

ARIZONA STATE TRANSPORTATION BOARD
STATE TRANSPORTATION BOARD MEETING

REPORTER'S TRANSCRIPT OF PROCEEDINGS

TELEPHONIC BOARD MEETING

April 17, 2020
9:00 a.m.

REPORTED BY:

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PREPARED FOR:
ADOT - STATE TRANSPORTATION BOARD

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REPORTER'S TRANSCRIPT OF EXCERPT OF ELECTRONIC
PROCEEDINGS, ADOT - STATE TRANSPORTATION BOARD, was reported
from electronic media by TERESA A. WATSON, Registered Merit
Reporter and a Certified Reporter in and for the State of
Arizona.

PARTICIPANTS:

Board Members:

- Michael S. Hammond, Chairman
- Steven E. Stratton, Vice Chairman
- Jesse Thompson, Board Member
- Sam Elters, Board Member
- Gary Knight, Board Member
- Richard Searle, Board Member
- Jenn Daniels, Board Member

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CALL TO THE AUDIENCE

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1 (Beginning of excerpt.)

2 CHAIRMAN HAMMOND: Moving on to the call to the
3 audience. This is an opportunity for the members of the public
4 to discuss items of interest with the Board. (Indiscernible)
5 the online request form. We will call (indiscernible) one by
6 one (indiscernible). This is a telephonic videoconference.

7 MR. ROEHRICH: Mr. Chair, I'm sorry to interrupt
8 you, but we have so much background, I'm going to mute
9 everybody.

10 UNIDENTIFIED SPEAKER: (Indiscernible) Michelle's
11 not muted.

12 MR. ROEHRICH: So I muted everybody, and what I'm
13 going to ask now is only board members, when you speak, please
14 unmute your phone. So Mr. Chair, you're going to have to go in
15 and push star six on your phone or unmute if you're on your
16 computer.

17 (Indiscernible conversation.)

18 UNIDENTIFIED SPEAKER: We can start calling them
19 out.

20 CHAIRMAN HAMMOND: Can you hear me now?

21 DIRECTOR HALIKOWSKI: Yes.

22 MR. ROEHRICH: Yes.

23 CHAIRMAN HAMMOND: Hello?

24 MR. ROEHRICH: Mr. Hammond, we can hear you. Can
25 you hear us?

1 UNIDENTIFIED SPEAKER: Yes. We can here you now.
2 I think they're all muted in the ADOT room, but I can hear you.

3 CHAIRMAN HAMMOND: Okay. I'll go ahead and do
4 the call to the audience. So let's hope this works. Again,
5 everyone will be muted when they call in to the meeting. When
6 your name is called to provide your comments, you need to unmute
7 your phone by pressing star six on your phone keypad, and make
8 your comments while your time -- when your time is up, please
9 mute your phone again by pressing star six.

10 Again, everybody, if you're not now muted by
11 Floyd, please keep your phone muted if you're not speaking.
12 Remember, a three minute time limit will be imposed. If I
13 recall, I think there's about -- about 10 to 12 folks that would
14 like to speak that submitted the online form. So with that,
15 let's begin the call to the audience.

16 Floyd, you can lead from your end.

17 MR. ROEHRICH: Thank you, sir. Can you hear us
18 in -- can everybody hear us?

19 UNIDENTIFIED SPEAKER: Yes.

20 MR. ROEHRICH: Thank you.

21 UNIDENTIFIED SPEAKER: Yeah. Board members can.

22 UNIDENTIFIED SPEAKER: I can hear fine.

23 MR. ROEHRICH: Our first call to the audience is
24 Mayor Carol Evans, mayor of Flagstaff. Mayor Evans, if you can
25 unmute your phone. Mayor Evans, if you can unmute your phone.

1 Star six should unmute your phone, and you can have your three
2 minutes.

3 We talked to earlier. Mayor Evans was on the
4 line there. We talked to her.

5 Mayor Evans, if you're speaking, we cannot hear
6 you, so...

7 DIRECTOR HALIKOWSKI: I guess you're going to
8 have to unmute everybody again.

9 MR. ROEHRICH: Mayor Evans (indiscernible).
10 (Indiscernible crosstalk.)

11 UNIDENTIFIED SPEAKER: Just go through the list.

12 MR. ROEHRICH: I don't know, because Mayor Evans
13 was a call-in number.

14 UNIDENTIFIED SPEAKER: Oh, she was?

15 MR. ROEHRICH: Yeah. It said call-in user.

16 Mayor Evans, we cannot hear you. I'm sorry.
17 You're muted. If you can unmute yourself, star six.

18 DIRECTOR HALIKOWSKI: (Indiscernible.)

19 CHAIRMAN HAMMOND: Floyd, if you can hear me,
20 maybe try another and come back to the mayor.

21 MR. ROEHRICH: Okay. Our next speaker -- Mayor
22 Evans, if you come on later, we will give you time.

23 Our next speaker is Mr. Charlie Odegard,
24 Flagstaff City Council.

25 MAYOR EVANS: Hello?

1 MR. ROEHRICH: Yes. We can -- who is that? Who
2 said hello?

3 MAYOR EVANS: Hello?

4 DIRECTOR HALIKOWSKI: Is that you, Mayor Evans?

5 UNIDENTIFIED SPEAKER: I can hear you, Mayor
6 Evans. Can you hear us?

7 MAYOR EVANS: Okay. Now I can hear somebody.
8 (Indiscernible.) I apologize.

9 CHAIRMAN HAMMOND: Okay.

10 MR. ROEHRICH: So Mayor Evans, please go ahead.

11 MAYOR EVANS: Hi. As the mayor of the City of
12 Flagstaff, Arizona, and chair of the Executive Board of the
13 Flagstaff Metropolitan Planning Organization, now
14 (indiscernible) at MetroPlan, I want to thank all of you for
15 your ongoing efforts and give a few words of welcome.

16 Our community understands that the public health
17 crisis and the Board's need to hold this meeting electronically
18 rather than visiting us in Flagstaff. We are excited [sic] that
19 you missed us, and we look forward to seeing you on the next
20 time you're able to travel. While we miss the personal
21 connections and the opportunity to share our city with you, we
22 respect your focus on safety and the public good.

23 Life in greater Flagstaff, like every place else,
24 goes on. ADOT and the City are partnering on the Fourth Street
25 Bridge widening project, and we continue our robust public

1 transportation system. We continue to implement the public
2 initiatives, the public transportation initiatives that were
3 approved by our builders in 2018. Pursuit of partnership
4 funding on the I-40 and the Lone Tree Corridor with ADOT
5 continues. We are in the community (indiscernible) long haul,
6 recognizing that a robust transportation system is required for
7 a robust economy and a high quality of life.

8 (Indiscernible) continue to unfold. We will
9 continue to look for partnership and collaboration
10 opportunities. So on behalf of the City of Flagstaff, MetroPlan
11 and the region, I say thank you to your efforts and wish safety
12 and health to you and your family. Thank you.

13 MR. ROEHRICH: Thank you, Mayor Evans.

14 CHAIRMAN HAMMOND: Thank you, Mayor.

15 MR. ROEHRICH: Please mute your phone.

16 Our next speaker -- our next speaker is
17 Mr. Charlie Odegaard, Flagstaff City Council.

18 Mr. Odegaard, are you on? Mr. Odegaard?

19 (Indiscernible conversation.)

20 UNIDENTIFIED SPEAKER: The ADOT room has
21 themselves on mute.

22 MR. ROEHRICH: Can you unmute the --

23 UNIDENTIFIED SPEAKER: So we are unable to hear
24 you.

25 UNIDENTIFIED SPEAKER: Can you unmute us, Floyd?

1 MR. ROEHRICH: We are unmuted.

2 UNIDENTIFIED SPEAKER: No, apparently not.

3 UNIDENTIFIED SPEAKER: Jenn, can you guys hear
4 me?

5 CHAIRMAN HAMMOND: Yes.

6 MS. DANIELS: Yes.

7 UNIDENTIFIED SPEAKER: Sounds good. I'm going to
8 put it back on mute.

9 MR. ROEHRICH: Mr. Odegaard, are you there?
10 Mr. Hammond, can you hear us?

11 CHAIRMAN HAMMOND: Yes.

12 UNIDENTIFIED SPEAKER: Yes, I can.

13 MR. ROEHRICH: So Mr. Odegaard, you are next. If
14 you would please unmute your phone with star six.

15 UNIDENTIFIED SPEAKER: (Indiscernible) state
16 transportation board meeting (indiscernible).

17 MR. ODEGAARD: All right. Can you hear me okay?

18 MR. ROEHRICH: Yes, sir. Please go ahead.

19 MR. ODEGAARD: All right. Well, thank you.

20 Thank you, Chair Hammond, for having me this morning. I really
21 wanted to thank everybody concerning ADOT and ADOT board
22 (indiscernible) great partnerships with the City of Flagstaff.
23 We've got several great projects in the (indiscernible) now
24 concerning the Fourth Street Bridge's widening project that's
25 (indiscernible) I-40. I drive that corridor almost daily, and

1 (indiscernible) infrastructure (indiscernible) with other things
2 that are happening in our communities and our nation concerning
3 COVID-19.

4 The citizens of Flagstaff appreciates
5 infrastructure projects. Back in 2018, we renewed our sales
6 tax. It's dedicated sales tax for infrastructure transportation
7 projects (indiscernible) and widening of existing roads. Great
8 partners in our (indiscernible) with Mountain Mine Flagstaff
9 (indiscernible) of \$17 million (indiscernible). That's very
10 exciting.

11 And also what's exciting is the Board approving
12 the bridges' replacement (indiscernible) by City Hall. As we
13 speak now, there is construction happening in front of City Hall
14 with the replacement of those bridges, and also to get us ready
15 for (indiscernible) just a few months ago. The City of
16 Flagstaff was awarded (indiscernible) million dollars from the
17 Army Corps of Engineers (indiscernible). And so those dollars,
18 the City of Flagstaff is using them today to coordinate with
19 ADOT with the bridges (indiscernible) by City Hall.

20 And so really wanted to thank ADOT with their
21 continuing partnership with the City of Flagstaff for routes
22 (indiscernible) the Highway 180 corridor study, and really
23 wanted to say, everyone out there, it's exciting to see
24 construction projects happening. It puts a light on
25 (indiscernible) and for everyone to be safe. Thank you very

1 much.

2 MR. ROEHRICH: Thank you, Mr. Odegaard.

3 Mr. Chair, before we move forward, I'm going to
4 go through our list, and I'm going to ask these people to mute
5 themselves. We show them being unmuted.

6 Anita Kleinman, please mute yourself.

7 Mayor Fullerton, please mute yourself.

8 Bonnie Sue Nygard, please mute yourself.

9 Brent Payne (phonetic). What the hell, man?
10 Mute yourself. If I got to tell a ADOT person to mute
11 themselves, I'm going to have the state engineer send you an
12 email. (Indiscernible.) So --

13 MS. WARD: Clem.

14 MR. ROEHRICH: Clem Ligocki, mute yourself.

15 Dan (indiscernible), mute yourself.

16 Derek, mute yourself. I don't know this Derek.

17 Dick Henson, mute yourself.

18 Dylan Cardie, mute yourself.

19 UNIDENTIFIED SPEAKER: (Indiscernible.)

20 MR. ROEHRICH: No. Hilarie Bass, mute yourself.

21 Jeff, mute yourself.

22 Jill, mute yourself.

23 Jim Windsor, mute yourself. What the hell?

24 Jon, J-o-n, mute yourself.

25 UNIDENTIFIED SPEAKER: So just to clarify --

1 MR. ROEHRICH: Michelle (indiscernible), mute
2 yourself.

3 UNIDENTIFIED SPEAKER: They actually could be
4 muted on their end but not through the Webex system, and so --

5 MR. ROEHRICH: I'm just --

6 UNIDENTIFIED SPEAKER: -- they could have their
7 own phone on mute but not be muted on Webex. There are many
8 people -- Jeff Hamilton jut muted himself, which was good. He
9 was speaking during Dr. Odegaard's comments, and there are
10 several others who are not muted. You can see them. Also,
11 Linda has the option to mute everyone through -- as the host of
12 the meeting. So there are some other options.

13 MR. ROEHRICH: Thank you (indiscernible) --

14 CHAIRMAN HAMMOND: (Indiscernible) replace Floyd
15 at the next meeting.

16 MR. ROEHRICH: Oh, we hear that. We could mute
17 everybody, but then nobody was unmuting themselves. So I'm just
18 trying to get it, because we hear so much feedback from people,
19 because they can still unmute themselves.

20 Okay. So our next person -- we'll go on to the
21 next person. Please mute yourself if you're not muted. The
22 next speaker is Tom Brady, Mayor of Bullhead City. Mayor Brady,
23 please unmute yourself, and you have your three minutes. Mayor
24 Brady, if you're muted, we cannot hear you.

25 UNIDENTIFIED SPEAKER: (Indiscernible.)

1 MR. ROEHRICH: Mayor Brady we cannot hear you, so
2 please unmute yourself.

3 Mr. Chair, we will come back to Mr. Brady and try
4 him, Mayor Brady, see if he is able to get on.

5 Our next speaker is county supervisor Paul David,
6 Graham County Supervisor.

7 Supervisor David, are you on the line? Please
8 mute -- unmute yourself. Mr. David, if you're speaking, we
9 cannot hear. Please unmute yourself.

10 CHAIRMAN HAMMOND: Try clicking on the bottom of
11 the video, not (indiscernible). There's a mute button there.

12 MR. ROEHRICH: I don't know if I can find
13 everybody here. Some of them are just listed as "call-in user,"
14 so...

15 DIRECTOR HALIKOWSKI: (Indiscernible.) Try
16 muting everybody if that works (indiscernible).

17 MR. ROEHRICH: But if unmute, I can only unmute
18 everybody.

19 DIRECTOR HALIKOWSKI: I understand, but hopefully
20 they've all muted themselves.

21 MR. ROEHRICH: But -- no. But then I'll unmute
22 them.

23 DIRECTOR HALIKOWSKI: Okay.

24 MR. ROEHRICH: You want me to try unmuting
25 everybody?

1 UNIDENTIFIED SPEAKER: Just go on.

2 UNIDENTIFIED SPEAKER: As the host, you can
3 actually unmute individuals by clicking on their microphone to
4 the right of their name.

5 MR. ROEHRICH: If I can find them. That's what
6 I've been trying -- it's hard to find the mayor in the list.

7 UNIDENTIFIED SPEAKER: (Indiscernible) call-in
8 user, they're not registered, then it's very difficult.

9 DIRECTOR HALIKOWSKI: Yeah. There are many
10 people there just listed as caller.

11 MR. ROEHRICH: Yeah, like the Mayor Brady is not
12 listed and --

13 DIRECTOR HALIKOWSKI: Let's try moving on to the
14 next speaker.

15 MR. ROEHRICH: So our next speaker is Tom Pinder,
16 sales manager for Acrow.

17 Mr. Pinder, are you on the phone? Can you unmute
18 yourself? Tom Pinder.

19 DIRECTOR HALIKOWSKI: Maybe we could dispense
20 with public comments and have them write them and send them in.

21 UNIDENTIFIED SPEAKER: Yes.

22 UNIDENTIFIED SPEAKER: Uh-huh.

23 MR. ROEHRICH: I got just a couple more.

24 How about Mike Smejkal, Board president, Arizona
25 Airports Association? Mr. Smejkal, are you on the phone?

1 Matter of fact, I see you're right there.

2 MR. SMEJKAL: Yes, I am. Can you hear me?

3 MR. ROEHRICH: Yes. We can hear you. Please --

4 UNIDENTIFIED SPEAKER: Oh, we got one.

5 MR. ROEHRICH: Go ahead. You got your three
6 minutes.

7 MR. SMEJKAL: You got somebody.

8 All right. Well, thank you. Good morning,
9 everybody. Again, my name is Mike Smejkal. I'm the board
10 president of the Arizona Airports Association, and day job is
11 the vice president of planning and engineering for the Tucson
12 Airport Authority.

13 Just really quickly. In light of all the
14 circumstances, I'll keep my comments brief, but just on behalf
15 of our 300 members make up mostly of airports and those who
16 support airports. I just wanted to thank the Board and ADOT
17 staff, specifically the aeronautics group for the continued
18 support of the airport system and the Aviation Fund.

19 Obviously, especially right now, with the current
20 pandemic, airports are playing a significant role connecting
21 both, you know, critical cargo need throughout Sky Harbor and
22 Tucson. I've seen a very large uptick in critical medical
23 supplies, as well as many general aviation airports are helping
24 out by flying physicians around to some of the rural general
25 aviation airports that have some -- have -- don't have enough

1 physicians at hand.

2 So I know everyone's going to be working very
3 hard, redoing revenue projects and budgets and updating the
4 Aviation Fund over the next few months, but I just wanted to,
5 you know, appreciate the Board and its staff's support over the
6 last few years. We were finally able to get the state/local
7 program up -- back up and running on the Aviation Fund this last
8 year. I know it's going to be a tough -- tough revenue
9 projection year, but we're hoping that we can continue with the
10 state/local program and continue to support the airports like
11 you have been. So I just wanted to thank you. Thank you, the
12 Board, for everything you do and the aeronautics staff at ADOT.

13 MR. ROEHRICH: Thank you, Mr. Smejkal.

14 The next person is Mr. Tim Suan, Community
15 Development Director, City of Page.

16 Mr. Suan, are you on the phone? And I saw him.

17 MR. SUAN: (Indiscernible) everybody hear me
18 okay?

19 MR. ROEHRICH: Yes, we can. Please go ahead.

20 MR. SUAN: Awesome. (Indiscernible) members of
21 the Board. Thank you for having me here. Thank you for your
22 support (indiscernible), but I'm here before you today to bring
23 continuous awareness to our U.S. highway (indiscernible)
24 intersection (indiscernible). The project is the
25 (indiscernible) Audra Merrick (indiscernible), but unfortunately

1 (indiscernible). This project is on the P2P list, and I want to
2 remind the Board about the importance of this project. Many
3 non-incapacitating incidents have happened (indiscernible).
4 Thank you for your continued support and partnership on
5 (indiscernible) Highway 89 (indiscernible) intersection
6 roundabout (indiscernible). Thank you, Mr. Chairman.

7 CHAIRMAN HAMMOND: Thank you. Floyd.

8 MR. ROEHRICH: So the only other request we got
9 was from Mr. Kee Allen Begay. He sent in a letter and asked it
10 to be part of the public record. I don't know if he wanted to
11 speak to it. We have his letter. We will make it part of the
12 record. So I'll ask is Mr. Kee Allen Begay on the Webex? And
13 if you are, please unmute your phone.

14 I'm going to say that's not, Mr. Chair. So
15 that's the people who have responded. We did get a few people
16 who did not -- who had requested, but we could not hear them.
17 If you prefer, we can move on to the rest of the meeting, and I
18 can send a quick email to them afterwards and ask them to submit
19 their comments if they want in writing, and we'll include them
20 as part of the call to the audience.

21 UNIDENTIFIED SPEAKER: (Indiscernible.)

22 CHAIRMAN HAMMOND: I will ask a quick question.
23 Are any of those speakers that were able to unmute that are on
24 the line?

25 (Indiscernible conversation.)

1 MR. ROEHRICH: (Indiscernible) Mr. Paul David?
2 Is that Supervisor David?

3 UNIDENTIFIED SPEAKER: (Indiscernible.)

4 MR. ROEHRICH: Mr. David, if that's you, you're
5 really breaking up. Paul David (indiscernible).

6 MR. DAVID: This is Paul David. Can you hear me?

7 MR. ROEHRICH: Yes, but you're breaking up, but
8 go ahead, Mr. David. Mr. David? Are you still on?

9 CHAIRMAN HAMMOND: It appears Paul's muted
10 himself.

11 MR. ROEHRICH: Mr. David, you are -- if you're
12 on, you are muted. We could hear you at one point.

13 CHAIRMAN HAMMOND: Okay. Maybe we made a best
14 effort there, Floyd. Should we move on?

15 MR. ROEHRICH: Well, I'm going to -- let me just
16 see. He does show up here. I'm going to see if I can unmute
17 him.

18 Mr. David, are you there?

19 Yeah, something's (indiscernible). Mr. Chair, I
20 can reach out to them, and we can ask them to provide comments
21 in writing if you want to move on.

22 CHAIRMAN HAMMOND: Okay. I will. Obviously the
23 video presentation on the tentative plan has been canceled, so
24 we're going to move right on to Item 1, which is the Director's
25 report. John.

1 DIRECTOR HALIKOWSKI: Thank you, Mr. Chairman.
2 Good morning. Apologies for all the technical
3 glitches, but as we boomers get used to actually working in a
4 different fashion, Floyd and I are learning a lot about what
5 works and what doesn't work.

6 So going right into this issue of the Director's
7 report, first of all, I want to assure everybody that ADOT is
8 open and operational. I think as you've seen, we've been doing
9 a lot during the crisis to ensure that we are keeping things
10 moving and getting everybody safely home. We've opened up two
11 additional rest areas that were previously closed for truck
12 parking and to provide sanitary facilities there.

13 The Motor Vehicle Division is operating by
14 appointments, and we're hitting somewhere up to about 90 percent
15 of internet transactions, which is a new record.

16 The Governor recently did an executive order to
17 allow food trucks to operate in the rest areas, and we're
18 getting some initial permits in on that. We're allowing
19 divisible loads up to 90,000 pounds, which is up from 80, to
20 allow trucks to haul more essential supplies. And we've donated
21 respirator masks that we had previously bought for the H1N1 flu
22 breakout and had on hand still to the Arizona Veterans Home and
23 to the Pioneer Home.

24 So I'd like to just thank our ADOT staff for
25 rising to this unprecedented challenge. I think this has been

1 just an incredible shock to everyone's way of life, and our
2 employees are continuing to perform their duty and making sure
3 that everyone is getting safely home. We are practicing safe
4 guidelines. If you're hearing anything to the contrary, as you
5 can see, this is a roomful of masked bandits I have with me
6 here. And also, we're instituting safe guidelines in all of our
7 offices and as much as we can with our maintenance crews.
8 You've seen a lot of executive orders coming out and media
9 releases, you know, and ADOT is continuing to try to find
10 additional ways to ease the burden of this crisis on the general
11 public.

12 So during this time of great change, what we're
13 going to do today is Katie Proctor, who's our director of
14 government relations and administrative rules, is going to talk
15 a little bit about what's going on on the legislative front,
16 both in the state and what we know of federal. As you heard,
17 these are very uncertain times. So coupled with her
18 presentation on what we're seeing happening with the
19 transportation issues at those government levels, we're going to
20 have Kristine Ward also talk about the finances and what's
21 happening there.

22 I will say that I think it was last week's
23 Finance Advisory Committee, Kristine came back, and one of our
24 most eminent economic experts looked up at the committee, the
25 Finance Advisory Committee when asked, you know, what he was

1 predicting, and he said, "Honestly, I just don't know."

2 So we are in a very difficult world right now
3 trying to track trends and spot what's happening with revenues,
4 and Kristine will talk about those more as we look then to
5 recast the five-year program in light of the COVID-19 crisis.

6 So I'm going to stop there and turn it over to
7 Katie with your permission, Mr. Chairman, and let Katie talk
8 about what's happening at the Legislature and also at the
9 federal level.

10 So Katie, you're on.

11 MS. PROCTOR: Thank you. Good morning, members.

12 First, for the State. The State Legislature
13 passed a baseline or a skinny budget over the last several days
14 in March, ultimately finishing on March 23rd, and then
15 recessing. Originally, they thought they would return on April
16 13th, this Monday. However, subsequently, the Governor's
17 executive order encouraging folks to stay home was issued, and
18 the Legislature chose not to come back this week.

19 Today would be the 96th day of session. Out of
20 1,605 original introduced bills, to date only 58 have been
21 passed and signed by the Governor. You previously have received
22 briefings including 29 transportation project and funding bills
23 that were moving through the process. As of today, none of
24 those bills have passed. Last week, as the Director mentioned,
25 the Finance Advisory Committee and JLBC held a briefing

1 outlining the expected budget shortfall for the next fiscal
2 year. With the current economic uncertainty, there is no set
3 date right now to return for the Legislature or any plan yet on
4 how they will proceed when they do.

5 For the federal update, late last month Congress
6 passed the CARES Act providing the \$2 trillion stimulus package
7 to offset some of the effects of COVID-19. Since then we've
8 heard discussion of including a massive infrastructure package
9 as part of the next coronavirus package. However, it appears
10 that the priority has shifted to small business assistance and
11 unemployment benefits.

12 It is believed that the next infrastructure
13 funding will be addressed in the coming months but may not be in
14 the context of an immediate coronavirus package. Right now the
15 focus in D.C. is on the small business rescue fund, which as
16 many of you know ran out of its funding capacity yesterday. And
17 we have to wait until next week for any movement on Capitol Hill
18 related to that. The Senate is scheduled to reconvene for a pro
19 forma session on Monday, April 20th; however, the House is not
20 scheduled to come back until May 4th. And that's my report.

21 DIRECTOR HALIKOWSKI: So Mr. Chairman, I would
22 just add to that that we're continuing to work with the
23 Governor's staff to look at ways we can ease the financial
24 burdens on the State, and that means whether there are policy
25 changes USDOT could make or other ways that the federal

1 government could perhaps relax some of the silos that they put
2 transportation funding into. So the efforts on the federal
3 level are ongoing.

4 I would just add that although the Legislature
5 passed the skinny budget, given the fact of what we're facing
6 financially and economically, I'm concerned they're going to
7 come back and probably pass what I'll call the anorexic budget
8 next, because I think that we're all going to be looking at some
9 severe measures to ensure that we have the funds necessary to
10 keep the system open and operational and to keep ADOT operations
11 going at a level to meet that challenge.

12 So that concludes my report, Mr. Chairman. The
13 next pieces, I think, on the agenda you'll hear from the state
14 engineer and our chief financial officer, Kristine Ward.

15 CHAIRMAN HAMMOND: Thank you, John, or Director.

16 Is there any board member that would like to ask
17 the Director a question? We will ask Audra to get on, but is
18 there any board member?

19 Okay. Go ahead.

20 MR. ROEHRICH: I didn't hear you, Mr. Chair. We
21 can move on to Item No. 2?

22 DIRECTOR HALIKOWSKI: I would say, Mr. Chairman,
23 as we talk about the financial picture with Kristine and the
24 state engineer, it's likely that those questions will center on
25 those agenda items. So we can have a discussions during those

1 items if that meets the needs of the Board.

2 CHAIRMAN HAMMOND: That's sounds fine. I was
3 just pausing for -- to come up for air and ask the board members
4 if they had any questions. We'll move on to district engineer's
5 report with Audra Merrick. (Indiscernible.)

6 MR. ROEHRICH: And Audra, your presentation
7 should be on the screen. It should be shared. Just let me know
8 when you want to move to the next slide.

9 Audra, we can't hear you. Please unmute. Audra,
10 we still can't hear you. Are you -- please make sure you're
11 unmuted.

12 UNIDENTIFIED SPEAKER: (Indiscernible.)

13 UNIDENTIFIED SPEAKER: Scare all the ADOT people.

14 DIRECTOR HALIKOWSKI: (Indiscernible), Floyd.

15 How about we come back? Give her time.

16 MR. ROEHRICH: Audra, we are going to move on, if
17 you can unmute it yourself.

18 The only thing I can do is just see if...

19 UNIDENTIFIED SPEAKER: There she is.

20 UNIDENTIFIED SPEAKER: There she is right there.

21 MR. ROEHRICH: Audra, can you hear me? Okay.

22 Audra, we're not hearing you, so I don't know if you're muted or
23 not. I tried to unmute you, but I don't know if it's working.

24 It doesn't show she's muted.

25 Okay. Mr. Chair, if you want to move on to the

1 Item 3, the consent agenda. You can have --

2 CHAIRMAN HAMMOND: We shall do that. Does any
3 member want any item removed from the consent agenda?

4 Okay. Hearing no removals, do I have a motion to
5 approve the consent agenda as presented?

6 MR. ELTERS: So moved (indiscernible),
7 Mr. Chairman.

8 MR. SEARLE: I'll second. Richard Searle.

9 CHAIRMAN HAMMOND: Okay. Any Board discussion or
10 comment?

11 MR. ROEHRICH: So was that -- Mr. Chair, was that
12 Elters who motioned it, and Mr. Searle who seconded it?

13 MR. ELTERS: Yes.

14 MR. ROEHRICH: So Mr. Chair, to make sure that we
15 got a record of that, why don't we just do a roll call vote, and
16 I'll just go through and ask all the members?

17 CHAIRMAN HAMMOND: Sounds good.

18 MR. ROEHRICH: So we'll start with Mr. Elters.

19 MR. ELTERS: Yes.

20 MR. ROEHRICH: Mr. Searle.

21 MR. SEARLE: Yes.

22 MR. ROEHRICH: Mr. Stratton. Mr. Stratton, you
23 might be muted.

24 Mr. Thompson. Mr. Thompson, are you muted?

25 Mr. Knight.

1 MR. KNIGHT: Yes. Is that me?

2 MR. ROEHRICH: Mr. Knight. Board Member Gary
3 Knight.

4 UNIDENTIFIED SPEAKER: (Indiscernible.)

5 MR. ROEHRICH: How about you, Mr. Hammond? Do
6 you say yes?

7 CHAIRMAN HAMMOND: I thought you said Mr. Mike
8 there for a minute.

9 MR. ROEHRICH: Sorry. Mr. Knight.
10 Mayor Daniels. Ms. Daniels.

11 MS. DANIELS: Yes.

12 MR. ROEHRICH: You got four votes that we could
13 count, Mr. Hammond, but we did not hear from Mr. Stratton or
14 Mr. Thompson or Mr. Knight.

15 CHAIRMAN HAMMOND: Can they go by the chat room
16 if they're having trouble (indiscernible)?

17 MR. ROEHRICH: Yes, they can. If you can hear me
18 and you're not able to unmute or hear, but you can put your vote
19 in by "yes" on chat, we can record that.

20 UNIDENTIFIED SPEAKER: (Indiscernible.) Sam
21 Elters.

22 MR. ROEHRICH: Well, we got Mr. Elters. But
23 Mr. Knight, you show as being on, but I do not show you muted.
24 It does show you like you're available.

25 Mr. Stratton --

1 UNIDENTIFIED SPEAKER: (Indiscernible.)

2 MR. ROEHRICH: Who is that? Mr. Stratton, can
3 you hear me?

4 (Indiscernible conversation.)

5 UNIDENTIFIED SPEAKER: Of course. He's an idiot.

6 MR. ROEHRICH: Well, I wish somebody wouldn't
7 have said that. We heard you say somebody's an idiot, but... I
8 think I'm going to (indiscernible).

9 CHAIRMAN HAMMOND: (Indiscernible), Floyd.

10 MR. ROEHRICH: Okay. We have -- we had a quorum.
11 You (indiscernible), Mr. Chair. The consent agenda passed. We
12 can move on to Item 4, the financial report.

13 CHAIRMAN HAMMOND: Okay. Kristine Ward, you're
14 up.

15 MS. WARD: Well, good morning. This is
16 challenging times and a challenging situation under which to
17 present our circumstances. Hopefully you are all able to hear
18 me. We'll start out with the -- my traditional financial
19 report; however, I think if anything else, it will serve as a
20 point of comparison as we go forward in the coming months.

21 Floyd, if you could advance me to the first
22 slide. Great. Thank you very much.

23 So this chart I normally present to you shows you
24 the status of comparing our actual HURF revenues to our
25 forecasted revenues, and these numbers represent our numbers

1 through March. So this chart will not have captured the
2 experience that -- of COVID and the stay-at-home orders that we
3 have been living under.

4 So as of -- through March, we were a little bit
5 below forecast, .9 percent, with about 1.2 billion in revenues
6 received year to date.

7 Gas tax, and I'm -- I'm going to give you a
8 little bit more detail hear, because I think it will serve as
9 quite the contrast as we go forward in the coming months. Gas
10 tax is about 3.6 above last year and about 2.7 percent above
11 what our forecast was. Diesel also above last year by 2.1
12 percent. A little below forecast.

13 So moving on to the Regional Area Road Fund. If
14 you could advance the slide.

15 It's important that you know that what is
16 reflected here is Regional Area Road Fund revenues through
17 February. So we're always a month behind our HURF revenues.
18 Our HURF revenues were from March. These RARF revenue numbers
19 are from February. As of February's numbers, we were above
20 forecast to the tune of 2.2 percent, with February actuals 10.5
21 percent above the same period last year. Year to date, we've
22 received about \$333 million in revenues flowing into RARF at 8.3
23 percent growth year to date.

24 So if we could move on to the next slide.

25 So the federal aid program, Katie spoke to you a

1 bit about that. We -- what we have been doing over the last
2 three to four weeks is trying to come up with some estimates in
3 what has been -- revenue estimates in what has become the word
4 of the year, "unprecedented." I quite honestly am quite tired
5 of this word, because there is no good basis for the forecasts
6 -- the forecasting situation.

7 In terms of the federal aid program, I'm going to
8 touch on that for a moment. I am not revising the numbers on
9 the federal aid program at this point. It is assumed that we
10 will continue with the same federal formula -- level of federal
11 formula funding that we built into the tentative program that
12 was provided to -- presented to the Board. However, it should
13 be noted, as I go into the next few slides and talk to you about
14 the impact to our -- what we are estimating our HURF revenues to
15 be, and thus our State Highway Fund revenues, it's important to
16 understand that the Highway Trust Fund, which was forecasted to
17 be in a deficit position as of the end of this year, is reliant
18 on the same revenue sources that the Highway User Revenue Fund,
19 our revenue, our fund is built on, and that is fuel taxes as
20 well as -- fuel taxes, largely.

21 In the Highway Trust Fund, 95 percent -- at the
22 Federal Highway Trust Fund, 95 percent of the revenues flowing
23 into that fund are from fuel taxes. So it will be -- you can
24 anticipate that the deficit position that we were -- that was a
25 known issue will be accelerated as we deal with the people

1 staying at home and driving less.

2 If we could on go into the next slide, I think
3 I'll cover that -- these items in the next slide.

4 So like I said, over the last few weeks, we have
5 been trying to develop revenue estimates and financial impacts
6 associated with COVID, and we are trying to base those on some
7 logical and historical perspective which we do not have. The
8 bottom line here is we do not know what the COVID revenue
9 impacts will be. We started off with thinking, okay, well,
10 let's look at the Great Recession, but this -- the Great
11 Recession does not serve as a comparable model, because it was
12 -- it was not the immediate shock to the system of people
13 staying at home. We eased into the -- comparatively speaking,
14 we eased into the Great Recession compared to the COVID
15 situation.

16 Given that we have no historical perspective to
17 drive this, what we have chosen to do is only recast the program
18 for these first few years, FY '20 through FY '22, leaving the
19 remaining years of the program unforecast at this point, because
20 it's difficult enough to just try and forecast the unknown for a
21 couple of years, let alone, say, '20 through -- FY '20 through
22 '25.

23 So what the numbers I'm going to be -- that I'm
24 presenting you basically are just for the period of FY '20
25 through FY '22. We will revisit these numbers. Well, quite

1 honestly, we're watching numbers daily, but we will firmly
2 revisit these numbers in the next two months, and as Floyd
3 mentioned to you earlier, you know, the next steps of this will
4 be to recast the tentative program based on these current
5 numbers knowing that this is a fluid situation. So as I said,
6 these forecasts are extremely speculative, and we are seeing
7 information changing weekly.

8 To give you some perspective on that, I think it
9 was last week we were -- when we were three -- we had three
10 weeks of unemployment claims that put us at about 17 million.
11 This fourth week, we are now up to 22 million unemployment
12 claims. That implies an unemployment rate of approximately 17
13 percent. In my world, that's goose bump material. This is just
14 a shocking time.

15 The approach we've taken in these -- towards
16 these estimates and the approach we will need to take as we
17 recast the program is to preserve cash. When you are in a
18 situation in which you have no way of forecasting what is to
19 come, the approach is to preserve your most liquid and flexible
20 fund source. So we are looking to preserve cash so we can not
21 only respond to the situations that are dealt to us, but deal
22 with matching our federal funds and so forth.

23 Our best estimate, you can see here on the
24 screen, which best estimate, also known as "guess", for our HURF
25 revenues is in '20 -- in FY '20, the current year, with only

1 these few remaining months, we are forecasting a 9 percent
2 decline in revenues. In FY '21, a 22 percent decline in
3 revenues, and in FY '22, a 12 percent decline.

4 The way we've approached this is we have
5 significantly diminished our forecasts for gas tax -- fuel tax
6 revenues, particularly gas tax in these first few months,
7 starting to see -- coming out of those significant declines in
8 the November time -- the October/November time frame.

9 VLT, similar situation. We are estimating more
10 declines in the initial months and then starting to see minor
11 bits of recovery in the months November forward.

12 If we can move to the next slide. Oh, no, no.
13 Excuse me, Floyd.

14 So what this means in terms of dollars, these
15 revised estimates, the impact to the State Highway Fund, our
16 estimated impact to the State Highway Fund is diminished
17 revenues available to the tune of \$385 million. However, the
18 State Highway -- by the -- given the diminished forecasts for
19 the State Highway Fund, this impacts our bond program.

20 So if we could proceed to the next slide.

21 The municipal -- subsequent to this slide being
22 developed, the municipal bond market has settled some. However,
23 there has been very, very limited demand for bonds. In the last
24 four weeks, we have watched investors sell off and convert to
25 cash. Every -- people are focused on having cash in hand, and

1 they are -- as such, they are -- there's very, very limited
2 demand for bonds on the market. To put this into perspective,
3 last week alone, there was 2.3 billion flowing out of the bond
4 market. Typically, we would see a -- moneys coming into the
5 market, 6 to 8 billion -- this -- so this is a highly unusual
6 situation. Last week we saw our first inflows into the market.
7 Demands -- I'm sorry -- demands for dollars, and that only
8 totaled \$833 million. That is a very small number when you are
9 talking about the overall municipal bond market.

10 In light of the situation that we have declining
11 State Highway Fund dollars available, declining revenues there,
12 and keep in mind that those State Highway Fund dollars serve to
13 pay our debt service, they serve as the -- as what we
14 leverage -- the revenue source we leverage against in order to
15 purchase bonds. So in light of those declining revenues, in
16 light of higher costs of capital, because there are -- there's
17 less demand for bonds, many issuers like ADOT are choosing to
18 defer planned bond issues. So in addition to the declining
19 revenues, the number I just communicated to you, \$355 million,
20 in addition, we are deferring planned bond issues to the tune of
21 \$155 million.

22 The combined impact of this is -- my goodness. I
23 can't see my own screen -- is a \$540 million impact to the
24 tentative five-year program. Our next steps in this -- or
25 first, our continual analysis -- continued analysis of the data

1 as it is flowing in, but then we need to develop -- we need to
2 develop solutions and recast the tentative program given these
3 new revenue figures. That tentative programs includes, as one
4 of the speakers discussed, our aeronautics program. Like our
5 traditional process for development of the tentative program, we
6 will in the next week provide -- Multimodal Planning Division,
7 Greg Byres and his team -- the new revenue figures or the -- and
8 the new figures for the entire of the program, and then we will
9 begin the discussions of how to bring the program with into
10 fiscal constraint.

11 With that, I would be happy to take any
12 questions. I would like to say one last comment, which is a
13 sincere thanks to the financial management services team that
14 has been working arduously to recast these numbers as well as
15 ensure that distributions of HURF and VLT have proceeded timely
16 from under a remote work situation. My sincere thanks to this
17 very impressive team. With that, I will take any questions.

18 MR. ROEHRICH: Remember, mute your phones, please
19 we're. Getting a lot of background conversations.

20 (Indiscernible conversation.)

21 CHAIRMAN HAMMOND: Kristine, this is obviously a
22 very serious situation (indiscernible) revised numbers.

23 (Indiscernible.)

24 Does anybody have any questions (indiscernible)?

25 MR. ELTERS: Mr. Chairman.

1 CHAIRMAN HAMMOND: Yes.

2 MR. ELTERS: It's Sam Elters, and I have a -- two
3 questions, if I may. So the first question relates to the slide
4 that Ms. Ward provided earlier to the Board. It was not covered
5 here in this presentation. That slide --

6 MR. ROEHRICH: Mr. Elters, there's a lot of
7 (indiscernible) --

8 MR. ELTERS: -- a lot of funds invested -- can
9 you hear me?

10 MR. ROEHRICH: No, we can't. Mr. Elters, hold
11 on, please. Here's what I'm going to do. I'm going to mute
12 everybody again, and then will you please unmute yourself?
13 Okay. Go ahead. It sounds like the background noise stopped.
14 Mr. Elters, are you still there?

15 MR. ELTERS: Yes, I am. I am. Thank you, Floyd.

16 So my question was related to the one slide that
17 Ms. Ward shared with the board members prior to the meeting that
18 was not covered in the presentation, which is the amount of fund
19 invested at the present time, and my question is given what's
20 happened to the financial/stock market in the last month, what
21 impact that in itself has on our fund capacity and the ability
22 to fund projects whether currently active or projected to move
23 forward in the near future?

24 DIRECTOR HALIKOWSKI: So could we split that
25 question up maybe into at least two parts, if not three?

1 Kristine, can we talk about the stock market and the financial
2 situation and, you know, essentially the drop in driving, oil
3 prices, et cetera?

4 MS. WARD: Yes, Mr. Chair and Mr. Elters.

5 So with regards to -- I believe you are referring
6 to the last page of the financial report, the investment
7 performance that is provided through February 29th in the board
8 report, where you will see that interest received to date on all
9 of the funds is about \$19.4 million. The State Highway Fund
10 year to date has received approximately \$3.5 million in interest
11 earnings. \$3.5 million is a very small amount compared to the
12 vastness of what we are experiencing in revenue declines.
13 However, those moneys do, indeed, flow back into the State
14 Highway Fund, and we actually build those revenue estimates into
15 the overall estimates of State Highway Fund -- HURF and State
16 Highway Fund revenues.

17 I would say that with regards to the volatility
18 that the Director is talking about with regards to the markets
19 and so forth, in the case of the State Highway Fund, as well as
20 all of our funds, and if you look on that report, you will see
21 that each -- we have all of our funds divided into investment
22 pools. Those pools are dictated to us, and in law as to what we
23 are able to invest the various funds in, the various moneys in.
24 And those investments are very -- they're largely fixed income
25 in nature. So they are very low risk investments, per law. We

1 -- and so they sit with the treasurer, and the treasurer has to
2 follow the guidelines as defined in law as to what these items
3 -- these funds can be invested in.

4 So unfortunately, we're dealing with very low
5 investment earnings, as you can see, 3.5 million compared to the
6 \$540 million issue that we're facing, and we are limited in what
7 we can do with those investments. I hope that answers your
8 question, sir.

9 DIRECTOR HALIKOWSKI: Well, I think the second
10 part was -- I'm sorry to interrupt -- the then impacts on
11 projects that are either in process or scheduled in the program.

12 MS. WARD: Director Halikowski, overall, we are
13 going to need to take and go -- Greg's team is going to, as I
14 mentioned, going to provide Greg the overall numbers for -- the
15 overall revised numbers, and it's going to mean going back and
16 sitting down and figuring out how we can rebalance this
17 tentative program to come back into fiscal constraint given that
18 we are losing -- estimated to lose \$540 million out of this
19 program. Does that address your question, sir?

20 DIRECTOR HALIKOWSKI: I think so. So Mr. Elters,
21 what we're seeing just in a very basic sense is gasoline sales,
22 which you know we collect 18 cents tax, roughly, for the State
23 and 18 cents for the feds, have literally just dropped, and
24 we're not really seeing the revenues come in. New car sales,
25 just as they did during the Great Recession in 2009, from which

1 we derive VLT, again, have precipitously dropped.

2 So those two main factors that drive our state
3 revenues are causing us to seriously have to reforecast the
4 program, and I would say that it's very difficult to give
5 definitive answers today since, as Kristine will tell you, we
6 have very little data from a trend perspective to track on
7 revenues. And so what we're planning to do is we need to do
8 some more analysis and come back and meet with the Board in a
9 future study session to discuss what the impacts of this are
10 going to be on projects that are either within the program or
11 future projects that were considered. Is that fair?

12 MS. WARD: Yes, sir.

13 DIRECTOR HALIKOWSKI: Thank you.

14 MS. WARD: Dallas, just --

15 MR. ELTERS: Mr. Chairman, Director Halikowski,
16 Ms. Ward, thank you for the insight. That goes a long way to
17 answering the question, and I can only imagine what it's like
18 (indiscernible), and I sympathize.

19 I wanted to do one quick follow-up, if I may,
20 because (indiscernible) discussed the preserving match needs and
21 the (indiscernible) along that front. I guess this question may
22 be similar to the question I asked previously, and I understand
23 that you're doing a lot of analysis as we speak. You may not
24 have all the answers. But I guess my question, as we preserve
25 cash, what does that mean to the projects that are currently in

1 the hopper, either in the project development phase or in the
2 project construction phase?

3 MS. WARD: Mr. Hammond, Mr. Elters -- Mr. Elters,
4 nothing is off the table. We have to consider the projects that
5 are underway as well as the projects that are planned. And of
6 course, we will -- Greg's team and Dallas' team will approach
7 this, and we will look to ensure that we are not making
8 illogical decisions based on depending where a project is in its
9 life cycle. But the bottom line here is we can't afford to --
10 or let me reverse that. We have to look at everything that we
11 are spending dollars on and evaluate how to proceed given these
12 revenue declines.

13 DIRECTOR HALIKOWSKI: So to your point, though,
14 Mr. Elters, as Kristine and I have talked, cash and liquidity is
15 just critical at this time, and so a lot of the efforts we're
16 taking are to increase cash, because we have to have that on
17 hand to meet our federal match in order to get the drawdown.
18 Unless we can get the feds to change the rules quickly on a
19 number of fronts, those matches, whether they're for the federal
20 drawdown at 5.7 percent or higher, given a BUILD or INFRA grant
21 where it may run 20 percent or more, cash has become a critical
22 factor in our ability to keep the system running for the time
23 being. Again, that -- fair?

24 MS. WARD: That is a fair point, sir.

25 DIRECTOR HALIKOWSKI: So I guess Chairman,

1 Mr. Elters, board members, as we're looking out over the next
2 few weeks, some of the projects that we have -- and Dallas and
3 Kristine can speak better to this -- but some of them are
4 dependent on federal grants and meeting the matches for those
5 grants.

6 The other thing is, is I just want to caution you
7 again from a state perspective. As you know, we enacted a
8 public safety fee in the state last year to offset DPS Highway
9 Patrol funding from the HURF and Highway Fund. The Legislature
10 repealed that based on the idea that they would backfill the
11 Highway Patrol funds with general fund dollars. My prediction
12 is general fund dollars have now become scarce as dodo birds in
13 the future, and that highway safety fee repeal may have a
14 backlash of once again coming to the HURF Highway Fund to
15 backfill DPS Highway Patrol. I don't know that's going to
16 happen, but as I look at all the different factors out there, we
17 have a lot of challenges that we're going to be facing to keep
18 not only the State open, but the state highway system, also.

19 MR. ELTERS: So Mr. Chairman, John and Kristine,
20 thank you both. I don't have any more questions.
21 (Indiscernible) for what you're going through, and I understand
22 all the uncertainty that you're dealing with.

23 CHAIRMAN HAMMOND: Thank you. (Indiscernible.)
24 Does any other board member have a question or comment?

25 MR. KNIGHT: This is Board Member Knight. I'd

1 just like to know if you can hear me.

2 DIRECTOR HALIKOWSKI: We can hear you.

3 MR. KNIGHT: Okay. Thank you.

4 CHAIRMAN HAMMOND: Floyd, Audra logged back in
5 and wanted to give it another try. Do we want to do that or
6 should we (indiscernible)?

7 MR. ROEHRICH: I'm sorry, Mr. Chair. What did
8 you say? Did you want to --

9 CHAIRMAN HAMMOND: Audra got on the chat room and
10 said she logged in and was ready to give it a try on Item No. 2
11 if we wanted to do that. (Indiscernible) we can move on.

12 MR. ROEHRICH: That's up to you if you want to do
13 that.

14 CHAIRMAN HAMMOND: I'd like to hear what's going
15 on up there if she can be heard.

16 MR. ROEHRICH: Sure. Then we'll go ahead and --
17 before we move on to Item 5, we'll go back and do Item 2.

18 MS. MERRICK: Floyd, this is Audra can you hear
19 me?

20 MR. ROEHRICH: Yes, we can. Go ahead. Can you
21 see your presentation, Audra?

22 MS. MERRICK: Still hear me?

23 MR. ROEHRICH: Yes, we can.

24 MS. MERRICK: Yes. I'm good.

25 MR. ROEHRICH: Go ahead, Audra. We can hear you.

1 MS. MERRICK: Okay. So good morning, Chairman
2 Hammond, members of the Board, Director and staff. My name is
3 Audra Merrick, and I'm the Northcentral District engineer.
4 Thanks for having me here this morning remotely. Sorry about
5 the technical difficulty earlier.

6 Next slide, Floyd.

7 So today I'm going to provide a brief district
8 introduction and then an update on our current construction
9 projects.

10 Next slide.

11 So here is a map of the ADOT Northcentral
12 District, (indiscernible) the star on the map is Flagstaff. Our
13 district there is about 23,200 square miles, which is about the
14 size of West Virginia, and we have just under 2,800 lane miles,
15 roughly driving from L.A. to New York City. And we coordinate
16 all our construction and maintenance activities with well over
17 40 stakeholders.

18 Next slide.

19 CHAIRMAN HAMMOND: Audra, is that ADOT -- 2,800
20 ADOT miles?

21 MS. MERRICK: Lane miles.

22 CHAIRMAN HAMMOND: But I'm saying in the ADOT
23 system?

24 MS. MERRICK: Yes. Correct.

25 CHAIRMAN HAMMOND: Thank you.

1 MS. MERRICK: That's just within the Northcentral
2 District.

3 So this is a pie diagram of current construction
4 dollars for this season. This is based on contract bid amounts,
5 and so looking at the top left quadrant of the pie, awarded in
6 January of 2020, we've had one project that was awarded for
7 \$14.4 million, and that's the Butler/Fourth Street Bridge
8 project, which we'll talk about later.

9 Awarded last month and I believe two projects
10 from the month before, we have six projects total -- totaling
11 the 20.8 million. Those projects are just kicking off now, the
12 partnering meetings and precon. meetings, and so we'll see those
13 highly active this season.

14 And then lastly, we have what we call our
15 rollover projects, or rollover construction projects from last
16 season, and these are projects that started last season, went
17 into winter shutdown because the temperatures or snow, and then
18 they finished the following season. So they're two-season
19 projects. The \$55.1 million bid amount includes seven projects,
20 and we completed about 41.7 million of that last year, and we'll
21 be finishing the remaining approximately 9.4 million this year,
22 and that's just under 20 percent of the 51.5.

23 Next slide.

24 In the interest of time, I've just selected a few
25 projects today to show some photos of. I'm going to kind of

1 move in a counterclockwise direction. So my first slide will be
2 up in the northwest corner of the state, with State Route 389
3 and Short Creek Bridge and of our I-15 projects, and then I'll
4 move kind of south to southeast with State Route 89A, a pavement
5 preservation project, and I-40, Little Colorado Bridges, and
6 then kind of come back and (indiscernible) back to Flagstaff
7 with the Fourth Street Bridge project.

8 Next slide.

9 The photo on the left is the State Route 389
10 Short Creek Bridge project. You can see the steel
11 (indiscernible) in the picture that are currently exposed
12 (indiscernible) bridge scour retrofit project, and it was
13 awarded last fall. It's about a \$2 million contract, and it
14 will be completed this season.

15 The photo on the right was the I-15 bridge two,
16 four, five, and this is actually of bridge four, which is a full
17 deck replacement, and it has some girder repair to it. Bridges
18 two and five are also on this project, and they just include
19 some deck repair work, and that's a \$6.3 million contract, and
20 they expect that to be complete this summer.

21 Next slide.

22 (Indiscernible) of the I-14 Little Colorado
23 Bridges, which is a deck joint and pier rehab project. It was
24 awarded last fall. It's about a \$1.2 million project, and that
25 will be completed this season. And then to the right, we have

1 the State Route 89A pavement preservation project for Oak Creek,
2 and that's located between Flagstaff and Sedona. We've
3 completed the pavement work on that. We're working on the
4 guardrail, and so we'll have that completed here within the next
5 few months, and that's an \$8.3 million project.

6 Next slide.

7 So this is the I-40 Fourth Street Bridge project.
8 It is an underpass. The OP overpass -- this is a misprint on my
9 part on the presentation. The work consists of replacing and
10 some city widening of the existing bridges at the Fourth Street
11 underpass. This is a photo of abutment excavation that's taking
12 place right now on Interstate 40 at the Fourth Street Bridge
13 location. This is the first item of work on this project, and
14 it will be shown later in a short video. This project
15 (indiscernible) in January. It's a \$14.4 million contract. It
16 is shared funding between ADOT and the City of Flagstaff, and we
17 do a fixed date end completion of this project of October 31st
18 of this year.

19 Next slide.

20 And this is the Fourth Street Bridges from on top
21 of the bridge structure. So you're looking to north on Fourth
22 Street itself, and to replace these structures -- there's one
23 over eastbound and one over westbound 40 -- we're using a
24 construction technique called a bridge slide, and we will build
25 part of the new structure at its permanent location on the west

1 side of the existing structure that you're looking at, which is
2 the left side of the photo, and then we'll build the remaining
3 portion of the new structure at a temporary location on the east
4 side of this existing structure, which is the right side of the
5 photo. And then what happens is the existing structure in the
6 center then will be removed, and the structure on the east side
7 will be slid to the west at its permanent location. So the
8 bridge slide -- the bridge slide construction technique allows
9 us to construct this project in one season. That's the reason
10 why we have the October 6th end date, and it reduces travel
11 impacts to the public.

12 Next slide.

13 Now what I'm going to do here is (indiscernible)
14 going to present is a two-minute video showing the construction
15 sequencing and bridge slide for this project that the design
16 team put together. At the end of the video, that will complete
17 my presentation. And just so you're aware, since this is a
18 remote meeting, the video will play music, and as the phasing of
19 the taking place will pop up in that lower right-hand corner of
20 your screen. The video can also be found on ADOT's website if
21 you're interested after this meeting. It's www.azdot.gov. You
22 go to the top of the screen, click on Projects, Northcentral
23 District, and click on the Fourth Street project, and you'll
24 find this video. So enjoy the video, and thank you for allowing
25 me to present to you today.

1 (Video played.)

2 CHAIRMAN HAMMOND: Thank you, Audra. I'm glad we
3 were able to get the technical difficulties corrected.

4 Does any board member have a question of the
5 district engineer?

6 MR. THOMPSON: Chairman, can you hear me?

7 CHAIRMAN HAMMOND: Yes.

8 MR. THOMPSON: Chairman?

9 CHAIRMAN HAMMOND: Yes. Yes, I can hear you.

10 MR. THOMPSON: Oh, good. I've been on the
11 meeting since the beginning. Maybe you can hear me now. That's
12 all I wanted to know. Thanks.

13 MR. ROEHRICH: So Mr. Thompson, we can hear you
14 here.

15 CHAIRMAN HAMMOND: You still there, Jesse?

16 MR. THOMPSON: I'm here.

17 CHAIRMAN HAMMOND: Okay. Good.

18 All right. Let's move on to -- yes? Okay.

19 Let's move on to Agenda Item 5 with Greg Byres, for information
20 and discussion only, the Multimodal Planning Division report.
21 Greg.

22 MR. BYRES: Thank you, Mr. Chairman, Board
23 members. I just have a few things to go through.

24 The first item that we have is the tentative
25 five-year program that we're currently going back and taking a

1 look at. As Kristine had noted earlier, because of the changes
2 in revenue, we're having to revisit the five-year program.
3 We've already started looking at reprioritizing some of the
4 projects as well as looking at all the data that we have for
5 projects that are in the program that we can possibly move
6 around or change to accommodate the new revenue stream that is
7 being projected.

8 The next item I have is we had the CARES Act that
9 the federal government had passed that is having an impact on
10 the state. It's actually a positive impact. One of the big
11 things that we have is there's additional revenue that's coming
12 in for our transit program. We have an additional \$35 million
13 that's coming in for small urban transit operators across the
14 state. That money is basically passed through. We do not
15 administer that money.

16 There's an additional \$41 million that came in
17 through the rural transit operators. That is money that ADOT
18 does administer to each of the different transit subrecipients
19 across the state. Of the 41 million, there was actually 6
20 million that will go directly to the different tribal operators.
21 That was at their request. So they'll actually be utilizing
22 that money and working through FTA with that. That money is in
23 addition to the 14 million that is normally appropriated through
24 FTA for transit for the state.

25 There was also some substantial funds that came

1 in for the large urban areas, for the Phoenix and Mesa urban
2 areas. They got -- they received an additional 188-plus million
3 dollars, and for the Tucson area, they received an additional 44
4 -- yeah, \$44 million that came through that CARES Act.

5 One of the other items that we have in the CARES
6 Act was funding through FAA. Those funds do not come through
7 the State, but they have an effect on us in that airports that
8 have received an FAA grant within year 2020. Those grants are
9 normally a 10 percent match. FAA has done away with the match
10 requirement. Where it affects us is we generally give any FAA
11 grant that come in to the state of Arizona, we take and give
12 those airports half of their match. We will no longer have to
13 distribute that 5 percent of the 10 percent that each of the
14 airports get. So they'll have those proceeds in our aeronautics
15 fund that we won't be distributing out (indiscernible) will be
16 taking a look as part of the five-year program.

17 That's all I had as my report. So if there's any
18 questions, I'm here to certainly answer them.

19 CHAIRMAN HAMMOND: Thank you.

20 Does anybody have a question? Board member -- I
21 thought there was somebody chime in.

22 Okay. All right. Hearing none, let's move to
23 Item 6, the PPAC items. (Indiscernible) everybody can scroll
24 through it. I got it at 143; is that correct?

25 MR. ROEHRICH: Yes, sir. Starting -- look at

1 your packet on page 143 of 191 starts PPAC items, which are
2 under Item 6.

3 MR. BYRES: Mr. Chairman, we'll go ahead and go
4 with this as the Priority Planning Advisory Committee is
5 bringing forth two different items. The first one is six
6 project modifications. This is Items 6A through 6F. We bring
7 these to the Board with a recommendation for approval.

8 CHAIRMAN HAMMOND: Okay. (Indiscernible.) Does
9 anybody have questions on the PPAC items? If not, I would
10 entertain a motion (indiscernible).

11 MR. ELTERS: Mr. Chairman, I move.

12 MR. THOMPSON: Second. I will second, Board
13 Member Thompson.

14 CHAIRMAN HAMMOND: Did we get what we need,
15 Floyd?

16 MR. ROEHRICH: Yes. We got a motion by
17 Mr. Elters, a second by Mr. Thompson, and I would like to do the
18 roll call again and get a vote so we can get it on record if
19 you're okay.

20 CHAIRMAN HAMMOND: Absolutely. Yeah.

21 MR. ROEHRICH: So Mr. Stratton.

22 Mr. Thompson.

23 MR. THOMPSON: Yes.

24 MR. ROEHRICH: Mr. Knight.

25 MR. KNIGHT: Yes.

1 MR. ROEHRICH: Mr. Elters.

2 MR. ELTERS: Yes.

3 MR. ROEHRICH: Ms. Daniels.

4 MS. DANIELS: Yes.

5 MR. ROEHRICH: Mr. Searle. Mr. Searle.

6 CHAIRMAN HAMMOND: (Indiscernible.)

7 MR. ROEHRICH: We can see you.

8 And then Mr. Hammond. So Mr. Hammond, you do
9 have a -- you have got a quorum with the exception of
10 Mr. Stratton. Next item.

11 MR. BYRES: So the next item we have is items --
12 (Indiscernible.)

13 MR. BYRES: -- is Item 6G through 6M. These are
14 new projects, and again, the Priority Planning Advisory
15 Committee brings these forth with a recommendation for approval.

16 MS. WARD: (Indiscernible.)

17 DIRECTOR HALIKOWSKI: It's the new normal.

18 CHAIRMAN HAMMOND: Okay. Do we have a move for
19 approval?

20 MR. THOMPSON: Chairman, I will move approval.

21 MR. KNIGHT: Second.

22 MR. ROEHRICH: Mr. Chair, we've got a motion by
23 Mr. Thompson and a second by Mr. Knight, and if you're fine, I
24 would like to do the roll call again.

25 CHAIRMAN HAMMOND: Go ahead.

1 MR. ROEHRICH: So Mr. Stratton. Mr. Thompson.

2 MR. THOMPSON: Yes.

3 MR. ROEHRICH: Mr. Knight.

4 MR. KNIGHT: Aye.

5 MR. ROEHRICH: Mr. Elters.

6 MR. ELTERS: Yes.

7 MR. ROEHRICH: Ms. Daniels.

8 MS. DANIELS: Yes.

9 MR. ROEHRICH: Mr. Searle. I can see you, but
10 I'm going to take that as a yes since it looked like you nodded.

11 And Mr. Hammond.

12 CHAIRMAN HAMMOND: Yes.

13 MR. ROEHRICH: Okay. That's a quorum.

14 CHAIRMAN HAMMOND: (Indiscernible.)

15 MR. ROEHRICH: Any other PPAC items?

16 CHAIRMAN HAMMOND: That's it.

17 MR. BYRES: That's it.

18 MR. ROEHRICH: That's it for Item 7 [sic], Board
19 Item 7 [sic], Mr. Hammond.

20 CHAIRMAN HAMMOND: Okay. Let's move on to the
21 state engineer's report.

22 MR. HAMMIT: Good morning, Mr. Chair. This is
23 Dallas Hammit with the state engineer's report. Currently we
24 have 85 projects under construction totaling \$922.2 million. In
25 March we finalized 10 projects, totaling \$23.4 million, and year

1 to date, we have finalized 85 projects.

2 A couple of notes the Director mentioned earlier.
3 As we've gone through the COVID-19 virus, I want to share with
4 the Board the Department is still working. A large number of
5 our development staff is teleworking. That includes designers,
6 environmental planners, right-of-way agent and utility
7 coordinators. We have been able to continue moving forward.
8 They are working from home either full time or part-time, coming
9 into the office and going back home. Those are still moving
10 forward.

11 Construction projects, they are moving forward.
12 We have had a couple of cases where contractors or
13 subcontractors have requested additional time due to delays,
14 either crews being quarantined or materials weren't available on
15 their projects, but those are very limited at this time, and we
16 are reviewing those requests as they come up.

17 Our highway operation crews continue to work.
18 They maintain our system. They're responding to incidents on a
19 daily basis. One of the things that we've introduced in some of
20 our units to help with keeping those crews safe and providing
21 social distance is having a seven-day workweek. What we do is
22 we split our crews in half. The first crew works Sunday through
23 Wednesday, a 4-10 shift. We have a day where they meet together
24 on Wednesday, and then the second crew works a 4-10 shift
25 Wednesday through Saturday. This still allows us to have enough

1 people to perform the work. It allows one person per vehicle to
2 give us that social distancing and keep our folks safe. So we
3 are still working -- maintenance is still going on.

4 As Kristine mentioned, with revenues down, part
5 of that is traffic is down. We're seeing over 30 percent of the
6 volume on our freeways from the same week a year ago. On I-17
7 last week, it was 51 percent fewer vehicles than the same week
8 last year. So again, that's going to equate to less gas being
9 burned and revenues collected on our freeways.

10 On the contract side, we did have two -- we did
11 plan on opening two bids in April. We are going to postpone
12 those. In talking to the contractors association, there's a lot
13 of unknowns. We could delay those and open them in May. They
14 were not weather sensitive projects. So we were going to delay
15 those bid openings, those two projects, and open them in May and
16 go forward from there.

17 The next thing is we've talked a lot about grant
18 opportunities. Those grant opportunities require cash. As
19 Kristine said, it's golden. That will -- or potentially will
20 limit our opportunities to apply for new grants as they come up.
21 We're evaluating how it's going to affect our existing grants,
22 but as we look at new grants coming forward, we have to take
23 into account we may not be able to participate if the federal
24 government keeps their same requirements. The Director
25 mentioned that we are requesting that the -- that on those

1 grants that we look at ways that it could be federal only or we
2 match with other federal funds. That may change things, but as
3 the rules stand now, we will be limited on what we can
4 participate in the future on grants.

5 And then the last thing, Mr. Chair, last week we
6 were tasked with a group from the department administration, the
7 Department of Corrections, to provide face coverings for every
8 state employee. ADOT was a part of that team. We worked with
9 those other two agencies, and we transported and delivered over
10 50,000 face coverings for every state employee throughout the
11 state. So it was a group effort between the agencies, and we
12 were happy to do our part.

13 Mr. Chair, that's the end of the state engineer's
14 report.

15 CHAIRMAN HAMMOND: Thank you, Dallas.

16 Does any board member have a question on that
17 portion of the -- of Dallas' presentation?

18 DIRECTOR HALIKOWSKI: Mr. Chair, this is the
19 Director. I just want to also, since Dallas brought up cash
20 again, and I know we've talked about all the different ways
21 we're trying to save cash. I was wondering if Kristine or
22 Dallas could comment on the HURF swap program, whereby we trade
23 federal dollars from our smaller communities with state dollars
24 and what the status of that will be. Kristine?

25 MS. WARD: Director, that -- as I had mentioned,

1 everything is on the table for being considered, and I will have
2 to say that under this situation, we are doing the exchange of
3 giving state -- providing locals State Highway Fund dollars in
4 exchange for federal dollars, and what we really need to have is
5 State Highway Fund dollars available to us. So yes, we -- the
6 HURF swap program is going to need to be evaluated and
7 potentially suspended.

8 DIRECTOR HALIKOWSKI: So Mr. Chairman, you'll
9 recall the last time we had to suspend the HURF swap program was
10 during the Great Recession, and it is a burden on our smaller
11 communities, because they have to deal with federal dollars and
12 the federal accompanying rules, and so as we venture back into
13 the unknown of having enough cash on hand, I just wanted to give
14 the Board a warning that that program is likely in jeopardy also
15 for the future. We'll do the best we can to work with local
16 governments to mitigate the burden of those federal regulations
17 by helping them through it, but unfortunately, very often it
18 gets to be a frustrating exercise if they're not used to working
19 under the federal regs.

20 Dallas, do you have any other comment on the HURF
21 swap?

22 MR. HAMMIT: No. Our local public agencies,
23 groups will work and communicate with the MPOs, and local
24 agencies will look at the projects in the pipeline and will
25 provide all the assistance that we can.

1 DIRECTOR HALIKOWSKI: Thank you. Just wanted to
2 alert you to that, Mr. Chairman.

3 MR. KNIGHT: Mr. Chair, this is Board Member
4 Knight.

5 CHAIRMAN HAMMOND: Go ahead.

6 MR. KNIGHT: Dallas, will -- we have the 28
7 million that we got from the Legislature last year. Will that
8 cash -- will we still be able to apply for the BUILD grant for
9 widening Highway 95 down here in Yuma County?

10 MR. HAMMIT: Mr. Chair, Mr. Knight, Kristine's
11 raising her hand. Unless she rains on my parade -- I will wait
12 until her response before I answer.

13 MS. WARD: I'm just going to be blunt here. I
14 would be concerned as the -- as the Legislature and the
15 Governor's office deal with the statewide revenue shortfalls,
16 that just as everything is on the table at -- for our program,
17 all -- I would suspect that general fund appropriations are also
18 in question. But as of this point in time, and as of the
19 Financial Advisory Committee's comments last week, they are not
20 prepared to call the Legislature back into session at this time
21 to deal with the projected 1.1 billion shortfall, but -- they're
22 waiting for information the way we are. But Board Member
23 Knight, it -- I would -- what I would suggest is that the same
24 as it is with us. Everything is on the table for potentially
25 reductions.

1 DIRECTOR HALIKOWSKI: So Mr. Chairman,
2 Mr. Knight --

3 MR. KNIGHT: In other words, the Legislature
4 giveth and the Legislature taketh away. I was really afraid
5 that was going to be your answer, but I had to ask the question.

6 DIRECTOR HALIKOWSKI: Mr. Knight, if experience
7 is any teacher, I became director in February of 2009. The
8 Legislature had appropriated \$60 million in general fund money
9 to accelerate MAG projects prior to the recession hitting. They
10 came in promptly that following session and simply, as you put
11 it, took that general fund money back. So unless it's
12 encumbered at this point or under contract, that certainly is a
13 very distinct possibility the general fund money could be swept
14 back in.

15 MR. KNIGHT: I guess my next question would be
16 then how quickly can we encumber it?

17 DIRECTOR HALIKOWSKI: That I'll leave up to
18 Dallas.

19 MR. HAMMIT: Mr. Chair, Mr. Knight, right now we
20 do not have a project that we could -- we have working on the
21 final design. We were anticipating and through the grant doing
22 a bigger project, and that's why we were asking for the BUILD
23 grant. But I think if the money's available and they chose to
24 do it, even if it was a project under construction, they could
25 come back and ask for it if the money was unspent.

1 DIRECTOR HALIKOWSKI: There are many ways,
2 Mr. Chairman, Board Member Knight, to move money around in state
3 government. So I would just say that even if they didn't come
4 back and directly take the general fund dollars, there are other
5 ways that that money could be taken back in.

6 CHAIRMAN HAMMOND: (Indiscernible) finding out a
7 lot in the next 30 days on all of this financial ramification.

8 DIRECTOR HALIKOWSKI: And thank you,
9 Mr. Chairman, for that. I mean, we really do need to do some
10 more analysis, and we don't have definitive answers. We're
11 looking to history and also, you know, what we are being able to
12 see today. So we will look forward to a study session where
13 we'll have more data to present.

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

15 CHAIRMAN HAMMOND: Okay. Any other questions?

16 Okay. Dallas, you want to move on to the
17 construction contracts.

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

19 Item -- on Item 8 -- and first, thank you, Board,
20 for approving the Item 3I, the construction project in the
21 consent agent. There are three projects that need some
22 additional discussion.

23 The first project is a rest area project on
24 Interstate 10. On this project the low bid was \$6,126,077. The
25 State's estimate was \$4,257,568. It was over the State's

1 estimate by \$1,868,509 or 43.9 percent.

2 We did review that, but as we reviewed, just
3 situations with truck traffic on our interstates, we made the
4 decision that it is not prudent at this time to close any of our
5 rest areas. In fact, as the Director mentioned in his comments,
6 we opened two rest areas that had been previously closed just
7 because we need the truck parking. If you drive past many of
8 our rest areas early in the morning, you'll see them completely
9 full and then trucks lined up along the ramps, which creates
10 concern for safety issues.

11 With that, the Department recommends to reject
12 all bids, and we will look to re-advertise at a later date.

13 CHAIRMAN HAMMOND: Okay. If there's no
14 questions, I'd entertain a motion to accept the recommendation
15 to cancel Item 7A [sic].

16 MR. KNIGHT: Mr. Chair, this is Board Member
17 Knight. Mr. Chair, this is Board Member Knight. I move to
18 approve Item 8A as stated (indiscernible).

19 MS. DANIELS: This is Board Member Jenn Daniels.
20 (Indiscernible.)

21 CHAIRMAN HAMMOND: Okay. Any more discussion?

22 MR. THOMPSON: Mr. Chairman. Mr. Chair.
23 Mr. Chair.

24 CHAIRMAN HAMMOND: Go ahead.

25 MR. THOMPSON: One question just for

1 clarification. The recommendation is canceling the project. I
2 just want to understand. We're canceling the project. So in
3 the future, when it does move back, it will come in with a
4 different scope and different package? I read from this
5 (indiscernible). I just want to make sure that is -- I'm
6 understanding it correctly.

7 MR. HAMMIT: Mr. Chair, Mr. Elters, not
8 necessarily. We will evaluate what needs to be done, but right
9 now, the main reason why we're requesting, we do not want to put
10 the contractor working and then stop them because we don't want
11 the rest area closed. So right now we're looking to reject all
12 bids because we need to keep that rest area open. That answer
13 your question, sir?

14 CHAIRMAN HAMMOND: Dallas, I'm sensing, though
15 (indiscernible) evaluate the scope of the project when it comes
16 back online just as a matter of routine, right?

17 MR. HAMMIT: Mr. Chair, that is correct.

18 MR. THOMPSON: Thank you.

19 (Speaking simultaneously.)

20 CHAIRMAN HAMMOND: All right. We have a motion
21 and a second to cancel the project under Item 8A, and I guess we
22 want to do a roll call vote, Floyd.

23 MR. ROEHRICH: Mr. Chair, (indiscernible). So
24 I'll go again. So Mr. Stratton.

25 Mr. Thompson. Mr. Thompson. We can't hear you.

1 Did you mute?

2 Mr. Knight?

3 MR. KNIGHT: Yes.

4 MR. ROEHRICH: Mr. Elters.

5 MR. ELTERS: Yes.

6 CHAIRMAN HAMMOND: Ms. Daniels.

7 MS. DANIELS: Yes.

8 MR. ROEHRICH: Mr. Searle.

9 MR. SEARLE: (Indiscernible.)

10 MR. ROEHRICH: Mr. Hammond.

11 CHAIRMAN HAMMOND: Yes.

12 You know, Richard, you sound like a duck.

13 UNIDENTIFIED SPEAKER: If Mr. Searle would just
14 raise his hand.

15 MR. ROEHRICH: The motion passes, Mr. Hammond.

16 CHAIRMAN HAMMOND: Okay. All right. So the
17 motion passes, right, Floyd?

18 MR. ROEHRICH: The motion passes. Yes, sir.

19 CHAIRMAN HAMMOND: Item 8C.

20 MR. HAMMIT: Actually, Mr. Chair, Item 8B.

21 MR. ROEHRICH: 8B. We're on 8B.

22 MR. HAMMIT: This is a project --

23 CHAIRMAN HAMMOND: Sorry about that.

24 MR. HAMMIT: 8B is a project on State Route 86
25 doing some guardrail replacement. The low bid on the project

1 was \$1,030,000. The State's estimate was 661,825. The
2 difference was 368,175 or 55.6 percent. After we reviewed the
3 bids, we saw higher than expected pricing in the guardrail, the
4 rock rip rap, and in the mobilization. It is in a very remote
5 area. We only got one bid from a guardrail subcontractor, but
6 as we review the bid, we believe it is a responsive and
7 responsible bid and recommend award to Falcone Brothers &
8 Associates, Inc.

9 CHAIRMAN HAMMOND: Okay. Board members, any
10 comment? Questions of Mr. Hammit?

11 I'll take a motion and a second if there's no
12 more questions.

13 MR. KNIGHT: Mr. Chair, this is Board Member
14 Knight. I move to award.

15 MR. THOMPSON: Mr. Chairman, I second that
16 motion.

17 CHAIRMAN HAMMOND: Okay. We have a motion and a
18 second to approve Item 8B as presented and award the contract to
19 Falcone Brothers. Any more discussion?

20 Floyd, call roll.

21 MR. ROEHRICH: Mr. Stratton.

22 Mr. Thompson.

23 Mr. Knight.

24 MR. KNIGHT: Yes.

25 MR. ROEHRICH: Mr. Elters.

1 MR. ELTERS: Yes.

2 MR. ROEHRICH: Ms. Daniels. Ms. Daniels.

3 MS. DANIELS: Yes.

4 MR. ROEHRICH: Mr. Searle.

5 MR. SEARLE: (Indiscernible.)

6 MR. ROEHRICH: And Mr. Hammond. Mr. Hammond, the
7 motion passes.

8 CHAIRMAN HAMMOND: The motion passes. Moving to
9 Item 8C.

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

11 Item 8C is a pedestrian -- to construct a
12 pedestrian bridge in the town of Gilbert. On this project we
13 had a low bid of \$3,477,777. The State's estimate was
14 \$2,726,472. It was over the State's estimate by \$751,305 or
15 27.6 percent. We saw higher than expected pricing in our
16 structural concrete, the pedestrian fence on there -- on the
17 project, and the mobilization. As -- we did review the bid and
18 believe it is a responsive and responsible bid and recommend
19 award to CS Construction, Inc.

20 CHAIRMAN HAMMOND: Okay. Questions or a motion?

21 MS. DANIELS: I'd like to make a motion to
22 approve.

23 MR. ELTERS: Mr. Chairman, second that motion.

24 CHAIRMAN HAMMOND: Okay. We have a motion and a
25 second to approve Item 8C and award the construction contract to

1 CS Construction.

2 Floyd, would you like to do the roll call vote?

3 MR. ROEHRICH: Mr. Stratton.

4 Mr. Thompson.

5 Mr. Knight.

6 MR. KNIGHT: Yes.

7 MR. ROEHRICH: Mr. Elters.

8 MR. ELTERS: Yes.

9 MR. ROEHRICH: Ms. Daniels.

10 MS. DANIELS: Yes.

11 MR. ROEHRICH: And Mr. Searle.

12 MR. SEARLE: (Indiscernible.)

13 MR. ROEHRICH: And Mr. Hammond.

14 DIRECTOR HALIKOWSKI: Do you think if he voted
15 nay it would sound different?

16 MR. ROEHRICH: I'm calling that the motion
17 passes. I'm calling that the motion passes.

18 CHAIRMAN HAMMOND: Okay. Moving on to agenda
19 Item 9, which will be suggestions for the next board meeting and
20 maybe even the study session.

21 MR. ROEHRICH: So the next board meeting will be
22 May 15th. It was scheduled to be in the ADOT auditorium. We
23 will be working with you, Mr. Chair, and the Director to
24 determine if we will meet in person, if we have to make special
25 conditions or if we will try a virtual meeting. That will be

1 determined.

2 And then June 2nd -- and again, remember that on
3 May 15th, we hope to be able to bring the tentative program out
4 and have that public hearing, and then June 2nd study session,
5 work with the Board to finalize any comments or adjustments to
6 that tentative program so we can award it at the June meeting.

7 So if there are any other items that you want,
8 you can also email me after this meeting if it would be more
9 convenient so I can share them with the board chair, and then we
10 can go ahead and work the schedule out.

11 CHAIRMAN HAMMOND: Okay. Any comments from the
12 board members on agenda? Obviously we can send emails or call
13 staff directly (indiscernible) something after this meeting.
14 Anybody have anything they'd like to...

15 Okay. I'd like to thank everybody. I think this
16 went about as smooth as it could for the first run, and I know
17 staff really put a lot of time to make this work. If we have to
18 continue doing it, I'm sure we'll work out some bugs on call to
19 the public (indiscernible) so we can get all of the input there.
20 I think those who -- in that group online but not -- not live on
21 the mic for attending the meeting. We had -- frankly, I think
22 we had as good attendance as we've had any meeting.

23 DIRECTOR HALIKOWSKI: Mr. Chairman.

24 CHAIRMAN HAMMOND: We just need smooth out the
25 process a little bit. So that's all I have. If staff doesn't

1 have any comments or board members, I'll take a motion for a
2 adjournment.

3 DIRECTOR HALIKOWSKI: Mr. Chairman, I do have a
4 comment. This is the Director.

5 As you're traveling around and you're talking to
6 people and, you know, I think we all understand that the news
7 won't be good when it comes to projects that folks were hoping
8 to get, you know, onto the five-year plan. But I would like to
9 remind everybody that in our quest for cash, ADOT employees are
10 going to take the first hit. At ten o'clock this morning, I
11 announced to all ADOT employees that merit pay for their
12 performance and spot incentive pay is going to be canceled since
13 we need to put the cash back into keeping the agency afloat
14 during this time. So I just want to let everybody know that the
15 ADOT employees are doing their part to ensure that we keep the
16 system open and operational during this period. Thank you.

17 CHAIRMAN HAMMOND: Thank you, Floyd.

18 Any other comments for the good of the order?
19 Okay. Floyd? Ready for adjournment then?

20 MR. KNIGHT: Board Member Knight. So moved.

21 MR. ELTERS: I second.

22 MS. DANIELS: Second.

23 CHAIRMAN HAMMOND: Okay. I don't think we need a
24 roll call vote with this one, do we, Floyd?

25 MR. ROEHRICH: No, sir. Just say we're done.

1 (Indiscernible conversation.)

2 MR. ROEHRICH: Thank you, everyone. Be safe and
3 healthy.

4 (Meeting adjourned at 10:50 a.m.)

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1 STATE OF ARIZONA)
) ss.
2 COUNTY OF MARICOPA)
3

4 BE IT KNOWN that the foregoing proceedings were reported by
5 me, TERESA A. WATSON, Registered Merit Reporter, Certified
6 Reporter, Certificate No. 50876, State of Arizona, from an
7 electronic recording and were reduced to written form under my
8 direction; that the foregoing 68 pages constitute a true and
9 accurate transcript of said electronic recording, all done to
10 the best of my skill and ability.

11 I FURTHER CERTIFY that I am in no way related to any of the
12 parties hereto, nor am I in any way interested in the outcome
13 hereof.

14 DATED at Phoenix, Arizona, this 6th day of May 2020.

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Teresa A. Watson
TERESA A. WATSON, RMR
Certified Reporter
Certificate No. 50876