

MINUTES
STATE TRANSPORTATION BOARD MEETING
9:00 a.m., Friday, October 16, 2015
Town of Wickenburg
Council Chambers
155 N. Tegner Street, Suite A
Wickenburg, AZ 85390

Pledge

The Pledge of Allegiance was led by Board member Jack Sellers.

Roll call by Board Secretary Mary Beckley

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

Absent: Deanna Beaver

Opening Remarks

Chairman Anderson thanked Town of Wickenburg/Mayor Cook and Wickenburg Chamber of Commerce/Julie Brooks for the hospitality shown to the Board for dinner and hosting the board meeting.

Call to the Audience

The following member of the public addressed the Board:

1. John Cook, Wickenburg Mayor, re: welcome to board; 64,000 population but tourism growing and will be the rodeo capital of the world; Wickenburg Ranch to have 4,000 new homes; requests surveys/design work completed on US93 from SR89 into town.
2. Christian Price, City of Maricopa Mayor, re: appreciates Board support of 347 overpass plan and will provide update as work progresses.
3. Chris Kukenyo, Prescott Mayor Pro Tem and member of CYMPO Board, re: desires improvement to three mile portion of SR69 where 40% of sales tax revenue is generated; over five years 582 crashes and four fatalities in the last two years; 7th in state for wildlife crashes; requests six lanes between Prescott and Prescott Valley, with improved access to businesses; CYMPO providing \$1.3 million toward the \$10 million project, with funding from Prescott anticipated.
4. Terry Nolan, Dewey-Humboldt Mayor and CYMPO Board member, re: thank you for SR89, helps with the safety of area going in and out of Chino Valley; appreciates what Board has done for SR89.
5. Guillermo Valencia, Chairman of Greater Nogales Santa Cruz Port Authority, re: reaffirm support of SR189, read from submitted letter with statistics and members of Bd of Directors: City of Nogales, Santa Cruz County, Nogales Community Development and Economic Development Foundation of Nogales/Santa Cruz County, along with three major import/export businesses: Fresh Produce Association, Maquila Association of Nogales and Nogales Custom House Brokers; highlighted numbers \$21.1 billion exports in 2014 and 93,000 jobs in AZ; anticipates 12 million cars crossing border in 14 years; competition from CA and TX; requests \$64 million in FY2021 to pay for construction of part of Mariposa Road, earlier if possible.
6. Chris Bridges, CYMPO Administrator, re: SR69 and requests pilot project through new TSMO group, to have ability with technology to make delays shorter and move traffic better.

STATE TRANSPORTATION BOARD MEETING – OCTOBER 16, 2015

I N D E X

PAGE

<u>ITEM 1: DISTRICT ENGINEER’S REPORT (Alvin Stump)</u>	3
<u>ITEM 2: DIRECTOR’S REPORT (Floyd Roehrich, Jr.)</u>	11
<u>ITEM 3: CONSENT AGENDA</u>	11
<u>ACTION TAKEN</u>	
MOTION TO APPROVE CONSENT AGENDA	11
<u>ITEM 4: LEGISLATIVE REPORT (Kevin Biesty)</u>	12
<u>ITEM 5: FINANCIAL REPORT (Floyd Roehrich, Jr.)</u>	15
<u>ITEM 6: MULTIMODAL PLANNING DIVISION REPORT (Michael Kies)</u>	19
<u>ITEM 7: PRIORITY PLANNING ADVISORY COMMITTEE (PPAC) (Michael Kies)</u>	21
<u>ACTION TAKEN</u>	
MOTION TO APPROVE PROJECT MODIFICATIONS 7a through 7c	22
MOTION TO APPROVE NEW PROJECTS 7d through 7i	22
MOTION TO APPROVE AIRPORT PROJECTS 7j through 7n	23
<u>ITEM 8: STATE ENGINEER’S REPORT (Dallas Hammit)</u>	24
<u>ITEM 9: CONSTRUCTION CONTRACTS (Dallas Hammit)</u>	25
<u>ACTION TAKEN</u>	
MOTION TO POSTPONE ITEM 9a	27
MOTION TO APPROVE ITEM 9b	28
MOTION TO APPROVE ITEM 9c	29
MOTION TO POSTPONE ITEM 9d	30
<u>ITEM 10: SUGGESTIONS</u>	30

1 (Beginning of excerpt.)

2 CHAIRMAN ANDERSON: Next up, district engineer's
3 report, Mr. Stump.

4 MR. STUMP: Well, good morning, Mr. Chair and
5 Board.

6 Just to start out, I wanted to touch on the new
7 district boundary. You know, it's a little bit of a challenge
8 to see, but the right side of our district, which was Verde
9 Valley and the Payson area's now part of what's now the -- in
10 our central district, which means we have fewer pine trees in
11 our district now, but -- but we got all of the Kingman district.
12 So looking forward to working with the new district here.

13 Most of my presentation's going to be on 93, but
14 wanted to touch on just a couple projects real quick to give you
15 an update. On 260 Thousand Trails to I-17, we're going to have
16 our 80 percent cost model -- or we'll have our plans this month,
17 and then the contractor's working on their 80 percent cost
18 model. Right-of-way acquisition's underway. We expect to have
19 that December. Utilities companies are working with them. So
20 all in all, we still look to start construction late spring next
21 year.

22 And then as mentioned earlier, with the Prescott
23 Lakes Parkway, the Frontier Village, we just wrapped up a
24 feasibility report to widen this one-mile stretch here where the
25 bottleneck is on 69, roughly \$10 million. And again, we're

1 continuing to discuss ideas for funding strategies. So that's
2 ongoing.

3 Up 93, the current projects, if you drive through
4 there, you'll notice that traffic's running on the new
5 alignment, and the contractor's working on the culverts on the
6 existing. We'll get the paving done, but we're going to come up
7 a little bit short, it looks like, on getting the friction
8 course done before the season's over. So we'll run traffic on
9 all four lanes, but they'll have to come back and do the
10 friction course in the spring on that.

11 This is just a map of all of the 93 projects over
12 the years. Since the font's too small to read, I'll interpret.
13 Everything in blue, those are the projects that are complete.
14 And then the third red one down from the top is actually one
15 that's just got completed, too. It's just -- just hasn't gotten
16 updated. And then the fourth and fifth project in red are the
17 Carrow Stephens and the Cane Springs ones, and then the very
18 bottom red one is the GAP project.

19 This is the Carrow Stephens. It's roughly 60
20 percent designed. Tentatively in the development program for
21 construction in fiscal year '23 at a cost of 31 million. Cane
22 Springs is -- comes a year later tentatively to begin design in
23 fiscal year '19. Also 31 million.

24 And then give you an update on the Wickenburg
25 Ranch development. We're going to be meeting with them in a

1 couple of weeks to begin discussion on final design for their
2 roundabout on 89, which it's about a mile from the 89/93
3 junction to the (inaudible) left side little part of the picture
4 there, and they're anxious to get that going so they can start
5 selling lots up there. And, of course, once that happens, then
6 that's going to put pressure on the 89/93 junction.

7 And so we're continuing to -- they have an
8 obligation of almost \$10 million for improvements for the
9 magnitude of their development. So we're continuing to kind of
10 throw out ideas of what's the best way to implement it, and the
11 overall cost of the GAP project is roughly 41-and-a-half
12 million. That includes 4 million for design, 5 million for
13 right-of-way and about 32-and-a-half million for construction.

14 Again, the developer has roughly a quarter of
15 that responsibility, and that would leave ADOT with a little
16 over 31-and-a-half million to do. And so we've been, again,
17 talking with different ideas, and one of the latest ideas we've
18 come up with in talking with the developer is the developer
19 would give ADOT 4 million in fiscal year '17, which would pay
20 for the entire design of the GAP project. And then in fiscal
21 year '19, ADOT would return that 4 million, in conjunction with
22 their other 5.88 million to do their part of construction,
23 because that's -- that's about the time we're going to need
24 those improvements done with their development. And so
25 basically, the strategies for the funding would be to either

1 apply for a minor project for that 4 million or try to get major
2 project funding.

3 But the advantage for us is once we have the
4 entire GAP project design complete, we not only get the
5 improvements needed to offset the impacts of the Wickenburg
6 Ranch development, but it also makes it easier for us to bring
7 the rest of the GAP project in the smaller projects, the -- when
8 we get development, whether it's between Vulture Mine and Rancho
9 Casitas, or we've talked about between Tegner and Rincon. You
10 know, if we can get little bits of money for the minor projects,
11 local participation, we can do at least frontage roads, but
12 that's what having a full design would do for us, and trying to
13 tackle this project when money's tight for us, so...

14 And then this is kind of what we were trying to
15 do last year where we were looking for a minor project to just
16 extend Wickenburg Ranch improvements closer to Vulture Mine
17 Road, because the developer's improvements would kind of stop
18 about Rancho Casitas, about 195.3, but I think if we can find a
19 way to have an agreement where we could fund the entire GAP
20 project design, I think that's the best option to move forward
21 if we can, so...

22 Anyway, that's -- that's it. I'll take any
23 questions on it.

24 CHAIRMAN ANDERSON: Questions?

25 Mr. La Rue.

1 MR. LA RUE: Alvin, you know, first I want to say
2 thank you for coming up with this concept. And it was in
3 June -- I'll remind the Board it was in June when we asked
4 Alvin, his team and ADOT to look at this area. I know the
5 mayor's brought this to our attention and the Chamber a number
6 of times. So I first want to say thank you. I appreciate this
7 concept.

8 And I think what we also heard this morning from
9 the mayor is -- or at least when I started to do my math is that
10 the population of Wickenburg could double here with this
11 development that's happening out on that north end, which is
12 going to put a lot of stress on 93 and the GAP. And if you
13 notice from the information put up there is we've been -- you
14 know, have improvements from 40 all the way down to Wickenburg.
15 Wickenburg is going to double in population, and so there's
16 going to be a lot of pressure right there. So I appreciate this
17 concept.

18 As I think about it, though, and we're sitting
19 here now in October, what's the next step? I mean, where are
20 you going to take this concept, and what are some of the things
21 that you need to do to keep moving this (inaudible) forward.
22 You know, and before -- and I'll go on a little bit longer while
23 you're thinking of how to respond to that.

24 What's interesting is we heard this morning
25 there's a lot of projects around the state that are very

1 worthwhile. They lead to economic development. They're very
2 necessary. I think what the clear message, at least to me
3 through the town halls I've gone to or traveled around the
4 state, is that we're not going to be able to count upon the
5 federal government. We're probably not going to be able to
6 count upon the state government.

7 And so we really need, which we're starting to
8 see through some of these projects that the local folks, the
9 local stakeholders, from the residents, to the businesses, to
10 the chambers, to the elected officials have to get together.
11 They have to be part of the solution. They have to find other
12 alternative sources of funding to augment and help what's
13 happening on the -- at the ADOT funding, because there is nobody
14 coming to our rescue on this.

15 So I appreciate this creativity. I appreciate
16 what you're doing, but now I think you've got some next steps
17 here, I would imagine, to actually get this implemented.

18 MR. STUMP: Yeah. The next steps would be for me
19 would be, assuming it's at least a viable option for us, then we
20 would go and continue to finalize the draft joint project
21 agreement with a developer, and then also, I'll look forward
22 with the Town and the Chamber to discuss other ideas. I think
23 there's -- we're focused on one part of the project, but I think
24 there's other places where we can discuss, and if we get the
25 design done, we can look at implementation of other little

1 projects as well, you know. So we can show that -- how these
2 other future projects could be done in the future.

3 MR. ROEHRICH: Mr. Chair and Alvin, I think
4 that's really good. I'd like maybe talk about that, because I
5 think it's real significant what Alvin says. If we can move
6 forward with this agreement, you select developer funding now to
7 get the full design done -- it is a few years down the road as
8 the growth happens, because as we know, Wickenburg is not going
9 to double overnight. It's going double over a few years, and
10 it's going to double fairly quickly.

11 Given that -- entering into that agreement now,
12 getting a developer who's got the cash now to be able to start
13 that, and get the full design done really gives us greater
14 flexibility as we address the money issues, whether it's
15 prioritizing (inaudible) correct funding is the Board does every
16 year, or if we do see an increase in the next couple years
17 (inaudible) federal or state level -- and I know that's
18 unlikely, but if something would happen. But not having the
19 design, the environmental done doesn't give you the flexibility
20 to react. Starting that now does give you the flexibility,
21 whether you have to phase it, or ultimately, the -- really the
22 goal would be is to fund it all as one project like, you know,
23 we're talking about on State Route 189 as we address some of
24 these other corridors as well.

25 But getting that agreement in place and getting

1 that design started now gives us that great flexibility to
2 address that the next couple of years as we look to the future's
3 funding, as this Board looks to the prioritization of the
4 available funding that we have and works within, you know, the
5 fiscal constraint requirements that we have. And if there is a
6 change and all of a sudden we do get extra money, the economy
7 gets better, we collect more in taxes or something is done, then
8 we can start phasing it in and putting together the phases that
9 complete that project. We'll upgrade our flexibility. The key
10 to that is what Alvin said. Getting out the design and
11 finishing the environmental so we can react quickly, and then
12 not trying to start those processes at a later date.

13 CHAIRMAN ANDERSON: And I agree. So I -- so it
14 sounds like between now and the first of the year when we start
15 our next, you know, five-year cycle, you'll be working with the
16 developer, the Town, and bring us this information, bring us the
17 viability of this concept back.

18 MR. STUMP: Yes.

19 CHAIRMAN ANDERSON: Good. Excellent.

20 Further questions of Mr. Stump?

21 Seeing none, thank you.

22 MR. LA RUE: You know, Alvin, I just (inaudible)
23 Deanna's not here at this meeting. If you could just reach out
24 to her. I don't know if she's got access to the PowerPoint, but
25 maybe get that to her.

1 MR. STUMP: Sure.

2 MR. LA RUE: I know she's very, very interested
3 in this 93 corridor as well.

4 MR. STUMP: You bet. (Inaudible) get that to
5 her.

6 CHAIRMAN ANDERSON: Thanks, Alvin.

7 MR. STUMP: Thank you.

8 CHAIRMAN ANDERSON: Director's report. Floyd,
9 you're up.

10 MR. ROEHRICH: Mr. Chair, members of the Board,
11 the director does send his regret, but he was obviously
12 unfortunately not able to be here. I have little last minute
13 items to report this time. I do expect that he will be at the
14 next Board meeting and will get caught up with his comments at
15 that time.

16 CHAIRMAN ANDERSON: Thank you, Floyd.

17 Number three, the consent agenda. If there are
18 no other items that staff or the Board (inaudible).

19 MR. LA RUE: I'd move the approval of the consent
20 agenda.

21 CHAIRMAN ANDERSON: Moved by Mr. La Rue.

22 MR. HAMMOND: Second.

23 CHAIRMAN ANDERSON: Second by Mr. Hammond to
24 approve the consent agenda as presented by staff.

25 All in favor?

1 BOARD MEMBERS: Aye.

2 CHAIRMAN ANDERSON: Mr. Biesty, legislative
3 report.

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

5 With your permission, I'd like to just take a
6 moment to introduce a new staff member at ADOT. We have
7 currently hired a -- someone to head up our Public Information
8 Office. Mr. Steve Elliott is here this morning with us. We're
9 really lucky to have Mr. Elliott. He comes to us from the
10 Walker Cronkite School at ASU where he helped found that, and
11 before that he was bureau chief for the AP. So we're very lucky
12 to have him, and I'd like to welcome him to ADOT.

13 Mr. Chairman, at the state level, we're
14 continuing to work with -- on proposals and work with the
15 governor's office to see what ADOT could do to do some
16 legislative proposals that fit into the governor's program and
17 vision for Arizona. We may utilize some of the proposals we ran
18 last year but were unable to get through the legislature to help
19 to do some regulatory issues out in the business community and
20 also to raise some revenue. So I'll have -- hopefully have more
21 information on that at our next Board meeting.

22 One thing that will be happening this session is
23 our Sunset hearing, ADOT Sunset hearing. We're up for
24 continuation. We're hoping to get a ten-year continuation as
25 opposed to the last go-around where we got eight years. Our

1 Sunset hearing is set for November 10th at 1:30. That will be
2 in the Senate, and we'll send you some more information as the
3 time gets close.

4 Director Halikowski will be meeting with the
5 members of the committee here in the upcoming weeks. The
6 (inaudible) reporter was generally favorable. Many of you
7 probably saw in the newspaper one piece of it dealt with the
8 funding issues with transportation and their recommendation that
9 the legislature form a panel to kind of look at that. So we'll
10 see what happens this session with that recommendation.

11 At the federal level, as you know, the Senate
12 passed their DRIVE Act back in July, which is a six-year build
13 that only has three years of funding. Currently, as we speak,
14 the House is rolling out their version. I'm actually getting
15 e-mails now on what some of those details are. We'll compile
16 those and send that out to you in a more comprehensive overview
17 this afternoon. We anticipate they'll probably take up the bill
18 next week in committee.

19 Pretty much, you know, the current MAP-21 is
20 (inaudible) extended it to the end of this month. The consensus
21 is that there will be surprise -- another continuation as they
22 work out the details. As you know, the House is in a little bit
23 of a focus in other area areas right now trying to select a
24 speaker. So I think a lot of that is taking precedent, and
25 we'll see, depending on who the speaker is, that may give us

1 some indication of any potential outcome. So like I said, I'll
2 have a more comprehensive one. We've been waiting on this House
3 bill, and once we have that all put together, I'll make sure you
4 get that e-mail today or Monday.

5 With that, if you have any questions, I'll be
6 happy to answer them.

7 CHAIRMAN ANDERSON: Mr. Hammond.

8 MR. HAMMOND: Regarding the Sunset theory, given
9 it's been eight years, so there's no historical memory here on
10 the Board, is there any role the Board plays in these hearings
11 or could play or should play?

12 MR. BIESTY: Mr. Chairman, Mr. Hammond, generally
13 with these Sunset hearings that the committee will hear from the
14 auditor general, they'll review the report. The agency will be
15 there. We pretty much concurred with all their findings.
16 Letters of support or signing of support doesn't hurt. We could
17 talk about that later if you wish. Some of our stakeholders
18 will sign in in support generally to say that, you know, things
19 are going well. Now, obviously, you know, sunseting ADOT has
20 ramifications, so I don't think anybody's considering that.

21 Generally what happens is that the length of
22 time, if any of the -- if it becomes a -- political in nature,
23 which is what kind of happened the last time, there was a set of
24 legislators that felt that ten years for any agency was too long
25 given that legislators were subject to term limits, and that a

1 legislator should have the opportunity if they serve their full
2 terms to have at least another look at the agency. So that's
3 kind of where that happened the last time, but that's kind of
4 went by the wayside. I'm pretty confident that the discussion
5 will be a ten-year continuation.

6 CHAIRMAN ANDERSON: Thank you. Further questions
7 of Mr. Biesty? Thank you.

8 MR. BIESTY: Thank you, sir.

9 CHAIRMAN ANDERSON: I see the financial, but I
10 don't see Kristine. So I guess, Floyd, you're going to be
11 talking about numbers, right?

12 MR. ROEHRICH: Yes, sir. Mr. Chair, members of
13 the Board, obviously I'm not Kristine Ward. Fortunately, she
14 had an issue that came up at the last moment, so I didn't find
15 out about her not being here until this morning or I would have
16 wore a dress (inaudible). But so --

17 CHAIRMAN ANDERSON: TMI.

18 (Speaking simultaneously.)

19 MR. ROEHRICH: But anyway, she did -- she sends
20 her regrets obviously, because she ended up having an issue come
21 up last month. So she does intend to be here next month,
22 having -- you know, everything works out good, but there was a
23 couple things that she did point out that I do want to point
24 out.

25 She just wanted to make sure that you do

1 understand or that the Board is up to date on where we're at
2 basically with the (inaudible). She tended to more strongly
3 about this, but the basic issue is we're just barely above what
4 our forecast was. For the year, the cumulative is 1.2 percent.
5 So revenues have not dropped off, but they're not growing.
6 Originally she was hoping for a 2 percent growth this year, and
7 we're not meeting that.

8 So the intent being, especially as we go into the
9 new programming cycle or whatever, not sure if there's going to
10 be additional revenues in there that may lead to opportunity for
11 more funding. We're kind of holding our own at this point.
12 We'll see how the holiday season comes. That's always a big
13 year. And with prices going down on the gas pump, there has
14 been an increase in gas usage, so that's been a help.

15 New car sales, she said, have been up just a
16 little bit, but what she said, to her, the fact was people
17 moving to the state and registering new cars has been virtually
18 zero. So we're at a point where either people are not
19 registering their older cars or multiple cars, or we're really
20 not seeing the growth in the state at this point. So there
21 hasn't been a growth in, if you will, the fleet. And it is an
22 aging fleet. Even though there's been new some new car sales
23 that increased a little bit, she said, what we're still seeing
24 is people holding on to their cars longer, registering them,
25 which means that they get a lower VLT collection coming in. So

1 that, again, is holding pretty steady or just barely -- which is
2 what -- attributing why we're not seeing the growth that we are.
3 So HURF revenues are pretty stagnant, and at this point it's a
4 little bit below our forecast.

5 On the regional tax, she said to point out the
6 fact that this has actually been very much under performing. It
7 was in the negative to start with. It is barely touching a .2
8 percent growth cumulative after the first couple months of the
9 year. So the sales tax and -- collected and the RARF funds
10 available are going to probably lead to the same relative flat
11 revenue stream and revenues available as we move to the next
12 programming cycle, again, under performing. The economy --
13 people might be working more, but they're -- she said they're
14 really cautious about how they've been spending to this point.
15 So we'll see how that goes.

16 Overall, she's got some issues here about the
17 federal aid debt service, but I don't want to bore you with
18 that, because it looks like we're spending more to pay off debt
19 than -- this is all -- seems like my credit card bill when my
20 wife tries to hide it from me.

21 Generally, I'm going to summarize it, revenues
22 are not good. We're barely holding our own. And she
23 apologizes, and she'll have more -- hopefully more to address
24 next month.

25 CHAIRMAN ANDERSON: Questions of Floyd that he

1 can (inaudible) on to Kristine?

2 Mr. La Rue.

3 MR. LA RUE: I don't know if it's a question or
4 maybe frustration, and Kristine can maybe bring sense to it. So
5 on the RARF, I mean, where it looks like we're missing is on
6 that construction tax, and I don't know if anybody's actually
7 looked at the legislation for the couple years that they've
8 passed to try to figure it out, but -- and I've spent, I don't
9 know, ten hours here awhile back just reading it and trying to
10 figure out how it applies to everything that I do, and it is so
11 convoluted and so mixed up. And you talk to contractors. They
12 have no clue what they should be doing. And you talk to
13 lawyers, and half of them are all over the place. And it's
14 like, you know, if we don't get that figured out, that's a mess,
15 and if that's what's feeding into, you know, this and it
16 continues to be a mess, our hope that we're going to have
17 increased revenues to apply to roads is just not going to
18 happen. It's -- I don't know if the legislature's going to try
19 to address it again this year. I mean, the last couple times
20 they've addressed it, it went from bad to worse. So I don't
21 know what they're going to do this time around.

22 MR. ROEHRICH: (Inaudible.)

23 MR. LA RUE: And the cities have got to be just
24 frustrated, because I'm sure it's impacting them as well big
25 time.

1 MR. BIESTY: Mr. Chair, Mr. La Rue, I'll -- I
2 haven't heard a whole lot of discussion about TPT reform right
3 now. It kind of ebbs and flows, but I'll check into that and
4 see and get back to you.

5 MR. ROEHRICH: And Mr. Chair, Mr. La Rue, I will
6 ask her about that. I know that she has talked about that and
7 that there's -- even at the state level, they're struggling with
8 how that funding's coming, how it's going to be sent around. I
9 just looked at one of her notes on here, so that contracting was
10 14.6 below last year. Don't know how much of it was attributed
11 towards that or as they figure out at the state level
12 (inaudible) legislation and some of the tweaking that was made
13 there late how that is leading into those collections. I do
14 know this is an issue, and we have (inaudible) as you had said
15 as well. So whatever the legislature and the governor may
16 choose to do with that, we'll have to wait and see, like Kevin
17 said, until these formalize -- they're going to approach at this
18 session.

19 CHAIRMAN ANDERSON: Further comments? Questions?
20 Thank you, Floyd.

21 Item six, the NPD report. Mr. Kies.

22 MR. KIES: Thank you, Chairman Anderson.

23 I don't have a prepared presentation on the
24 planning activities, but I did want to mention a few things to
25 the Board.

1 First, the -- our long range plan, by federal
2 law, every five years we update our long range plan, and the
3 last long range plan was adopted in 2011. So we are now taking
4 off the update to the long range plan. You'll see some
5 activities going on where we're reaching out to technical
6 advisory committees and some stakeholders to start talking about
7 the process.

8 As you recall, each year when we present the
9 program to you, we present pie charts and guidance from the
10 long range plan about how much of our program you should be
11 funding in preservation and modernization and explanation. This
12 update to the long range plan will re-evaluate those, those
13 percentages, the process that we're using to select projects in
14 those categories, and also re-evaluate our goals and eventually
15 our targets that we will be shooting towards as we implement our
16 programs over the years. So just a heads up that that's been
17 kicked off.

18 But then also in the next couple months, I would
19 like to come back to the Board and give you a couple updates.
20 One is an update of the Tier 1 EIS for I-11. We're approaching
21 a year anniversary of when the Board provided us the funding for
22 that project. So in the next couple months, I'd like to provide
23 you an update on that.

24 And also I want to update on our planning to
25 programming process, which is that process where we take the

1 data versus the projects requests that come from districts and
2 others and prioritize those projects so that when we provide you
3 the tentative program in February, you have an understanding of
4 how we build that program for your consideration.

5 So with that, that's all I have for the planning
6 report, if there's any questions.

7 CHAIRMAN ANDERSON: Questions or comments? If
8 not, we'll move into PPAC.

9 MR. LA RUE: I might just ask, Mike, are you
10 going to look at maybe changing up how that booklet is presented
11 this next year or any thoughts on that?

12 MR. KIES: Board Member -- you're referring to
13 the five-year program booklet?

14 MR. LA RUE: Yeah.

15 MR. KIES: Actually, yes. My intention, and the
16 Director Halikowski has agreed and encouraged to be a lot more
17 graphical so that it's just not a list of projects that somebody
18 has to know where the Milepost 302 is on State Route -- US 191.
19 We want to provide a lot more maps and keys to the projects
20 versus the maps so people can understand what we're actually
21 delivering out there. So that's the intention for this.

22 MR. LA RUE: Excellent. I'm looking forward to
23 it.

24 MR. KIES: Thank you, Chairman Anderson.

25 Item seven, the PPAC agenda. For this month we

1 have three project modifications for your consideration. They
2 are Items 7A through 7C, and unless there are any questions or
3 concerns about these projects, I'd ask the Board approve Items
4 7A through 7C.

5 CHAIRMAN ANDERSON: All right. The Board's
6 pleasure on project modifications?

7 MR. LA RUE: I'd move to approve 7A through 7C as
8 recommended by staff.

9 CHAIRMAN ANDERSON: Moved by Mr. La Rue.

10 MR. CUTHBERTSON: I second.

11 CHAIRMAN ANDERSON: Second by Mr. Cuthbertson to
12 approve and -- accept and approve project modifications Items 7A
13 through 7C as presented.

14 All in favor?

15 BOARD MEMBERS: Aye.

16 CHAIRMAN ANDERSON: New projects.

17 MR. KIES: Thank you, Mr. Chairman.

18 Yes. There are six new projects on the PPAC
19 agenda this month. They're Items 7D through 7I. I'd be happy
20 to answer any questions or concerns the Board has. If there are
21 none, I'd ask the Board to approve Items 7D through 7I.

22 CHAIRMAN ANDERSON: The Board's pleasure?

23 MR. LA RUE: I move to approve 7D through I as
24 staff has recommended.

25 CHAIRMAN ANDERSON: Moved by Mr. La Rue.

1 MR. HAMMOND: Second.

2 CHAIRMAN ANDERSON: Second by Mr. Hammond to
3 approve 7D through 7I. Motion to accept and approve projects 7D
4 and 7I as presented. Further discussion?

5 Seeing none, all in favor?

6 BOARD MEMBERS: Aye.

7 CHAIRMAN ANDERSON: Got the airport projects.

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

9 There are five airport projects on the PPAC
10 agenda this month. They are Items 7J through 7N, and if
11 there -- unless there are any questions or concerns from the
12 Board, I'd ask the Board to approve Items 7J through 7N.

13 CHAIRMAN ANDERSON: The Board's pleasure?

14 MR. LA RUE: I'd move 7J through 7N (inaudible).

15 CHAIRMAN ANDERSON: Moved by Mr. La Rue.

16 MR. SELLERS: Second.

17 CHAIRMAN ANDERSON: Second by Mr. Sellers to
18 accept and approve airport projects 7J through 7N as presented.
19 Further discussion?

20 All in favor?

21 BOARD MEMBERS: Aye.

22 MR. KIES: Thank you.

23 CHAIRMAN ANDERSON: Thank you, Mike.

24 Contracts.

25 MR. LA RUE: Engineer's report.

1 CHAIRMAN ANDERSON: (Inaudible.) Engineer's
2 report, contracts.

3 MR. HAMMIT: Mr. Chairman, members of the Board,
4 currently we have 115 projects under construction totaling
5 \$782.5 million. Last month we did finalize 12 projects totaling
6 20.1 million, and year to date we have finalized 49 projects.

7 One of the -- two things I want to note in the
8 state engineer's report. We saw in Alvin's presentation and I
9 presented to you in study session the map of the new district,
10 but one thing we hadn't decided at that point was what are we
11 going to call the new districts? In the past one, we called the
12 districts where the home office was. So we had a Prescott
13 district, a Flagstaff district. In combining these areas and
14 talking to staff pondering the identity, we elected to go with
15 the regional approach. So Alvin's district now is the northwest
16 district. We have a north central district, a northeast
17 district, southeast, south central, southwest, and then the
18 Phoenix is the central. So when you hear those terms, that's
19 how the districts will be labeled instead of Prescott,
20 Flagstaff, (inaudible). So that's one thing I wanted to point
21 out.

22 The other thing we wanted to make sure is we kept
23 continuity in areas that switched from one district to the
24 other. As Alvin mentioned, the Verde Valley moved from his area
25 to the Flagstaff area, but since the 260 project has -- was so

1 far underway, even though that is part of that north central
2 district now, Alvin had the history. He will maintain the
3 administration of that project to keep continuity working with
4 since (inaudible) the contractor's already on board, there's a
5 team in place. And so we're doing that throughout to keep
6 continuity and get the best project. So that will continue.
7 That's why it was in his presentation versus one that
8 (inaudible) may give you.

9 Any questions from the state engineer's report?

10 MR. LA RUE: You know, Mr. Chair, I was kind of
11 hoping it was the (inaudible), but I guess we got overruled on
12 that.

13 MR. ROEHRICH: Mr. Chair, Mr. La Rue, the only
14 problem with that is every six months -- or every six years, we
15 have (inaudible) we're redoing the maps and renaming everything,
16 and then over six years it completely re- -- changes. It's cost
17 prohibitive.

18 CHAIRMAN ANDERSON: Contracts.

19 MR. HAMMIT: Thank you, Mr. Chairman. Thank you
20 for approving the four contracts in the consent agenda, and we
21 have four additional contracts that we need to talk about.

22 One thing (inaudible) see on this that I have not
23 seen definitely (inaudible) state engineer and as I've traveled
24 in my time as deputy, every project came in under the engineer's
25 estimate. Last month, if you remember, we had some over, some

1 under, but we were almost right on. I mean, we were within a
2 half a percent. This time we're (inaudible), and we'll talk
3 about one project that really made a difference in the
4 individual projects.

5 CHAIRMAN ANDERSON: So Dallas, is that maybe
6 because we got a new estimator?

7 MR. HAMMIT: I think we're seeing some --
8 especially in oil, we're seeing a lot of lower prices in oil,
9 and we are being somewhat conservative. It's -- especially on
10 our local program. If we come in and those projects, those
11 local projects go over the budget, they have to go back to their
12 city councils, and they don't want to do that. Nothing against
13 city council members, but, you know, it's difficult to go back
14 to those city councils (inaudible) --

15 MR. ROEHRICH: So are you saying the less the
16 city council's involved (inaudible)

17 (Speaking simultaneously.)

18 MR. HAMMIT: (Inaudible) project in Avondale.
19 This project was a signing project. The low bid was 140,800 --
20 or excuse me -- 718.70. The state's estimate was \$225,030. It
21 came in under the state's estimate 84,311.30 or 37.5 percent.
22 We do need to look at the bids on this, and so we are asking the
23 Board to postpone that and give staff time to review that
24 information.

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

1 MR. LA RUE: I would move to postpone as staff
2 recommends on Agenda Item 9A.

3 CHAIRMAN ANDERSON: Moved by Mr. La Rue.

4 MR. HAMMOND: Second.

5 CHAIRMAN ANDERSON: Second by Mr. Hammond to
6 accept and approve staff's recommendation to postpone Item 9A to
7 a future meeting. Further discussion?

8 MR. SELLERS: Mr. Chair.

9 CHAIRMAN ANDERSON: Mr. Sellers.

10 MR. SELLERS: So postponing that a month will not
11 affect the bid?

12 MR. HAMMIT: Mr. Chair and Mr. Sellers, no, it
13 will not. We have 45 days of moving that. We just have to take
14 action. Those bids are -- still be good during that time.

15 MR. SELLERS: Thank you.

16 CHAIRMAN ANDERSON: Further questions?

17 All in favor?

18 BOARD MEMBERS: Aye.

19 CHAIRMAN ANDERSON: 9B.

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

21 Another local project. This is in the Town of
22 Apache Junction. This was a pavement widening and a signing
23 project. The low bid was \$546,999.90. The state's estimate was
24 \$647,703. The estimate was \$100,703.10 or 15.5 percent under
25 the state's estimate. As -- where we saw the biggest

1 differences was in the aggregate base. They were able to get a
2 much better price using a supplier very close, and then their
3 traffic control. They felt they could do it in a shorter
4 duration, which reduced some items on traffic control. We have
5 reviewed the bids, believe they are responsible and reasonable,
6 and would recommend award to J. Banicki Construction Company,
7 Inc.

8 CHAIRMAN ANDERSON: The Board's pleasure on Item
9 9B?

10 MR. SELLERS: Move for approval to award contract
11 Item 9B.

12 MR. LA RUE: Second.

13 CHAIRMAN ANDERSON: Move by Mr. Sellers, seconded
14 by Mr. La Rue to accept and approve staff's recommendation to
15 award the contract for Item 9B to J. Banicki Construction, Inc.
16 Further discussion?

17 All in favor?

18 BOARD MEMBERS: Aye.

19 CHAIRMAN ANDERSON: 9C.

20 MR. HAMMIT: Mr. Chairman, members of the Board,
21 this project is a pavement preservation project on I-15, and the
22 low bid was \$10,427,000. The state's estimate was
23 \$15,109,665.20 or 400 -- \$4,682.665.20 under the state's
24 estimate or 20 -- or 31 percent. Where we saw the biggest
25 differences was in the asphalt materials, and in the past few

1 months we've seen a difference in our oil. So we saw both in
2 the oil, the black, gooey stuff, as well as the aggregates.

3 In talking to the contractor, they found a
4 material source within five miles of the project and are
5 (inaudible) there. We had estimated that that material would
6 have to be trucked in from a longer distance. The other thing
7 in talking with the contractor, we had two Arizona contractors
8 wanting this project. As you know, this stretch of road, you
9 cannot get there from Arizona, and they did not mark up their
10 subs. The other bids were Utah contractors. So we wanted to
11 keep the project and (inaudible) the low bidder did not market
12 the subcontracts to be very competitive.

13 We have reviewed the bids and believe that they
14 are responsible and reasonable, and would recommend award to
15 Fisher Sand and Gravel, doing business as Southwest Asphalt
16 Paving.

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

18 MR. HAMMOND: Move approval.

19 CHAIRMAN ANDERSON: Moved by Mr. Hammond.

20 MR. SELLERS: Second.

21 CHAIRMAN ANDERSON: Second by Mr. Sellers to
22 accept and approve staff's recommendation to award the contract
23 for 9C to Fisher Sand and Gravel Company, d/b/a Southwest
24 Asphalt Paving. Further discussion?

25 All in favor?

1 BOARD MEMBERS: Aye.

2 CHAIRMAN ANDERSON: 9D.

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

4 This last one, this is a roundabout project in
5 the -- kind of the Chino Valley at Perkinsville Road. The low
6 bid was \$1,218,602.87. The state's estimate was \$1,355,503.45,
7 leaving it under the state's estimate by \$136,900.58 or 10.1
8 percent. We do need to do some more research. There has been a
9 protest. So we do need to do some research on this project and
10 would recommend that we postpone this to a future Board meeting.

11 CHAIRMAN ANDERSON: Board's pleasure?

12 MR. LA RUE: I move to postpone Item 9D.

13 CHAIRMAN ANDERSON: Moved by Mr. La Rue.

14 MR. CUTHBERTSON: Second.

15 CHAIRMAN ANDERSON: Second by Mr. Cuthbertson to
16 accept and approve staff's recommendation to postpone Item 9D to
17 a future meeting. Further discussion?

18 All in favor?

19 BOARD MEMBERS: Aye.

20 CHAIRMAN ANDERSON: Thank you, Dallas.

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

22 CHAIRMAN ANDERSON: Last item, suggestions for
23 future meetings, information?

24 MR. ROEHRICH: Mr. Chair, if I could, just one
25 comment here. I just want to remind those of the Board that

1 this month, on Tuesday, the 27th, we have the Board retreat
2 study session set up, and you remember the major topic for that
3 was going to be revenues and transportation funding options and
4 other considerations regarding the revenue options for
5 transportation.

6 (End of excerpt.)

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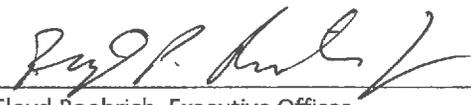
Adjournment

A motion to adjourn the October 16, 2015 Board meeting was made by Jack Sellers and seconded by Joe La Rue. In a voice vote, the motion carries.

Meeting adjourned at 10:00 a.m. MST.



Kelly O. Anderson, Chairman
State Transportation Board



Floyd Roehrich, Executive Officer
Arizona Department of Transportation