a motion.  
4 (Inaudible) administrative adjustment.

5 MR. KNIGHT: Mr. Chair.

6 CHAIRMAN SELLERS: Yeah. Board Member Knight.

7 MR. KNIGHT: Dallas, so the projects that didn't  
8 get the BUILD grants approved for, will -- and some of them were  
9 projects that are out a couple of years. Highway 95 comes to  
10 mind. But so will we resubmit to see if we can get a future  
11 grant on those future BUILD grant?

12 MR. HAMMIT: Mr. Chairman, Mr. Knight, we'll  
13 evaluate. One of the things that the Federal Highway  
14 Administration does is they do a debriefing, and so we'll find  
15 out why didn't they compete well. There was lots of ask, and  
16 you know, sounds like a lot of money, but compared to all the  
17 projects requested for, it didn't go that far. But we will look  
18 at that to see if it's the right grant to propose on.

19 The last couple years, it seems like the  
20 committee has gone for more -- you know, our last two winners  
21 have been counties versus the DOT. So they're very expensive to  
22 put out there, so we want to use the money the best way  
23 possible. So is the BUILD grant the best grant to propose on or  
24 should it be an INFRA grant? And we'll look at those  
25 possibilities as we go forward.

1 MR. KNIGHT: Thank you. Thank you, Mr. Chair.

2 MR. ELTERS: Mr. Chairman.

3 CHAIRMAN SELLERS: Board Member Elters.

4 MR. ELTERS: Dallas, maybe at the next board  
5 meeting, you can share some thoughts with the Board related to  
6 those two projects, and if indeed they're standalone or if there  
7 will be any role for ADOT or any involvement by the department.  
8 I think if nothing else, just for information and education  
9 purposes.

10 MR. HAMMIT: Mr. Chair, Mr. Elters -- and you're  
11 talking about the winning two projects?

12 MR. ELTERS: The two that were selected.

13 MR. HAMMIT: Definitely the Pinal County, there  
14 will be a role for ADOT, because it does touch State Route 87,  
15 and we will be meeting with the County to see about  
16 administration. There are federal funds. You know, sometimes  
17 with these grants, they can be self-administered. Yavapai  
18 County was, but we will work with the county FHWA to see which  
19 is the best delivery method on the 87.

20 The Sky Harbor or project, we will -- I don't  
21 know that project as well. I will by December. I know the Sky  
22 Train does go under I-10. So if that's part of that project, we  
23 will have -- be a partner, but not an oversight, and I believe  
24 those funds came through a different part of DOT. I don't know  
25 -- I'm guessing it was FAA, but I don't know for sure.



1           MR. ELTERS: So it would be just an overview, and  
2 it could be a two-part scope of work that is covered by the  
3 grant, and then administratively what the department has to do,  
4 if any, to be involved, just again for our -- for information  
5 purposes.

6           MR. HAMMIT: Mr. Chair, Mr. Elters, I'd be happy  
7 to.

8           MR. ROEHRICH: Mr. Chair, if I could offer a  
9 comment. I think that's a good observation that Mr. Elters  
10 made. We continue to see more grant programs being developed  
11 through the Congress and the administration that the DOT awards,  
12 and maybe what we should do is to have a topic where we outline  
13 all the different grant programs, you know, kind of the purpose  
14 of that, how they -- how they are selected, some of the criteria  
15 around them, and then strategies about which ones of the  
16 departments are going after and kind of look at that, maybe as  
17 general topic, because there's so many different grants. You  
18 here INFRA, BUILD. Then there's other specialty grants in  
19 different areas. So I'll throw that out if, Mr. Chair, you or  
20 the board members just feel you just want a discussion on the  
21 different types of grants out there as a program so we  
22 understand that.

23           MR. ELTERS: You know, since you offered that,  
24 Floyd, maybe you could take it one step further and list what  
25 grants we've competed for. I know the department has done a

1 pretty remarkable job in assembling those applications and being  
2 selected on larger projects, including I-17. So it would be --  
3 if it's not a lot of work, it would be really helpful to  
4 understand what of these programs we've competed for and how we  
5 have fared in that competitive process.

6 MR. ROEHRICH: Mr. Chairman, Mr. Elters, I don't  
7 think that's difficult at all. I think we can do that.

8 So I think what the other thing we learned from  
9 this, as Dallas said, when we get back (inaudible) and we look  
10 at them, let's say they're giving out 800, 900 million dollars.  
11 They select 30 projects or 40 projects to do that, but they  
12 receive, like, 500 projects. So we're continuing to see such a  
13 competitive approach for grants, because the distribution of the  
14 Highway Fund is continuing to -- as we are locally with our  
15 funds -- continuing to be challenged for the revenues.

16 The grants become a great opportunity, and  
17 there's a lot of work that goes into that. I think we can talk  
18 about the programmatic approach that we take, the success that  
19 we've had, and in fact, Arizona state has fared pretty well.  
20 ADOT, to a degree, as well. While we look at around the  
21 country, it is such a competitive program. They get 10 times  
22 the amount of requests, and so it is a tough decision when it  
23 comes down, and we don't get selected, obviously we feel  
24 disappointed, but it's a competitive process, and I think we can  
25 outline that.

1                   MR. SELLERS: Well, and in fact, I-17 was one of  
2 our project grants.

3                   MR. ROEHRICH: That was a 90 million, one of the  
4 bigger ones that was presented. So again, we've been very lucky  
5 in the past.

6                   MR. ELTERS: Thank you.

7                   CHAIRMAN SELLERS: Board Member Thompson.

8                   MR. THOMPSON: And I certainly do appreciate all  
9 of the work that is being done at various levels, what concerns  
10 (inaudible) process that you have in place. I do appreciate  
11 that. My question is are we invited to any discussion, invited  
12 by the federal government in the discussion in any of the  
13 projects that are applied for through the BUILD program or any  
14 grants out there?

15                   MR. HAMMIT: Mr. Chairman, Mr. Thompson, are you  
16 talking about before the process or a part of the evaluation?

17                   MR. THOMPSON: The process or part of -- whenever  
18 -- or be part of any discussion on any level.

19                   MR. HAMMIT: Before a -- the application goes in,  
20 they do a number of webinars to walk an applicant through.  
21 Here's what the criteria will be. These are how it's going to  
22 be scored. But once the submittal is out, they're making that  
23 decision, and then they do a debrief and tell us this is what  
24 they liked in our submittal. This maybe was where we were  
25 lacking in our submittal, so we can improve it for the next

1 time. But that middle part, the selection team does that, and  
2 there's not input from any state on that.

3 MR. THOMPSON: Thank you, Chair.

4 CHAIRMAN SELLERS: Okay. Thank you.

5 MR. HAMMIT: Thank you, Mr. Chair. May I go to  
6 the next item?

7 CHAIRMAN SELLERS: Yeah. Moving on to Agenda  
8 Item No. 9, construction contracts, for discussion and possible  
9 action.

10 MR. HAMMIT: Thank you. And thank you, Board,  
11 for approving the four projects in the consent agenda.

12 There are six projects that need some more  
13 explanation. As you can see by the totals, we are moving  
14 forward. It does look better with -- we're under our total  
15 budget, but all of it came out of one project that we got very  
16 good bids on, and the other thing I would caution, we have  
17 matched our estimated closer to where the bids are. So it  
18 doesn't -- other than this project, it doesn't seem that we're  
19 getting a lot better bids. We just got closer with our  
20 estimating with that.

21 Moving on to Item 9A, this project is in the  
22 Tucson area. This is at the Ruthrauff traffic interchange at  
23 I-10. On this project, the low bid was \$78,995,365. The  
24 State's estimate was \$100,935,005. It was under the State's  
25 estimate by \$21,939,640, or 21.7 percent. We saw better-

1 than-expected pricing in roadway excavation, our concrete work,  
2 our retaining walls and our structural concrete. But really, we  
3 talked to the bidder. They just completed work a couple miles  
4 up the road. They knew very well what it cost to build this  
5 job, and so they felt very comfortable with their pricing.

6 I do want to brief the Board that on this  
7 project, there was a -- we noted in an irregularity in the DBE  
8 paperwork. The department, working with FHWA, went through  
9 that, determined it was a non-material error. They -- once they  
10 brought some pricing from their bid schedule to the DBE  
11 affidavit, once that was corrected, they still greatly exceeded  
12 their DBE goal. That's why we considered it non-material, and  
13 with that, the department has reviewed the bid and believes it  
14 is a responsive and responsible bid and recommends award to  
15 Sundt Construction, Inc.

16 CHAIRMAN SELLERS: And just a quick general  
17 question before I ask for a motion on that.

18 Do you have an estimate of what the -- how much  
19 we've been increasing our estimates for these bids based on the  
20 current economy?

21 MR. HAMMIT: Mr. Chairman, we do, and at the next  
22 meeting I'm happy to go through. We have quarterly reports  
23 on -- basically, we're doing our own market analysis, how things  
24 are going. We're in the ballpark on our asphalt over the last  
25 two years, about 15 percent higher, 40 percent in steel, but we

1 break that down in, I believe, 10 different categories, and I'd  
2 be happy to present that at the next meeting.

3 CHAIRMAN SELLERS: I think that would help us to  
4 understand some of the challenges that we're facing right now.

5 Okay. Is there a motion to award Item 9A to  
6 Sundt Construction, Inc. as presented?

7 MR. HAMMOND: So moved.

8 MR. ELTERS: Second.

9 CHAIRMAN SELLERS: I have a motion from Board  
10 Member Hammond, a second from Board Member Elters. Any  
11 discussion?

12 All in favor say aye.

13 BOARD MEMBERS: Aye.

14 CHAIRMAN SELLERS: Any opposed? That motion  
15 passes.

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

17 Item 9B, this was a traffic signal project on  
18 State Route 87 at three different locations. On this project,  
19 the department had looked to furnish materials. The intent was  
20 to furnish part of the materials, the long lead time. When we  
21 wrote the specifications, we had an error and said we would  
22 furnish all the materials. Some of those materials we cannot  
23 purchase with our current contracting. So the department  
24 recommends that we reject all bids. We will repackage it  
25 properly and put it back out to bid.

1 CHAIRMAN SELLERS: Okay. Is there a motion to  
2 reject all bids on Item 9B as presented?

3 MR. STRATTON: So moved.

4 MR. KNIGHT: Second.

5 CHAIRMAN SELLERS: Motion by Board Member  
6 Stratton, second by Board Member Knight. Any discussion?

7 All in favor say aye.

8 BOARD MEMBERS: Aye.

9 CHAIRMAN SELLERS: Any opposed? That motion  
10 carries.

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

12 Item 9C is a scour retrofit deck rehab project on  
13 the bridge on State Route 177. On that project, the low bid was  
14 \$1,722,222. The State's estimate was \$1,434,245. It was over  
15 the State's estimate by \$287,977, or 20.1 percent. We saw  
16 higher-than-expected pricing in our structural concrete, a  
17 bridge barrier and mobilization.

18 As we dug into it more, we underestimated some of  
19 the labor that it was going to take most of the costs, but  
20 really, the man hours, we underestimated in those areas. As we  
21 -- we did do that review, and the department believes that the  
22 bid is responsive and responsible and recommends award to Fisher  
23 Sand & Gravel, doing business as Southwest Asphalt Paving.

24 CHAIRMAN SELLERS: Is there a motion to award  
25 Item 9C to Fisher Sand & Gravel Company, doing business as a

1 Southwest Asphalt Paving as presented?

2 MR. STRATTON: Move to approve, and I got some  
3 questions.

4 MR. HAMMOND: I'll second it.

5 CHAIRMAN SELLERS: We have a motion from Board  
6 Member Stratton, second by Vice Chair Hammond.

7 Board Member Stratton.

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

9 Dallas, we had a multiple projects in and around  
10 the Globe -- I mean Winkelman area right now, closures on  
11 Highway 60, and this happens to be on the detour alternate  
12 route. Will this require any closures at all, or will it just  
13 be single lane or what's -- what are you looking at?

14 MR. HAMMIT: Mr. Chairman, Mr. Stratton, I will  
15 need to check in that and get back to you. I don't know off the  
16 top of my head. But I will --

17 MR. STRATTON: But it would be closed at the same  
18 time Pinto Creek was closed, which would isolate Globe from the  
19 valley.

20 MR. HAMMIT: Mr. Chairman, Mr. Stratton, we will  
21 make sure the projects coordinate and that we would not have  
22 closures on both projects at the same time. I can assure you of  
23 that.

24 CHAIRMAN SELLERS: Okay. Any further discussion?  
25 All in favor say aye.



1 BOARD MEMBERS: Aye.

2 CHAIRMAN SELLERS: Any opposed? That motion  
3 carries.

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

5 Item 9D, a roadway winding project in the city of  
6 Apache Junction. On that project, the low bid was \$2,678,180.  
7 The State's estimate was \$2,332,187. It was over the State's  
8 estimates by \$345,993, or 14.8 percent. We did see  
9 higher-than-expected pricing in the sidewalk, the concrete  
10 sidewalk, some of the utility work and the manholes and  
11 mobilization. After review of the bids, the department believes  
12 it is a responsive and responsible bid and recommends award to  
13 FNF Construction, Inc.

14 CHAIRMAN SELLERS: Is there a motion to award  
15 Item 9D to FNF Constructions, Inc. as presented?

16 MR. STRATTON: Move to approve.

17 MR. ELTERS: Second.

18 CHAIRMAN SELLERS: Motion by Board Member  
19 Stratton, second by Board Member Elters. Any discussion?

20 All in favor say aye.

21 BOARD MEMBERS: Aye.

22 CHAIRMAN SELLERS: Any opposed? That motion  
23 carries.

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

25 Item 9E is a paving project in the city of

1 Maricopa. On this project, the low bid was \$2,313,334. The  
2 State's estimate was \$2,146,043. It was over the State's  
3 estimate by \$167,291, or 7.8 percent. In talking with the City,  
4 they don't have the funds right now for this -- don't want to  
5 commit the extra funds. They asked the department to work with  
6 them to rescope and re-advertise the project, and so at this  
7 time the department recommends the Board to reject all bids.

8 CHAIRMAN SELLERS: Is there a motions to reject  
9 all bids on Item 9D as presented?

10 MR. STRATTON: Move to reject all bids.

11 MR. ELTERS: Second.

12 CHAIRMAN SELLERS: I have a motion by Board  
13 Member Stratton, second by Board Member Elters. Any discussion?

14 All in favor say aye.

15 BOARD MEMBERS: Aye.

16 CHAIRMAN SELLERS: Any opposed? That motion  
17 carries.

18 MS. MEYER: Thank you, Mr. Chair.

19 And our last item is Item 9F. It is a bridge  
20 replacement project in the city of Prescott. On the project,  
21 the low bid was \$1,025,760. The State's estimate was \$867,475.  
22 It was over the State's estimate by \$158,285, or 18.2 percent.  
23 We saw higher-than-expected pricing in roadway excavation,  
24 borrow and structural excavation. The department has reviewed  
25 the bid and believes that it is a responsive and responsible bid

1 and recommends award to Vastco, Inc.

2 CHAIRMAN SELLERS: So we finally got out of  
3 District 4.

4 MR. HAMMIT: Finally, yes.

5 CHAIRMAN SELLERS: Is there a motion to award  
6 Item 9F to Vastco, Inc. as presented?

7 MR. KNIGHT: So moved.

8 MR. STRATTON: Second.

9 CHAIRMAN SELLERS: Motion by Board Member Knight,  
10 second by Board Member Stratton. Any discussion?

11 All in favor say aye.

12 BOARD MEMBERS: Aye.

13 CHAIRMAN SELLERS: Any opposed? That motion  
14 carries.

15 MS. MEYER: Thank you, Mr. Chair.

16 CHAIRMAN SELLERS: Moving on to Agenda Item 10.  
17 Review of board policies. Mr. Roehrich.

18 MR. ROEHRICH: Thank you, Mr. Chair.

19 So last month we had presented the Board policies  
20 with one addition for approval. As statutorily required, every  
21 two years, and the Board has -- the Board needs to adopt their  
22 policy -- add to it, redo, delete, you know, just whatever they  
23 intend to do with their policies and then reaffirm them. It's a  
24 two-year process. The Board traditionally has done it on an odd  
25 year. We always give ourselves time in the fall to address

1 this.

2           So last month we had presented one brand-new  
3 policy that I'm going to talk about again. But since then,  
4 Mr. Byres, Mr. Greg Byres, our planning director came to us and  
5 said he received a letter from one of the airports concerned the  
6 language of another policy, that it was confusing. So what  
7 we're proposing is for this year, no policy are adjusted with  
8 the exception of Policy No. 39. It's the Airport Development  
9 Program policy. You can see the top part is the current policy.

10           The bottom part is the language that we feel does  
11 not materialLY change how this Airport Development Program will  
12 function or how it operates, but it clarifies the question that  
13 was asked by industry to ensure that the policy -- people  
14 understand the policy. And if you look at the bottom part in  
15 red, you can see that really what we're trying to identify is  
16 when it says the five programs, it's the five grant and loan  
17 programs.

18           It covers all our granting and loan programs, and  
19 then later on, we've got language that says that the  
20 appropriation will come from the Legislature. Any additional  
21 aviation balances and any currently grant obligations, because  
22 in their mind, it was requested where are these funds going to  
23 come from, and those are the three funding sources. So those  
24 are clearly spelled out, and then later on in a little more  
25 language about how the distribution will follow which matches

1 the current process. So there's no material change to this  
2 policy. It clarifies the policy itself. So we're present --  
3 proposing that that language get added.

4 And then, Lynn, can you go to number 44?

5 And then I just want to reaffirm. This was the  
6 policy that we presented last month. There's a new policy that  
7 we as staff have worked at. It's been reviewed with Michelle,  
8 through legal, to make sure that we've got the language correct,  
9 and it's in -- this policy was involved based upon the state  
10 auditor reviewing all boards and commissions around the state  
11 and coming back and saying that they recommend boards and  
12 commissions adopt a policy that does define how their per diem  
13 compensation and their expenses are reimbursed.

14 You can see it identified in here, and it pretty  
15 much follows the state process through, and here's where the  
16 language was added only to clarify what those languages were,  
17 and it's through the ADOT policy about financial 6.02 for  
18 expenses, as well as compliance with the State of Arizona  
19 Accounting Manual SSAM Policy 5565.

20 Everything else was the same as we presented last  
21 month. In our opinion, this policy, once adopted and added to  
22 the Board's policy, will make us compliant with the state  
23 auditor's report. So at this point, we are asking the Board to  
24 approve their policies with the modification to Policy No. 39,  
25 which is the clarifying language for industry, and the addition

1 of Policy 44, outlining how transportation board members are  
2 compensated and expenses reimbursed. All other policies and  
3 languages are unaffected.

4 CHAIRMAN SELLERS: Any questions for Floyd?

5 MR. KNIGHT: Mr. Chair.

6 CHAIRMAN SELLERS: Yes.

7 MR. KNIGHT: So if I understand it correct,  
8 Floyd, this change in compensation and reimbursement policy  
9 doesn't really change anything that we've been doing. It just  
10 -- it just puts it in writing?

11 MR. ROEHRICH: Mr. Chair, Mr. Knight, that's  
12 exactly it. It does not change our process. We're documenting  
13 it, and that's -- was part of what the audit report says. If  
14 you have a process, you need to document it.

15 MR. KNIGHT: Thank you.

16 CHAIRMAN SELLERS: Is there a motion to approve  
17 the 2019 State Transportation Board policies with the inclusion  
18 of edited Policy No. 39 and new Policy No. 44 as presented?

19 MR. ELTERS: So moved.

20 MR. KNIGHT: Second.

21 CHAIRMAN SELLERS: I have a motion by Board  
22 Member Elters, second by Board Member Knight. Any discussion?  
23 All in favor say aye.

24 BOARD MEMBERS: Aye.

25 CHAIRMAN SELLERS: Any opposed? That motion

1 carries.

2 Okay. We'll now move on to Agenda Item No. 11.  
3 Board meeting location change. Mr. Roehrich.

4 MR. ROEHRICH: Thank you, Mr. Chair.

5 So last month we had asked the Board to approve  
6 the dates and locations for next year, calendar year 2020, and  
7 the Board did do that. And just to clarify, we're coming back  
8 to Wickenburg in November, so that is a continuation where -- we  
9 haven't changed that. We're also excited we're going the  
10 Chinle.

11 CHAIRMAN SELLERS: Invite the old chairman.

12 MR. ROEHRICH: And the old chairman will be  
13 invited, but we'll probably invite you after the meeting, so...  
14 You're going to be pretty busy at the county, it sounds like.  
15 You're not gracefully fading away. You've jumped right from the  
16 trying pan to the fire, it sounds like.

17 CHAIRMAN SELLERS: Okay.

18 MR. ROEHRICH: Anyway, so that was approved last  
19 month. We've started our initial coordination with the  
20 communities. We reached out to them originally, and they all  
21 were excited. We got positive responses. Please come to the  
22 board room meeting here. We want to continue to host that. But  
23 after the meeting, we were contacted by the City of Yuma, and  
24 earlier I told some the members it was Bisbee that requested  
25 this, and I was mistaken. Linda corrected me, as she does

1 almost daily.

2 The City of Yuma asked to move their meeting from  
3 February to January, and the City of Bisbee said, absolutely, we  
4 are fine with moving it to February, because we want the Board  
5 to be here. So as requested by the two communities, we're  
6 asking the Board to approve a modification to the meeting  
7 locations next year, changing Yuma into January, and Bisbee into  
8 February.

9 CHAIRMAN SELLERS: Okay.

10 MR. HAMMOND: (Inaudible) I'll make a motion to  
11 approve.

12 MR. STRATTON: Second.

13 CHAIRMAN SELLERS: Okay. Madam secretary, should  
14 I read the motion?

15 MR. ROEHRICH: I don't believe you need to. I  
16 believe we've outlined it.

17 MS. PRIANO: I think we've got it.

18 CHAIRMAN SELLERS: Any discussion?

19 All in favor say aye.

20 BOARD MEMBERS: Aye.

21 CHAIRMAN SELLERS: Any opposed? That motion  
22 carries.

23 Okay. Moving on to our final agenda item. Any  
24 discussions from board members for future meetings?

25 MR. STRATTON: I'd like to suggest that most of



1 the meetings be this quick.

2 MR. ROEHRICH: I'm going to leave it up to the  
3 incoming chair.

4 CHAIRMAN SELLERS: Yeah. Please make a note of  
5 that, Vice Chair Hammond.

6 MR. HAMMOND: So noted.

7 MR. ROEHRICH: Mr. Chair, members, I want to make  
8 sure that for next month, we will add the discussion about the  
9 thoughts on the two BUILD grants that we got that was asked for,  
10 and I will work with staff to see if they can be ready to give a  
11 presentation of all of the grants that we are preparing, see if  
12 that can be ready by next month, or as soon as I'm ready, we'll  
13 get it agendaed. I just wanted to make sure if it's not ready  
14 by next month, Mr. Elters, we are going to get that as soon as  
15 we can, and I'll get staff started on pulling that together. If  
16 it's ready, I figure we can do it all at the same time. So  
17 those are the topics that we have right now, other than our  
18 normal topics.

19 CHAIRMAN SELLERS: Board Member Thompson.

20 MR. THOMPSON: Floyd, is it okay to address an  
21 issue that maybe the board can consider in the future?

22 MR. ROEHRICH: Mr. Chair, Mr. Thompson, yes, if  
23 it's something for the whole board. Absolutely. We need to  
24 know what the topic is so the board chair will concur with  
25 adding it, because the board chair has the final say on the

1 agenda.

2 MR. THOMPSON: It's having to do with requesting  
3 ADOT to do a study on the relationship between the education of  
4 our young people relating to transportation issues.

5 MR. ROEHRICH: So Mr. Chair, Mr. Thompson, in that  
6 regard, that is not a board function to get itself involved in  
7 that operation. So you're asking ADOT to come out and either  
8 educate either young kids or locals on process and procedures  
9 and how transportation and ADOT works. That is a request that  
10 can be sent directly to us, and then we can work with our  
11 communications team or, you know, whatever department needs to  
12 be involved within that. That would not require the Board to  
13 get involved, but that's just a direct request to the agency.  
14 So if you or your -- asking on behalf of a local government or  
15 local group somewhere, if you would just want to ask them to  
16 contact me, we can work on that.

17 MR. THOMPSON: I just want to -- us to do what  
18 the federal government -- the governmental accounting office,  
19 they did a study on that. I want us to do something  
20 (inaudible). So we'll contact the director?

21 MR. ROEHRICH: Yes, sir. And we need to look at  
22 what specifically you're asking us to study, what you're  
23 specifically asking us to get involved with. But some studies  
24 and things like that are not programmed through the Board. That  
25 would be just a direct function with the agency.

1 CHAIRMAN SELLERS: Okay. Any further?

2 MR. THOMPSON: Thank you.

3 CHAIRMAN SELLERS: I will just mention that our  
4 next meeting will be at the Maricopa Association of Governments  
5 in Phoenix. So --

6 MR. ROEHRICH: On Friday, December 20th. It will  
7 start at, again, the normal time, at 9:00 a.m.

8 In addition, as I said before, to make sure, we  
9 are coordinating that Thursday afternoon, the 19th, and the  
10 details will be coming out when we will do that to have a tour,  
11 a drive through of the South Mountain project, as it really is  
12 ready -- supposed to open up that the weekend or no later than  
13 on Monday. They're going through and finalizing the details, as  
14 the state engineer had said. So we'll be able to see a lot of  
15 what is completed at the time that it will be open -- right  
16 before it opens to traffic.

17 CHAIRMAN SELLERS: Exciting time. The biggest  
18 project ever. So thank you.

19 MR. ROEHRICH: Yeah. They made great progress.

20 CHAIRMAN SELLERS: Do I have a motion to adjourn  
21 this meeting?

22 MR. STRATTON: So moved.

23 MR. THOMPSON: Second.

24 CHAIRMAN SELLERS: Moved by the entire board, and  
25 seconded by the entire board.

1 All in favor say aye.

2 BOARD MEMBERS: Aye.

3 CHAIRMAN SELLERS: Any opposed. This meeting's  
4 adjourned.

5 (Proceeding concluded at 10;16 a.m.)

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**Adjournment**

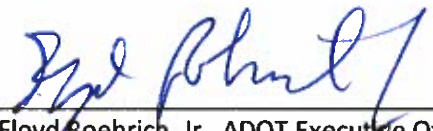
***A motion to adjourn the November 15, 2019 State Transportation Board meeting was made by Board Member Stratton and seconded by Board Member Thompson. In a voice vote, the motion carried.***

**Meeting adjourned at 10:16 a.m. MST.**



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Jack Sellers, Chairman  
State Transportation Board



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