

ARIZONA STATE TRANSPORTATION BOARD
STATE TRANSPORTATION BOARD MEETING

REPORTER'S TRANSCRIPT OF PROCEEDINGS

TELECONFERENCE BOARD MEETING

June 19, 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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1 (Beginning of excerpt.)

2

3 CHAIRMAN HAMMOND: Okay. Thank you, Floyd.
4 We're now going to proceed to the call to the audience. A
5 reminder that you have a three-minute window to speak, and if
6 there's any issues on muting your phone, we'll ask our Webex
7 host to help you out here.

8 The first request -- and I'll also say who's on
9 deck so you can get ready -- Charlie Odegaard with the City of
10 Flagstaff and the Flagstaff MPO will be first, and Jeff Meilbeck
11 with the MetroPlan will follow.

12 So Mr. Odegaard, can you unmute your phone and
13 proceed with your comments.

14 WEBEX HOST: Thank you, Chairman Hammond. This
15 is Hayley. Mr. Odegaard, I see that you have your hand raised.
16 I'm going to go ahead and unmute your line. When you do that,
17 you'll be live with the Board.

18 MR. ODEGAARD: Yes. Thank you. And you can hear
19 me, correct?

20 CHAIRMAN HAMMOND: Yes.

21 WEBEX HOST: Yes, sir.

22 MR. ODEGAARD: Good morning, Chair Hammond, Vice
23 Chair Stratton, and the rest of the board members. Thank you
24 for allowing me to speak this morning.

25 The City of Flagstaff and ADOT has been great

1 partners for transportation projects for the greater Flagstaff
2 region. We are looking forward to those collaborations of
3 projects as we move forward in the future. It's exciting that
4 projects are being built as we speak, and projects are in the
5 works in the next five years.

6 The City of Flagstaff is always here for the
7 help, whether it's resources as far as (inaudible) expertise or
8 dollars. And again, I want to thank you for those collaboration
9 efforts, the great partnerships that we do have with the City of
10 Flagstaff and ADOT, and I wish everyone a healthy summer. Thank
11 you.

12 CHAIRMAN HAMMOND: Thank you, Mr. Odegaard. Nice
13 to hear you again.

14 Our next speaker is Jeff Meilbeck, who's with
15 the -- he's the executive director of the FMPO, and
16 Mr. Meilbeck, you're on.

17 WEBEX HOST: Mr. Meilbeck, this is Hayley. I see
18 you on our participant list. I'm going to go ahead and unmute
19 your line.

20 MR. MEILBECK: Okay. Can you hear me?

21 WEBEX HOST: Yes, we can. Thank you.

22 MR. MEILBECK: Great.

23 Mr. Chairman, members of the Board, this is Jeff
24 Meilbeck, the executive director of MetroPlan, the Flagstaff
25 FMPO, and I've got to say I can't say it any better than Council

1 Member Odegaard just did. So I will thank you for your support
2 and the partnerships and leave you to your meeting. Thank you.

3 CHAIRMAN HAMMOND: Okay. Thank you,
4 Mr. Meilbeck.

5 Okay. Our third speaker is Janet Aniol, who is
6 with -- she's the president of the Beaver Creek Community
7 Association. Ms. Aniol. And correct my pronunciation of your
8 name before you start.

9 WEBEX HOST: Good morning, Janet. This is
10 Hayley. I see that you have your hand raised over the phone.
11 Thank you for doing that. I'm going to go ahead and unmute your
12 line. When I do that, the phone will tell you that you've been
13 unmuted, and you'll be live with the Board.

14 All right. Janet, you're unmuted.

15 MS. ANIOL: Thank you, everyone, and good
16 morning. I spoke before this board twice last year, as did
17 others from our community about the safety issues at the
18 Interstate 17, Cornville, Beaver Creek Road intersection at
19 Milepost 293. We have multiple safety issues there, but the
20 worst is the running of the two stop signs that lead directly on
21 to the cross traffic of Beaver Creek Road/Cornville Road, which
22 runs across the bridge. That's at our northbound exit. The two
23 stop signs are constantly ignored.

24 Yesterday, a young man who works in McGuireville,
25 was on his motorcycle going home. A firefighter ran the stop

1 sign and hit him. He was helilifted out. We hope he's going to
2 be okay.

3 Our District 2 supervisor, Tom Thurman, wrote to
4 you about the safety problem in April. Last month, Jodi Rooney
5 also spoke about our safety issues at the I-17 Milepost 293
6 intersection.

7 This intersection was listed as a priority in the
8 Verde Valley Master Transportation Plan of 2016, which was
9 written by ADOT. It lists the safety improvements as a
10 priority, bullet number N10, with an estimated cost of \$10,000.
11 Perhaps two blinking stop signs and a sign that says "cross
12 street traffic" would help.

13 Please take action on this safety hazard. It's
14 been created by poor signage at the intersection. We know you
15 can help us. We will be back. Please do something. We thank
16 you for listening.

17 CHAIRMAN HAMMOND: Thank you, Ms. --

18 MS. ANIOL: (Inaudible.)

19 CHAIRMAN HAMMOND: Go ahead.

20 MR. ROEHRICH: Mr. Hammond, that sounds like she
21 finished her report.

22 CHAIRMAN HAMMOND: Okay.

23 MR. ROEHRICH: I'm getting emails that say you
24 are difficult to hear. So I don't know if maybe -- instead of
25 talking down, see if you can --

1 CHAIRMAN HAMMOND: Okay.

2 MR. ROEHRICH: Those are the microphones --

3 CHAIRMAN HAMMOND: I will try to talk louder and
4 clearer. So I apologize for that.

5 All right. The last speaker we have on the
6 agenda is Andy Dickey. He is the district director of Public
7 Works for the City of Sedona.

8 WEBEX HOST: Mr. Dickey, this is Haley. I see
9 that you've joined on our attendee list. I'm going to go ahead
10 and unmute your line. When I do that, you'll be live with the
11 Board.

12 Andy, you're unmuted.

13 MR. DICKEY: Good morning. Can you hear me?

14 WEBEX HOST: Yes, sir.

15 MR. DICKEY: Good morning, board chair and board
16 members. I'm Andy Dickey, Director of Public Works and the City
17 Engineer with the City of Sedona. Thank you for the opportunity
18 to speak on this item. Also, thank you for funding support. We
19 (inaudible) opportunity in the past.

20 I specifically want to discuss the (inaudible)
21 exchange program and (inaudible) to allow projects (inaudible).
22 (Inaudible) this year. You have a difficult challenge, and you
23 need to balance the budget for the five-year program, and the
24 potential (inaudible) is significant. In trying to balance this
25 budget, I urge you to consider the relatively small (inaudible)

1 the State will receive in sustaining this program in relation to
2 the significant benefit local communities like Sedona will
3 receive by allowing our projects to be completed.

4 If this project is in the HURF Exchange program
5 (inaudible) project. This one-mile project includes mill and
6 overlay (inaudible) and making flood control improvements. This
7 project is addressing multiple (inaudible) our community,
8 including improvement supported by our Transportation Master
9 Plan, Storm Water Master Plan, and our (inaudible) Master Plan.
10 However, without the approximate 350,000 from the HURF Exchange
11 program, this over \$2 million project will not likely move
12 forward. There are no alternatives and viable options, and
13 waiting for funding has challenges, and (inaudible) would wipe
14 out (inaudible) of receiving the funding (inaudible).

15 Considering all of this, I respectfully request
16 that you allow projects already in the process to be completed
17 through the HURF Exchange program if this program is extended.
18 Thank you.

19 CHAIRMAN HAMMOND: Thank you, Mr. Dickey. Much
20 appreciated.

21 We did get one more request, but it's more noted
22 for the file, because the speaker will not be on, and Floyd
23 Roehrich will reference that.

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

25 We got a request from Mr. Mark Woodson in

1 Flagstaff who just did not want to speak, but he said that he
2 would like to comment on the possibility of the HURF Exchange
3 cuts and the importance to the small communities of keeping this
4 program forward if at all possible. And his comment will be
5 added to the speaker comments that will go into the meeting
6 minutes. Thank you, Mr. Chair.

7 CHAIRMAN HAMMOND: Thank you, Mr. Roehrich. And
8 we do take these comments very seriously from the audience, so
9 we appreciate you taking the time to speak.

10 MR. KNIGHT: Mr. Chair.

11 CHAIRMAN HAMMOND: Yes.

12 MR. KNIGHT: I know we can't address any of the
13 speakers, but I do believe we can address staff. The previous
14 speaker, and I only recall Milepost 293, that intersection are
15 we looking at that? It sounds like a pretty -- \$10,000, it
16 sounds like a pretty easy fix for a safety hazard, a safety
17 problem. Is staff looking at that and a possible fix for it?

18 MR. ROEHRICH: So Mr. Chair, Mr. Knight, as you
19 said, since it wasn't agendaed, we can't discuss it, but we will
20 take note of your concern as well as the speaker's concern at
21 that intersection, and Dallas' team will look at it, and then
22 we'll have him respond back.

23 MR. KNIGHT: Thank you.

24 MR. ROEHRICH: Thank you.

25 CHAIRMAN HAMMOND: Thank you, Board Member

1 Knight, Mr. Roehrich.

2 Okay. We will now move on to Item 1, which is
3 the director's report, and this is for information and
4 discussion only. Director Halikowski.

5 MR. ROEHRICH: Director, you'll need to unmute.

6 DIRECTOR HALIKOWSKI: Yes. I thought Hayley was
7 going to do that for me since she loves the power of the mute
8 button, but I am unmuted now.

9 Thank you, Mr. Chairman.

10 On the director's report, I'd like to go ahead
11 and defer this item, because we are going to be discussing a go
12 forward plan with the tentative five-year program on a later
13 agenda item.

14 Also, during that time, we can address the issue
15 of -- and Kristine will -- the HURF swap program. So at this
16 point, if we would indulge me, let's just move on past this
17 agenda item, and we'll get into the tentative five-year program
18 go forward plan.

19 CHAIRMAN HAMMOND: Thank you, Director. I'm
20 assuming there's nothing else you'd like to discuss under this.

21 We will move to Item 2, and that's going to be
22 waived, also, as we're not in district. We did get an update of
23 board members on what was going on in the district, so we're
24 going to pass on Item 2 for the moment and go right to the
25 consent agenda, and ask if any board member wants any item

1 removed from the consent agenda. Okay.

2 MR. ELTERS: Mr. Chairman.

3 CHAIRMAN HAMMOND: Yes. Board Member Elters.

4 MR. ELTERS: I would like an opportunity to
5 discuss further Item 7C and 7D.

6 CHAIRMAN HAMMOND: Okay. Are there any other
7 items?

8 MR. KNIGHT: We're doing Item 3.

9 CHAIRMAN HAMMOND: What's that?

10 MR. KNIGHT: The consent agenda, Item 3. We're
11 not doing that.

12 CHAIRMAN HAMMOND: Yes. Mr. -- Board Member
13 Elters has asked that Items 7C and D be taken off the consent
14 agenda for the moment, and then we'll approve the consent agenda
15 and then go back to Items 7C and D, I think, is the process,
16 correct?

17 MR. ROEHRICH: Mr. Chair, Item 7 is the PPAC
18 items. Consent agenda is Item 3. Are there any items in Item 3
19 that would be pulled off? And that's --

20 CHAIRMAN HAMMOND: That was the question. Yes.

21 MR. ROEHRICH: So it would be the items that are
22 part of No. 3, not part of No. 7.

23 CHAIRMAN HAMMOND: Okay. So Board Member Elters,
24 I guess that can wait until we get to that. So there is no
25 items under the consent agenda that wish to be --

1 VICE CHAIR STRATTON: Move to approve.

2 CHAIRMAN HAMMOND: Okay. Board Member Stratton's
3 moved for approval.

4 MR. KNIGHT: Second.

5 CHAIRMAN HAMMOND: We have a second from Board
6 Member Knight. Any more discussion?

7 All in favor of the consent agenda.

8 BOARD MEMBERS: Aye.

9 CHAIRMAN HAMMOND: Opposed?

10 MR. ROEHRICH: Mr. Chair, I think we should do
11 the people online so we know what they said.

12 CHAIRMAN HAMMOND: Okay. Yes.

13 MR. ROEHRICH: So we had the four members in here
14 say yes, and I would ask that the other board members unmute
15 themselves, and then I will ask how they voted, and I'll start
16 with Mr. Thompson.

17 MR. THOMPSON: Yes.

18 MR. ROEHRICH: Thank you, sir.

19 Mr. Searle.

20 MR. SEARLE: Aye.

21 MR. ROEHRICH: And Ms. Daniels, were you able to
22 join the meeting?

23 At this point we will show her as still being
24 missing, but you have -- the motion passes.

25 CHAIRMAN HAMMOND: Thank you, Mr. Floyd, and

1 thank you for keeping me on task. About the time we're through
2 with all of this, I'd probably be getting it right.

3 MR. ROEHRICH: There's a lot going on. There's a
4 lot of everybody's plate right now. Yes, sir.

5 CHAIRMAN HAMMOND: Okay. Agenda Item 4, the
6 financial report. Kristine, are you there?

7 MS. WARD: Yes, sir. Mr. Chair, I am here. Just
8 the unmute button didn't feel like unmuting.

9 So Lynn, if you could pull up the financial
10 report, I would appreciate it. Very good. Let's proceed to the
11 first slide.

12 So board members, first of all good morning.
13 Hope you are all -- you and your families are all healthy.

14 MR. ROEHRICH: We going to the next slide.

15 MS. WARD: The presentation will be a little --
16 we have differences this morning. We're taking our standard
17 format, because we really need to zero in on the more current
18 data. So you'll see a few more slides in my presentation this
19 morning, as well as the discussion with regards to our revenue
20 estimating process and a recent meeting with FHWA. And per the
21 Director, I will be addressing HURF Exchange.

22 What this first slide shows you is our HURF
23 revenue estimates, the variance from our original forecast that
24 we see since the original 2024 program was (inaudible), and what
25 you can see here is that in -- we are looking now at April's

1 data. So a full month of COVID impact on HURF that -- in the
2 month of April, and gas tax came in 38 percent below forecast
3 for the month. Diesel was a very moderate 1.7 percent below
4 forecast, and then -- for the month compared to last year, and
5 then VLT, vehicle license tax, again, had a very significant
6 decline, and it's approximately almost 24 percent behind
7 forecast.

8 What that means for the overall original forecast
9 is it's 4.8 percent behind the original forecast. Now, last
10 month -- if you would proceed to the next slide, please, Lynn.
11 Last month I presented to you -- been presenting to you revised
12 forecasts. So I'm also showing you where we are right there in
13 that revised forecast, and we are ahead of that revised
14 forecast, and I'll go into more detail on a particular month and
15 the numbers.

16 Let's go to the next slide. I think that
17 (inaudible) quite a few numbers on (inaudible), but it does give
18 you more detail with regards to the individual categories of
19 revenue flowing into HURF, the sources that flow into HURF and
20 the impact from -- from COVID in April's activity.

21 So as I mentioned before, you'll see the gas tax
22 was -- I see a differential in our numbers here, but
23 approximately 38 percent below forecast compared to our original
24 forecast, and it was 3.6 percent above our revised forecast, and
25 you can see how that format flows.

1 I would take you down to the very bottom number,
2 that bottom row that is referred to as total, and you'll see
3 that compared to the original forecast, we are \$33 million
4 behind the original forecast on which the program is based --
5 has been based. We are \$5.9 million ahead of our April
6 forecast. So overall, this 33.4 is what (inaudible) to be
7 (inaudible) for the COVID in April, April's activities.

8 Let's move on to RARF, if I could go to the next
9 slide. Thank you, Lynn.

10 Turning some pages here. Please excuse me.

11 And so for -- what we're looking at here is at
12 the time that we developed these slides, we did not have April's
13 data for the Regional Area Road Fund. So what you're seeing
14 here is March's data where we are .5 percent above forecast year
15 to date, and so this is not reflective of COVID. Yesterday we
16 got in the May numbers, and year over year for May, we are 12.2
17 percent behind last year for April's activity. So April being
18 the first full month of COVID impact, we're 12.(inaudible)
19 percent behind last year, and we are almost 17 percent behind
20 forecast.

21 Lynn, if you could go to the next slide.

22 This again is -- I apologize. I just got the
23 April data in yesterday. So this also reflects March activity.

24 So if you could go to the next slide, please,
25 Lynn.

1 Again, April activity, we were behind by
2 4.7 million looking at, again, this is March's activity, but
3 April's report. I know that's very confusing, and I'm -- we
4 will try and get that in earlier in the future, and I apologize.
5 The data just does not get to us as soon as we would like.

6 Moving on, to the next slide, I want to spend --
7 I told you I will spend some time on some federal aid program a
8 little bit further in my slides. So I'm going to skip over
9 that. I have nothing to add on the debt financing, but I think
10 we will go straight to the HURF Exchange and discuss that.

11 I know that it has been (inaudible) joy in being
12 able to reconstitute and re-implement that program when we
13 finally reached revenue levels that we had experienced, and
14 which had previously experienced in 2007. We didn't reach those
15 until 2017, after the Great Recession, and it took us a few
16 years to recover so we could actually get the HURF program, HURF
17 Exchange program back in place. It appears that, you know, with
18 COVID, that's -- that has put -- COVID has put the HURF Exchange
19 program in jeopardy.

20 I believe one of the (inaudible) the public
21 speaker referenced, the cost of the HURF program, the HURF
22 Exchange program is -- is a cost to the State's Highway Fund of
23 approximately 15.3 million annually. So it is -- in the world
24 of our program, it is a significant amount. While the
25 individual projects -- I completely agree with the speaker.

1 While the individual projects are maybe smaller amounts, the
2 totality of the impact to the program is about 15.3 million of
3 State Highway Fund dollars.

4 Now, the locals, when we give them that HURF
5 Exchange, the HURF Exchange dollars, and they then provide us
6 back those federal dollars, the difficulty becomes is if we were
7 in a situation which we cannot -- we have significant revenue
8 declines, and we struggle to make our state match to draw down
9 the approximate, you know, \$780 million we get in a year of
10 federal dollars. We can't use federal dollars to draw down
11 federal dollars.

12 That's where the HURF Exchange program -- that's
13 where things become difficult, and that's why it had to be
14 canceled or suspended. I wouldn't use the word suspended,
15 because we had no intention of canceling this program, but the
16 reason it was suspended before is because State Highway Fund
17 cash was at a premium. We did not have adequate State Highway
18 Fund cash in order to draw down our federal dollars.

19 Now, with regards to what we're doing now with
20 the HURF Exchange program, I believe -- I believe (inaudible)
21 will help (inaudible) the locals and address some of their
22 concerns. What we're going to do is we are going to honor all
23 of the HURF Exchange projects, those projects identified in the
24 local TIPS at this -- during the FY 2024 program, those projects
25 that were identified for HURF Exchange, we will honor that HURF

1 Exchange.

2 We will not be looking at taking on any new
3 projects or offering the HURF Exchange beyond those projects
4 already identified in the TIPS. What this means is that all of
5 those projects (inaudible) the gentleman was referring to
6 earlier (inaudible), as well as Board Member Knight (inaudible)
7 we discussed this the other day. Those projects will be
8 (inaudible) this will address the majority of the concern, while
9 at the same time giving us the time to gather additional COVID
10 data to see if we can reinstitute the full scope of the program.

11 I would ask Lynn move on to the next slide.

12 VICE CHAIR STRATTON: I have a question.

13 CHAIRMAN HAMMOND: Ms. Ward, Board Member
14 Stratton has a question.

15 MS. WARD: Certainly.

16 VICE CHAIR STRATTON: Kristine, on the HURF
17 Exchange, if you gather data and we don't have sufficient funds
18 to keep it going at the amount we had funded it at this year or
19 in the past years, can we do it on a more limited basis?

20 MS. WARD: What we could do -- the way
21 (inaudible) we can limit it -- we can (inaudible) to limit the
22 (inaudible) that is offered to perhaps, but I'd have to --
23 Mr. Chair and Board Member Stratton, I would have to look into
24 that, but we can certainly (inaudible).

25 VICE CHAIR STRATTON: So how many --

1 DIRECTOR HALIKOWSKI: Mr. Chairman.

2 Mr. Chairman, so we're starting to get into this speculative
3 area of what might happen, and it leads into the next agenda
4 item, which if you're willing to indulge us and open up the next
5 agenda item, I think Kristine and I together can probably answer
6 these questions in the go forward plan that we talked about.

7 I think it's a little too early to say exactly
8 what's going to happen. That's why we're asking as the Board
9 requested, and then we took those comments to heart from the
10 last meeting that we really need to gather some financial data.
11 She's presenting to you a very limited update, and that's why we
12 wanted to discuss this go forward idea in light of the questions
13 that Mr. Stratton is now raising.

14 CHAIRMAN HAMMOND: And that's acceptable to Board
15 Member Stratton. So Ms. Ward, you want to continue?

16 MS. WARD: Thank you.

17 VICE CHAIR STRATTON: (Inaudible.)

18 CHAIRMAN HAMMOND: Wait a minute.

19 MR. ROEHRICH: Also Mr. Chair -- Mr. Chair, this
20 is Floyd Roehrich. I guess the Director is saying in
21 conjunction with that, when we start talking about Item 5, as
22 well as Item 4, maybe take them together so he can comment on
23 that go forward plan as part of this discussion as well. And I
24 don't know if John -- if that meant you wanted Kristine to
25 finish her comments, or are you ready to now start kind of

1 taking the --

2 DIRECTOR HALIKOWSKI: Yeah.

3 MR. ROEHRICH: -- the basis of what she said and
4 roll it into what you want to propose the staff moving forward?
5 And that was part of the addendum that was sent out on new Item
6 5.

7 DIRECTOR HALIKOWSKI: If the chairman and the
8 Board are in agreement, let Kristine finish her problem, but
9 recognize there's a follow-up to all of these issues that she's
10 raising. So let's go ahead, Mr. Chairman, if that's okay with
11 you and the Board. We'll finish this item, but again, we need
12 to talk about this in light of the go forward plan.

13 CHAIRMAN HAMMOND: Okay.

14 MR. ROEHRICH: So hold comments until John talks
15 about Item 5 as well.

16 CHAIRMAN HAMMOND: Thank you.

17 Okay. Ms. Ward, you can finish your
18 presentation.

19 MS. WARD: Thank you, sir.

20 So I thought it would be, you know, helpful to go
21 over in a little more detail as we are coming to you and talking
22 about the go forward plan, I thought it might be useful to you
23 to hear -- for me to give you an idea of what our revenue
24 forecast process is, what it has been, and how we are going to
25 revise it in these next few months to address this new approach

1 to the -- this somewhat deferred approach to the five-year
2 program. So -- and to do so, I wanted to cover the revenue
3 forecasting process.

4 So the Department has for some time had a very
5 robust revenue forecasting process that involves quite a few
6 transportation experts as well as economists. The projections
7 that I bring to you and on which the five-year program is based
8 is a very lengthy process involving a number of (inaudible).
9 This is a composition. I have given you the specific names,
10 because (inaudible) situations in the past (inaudible) presented
11 where folks had made a specific comment about contacting and so
12 forth. So we left the names out. If you'd like to know them
13 individually, I'll send those out.

14 But we have representation from MAG, a
15 transportation professional from MAG, as well as an economist
16 from the City of Phoenix, a prior JLBC economist from the City
17 of Peoria. Again, we have the JLBC (inaudible) present on
18 the -- in forecasting process. Again, somebody from the
19 treasurer's office, office -- an economist from the Office of
20 Economic Development, Maguire Company, and then the -- we have
21 folks that participate in -- from the -- from ASU.

22 All of their estimates, they provide us
23 estimates, their forecasts on a number of variables that flow
24 into HURF like employment, personal income growth and so forth,
25 and all of their contributions are then provided, all of their

1 estimates are then provided to a contracted company, HDR. We
2 contract with them, an economist there. They run a forecasting
3 model with those estimates, and that is what is ultimately
4 provided back to the Department, various probabilities of these
5 forecasts being realized.

6 So when I provide you a forecast for -- on which
7 the five-year program is based, it is involving all of these
8 economists and transportation experts, and ultimately a -- and
9 then ultimately a contractor that runs it through a forecasting
10 model, and that is the foundation on which these -- your
11 forecasts -- the forecasts have been based.

12 If you would proceed to the next slide, I would
13 appreciate it.

14 What we have found is over time, those forecasts
15 have been quite accurate. This is in our short-term
16 forecasting. You can see we run a very -- our target is to not
17 have -- not have revenues exceed our forecast by 2 percent or be
18 less than our forecast by 1 percent. So we have a very tight
19 target that we try to stick to -- get our forecasts within, and
20 this is historically since 2000 what we have experienced.

21 Now, you will see that (inaudible) Great
22 Recession. Our apologizes. We did not forecast the Great
23 Recession too well in our short-term forecast (inaudible) our
24 long term.

25 Lynn, if you would proceed to our long-term

1 forecasts. Next slide, please.

2 Oh, this is our short-term forecast accuracy as
3 it pertains to the Regional Area Road Fund. Again, you see
4 during the Great Recession quite a -- we were -- our forecasts
5 were not as accurate, and -- but in general, we maintain a very
6 tight forecast historically on the Regional Area Road Fund as
7 well for our short-term.

8 If we could go to our long-term now.

9 (Inaudible.) Next slide.

10 So what you see in this slide is our long-term
11 forecast for -- and our level of accuracy on the long-term
12 forecasts for the Highway User Revenue Fund. And what you're
13 looking at is if you look at, say, the table below, 2009, in
14 2009, we were forecasting -- this represents 2009's panel
15 forecast for the year 2019. So in 2009, we were significantly
16 off when we forecasted 2019. What we're comparing is our
17 forecast from ten years prior to what actually took place. If
18 you then go to 2010, that's -- and you see that varies -- when
19 we got together and forecasted 2019 in 2010, we were only 2.9
20 percent off. These forecasts have historically been very, very
21 tight, very accurate, and the result is that that -- that saves
22 us from having to make modifications to the program.

23 Let me get to the point. So I wanted to -- my
24 intent in providing you this information is to let you know that
25 the financial foundation and the forecasts on which the program

1 you pass, your program, they are historically based on a very
2 robust and historically accurate forecasting process that we
3 routinely communicate, even to our rating agency, and to which
4 they expect significant confidence.

5 So if we could move on.

6 This is the Regional Area Road Fund, and again,
7 you can see some variance. We were off in 2009, Great
8 Recession, but other than that, we had a very tight range on our
9 forecast and very little variance when we were forecasting 10
10 years out.

11 If we could move on to the next slide.

12 So in light of the situation we find ourselves
13 in, we are looking to accelerate, but -- well, actually, we're
14 looking to keep our standard schedule for conducting that
15 forecast, and we're looking to condense that process as well as
16 accelerate that process.

17 So normally we have a -- we start our interim
18 forecast in July 14, but because we want to get as much data as
19 possible in order to -- for the foundation for the next
20 forecast, we are actually not going to do our interim
21 forecasting until August 15th so we can get that additional
22 month's data. We will be convening the RAP panel, the risk
23 analysis (inaudible) --

24 (Background conversation.)

25 MS. WARD: I'm sorry, sir. A question, sir?

1 MR. ROEHRICH: No. Please continue on.

2 MS. WARD: Okay. My apologies. So

3 (inaudible) --

4 (Background conversation.)

5 MS. WARD: -- that list of participants that I
6 discussed with you earlier, and we will be -- these are all
7 volunteers, by the way, and we will be pleading with them to
8 give us a very quick turnaround on their estimates. We
9 anticipate then getting the results from the panel on the
10 19th -- normally they have until the 26th -- and then we
11 anticipate finalizing the forecasts that we would normally
12 finalize in the third, the fourth week of September. We are
13 looking to finalize the HURF forecast in the 21st -- August
14 21st-28 time frame.

15 Then once we get those forecasts, then we take
16 the forecasts for HURF as well as the rest of the federal funds
17 that are available, all of the fund sources that are available,
18 and we develop what we call the planner, the model that
19 generates the overall program numbers. Dollars available for
20 the program. That will take place between August 31st and
21 September 4th. Normally that happens in later September, all
22 the way into October. We will throw those numbers -- Financial
23 Management Services will throw those numbers over the wall to
24 the Multimodal Planning Division (inaudible) Greg, you're on a
25 tight time frame this year. They usually have from August 15th

1 through December 31st to develop a tentative program. They will
2 be modifying the program that is -- has been before you, and
3 they will -- we will get those numbers and they will do that
4 recasting between September 7th and September 11th.

5 So we may ultimately present -- what is normally
6 presented on January 28th to the Board will be presented on
7 September 18th. So we are dramatically accelerating our
8 prophesy while trying to ensure that we have the same -- as best
9 a quality as we can in order to facilitate these unique
10 circumstances.

11 I will emphasize to the Board that the RAP panel,
12 this process, we usually rely on a great deal more data than
13 what will be about three and a half months of the COVID
14 situation. But that being said, we are bringing every -- we are
15 bringing all the lines, the extras to bear in order to get the
16 most accurate forecast we can and present that forecast to you
17 come September.

18 If we could have the next slide, please.

19 So I thought I would take just a moment -- I'm
20 sorry I'm taking so much time this morning, but we had a meeting
21 yesterday or the day before with (inaudible) from FHWA, and then
22 the FHWA CFO, Brian Bezio -- I never get his last name right, so
23 please excuse. If he's on the line with us, my apologies. My
24 apologies.

25 DIRECTOR HALIKOWSKI: Kristine.

1 MS. WARD: Yes, sir.

2 DIRECTOR HALIKOWSKI: Before we go to the
3 federal, Mr. Chairman, I don't want to confuse the situation,
4 because now we're going to be looking at a completely different
5 set of numbers and scenarios from the federal side. I'd kind of
6 like to wrap up the state issue before we turn to this slide if
7 that's okay with you and the Board.

8 MR. ROEHRICH: And Mr. Chair, that would mean
9 moving on to Item 5 and let the Director present his discussion
10 on Item 5, our plan for the tentative -- the new tentative
11 program.

12 CHAIRMAN HAMMOND: Is that acceptable to the
13 Board?

14 By the way, Mr. Floyd, should we recognize that
15 Mayor Daniels is on the line at this point?

16 MR. ROEHRICH: Yes, sir. We will make note that
17 Mayor Daniels has joined the meeting around 9:40.

18 CHAIRMAN HAMMOND: Okay.

19 MR. ROEHRICH: So we do have all board members
20 now present.

21 CHAIRMAN HAMMOND: Okay. So if I understand
22 correctly, we'll go to you now, John, and then you and Kristine
23 would tag team as we go forward?

24 MR. ROEHRICH: So John, the Board chair had said
25 we'll go ahead. You can start your conversation on Item 5, wrap

1 up the state program, and then if Kristine then wants to go back
2 and talk about the federal program, we can wrap that up.

3 DIRECTOR HALIKOWSKI: Okay. So Mr. Chairman, I
4 think that Kristine had said -- revealed some of the thoughts we
5 have on moving forward, at least as how the forecast is going to
6 be conducted. But first off, let me say that, you know, last
7 month's meeting, we took the board members' comments to heart,
8 and we went back and did a lot of reflection on these numbers,
9 and we were trying to meet a statutory due date that has a five-
10 year plan completed based on what was then some alarming but
11 obviously short-term data. So our apologies to the Board for
12 not communicating better before we got to the board meeting, and
13 then I think sticker shock hit everyone at that point.

14 So where we're at today is that we have talked
15 with FHWA, and we've talked with a lot of the people that
16 Kristine had on the list that you saw, and given the board
17 members' comments, what we want to propose to you is we're not
18 ready to present you with a recast plan based on the fact, as
19 the Board well pointed out last month, we have very little trend
20 data.

21 And so what we would like to propose is that you
22 follow the timeline Kristine provided, let us gather the trend
23 data and meet with folks, because there's lots of indicators
24 that the economy is looking up, and we're hoping for more
25 favorable numbers by the August, September time frame. And as

1 I've spoken with each of you, the plan would be that we will
2 keep you updated on the numbers over that period of time, and
3 then we would come in September with you and hold a public
4 hearing on what we call a recast plan 2.0 or go forward plan
5 that would be based, we hope, on much more favorable numbers so
6 that, you know, we can take into account any new economic
7 growth.

8 So what this means is that we won't have a
9 recommendation or a tentative plan for you by June 30th, but
10 that's the Department's issue, not necessarily the Board, since
11 you can't cast a program without the numbers and the data. So
12 that would be our thought, is give us some time to track the
13 trend data, work with you, gather your comments about the
14 numbers that we're seeing coming in, and then come back in
15 September and have the public hearing, and then adopt a plan in
16 October for going forward.

17 To that, Mr. Chairman, before we get into the
18 federal side of this, I just wanted to wrap up the state plan
19 and ask the Board if that's something they would be favorable to
20 doing.

21 CHAIRMAN HAMMOND: Board members, I'd welcome
22 your input at this point on John's suggestion we --

23 MR. KNIGHT: Mr. Chair.

24 CHAIRMAN HAMMOND: -- we delay --

25 MR. KNIGHT: I've got one question for the

1 director.

2 CHAIRMAN HAMMOND: Board Member Knight.

3 MR. KNIGHT: Thank you.

4 Mr. Director, with the failure to have the five-
5 year plan approved by the 1st of July, will that jeopardize any
6 of our federal funding?

7 DIRECTOR HALIKOWSKI: Mr. Chairman, Mr. Knight,
8 no. We've had a couple of conversations with Karla Petty, who's
9 the division administrator for FHWA, and we update our five-year
10 plan probably more often than is required since we do an annual
11 adoption. So in essence, the projects that are currently in
12 there, we plan to keep moving forward with. So FHWA did not
13 have any issues with us going forward with this idea that we
14 would come back in October and finalize the plan. So we don't
15 believe there's any federal funding that would be jeopardized
16 based on our conversations with them.

17 MR. KNIGHT: Thank you, Mr. Director. Thank you,
18 Mr. Chair.

19 CHAIRMAN HAMMOND: Board Member Stratton has a
20 question.

21 VICE CHAIR STRATTON: At this point then, we'll
22 retain all federal grants that we have received, like the I-17
23 grant and such, until we make a decision in September or
24 October?

25 DIRECTOR HALIKOWSKI: As I understand those

1 dates, and Kristine or Dallas, please chime in, but we have time
2 on those, and as you know, we've stated in past board meetings
3 we're working with the feds on the amount of match required.

4 Kristine, I forget the dates, but I think the '17
5 grant went until 2022, but please jump in.

6 MS. WARD: Your record -- you are correct. We
7 have until 2022 to obligate (inaudible) dollars.

8 VICE CHAIR STRATTON: One other comment. I guess
9 this would be the appropriate time now. I want to go back to
10 the HURF Exchange program, and as a past user of that in local
11 government, I just want to say that if there's any way to keep
12 that program alive, even at a reduced level, I would be in favor
13 of that, and I'd like to see it remain. It becomes so hard to
14 reinstitute, but I'd like to keep it alive if we can.

15 DIRECTOR HALIKOWSKI: So Mr. Chairman,
16 Mr. Stratton, I share your sentiment. I came in during that
17 2009 recession, that big downward spike that Kristine showed
18 earlier. We had to suspend the HURF program at that point
19 because we needed the state dollars desperately for match, and I
20 will tell you from both the local and the state side, working
21 solely off federal funds is very difficult for both entities
22 because of the federal requirements when you're spending federal
23 money.

24 So from our perspective, Kristine has worked hard
25 over the years to set (inaudible) aside so that we had a vibrant

1 HURF swap program come back in. It's our intent to do
2 everything we can to preserve that program, and we're looking --
3 combing through budgets right now, where we can bring in some
4 state dollars to keep it going in some fashion, and then we'll
5 continue to keep you updated on this until the adoption in
6 October, but believe me, having gone through the headaches of
7 going to federal dollars for local projects, we do not want to
8 go back to that if we can avoid it in any way.

9 VICE CHAIR STRATTON: Thank you. I appreciate
10 that.

11 One last comment is I would like to thank the
12 staff for listening to the Board and our comments at the last
13 meeting and coming up with this solution. Thank you.

14 CHAIRMAN HAMMOND: We have a question from Board
15 Member Elters.

16 MR. ELTERS: Mr. Chairman, I think the approach
17 that the Director laid out of the Department is very reasonable
18 and prudent given the discussion that took place last month and
19 the uncertainty that both the Director and Kristine have shared
20 with us and explained.

21 With that said, I'm personally supportive of that
22 approach and going forward as outlined. I do have a question,
23 though. When I think of that approach and what it means as far
24 as continuing with projects in the program (inaudible) the
25 condensed process that Kristine outlined, and I see in the PPAC

1 agenda where projects are deferred that were supposed to be in
2 the FY 2020 or the FY 2021. I'm seeing some -- perhaps some
3 discrepancy. I would even potentially say mixed message. So I
4 would just like to understand that better and have somebody
5 explain it and walk me through it.

6 DIRECTOR HALIKOWSKI: So Kristine or Dallas, I'm
7 not sure which one of you wants to take that question, but
8 please, if you would, respond to Mr. Elters.

9 MS. WARD: I believe, Director, that actually
10 Dallas if you can (inaudible). I know we've had some changes
11 (inaudible) the project recently.

12 MR. HAMMIT: Director -- or Chairman, Director,
13 the dangers that Mr. Elters is talking about are removing
14 projects from the 2020 program to make up for the revenue needed
15 on the State Route 189 project so that we are sure that the
16 funds are available to keep that project going. I hate to put
17 it back to you, Kristine, but that's what (inaudible) to do that
18 now (inaudible).

19 MS. WARD: So one of the -- one of the ways that
20 we are buying time in order to gather more data is we are
21 shifting fund sources around. Our federal funds, which we'll
22 talk about here in a moment, at this time are less in jeopardy.
23 Our state highway funds, on the other hand, are what we are most
24 concerned about, about preserving. So what we are doing is
25 moving projects around in this very short term in order to

1 facilitate the completion of 189, which is well underway,
2 shifting that over to federal dollars, preserving -- delaying
3 the need for the expenditure of State Highway Fund dollars, and
4 what you're seeing is the shifting in order to keep 189 going,
5 but not resulting in significant delay to the other projects in
6 question.

7 Does that make sense?

8 MR. ELTERS: Kristine -- Mr. Chairman, Kristine,
9 yes, that does. I guess since we're taking a broader approach
10 and having general discussion, the one project that I -- I would
11 say perhaps concerned about is that US-93 gap project. I think
12 that's perhaps half of it in District 1 and half of it in
13 another district, and that -- my understanding is that there's a
14 partnership between the private and the public sector. So I
15 guess my question is can you or Dallas confirm that? And if
16 that is the case, what is that funding breakdown, and is there a
17 jeopardy to that project or an impact to that project from the
18 deferral that you're referring to?

19 DIRECTOR HALIKOWSKI: Dallas.

20 MR. HAMMIT: Mr. Chairman, Mr. Elters, there's a
21 partnership been done on that project specifically. There were
22 two projects that abut each other on that -- the corridor
23 between Wickenburg and State Route 89. There is a project, one
24 that is 100 percent developer funded. It is the mitigation for
25 (inaudible) improvement adjacent to the roadway. That project

1 is moving forward. The project that was in the program is a
2 state project that is funded with state and federal funds that
3 go forward.

4 (Inaudible) we were doing it together. At some
5 point we would have needed to do the whole thing. So the
6 developer is the partner in getting the bigger project done, but
7 there is no contractual (inaudible) this will affect this
8 project going forward. So two different projects. One 100
9 percent developer funded, one project that is a state-funded
10 project.

11 (Inaudible) Mr. Elters.

12 MR. ELTERS: Yes, it does, Dallas. Thank you.

13 CHAIRMAN HAMMOND: Mr. Chair, Board Member
14 Knight. And by the way, board members that are on the phone,
15 you know, don't let me forget about you guys.

16 MR. KNIGHT: We've kind of jumped to Item 7, and
17 those both projects are in my district, and I had questions on
18 them as well on 7C and 7D. I can wait until we get to 7, and I
19 think would probably be appropriate since we need to continue
20 with -- but I would -- I also have questions on --

21 MR. ROEHRICH: Mr. Chair, Mr. Knight, I did think
22 about that, but because we had opened up the tentative program,
23 and those were projects that were in the original tentative
24 program, I felt that you could address them specifically on the
25 projects. If you want to talk to them about the actions we're

1 presenting, that can be also discussed at 7, in Item 7. So my
2 feelings are since it's in both items, if you -- where you want
3 to get your questions answered is, I feel, appropriate.

4 MR. KNIGHT: Okay. I think I'll -- I can wait
5 until 7, okay, with my questions.

6 CHAIRMAN HAMMOND: Okay. Board members that are
7 on the line?

8 Jesse, I see your name come up, but I can't hear
9 you. Probably need to unmute, Jesse, if you wish to speak.

10 MR. THOMPSON: Chairman.

11 CHAIRMAN HAMMOND: Yes.

12 MR. THOMPSON: I'd like to also make a comment on
13 the HURF Exchange in accordance to what I have noticed up to
14 now, and we have certainly do appreciate (inaudible) the HURF
15 Exchange. I understand that it took about eight years to get it
16 back. So this community that have been working (inaudible), and
17 this has been a tremendous benefit to the small communities
18 throughout Arizona.

19 An example in my district is that we have Eagar,
20 Winslow, Holbrook, Taylor, Navajo County and Williams that have
21 benefited in the past, and within the next three years we have
22 Eagar, Taylor Navajo County that are looking forward to these
23 projects. So doing away with it would be a big step backward.
24 The exchange program is the way our smaller rural communities
25 can get much needed pavement preservation and construction

1 projects done.

2 Rural communities are at a disadvantage in terms
3 of adequate funding under normal conditions. Taking away that
4 program puts our community at an even higher disadvantage, and I
5 know for sure that what I have heard from the administration,
6 ADOT administration, they were very comfortable, and they
7 realized how this benefits the community. So again, just
8 like -- I do appreciate the other option (inaudible) smaller
9 counties and (inaudible).

10 So again, I felt that maybe some other way would
11 be -- other options would be better, but I do appreciate that
12 you have gone through it again and you're recommending other
13 options. And one last thing is that (inaudible) eight other
14 projects that would be immediately impacted up here. So again,
15 thank you for taking my comments on this. Thank you, Chairman.

16 CHAIRMAN HAMMOND: Thank you, Board Member
17 Thompson.

18 Does any other board member have a comment?

19 Okay. We don't need a motion to delay a vote on
20 the five-year plan, and we will defer that probably, it looks
21 like, until the September board meeting -- October board
22 meeting. Sometime in that time frame.

23 MS. DANIELS: Chairman.

24 CHAIRMAN HAMMOND: Yes, Ms. Daniels.

25 MS. DANIELS: This is Jenn Daniels. I apologize

1 for chiming in after you were making your closing statements,
2 but I just wanted to thank our team at the state transportation
3 department. You guys are obviously pivoting and adjusting, and
4 we're all making decisions on the fly here but trying to do so
5 in the best interest and with as much static information as
6 possible. I just wanted to thank you all for this effort and
7 look forward to future conversations where we can take
8 (inaudible) additional information and data and continue to
9 pivot as necessary. So thank you.

10 CHAIRMAN HAMMOND: Thank you, Mayor Daniels.
11 Any comments?

12 Okay. We're still on Item 5, going back to
13 Kristine on the federal.

14 MR. ROEHRICH: That's correct, Mr. Chair.

15 I'm sorry. Go ahead, Director.

16 DIRECTOR HALIKOWSKI: So Mr. Chairman, I will
17 take the conversation here as consensus that we're going to move
18 forward as we outlined, and I thank the Board for listening and
19 being available to discuss this with us and appreciate Board
20 Member Daniels' comments. It has been a very pivoting time, if
21 not pivotal.

22 So moving on, I'm ready to wrap up at least the
23 state part. We did have another presentation yesterday with the
24 Federal Highway Administration. They think it's very important,
25 and I agree with them, that state directors of DOTs understand

1 what's happening within the federal Highway Trust Fund and the
2 (inaudible). So if you'll give us just a couple of seconds,
3 you're going to see from Kristine what's happening at least with
4 their go forward scenarios on the federal Highway Trust Fund.
5 The caveat is if Congress comes in before the authorizations
6 expire and reauthorize funds into the HTF. So I'll stop there.

7 Kristine.

8 MS. WARD: Thank you, Director.

9 So as the director was saying, we received a
10 presentation yesterday with regard to the Highway Trust Fund,
11 and to add some context to this, when I present to you a five-
12 year program, one of the fund sources that goes into that
13 program, supports that program is, of course, our state highway
14 fund dollars that flow from HURF.

15 Another category of funding that supports the
16 program is our federal funding, as you know. That federal
17 funding is the -- is very dependent upon fuel taxes, just like
18 the Highway User Revenue Fund is, our state fund. And when the
19 last -- the long-term authorization was passed, the FAST Act, it
20 was known that the highway -- the (inaudible), Highway
21 Transportation -- suddenly it fell out of my head -- Highway
22 Transportation Fund at the federal level, it was known that that
23 fund was going to have a shortfall in late 2021, after the
24 expiration of the FAST Act.

25 With -- because the difficulty is is that the

1 outlays, the projected expenditures from that fund exceed the
2 projected revenues flowing into that fund, and they have for
3 many, many years. The way the fund has been propped up is
4 through a federal General Fund infusion to the tune of over the
5 last, I don't know, ten or more years, 140 plus million --
6 excuse me -- billion dollars has been transferred from the
7 federal General Fund into the Highway Trust Fund in order to --
8 so -- to prop it up, because it is in a deficit position.

9 So to put that in further context, when the fund
10 starts to run out of money, as it is projected to do now because
11 of to -- let me pause here -- because of COVID, that projected
12 shortfall has been accelerated. What was anticipated to be a
13 late 2021 problem has now accelerated, and they're expecting
14 problems in the spring of '21. What they are doing is doing a
15 series of projections to see -- a series of scenarios to look at
16 when they anticipate having -- experiencing those shortfalls.

17 FHWA will not let the fund go negative. They
18 will not let the funds go into a deficit of position. The way
19 they control that is they slow down the reimbursements to the
20 (inaudible). When the funds sinks to a certain level, when cash
21 levels come to \$4 billion, they will begin implementing what
22 they call cash management measures, and we've experienced this
23 before. And what they -- when they implement those cash
24 management measures, they delay reimbursements to the state.

25 So the way the program works is we go out, we

1 build projects, and then on a weekly basis, we seek
2 reimbursement from FHWA. During the last downturn, what they
3 said is, okay, we will only be reimbursing on this frequency,
4 and what that means is that the state has to float those costs
5 for a longer period of time, and (inaudible) requires that we
6 have adequate State Highway Fund revenue, these adequate State
7 Highway Fund balances, in order to absorb, in order to deal with
8 those delayed reimbursements.

9 So what was presented to us yesterday is the
10 series of scenarios that they are running in order to project
11 when the Highway Trust Fund will reach the shortfall position.
12 In one scenario, like this slide shows you, they ran three
13 scenarios, the first one being that they will assume normal
14 return of revenue levels -- normal revenue levels beginning by
15 October 2020. Revenue will return to normal. Then a second
16 scenario, a gradual return to normal revenue by January '21, and
17 then the third scenario, a gradual return to normal revenue by
18 April '21. The emphasis on that (inaudible) that highlighted
19 (inaudible) all three scenarios project that the fund will reach
20 a critical point in the spring of 2021.

21 Moving on to the next slide, if you would,
22 please.

23 This is a graphical representation of those
24 scenarios that FHWA ran. (Inaudible) they -- when the fund
25 reaches \$4 billion, that fund declines to only a \$4 billion

1 balance, that's when they implement cash management measures and
2 when reimbursements are delayed to the state. So what you see
3 here, under each of those scenarios, when the \$4 billion -- that
4 red line -- represents a \$4 billion balance. It is at that
5 point that they anticipate implementing cash management
6 measures. And you will see that the first time it hits that
7 4 billion is around the December time frame of this year, and
8 then that's -- the fund maintains a balance of around the
9 estimates of around about a \$4 billion balance, until then the
10 spring of 2021, around April is when they project the fund
11 balance sinking below the \$4 billion, and there will absolutely
12 be cash management measures if that takes place.

13 Our concerns are not, you know -- and the fund
14 runs approximately 11 to 12 billion dollar deficit in any given
15 year going forward. You can see that they have approximately 11
16 to 12 billion dollars more expenditures or projected
17 expenditures from the fund than they have renewals flowing into
18 the fund.

19 We are (inaudible) concerned -- our concerns are
20 less that Congress will not address the fund. It's more the --
21 and that federal funds will be cut. Our greater concern is that
22 Congress will not address the issues before we -- they have to
23 implement cash management measures, before FHWA has to implement
24 those measures.

25 The department (inaudible) states have to be

1 prepared for the potential delayed reimbursements. Again, I'm
2 not concerned that they won't -- that they won't -- that federal
3 funds will be cut, and the projections that I've been providing
4 you assume that we will continue to receive the same level of
5 federal funds. (Inaudible) the time (inaudible).

6 So with that, I will take any questions, or
7 Director, if you have something to add.

8 DIRECTOR HALIKOWSKI: No. I don't have anything
9 to add. I just wanted the Board to be aware that, you know,
10 this issue of receipts and gas tax receipts revenues is
11 affecting us not just in the state, but also from the federal
12 perspective. As we go forward, we have to keep both of these in
13 mind as we provide revenue projections for you. Some I don't
14 know if the Board has any questions, Mr. Chair, that we could be
15 able to answer. Thank you.

16 CHAIRMAN HAMMOND: Just more uncertainty is what
17 I hear, so...

18 MR. KNIGHT: Mr. Chair.

19 CHAIRMAN HAMMOND: Board Member Knight has a
20 question.

21 MR. KNIGHT: Actually, it's not just a question.
22 Just a comment. I'm a little disappointed in that after the
23 discussion we had at the last meeting that we didn't receive
24 this PowerPoint, and I realize things are happening fast, and it
25 probably wasn't -- it may not have been --

1 MR. ROEHRICH: (Inaudible.)

2 MR. KNIGHT: -- it may not have been ready, but
3 if we could have got it yesterday, it would have been nice to
4 have this PointPoint prior to today's meeting, and after --

5 DIRECTOR HALIKOWSKI: I apologize --

6 MR. KNIGHT: -- after our last meeting, I thought
7 we had that...

8 DIRECTOR HALIKOWSKI: Mr. Chairman, Mr. Knight, I
9 apologize. We just got this presentation from FHWA yesterday.
10 We didn't even have it until yesterday afternoon. So I
11 apologize we didn't get it to you last -- yesterday afternoon.

12 MR. KNIGHT: I figured it was, you know -- I know
13 things are happening very rapidly. I just wanted to bring that
14 up again.

15 CHAIRMAN HAMMOND: Well, even yesterday afternoon
16 would have given you a chance to look at it. So we'll get
17 better with this. I think staff is well aware we want the
18 information if we can get it before the board meeting, just to
19 have a peek at it. So thank you, John.

20 MR. KNIGHT: And I do appreciate all the work
21 that staff --

22 CHAIRMAN HAMMOND: Uh-huh.

23 MR. KNIGHT: -- the Director and Kristine,
24 everybody has done. I realize there are extreme time
25 constraints on what's happening, so I kind of hesitated to even

1 bring it up, but I did, so...

2 MR. ROEHRICH: This is the time to bring it up,
3 Mr. Knight.

4 MR. KNIGHT: Yeah.

5 MR. ROEHRICH: This is the time. If you've got
6 concerns, bring them up.

7 MR. KNIGHT: But I do appreciate everything
8 that's going on, and I do realize that there are many huge time
9 constraints. Everything's happening very, very rapidly. So I
10 understand.

11 CHAIRMAN HAMMOND: Okay. Any other comments
12 under item 5? I will pause a little longer.

13 MR. ROEHRICH: And again, maybe just check if
14 maybe any of the members online may have further comments.

15 CHAIRMAN HAMMOND: Okay. I have -- okay. Good.
16 Hearing none, we will now move to Agenda Item 6 with Greg Byres
17 for information and discussion only. The Multimodal Planning
18 Division report.

19 MR. BYRES: Thank you, Mr. Chairman and board
20 members. Hoping we can bring up my presentation so that we can
21 get this going.

22 MR. ROEHRICH: Yeah Greg. Give Bret a second.
23 He's working on it.

24 MR. BYRES: Thank you.

25 CHAIRMAN HAMMOND: Always the risks of

1 technology.

2 MR. ROEHRICH: So the program's loading, Greg. I
3 don't know what -- we need to give it a minute.

4 MR. BYRES: Okay. Thank you very much.

5 MR. ROEHRICH: But we'll remind staff when you're
6 presenting, please make sure to be succinct and get your
7 presentations and discussions as quick as you can.

8 WEBEX HOST: Floyd, this is Hayley. Just a
9 reminder that I do have the presentation. If you'd like me to
10 take over, I'll go ahead and do that. I just want to confirm
11 that this is the match presentation; is that correct?

12 MR. BYRES: MPD presentation.

13 WEBEX HOST: I need to know the title of the
14 file, please. Lynn or Bill, if you can hop on and let me know.

15 MR. BYRES: It's STB Presentation MVD Update
16 6/19/20.

17 WEBEX HOST: Thank you.

18 MR. ROEHRICH: So Hayley, let's -- since the
19 system in here is delayed or freezing up, if you could call that
20 up, that would be appreciated.

21 WEBEX HOST: I am working on that right now. One
22 second.

23 CHAIRMAN HAMMOND: Okay.

24 MR. BYRES: I can see it. Thank you very much.

25 WEBEX HOST: You're welcome.

1 MR. BYRES: And if we could go to the next slide,
2 please.

3 So I'm just going to go through a couple three
4 items that we've got. The first one is the evaluation of
5 priorities based on funding for our 2021-2025 five-year program.
6 The next item is -- you can click it again, some grant funding
7 application information. We've got some new information to
8 present to you, and the next item is funding provided by the
9 CARES Act (inaudible) aviation and how we're doing with that.

10 Next slide, please.

11 So for the '20 to -- 2021-2025 five-year program,
12 this kind of dovetails right into what Kristine was talking
13 about. Once we did get the funding information, we will be
14 reviewing that funding information, the availability for each
15 year in the program so that we can actually go through and put
16 things together.

17 Next (inaudible) please.

18 We'll evaluate the priorities of each of the
19 different projects, the current schedules and delivery risk for
20 the placement into the program. One of the things that we've
21 done over the last four or five months is we have come up with a
22 process and procedures for making sure that we have priorities
23 for all the projects that are in the current program, as well as
24 projects that need to be looked at coming into future programs
25 so that we have that information. Everything that we have is

1 truly prioritized so that we have a means of being able to put
2 that information directly into the program as funding is
3 available.

4 So we'll be looking at all of those, and like I
5 said, we've been forced to put together this -- it's something
6 we've been wanting to do, but we've been forced to do this in a
7 little accelerated means over the last few months. But in doing
8 so, we had some great tools (inaudible) programs that we've been
9 able to utilize and be able to spread that information over
10 multiple people, you know, in a very short period of time to be
11 able to come up with some very good, very appropriate use of
12 those tools.

13 So next slide, please.

14 One of the other things that we have (inaudible)
15 back up (inaudible). One of the other things that we'll be
16 looking at is not only looking at the projects that go into the
17 program. We also are looking at all the subprograms that were
18 in the program as well and seeing if there's projects that we
19 can take and pull up into the program out of the subprogram,
20 making sure that the subprograms are at the levels that they
21 truly need to be at so that we've got a program that is very
22 implementable, but at the same point in time, it's fiscally
23 constrained to meet all of the requirements for the program.

24 Next slide, please.

25 So the next item we have is the grant funding. I

1 had given an update last year, I believe, about where we were at
2 on all of our grant applications that we put in. These are
3 federal grants that we put in the projects. To date, we've had
4 18 projects the over the last six years. Of those, six awards
5 have come through the State of Arizona. Our success rate is
6 right at 33 percent. Total grant funding over those past six
7 years is \$190 million, 190.1, and the cost to put those grant
8 applications together was about \$900,000. So it's a great
9 return on investment for trying to get those applications and
10 put those applications in for the grants. Right now we have two
11 pending projects that are out for selection.

12 Next slide, please.

13 So one of the grants that we had out was an INFRA
14 grant. This is for the I-10 corridor widening and bridge
15 replacement at the Gila River Bridge. Late yesterday afternoon,
16 the selection came out for projects, and unfortunately, this is
17 not one that was on the list. So we did not get the fund, and
18 like I said, that information was very fresh. It just came out
19 yesterday afternoon. So I just wanted to make sure I include
20 that in this slide presentation.

21 Next slide, please.

22 The two applications that we do have out right
23 now are the BUILD applications for US-191, safety improvements
24 as well as the (inaudible) US-95 corridor widening project out
25 in Yuma.

1 So next slide, please.

2 So one of the other things I wanted to update you
3 on is the funding that we've had. We've actually had some
4 additional funding come into the State through the CARES Act.
5 The biggest part of it is we had quite a bit of money that came
6 in (inaudible). Let's see on my screen here. We had a total of
7 41,730,000 come into the state through FTA for transit. Of
8 that, there was a -- there was \$5.5 million that was set aside
9 for the tribes. The remainder was taken and (inaudible) out
10 through all of the existing transit authorities that we have
11 across the state, along with two other areas that are starting
12 up (inaudible) transit systems.

13 So this is a great opportunity. This is a zero
14 match dollars that have been put out, that FTA put out. So we
15 made the best of everything we could get. We utilized all
16 \$41 million that was allocated in our application for those
17 funds.

18 Next slide, please.

19 The other funding that we received statewide is
20 FAA, CARES -- that same CARES Act, FAA had funding that came
21 through, and what that funding consisted of is all of the grants
22 for 2020, for fiscal year 2020, the FAA took and did away with
23 the match for the recipient. That is a consistent near 10
24 percent match that has to -- each of the different recipients
25 has to come up with. Normally, we use our federal/state/local

1 grant program to take and help out those recipients with half of
2 the match that is due to FAA. For the 2020 year, we had
3 \$5 million set aside for our FSL program that will now not be
4 utilized because those matches are no longer needed for those
5 federal (inaudible).

6 So one of the things that we're now again waiting
7 for information coming in to see exactly what's happening with
8 the aviation fund to make sure that our -- we have adequately
9 funds to not only cover what we have programmed but to see
10 whether or not we can utilize those \$5 million in a different
11 forum than what was originally intended or if we can possibly
12 use it to (inaudible) any kind of shortfall that may be
13 occurring within any changes of funding.

14 And with that, that was my update, if there's any
15 questions.

16 CHAIRMAN HAMMOND: Is there any questions? We've
17 got some items under this I think you want to cover for --

18 MR. ROEHRICH: He's not on Item 7 yet, sir. This
19 is just Item 6, the update. Item 7 will be the PPAC. That will
20 be next.

21 CHAIRMAN HAMMOND: Yeah. I see it's for
22 discussion only. Any items until we get to -- or any discussion
23 items? Any comments until we get to Item 7?

24 MR. KNIGHT: Mr. Chair.

25 CHAIRMAN HAMMOND: Board Member Elt- -- excuse

1 me -- Knight.

2 MR. KNIGHT: The same comment as previous. This
3 PointPoint, we didn't get it either, so... It would have been
4 nice to have it. Sometimes it's -- it's easier to read when
5 I've got it on my screen than it -- than it is up there, and
6 that goes the same whether we're having the meeting in our
7 regular chambers or here or, you know, when it's on the big --
8 the big screen up there. It's not quite as easy to read as if
9 I've got it down here, and I've had a chance to look at it
10 previously. So it would really be nice if these reports,
11 especially the PowerPoints, could be forwarded to the board
12 members a day or two before the meeting and so that we'll have
13 them during the meeting for a closer examination.

14 MR. ROEHRICH: Yes, sir. I can only work with
15 staff and do what they give me, but I will talk to all of them
16 and see about trying to get them in sufficient time to send
17 these. So the staff will take that back, and we'll start
18 working on that as an item for staff submittal.

19 MR. KNIGHT: Thank you.

20 CHAIRMAN HAMMOND: And we'll promise not to
21 comment on them online until the board meeting's over. We don't
22 want to get in trouble with the --

23 MR. ROEHRICH: Well, you got to talk to Michelle
24 about that, but --

25 CHAIRMAN HAMMOND: Yeah.

1 MR. ROEHRICH: -- I'm sure she's going to say
2 anything you get prior to this should only be discussed at the
3 board meetings, not individually.

4 CHAIRMAN HAMMOND: Got you.

5 MR. KNIGHT: That's fine.

6 CHAIRMAN HAMMOND: Okay. Thank you, Board Member
7 Knight.

8 We will now move on to Item 7, the PPAC items,
9 for discussion and possible action.

10 MR. KNIGHT: Mr. Chair.

11 CHAIRMAN HAMMOND: Hayley, will you be able to
12 call up the PPAC presentation?

13 WEBEX HOST: I'm going to pass the presentation
14 back to Bret. He says that he has access. (Inaudible) coming
15 back to you. If you have the presentation, that would be great.

16 UNIDENTIFIED SPEAKER: Sounds great. Thank you.
17 This is for Dallas.

18 MR. ROEHRICH: No. It's for Greg Byres. It is
19 Greg's second presentation. The PPAC items for Item 7.

20 CHAIRMAN HAMMOND: Gary, your questions on are
21 the first?

22 MR. KNIGHT: 7. I want to pull 7C and 7E.

23 CHAIRMAN HAMMOND: Okay.

24 MR. ROEHRICH: Hopefully you had it. Was it sent
25 to you?

1 UNIDENTIFIED SPEAKER: Yes.

2 CHAIRMAN HAMMOND: Okay. All right. We have
3 items -- on 7A through 7R, under the PPAC project modifications,
4 to approve, with the understanding for Board Member Knight's
5 previous comments that he would like 7C and D pulled from that.

6 MR. KNIGHT: Yes. (Inaudible.)

7 CHAIRMAN HAMMOND: 7A through 7R. Are there any
8 other items under 7A-7R that a board member would like removed
9 for discussion?

10 Okay. With those out of the approval, I would
11 take a motion to approve 7A through 7R.

12 MR. ELTERS: I so move.

13 CHAIRMAN HAMMOND: We have a motion from Board
14 Member Elters and a second from Board Member Stratton. Any
15 discussion?

16 All in favor?

17 BOARD MEMBERS: Aye.

18 CHAIRMAN HAMMOND: Okay. Now, do we need to --
19 do we need to do --

20 MR. ROEHRICH: Well, Mr. Chair, I would like to
21 make sure. In here we had four ayes, and I would like to make
22 sure online that we have the rest. So I would ask Mr. Thompson,
23 your vote.

24 MR. THOMPSON: Yes. Aye.

25 MR. ROEHRICH: Thank you, sir.

1 Mr. Searle.

2 MR. SEARLE: Aye.

3 MR. ROEHRICH: And Ms. Daniels? Ms. Daniels, are
4 you still there?

5 CHAIRMAN HAMMOND: She's muted.

6 MR. ROEHRICH: (Inaudible.)

7 CHAIRMAN HAMMOND: She's muted.

8 WEBEX HOST: Ms. Daniels, this is Hayley. I'm
9 going to unmute your line. You're unmuted, Ms. Daniels. Can
10 you hear us?

11 Floyd, I haven't heard from her. I'm not if
12 she's having technical issues or not, but she's unmuted.

13 MR. ROEHRICH: If she could check and send an aye
14 through chat as well, a yes through chat.

15 WEBEX HOST: Yes. I will check with her right
16 now.

17 CHAIRMAN HAMMOND: Okay. We do have a majority
18 so the --

19 MR. ROEHRICH: So you have -- the motion does
20 pass.

21 CHAIRMAN HAMMOND: The motion does --

22 MR. ROEHRICH: (Inaudible) her vote later if she
23 wants (inaudible) --

24 MS. DANIELS: Aye, my vote. Sorry. Thank you.

25 CHAIRMAN HAMMOND: Okay. Thank, you Ms. Daniels.

1 MR. ROEHRICH: Thank you, Mayor.

2 CHAIRMAN HAMMOND: Board Member Knight --

3 UNIDENTIFIED SPEAKER: (Inaudible.)

4 MR. ROEHRICH: Now, with the -- the motion was to
5 approve PPAC Items 7A through 7R, which the exception of 7C and
6 D. 7C and D are separate, and now the Board is going to bring
7 up their comments on 7C and D, and then we will address a motion
8 on those if and when the Board's ready.

9 CHAIRMAN HAMMOND: Thank you, Floyd.

10 Go ahead, Board Member Knight.

11 MR. KNIGHT: Yes. 7C, I think Board Member
12 Elters got most of the questions answered, but I do see that
13 it's just deferred for a later date, but it's not determined. I
14 would feel more comfortable if we knew it was going to be
15 deferred within this FY '21-25 five-year plan. In other words,
16 move it farther down in the plan to the fourth or fifth year. I
17 -- but keep it in the plan and not eliminate it completely from
18 the five-year plan.

19 CHAIRMAN HAMMOND: Who would comment on that?

20 MR. BYRES: Mr. Chairman.

21 CHAIRMAN HAMMOND: Go ahead, Greg.

22 MR. BYRES: Board Member Knight, if I can, for
23 Items 7D -- 7C and 7D both, these projects are both in the
24 current 2020-2024 program. As we go forward, the reason that we
25 did not assign a year to these in the deferment is until we can

1 get the finance information put together in each of the
2 consecutive years for the 2021-2025 program, we're not sure
3 where they're going to fit. They are high priority projects, so
4 yes, they will be in that 2021-2025 program. I just -- we don't
5 know exactly where they're going to fit within the program at
6 this point in time until that funding is established.

7 MR. KNIGHT: Thank you, Greg. Is that who we're
8 talking to? Thank you, Greg. I understand. I think my only
9 reason -- my biggest reason for concern was when I looked at the
10 original FY '21-25 plan that we received, 7D disappeared
11 completely. It's not -- I can't find it. Maybe it's just me,
12 but I can't find it on the FY '21-25 plan, but as long as you
13 assure me that it's supposed to be there and will be there. It
14 was in the 2024.

15 However, 7C did make it from the FY 2024 plan to
16 the FY '21-25 plan that we originally received. So that was the
17 reason for my concern, is because 7 -- 7D just kind of
18 disappeared. However, 7C did remain in the original '21-25 plan
19 that we received, and that's the reason for my comments and the
20 reason my -- for my concern.

21 MR. ROEHRICH: So Mr. Chair, Mr. Knight, did --
22 was Greg's answer sufficient, or do you want further
23 clarification?

24 MR. KNIGHT: No. He clarified it.

25 MR. ROEHRICH: Okay.

1 MR. KNIGHT: So as long as he's --

2 MR. ROEHRICH: Realize that we're still tracking
3 these projects.

4 MR. KNIGHT: Yes.

5 MR. ROEHRICH: We need to finish up Kristine's
6 effort so we know exactly what year to bring them back.

7 MR. KNIGHT: I fully understand.

8 MR. ROEHRICH: Yeah. Okay.

9 MR. KNIGHT: I fully understand. I was just
10 concerned, because it had disappeared in the original '21-25
11 plan that we got.

12 MR. ROEHRICH: Yes, sir. Absolutely. Okay.

13 MR. KNIGHT: So that was my concern.

14 CHAIRMAN HAMMOND: So we now need to approve
15 Items --

16 MR. ROEHRICH: So now we could do the motion to
17 approve Items 7C and 7D as presented.

18 MR. KNIGHT: Mr. Chair, so moved.

19 CHAIRMAN HAMMOND: A motion for approval from
20 Board Member Knight. Do we have a second? Board member Elters.
21 And we need to hear from those on line.

22 MR. ROEHRICH: So we'll start with those online.
23 Mr. Thompson, how do you vote?

24 MR. THOMPSON: Aye. Aye.

25 MR. ROEHRICH: Mr. Searle.

1 MR. SEARLE: Aye.

2 MR. ROEHRICH: Ms. Daniels?

3 MR. KNIGHT: She's muted again.

4 CHAIRMAN HAMMOND: Kind of like the Chipmunk's
5 song. Ms. Daniels?

6 MR. ROEHRICH: (Inaudible.)

7 WEBEX HOST: (Inaudible.)

8 MR. ROEHRICH: Ms. Daniels, we still -- I think
9 you still may be muted.

10 MS. DANIELS: Aye. Yes.

11 CHAIRMAN HAMMOND: Okay.

12 MR. ROEHRICH: Thank you. And then --

13 CHAIRMAN HAMMOND: I will note that it was
14 unanimous in the board room.

15 MR. ROEHRICH: Thank you.

16 CHAIRMAN HAMMOND: All right. Moving on now to
17 PPAC Items 7S through 7W. Does any board member want --

18 MR. ROEHRICH: So that will be the next slide.
19 Right.

20 CHAIRMAN HAMMOND: Does any board member want any
21 items pulled from this --

22 MR. ROEHRICH: One more slide.

23 CHAIRMAN HAMMOND: Okay. All right. Hearing
24 none, I'll entertain a motion to approve Items 7S through 7W.

25 MR. KNIGHT: Mr. Chair, move to approve Item 7S

1 through 7W.

2 CHAIRMAN HAMMOND: Okay. Motion for approval
3 from Board Member Knight and a second from Board Member --

4 MR. THOMPSON: (Inaudible.)

5 CHAIRMAN HAMMOND: Did I hear Jesse? We'll give
6 Jesse.

7 MR. THOMPSON: (Inaudible.) Yeah.

8 CHAIRMAN HAMMOND: Okay. Board Member Thompson,
9 second.

10 Okay. The vote within the room is unanimous.
11 Within the folks on the phone, please chime in, Floyd.

12 MR. ROEHRICH: So Mr. Thompson, how do you vote?

13 MR. THOMPSON: Aye.

14 CHAIRMAN HAMMOND: Mr. Searle.

15 MR. SEARLE: Aye.

16 MR. ROEHRICH: And Ms. Daniels?

17 MS. DANIELS: Aye.

18 MR. ROEHRICH: Thank you. The motion passes.

19 CHAIRMAN HAMMOND: Okay. The motion passes
20 unanimously.

21 We now have PPAC airport items -- Airport
22 Development Program projects, Items 7X through 7Y. Does any
23 board member wish to discuss any of those items?

24 If not, I would entertain a motion to approve
25 Items 7X through 7Y.

1 MR. ELTERS: So moved, Mr. Chair.

2 MR. KNIGHT: Second.

3 CHAIRMAN HAMMOND: So moved from Board Member
4 Elters, second from Board Member Knight.

5 All in favor?

6 BOARD MEMBERS: Aye.

7 CHAIRMAN HAMMOND: It's unanimous within the
8 room. Floyd?

9 MR. THOMPSON: Aye.

10 MR. ROEHRICH: Mr. Thompson's aye. Thank you,
11 sir.

12 Mr. Searle.

13 MR. SEARLE: Aye.

14 MR. ROEHRICH: And Ms. Daniels.

15 MS. DANIELS: Aye.

16 MR. ROEHRICH: Thank you, everyone. The motion
17 passed.

18 CHAIRMAN HAMMOND: Okay. Thank you.

19 Moving on to Agenda Item 8, the state engineer's
20 report for information and discussion only. Mr. Hammit.

21 MR. HAMMIT: Thank you, Mr. Chair, and I'm just
22 pulling up the presentation.

23 MR. ROEHRICH: So that would be Dallas'
24 presentation.

25 MR. HAMMIT: Here we go.

1 Thank you, Mr. Chair, members of the Board. This
2 past month we had 92 projects under construction, totaling just
3 over a billion dollars. In May we finalized nine projects
4 totaling \$14 million dollars, and year to date, we have
5 finalized 100 projects.

6 I do want to share with the Board as we've been
7 talking, I have reached out and getting information concerning
8 the interchange at McGuireville on I-17. So we will get some
9 information, and I will look into that.

10 Mr. Chair, that's all I have on Item 8.

11 CHAIRMAN HAMMOND: Okay. Any questions of
12 Mr. Hammit?

13 Thank you, Dallas.

14 Let's see. There's no -- possible action, no,
15 we're not --

16 MR. ROEHRICH: No, this is -- yeah. The next one
17 will be the contract awards, Item 9.

18 CHAIRMAN HAMMOND: Okay.

19 MR. ROEHRICH: And those would require action if
20 the Board chooses.

21 CHAIRMAN HAMMOND: Okay. Moving on to Item 9.

22 MR. ROEHRICH: So it's just the next slide.

23 CHAIRMAN HAMMOND: Construction contracts. All
24 right. You're still up, Dallas.

25 MR. ROEHRICH: Yeah. Dallas is still presenting.

1 MR. HAMMIT: Thank you, Mr. Chair. Thank you,
2 Board, for approving Item 3D in the consent agenda. We have two
3 projects, 9A and 9B, to ask some justification.

4 So if we could go to the next slide, please.

5 Item 9A is a project on Interstate 10, the
6 Houghton Road exchange. This project came in, the low bid was
7 \$23,427,902. The State's estimate was \$28,243,702. It was
8 under the States's estimate by \$4,815,800, or 17.1 percent. We
9 saw better than expected pricing in roadway excavation. Our
10 over -- a lot of our earthwork items, our drainage and then our
11 concrete. The Department has reviewed the bid and believes it
12 is a responsive and responsible bid and recommends award to Ames
13 Construction, Inc.

14 CHAIRMAN HAMMOND: Any -- okay. We have a motion
15 for approval from Mr. Stratton, and a second --

16 MR. ELTERS: Second.

17 CHAIRMAN HAMMOND: -- from Board Member Elters to
18 approve Item 9A to Ames Construction, Inc. Any questions?

19 All in favor?

20 BOARD MEMBERS: Aye.

21 CHAIRMAN HAMMOND: Okay. The board room is
22 unanimous.

23 MR. THOMPSON: Aye.

24 MR. ROEHRICH: So that was aye from Mr. Thompson.
25 How about from Mr. Searle?

1 MR. SEARLE: Aye.

2 MR. ROEHRICH: And Ms. Daniels.

3 MS. DANIELS: Aye.

4 MR. ROEHRICH: It's unanimous, Mr. Chair.

5 CHAIRMAN HAMMOND: Thank you. Moving on now to
6 Item 9B.

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

8 And Item 9B, this project is safety improvement
9 in the city of Casa Grande. On the project the low bid was
10 \$113,369. The State's estimate was \$137,925. It was under the
11 State's estimate by \$24,356, or 17.7 percent. We saw better
12 than expected pricing with our electrical conduit, pavement
13 markings and mobilization. The Department has reviewed the bid
14 and believes it is a responsive and responsible bid and
15 recommends award to CS Construction, Inc.

16 CHAIRMAN HAMMOND: Okay. We have a motion to
17 approve from Board Member Stratton.

18 MR. KNIGHT: Second.

19 CHAIRMAN HAMMOND: And a second from Board Member
20 Knight. Is there any discussion?

21 All in favor of approving Item 9 to award the
22 contract to CS Construction, Inc. as presented?

23 BOARD MEMBERS: Aye.

24 CHAIRMAN HAMMOND: Okay.

25 MR. THOMPSON: Aye.

1 MS. DANIELS: Aye.

2 MR. ROEHRICH: So that's an aye from the
3 Mr. Thompson, aye from Ms. Daniels. And Mr. Searle?

4 MR. SEARLE: Aye.

5 MR. ROEHRICH: It's unanimous, Mr. Chair.

6 CHAIRMAN HAMMOND: Okay. And that actually --
7 little shocked there's only two here, I guess.

8 Okay. Thank you let's move on to Item 10,
9 suggestions for board meetings or any upcoming --

10 MR. ROEHRICH: And the next board meeting, just a
11 reminder will, again, be posted as a Webex teleconference. It
12 will be on the 17th of July, Friday, the 17th of July. So if
13 you have any additional topics you would like added, please let
14 me know now, or obviously if you send me something later, we'll
15 cover them with the board chair when we put together the agenda.

16 CHAIRMAN HAMMOND: Okay. Any -- okay. We go a
17 lot on our plate in the upcoming board meetings. Floyd --

18 MR. ROEHRICH: I just want to see if anybody
19 online, to make sure to give them a chance, the board members
20 online --

21 CHAIRMAN HAMMOND: Thank you. Thank you.

22 MR. ROEHRICH: -- if they have any questions.

23 CHAIRMAN HAMMOND: Any comments online from the
24 board members on future board meetings?

25 MR. THOMPSON: Chairman.

1 CHAIRMAN HAMMOND: Yes, Mr. Thompson.

2 MR. THOMPSON: I would like to bring up again
3 that a lot more consideration needs to be given in how we can
4 (inaudible) maintain a lot of the bus routes, particularly those
5 that are utilized by the school districts on the rural, the
6 remote area of the Native American communities, and that's one
7 thing. I do appreciate the continuation of (inaudible) funding
8 for 191. That's my comment. Thank you, Chair.

9 CHAIRMAN HAMMOND: Thank you, Board Member
10 Thompson.

11 Any other comments for the good of the order?

12 Okay. Thank you all for your patience. Another
13 board meeting is in the books, and I wish you all a safe and
14 healthy day and week and month and year.

15 MR. ROEHRICH: We should at least have a motion
16 and a second to adjourn.

17 CHAIRMAN HAMMOND: Okay. All right. Does
18 anybody --

19 MR. ELTERS: So moved.

20 VICE CHAIR STRATTON: Second.

21 CHAIRMAN HAMMOND: -- not want to adjourn? Okay.
22 We have a motion and a second to adjourn.

23 MR. ROEHRICH: A motion by Mr. Elters, second by
24 Mr. Stratton, right?

25 CHAIRMAN HAMMOND: Yes.

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MR. ROEHRICH: Okay.

CHAIRMAN HAMMOND: All in favor?

MR. ROEHRICH: Looks like it was unanimous.

CHAIRMAN HAMMOND: Okay. All right.

(Meeting adjourned at 10:47 a.m.)

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 7th day of July 2020.
 15
 16

17 Teresa A. Watson

18 TERESA A. WATSON, RMR
 19 Certified Reporter
 Certificate No. 50876
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