

**STATE TRANSPORTATION BOARD
MEETING MINUTES
9:00 a.m., Friday, February 19, 2010
Cochise County Board of Supervisors
1415 Melody Lane, Bldg. G
Bisbee, Arizona 85603**

Pledge

[The Pledge of Allegiance was recited led by Mr. Householder.]

Roll Call

In attendance: Delbert Householder, Bob Montoya, Bill Feldmeier, Felipe Zubia, Victor Flores, Bobbie Lundstrom and Steve Christy.

Opening Remarks

Chair Montoya welcomed everyone and thanked the County and elected officials for a “great time” the previous evening. He said it was nice to meet and talk about transportation system issues. He expressed admiration for Bisbee's efforts and success in preserving its historic roots. He also thanked the City of Bisbee for hosting the Board and discussing mutual traffic challenges.

Ann English, Chair, on behalf of Cochise County Board of Supervisors Richard Searle and Pat Call, expressed gratitude that the Board was here and that the Board takes the opportunity to visit all areas of the State, despite these tough times. She thanked the Board for recognizing the needs of Cochise County and expressed appreciation for their diligence in attending to all pieces of infrastructure that local government cannot. She noted that this is the first year Cochise County has had to take money out of their general fund to put into their transportation fund just to keep things going. She also mentioned a quality of life survey done at Cochise College last year: the top issue was roads and the importance of keeping the transportation system functioning. She especially thanked Bill Harmon for his diligent efforts in trying to solve the problems of people in the outlying areas of Cochise County.

Call to the Audience

Mr. Ortega, County Administrator for Cochise County, expressed appreciation for ADOT being here. He stated that the new round of ARRA funding requires contracts be ready to go in 90 days and this is unrealistic for communities such as those in Cochise County. He said the reality is that it takes many months, if not a year, for the process to be complete, but that “ADOT is well equipped to make that happen.” Mr. Ortega suggested several options for the Board to consider when discussing the ARRA funding later in the agenda, (1) Possibility of trading SHF funding for ARRA funding, which may free up monies and offer less “strings” for communities and counties, (2) Possibility of “fronting” design dollars in order to allow communities and counties

to develop and shelve their projects. Mr. Ortega concluded by commending the staff of the Department of Transportation for their support.

Mr. Paul Johnson, Deputy Mayor of City of Yuma and Executive Board Member of the Yuma Metropolitan Planning Organization. Thanked the Board for the ARRA I funding provided for the widening of the US95 overpass over I-8; he commented that the project is going very well and is critical to their transportation needs. He also thanked the Board for their recent approval of three enhancement grants in the Cities of San Luis and Somerton which will improve traffic safety. He noted that one of the projects is for a multi-use path that will cure a safety issue they had which resulted in the one fatality in the previous six months. He then asked the Board to consider approval of three ARRA II funding projects. Two of them are pavement preservation projects on the state highway system: one for \$1M, and one for \$5M. He said these will be done on parts of the State highway that have not had any pavement maintenance for over 15 years. The third project he mentioned is for TIGER grants, and anything the Board can do to fit it into an ARRA funding project would be very much appreciated; this project is "part of a turn-back." Mr. Johnson explained that while Yuma agreed to take AZ-280 back, the Board gave Yuma approximately \$6M, and it will cost about \$15M for the project. He said that this overpass project not only connects the Marine Corps Air Station in Yuma to the interstate system, but is also critical to the transport of agricultural crops, a \$3B per year industry. Mr. Johnson also wished to speak on allocation of ARRA II monies, stating that his area has 24% unemployment, and asked for the Board's consideration.

Mr. Randy Heiss, SEAGO Executive Director, welcomed the Board and staff to Cochise County. He reminded the Board of the dire impact of last year's rescissions of the safety route funds at the federal level, and then brought to the Board's attention a bill before the Senate which may correct those rescissions and restore funding to pre-rescission levels. He asked the Board to be aware of this bill and urged the members on an individual basis to contact their Senators urging passage of this bill. He thanked the Board for "everything they have done" for the region and the State of Arizona.

Mr. Mike Gomez, Mayor of Douglas, started his remarks by thanking the Board and others for their support of the commercial Port of Entry in Douglas. He stated that there had just been a meeting January 26, in which GSA's Bill Harmon and Rudy Dennis were there plus the project directors from ADOT. He stated that everything has been done from the Arizona side and now they have to put pressure on the President of Mexico. Representatives from the offices of Senators John McCain, John Kyl and Gabrielle Giffords were in the audience and recommended that letters be written to the US Ambassador in Mexico. Mr. Gomez asked for continued support from the Board: improvements at the Port of Entry are vital not only for the economic development of Southeastern Arizona, but for the whole state. He reported that Mexico has begun installation of a weigh station as you cross into Mexico, and then there is a secondary federal inspection, resulting in lines over a mile long, sometimes taking an hour. Mr. Gomez emphasized that the Douglas Port of Entry is very antiquated: "If you don't update your infrastructure, it is going to go somewhere else." In conclusion, Mr. Gomez thanked the Board for their continued support of improvements to the Port of Entry.

Mr. Drew John, Graham County Board of Supervisors, acknowledged that times are tough and the people of Graham County appreciate everything the Board has done. He expressed their

appreciation for the Board keeping the priority projects in place. In particular, Graham County appreciates the continuance of the 191 project, and the Eighth Avenue Bridge; they hope to have two lanes open on the bridge within several weeks. He relayed a compliment from the foreman of Ames Construction, who has "never seen a partnership work as well as it has on that bridge project." He "bragged about your people and we bragged about your people." He mentioned that the Graham County Board of Supervisors is aware of the "jobs legislation and highway funding" situation and are in the process of drafting information to send to Senators McCain and Kyl to encourage them to pass this legislation so that needed funding will be available. Supervisor John asked the ADOT board to let him know if they needed his assistance in supporting any needed legislation. Mr. John concluded by thanking everyone.

Mr. Scott Altherr, Public Works Director for Santa Cruz County. Mr. Altherr began by remarking that Santa Cruz County is in the same financial position as the other counties. He expressed appreciation for the ADOT staff and particularly, state engineer Floyd Roehrich, who addressed Santa Cruz county engineers about it. He said that frustrations from the rural counties were expressed at that meeting regarding clarity of information regarding the allocations. 30% of ARRA I is being proposed to go to local public agencies, with almost the same in ARRA II. Not distinctly shown is that of the 30%, only 3% is going to the other 13 counties in rural areas. Mr. Altherr acknowledged that ADOT is spending money on their system in these rural counties, and the rural counties appreciate that; however, of the 3% (\$17M) last time, SEAGO only received \$2.8M. He continued that SEAGO has to share that amount with 4 counties and 16 other entities. Mr. Altherr also mentioned that the rural counties are frustrated with the process of getting projects ready. In conclusion, he asked the Board to consider the rural counties in the distribution and hoped that the Board may consider giving the rural counties some non-federal money, perhaps some swapping of ARRA funds.

Ms. Barbara Litrell, Sedona resident. Ms. Litrell noted that since her group presented at the January 15th meeting asking not to approve continuous lighting for SR89-A, they have provided the Board with extensive documentation that demonstrates that continuous roadway lighting is the wrong solution for the safety problem on 89-A, West Sedona. She said that this past week an email brief was sent to ADOT, summarizing the statements of Sedona residents and rebutting many statements made by ADOT staff, statements which have been misrepresentations about the true nature of the safety problem on 89A, as evidenced by ADOT's own documentation guidelines and other reports. She said it started with the May 2006 report, in which ADOT clearly says that "the safest way to cross the street is with an intersection that is lighted. It's the best way to cross a busy street." She said that the report also mentioned that the area between traffic signals, especially long areas, shall remain a focus of concern; yet, no study was done of the Andante area until after the continuous roadway light was proposed. She said "We need to face the truth. The past three years have been filled with misstatements and misuse of information in order to support an engineering judgment decision that was not the right decision for Sedona." She said the decision was based neither on substantial or in-depth research which Sedona residents had presented to the Board, nor was it a context-sensitive solution for Sedona. She urged the Board to stop funding for the continuous roadway lighting; instead, put in the intersection light at Andante and work with the community to come up with a context-sensitive plan for 89A throughout this corridor area. Ms. Litrell entered into the record an accident report from Sedona Police Chief Joe Vernier from 2004-2009, which shows major decreases in injuries and accidents, and no fatalities since April 2006. She concluded by saying that if ADOT went

back to do a study, it would be from 2006-2009 and would not warrant continuous roadway lighting.

Ms. Marlene Rayner, resident of Sedona. She asserted that she wants to "point out the truth" about the City of Sedona's 89-A Safety Advisory Panel. She said that at a work session on February 3rd, it was asked if there were experts on the Panel and the answer given was "no." Ms. Rayner asserted, "This is not true." She said the Panel, established in 2007 by the Mayor and City Council in response to controversy about the lighting solution, consisted of 18 members, a facilitator and a consultant. Members included 4 ADOT employees, 3 Sedona residents, the Sedona City Manager, Fire Chief, Police Chief and 8 other consultants, Ms. Rayner read from the Panel's mission: "...89-A Safety Advisory Panel will evaluate potential solutions for improving pedestrian safety between Airport Road, milepost 373, and Dry Creek Road, milepost 372, in West Sedona. The panel will proceed in a context-sensitive manner taking into account solution effectiveness, feasibility, the environment, and limitations of the stakeholder agencies involved." She said the Panel recommended that ADOT conduct a night-time pedestrian study to an independent contractor; there was an ADOT pedestrian crossing study done in 2006, but it was a daytime study only, which resulted in the night-time continuous roadway lighting recommendation. Ms. Rayner pointed out "two glaring errors" in ADOT's presentation to the Board: 1) they failed to point out that the Panel recommendation did not recommend roadway lighting; and 2) they stated that the Panel did not reach consensus. She further stated that the February 2008 SR89-A Safety Advisory Panel report recommendations uncannily paralleled the ADOT Pedestrian Safety Action Plan Working Paper #5 issued a year later in April 2009. Ms. Rayner then went on to quote the Plan, pointing out that it echoed the recommendations of the 89-A Safety Advisory Panel Report.

Ms. Juliette Colangelo, resident of West Sedona. She stated that in early 2006 the City of Sedona asked ADOT to look into the safety issues on 89-A, and ADOT concluded that continuous roadway lighting was the answer. She said that subsequently the Council convened the Safety panel and after six months of deliberation, the Safety Panel recommended various measures which did not include continuous roadway lighting. She said that ADOT staff accepted the Panel's recommendations, which did not surprise her, as ADOT was represented on the Panel. She pointed out that ADOT documented its acceptance in a letter to the Mayor on August 12, 2008 and one day later in a City Council meeting, ADOT reaffirmed its position. She reported, however, that later in that meeting Councilmember Scagnelli proposed that continuous roadway lighting be included in the package. From that moment until now, Ms. Colangelo asserted, ADOT has insisted that continuous roadway lighting must be part of the safety solution on 89-A. This insistence on accepting continuous roadway lighting "flies in the face" of actual research data, and the work that ADOT helped to draft while on the Panel, said Ms. Colangelo. She referred to nationally conducted research which showed that "activated crosswalks and strategically located raised medians have a 40-90% reduction in injuries, while Continuous Roadway Lighting reduced injuries by only 5.6 %." She pointed out that 86% of all accidents on 89-A occur during daytime hours and she questioned why ADOT changed its stance on Continuous Roadway Lighting, and chose to select statistically less effective measures.

Mr. Doug Blackwell, Sedona resident and former member of 89-A Safety Panel. Mr. Blackwell referred to the May 2003 Paul Box report, prepared in cooperation with the U.S. Dept. of Transportation. He asserts that ADOT made a significant error in the use of this report when the

Council was told the study area would receive a 40% improvement from Continuous Roadway Lighting. He noted that pages 96 and 100 of the Box report do not recommend such lighting for highways, but conclude that a signalized intersection may be warranted. He said that according to Sedona Police Department's injury data for the West Sedona 89A for the year 2008-2009, there were 59 injuries, of which 54 were during the day; by reducing the night-time injuries by the "Paul Box 40%," there is a resulting reduction of only 2 injuries for 2 full years. He said that per a 2005 report, Continuous Roadway Lighting could be utilized if crash analysis indicates that night to day crash ratio rate is greater than 1; Sedona's crash ratio is 0.14; and the night to day injury ratio is 0.093. Mr. Blackwell again quoted the Paul Box report (p.1), which stated that "deployment of roadway lighting systems that meet safety needs for the motoring public in a cost-efficient manner without adversely impacting the surrounding environment, is a basic goal of ADOT." He asserted that use of Continuous Roadway Lighting in Sedona does not meet any of these goals, and further, that reducing and enforcing speed limit and jaywalking ordinances has already reduced crashes by 20%, injuries by 40% and fatalities by 100%. He concluded by recommending a signalized intersection at Andante as the solution.

Mr. Bob Carabell, Vice-President of "Keep Sedona Beautiful." Mr. Carabell discussed why ADOT has pursued the same solution for 89-A for four years despite public outcry and evidence that contradicts that solution. He referred to a May 2006 report that was the basis for these decisions and that only explored one solution. He said that by June of 2007, when the City Council embraced that solution, a cohesive group had formed that effectively stopped further study and alternative solutions. He added that in November 2007 a different view surfaced; that it was glare which caused an accident involving three pedestrians, not lack of lighting. The Pedestrian Safety Panel, in which ADOT participated, also reached a different conclusion than Continuous Roadway Lighting. Mr. Carabell said that he thinks the culprit is "group think," when groups systematically exclude any other decision than that they have already reached. He said that resulted in a flawed decision reached by well-meaning individuals, and "it is time to face the truth." He suggested that construction begin as soon as possible on a signal at the Andante intersection. He asked the Board to not allocate monies for Continuous Roadway Lighting, but instead install low-level pedestrian light along 89A.

Mike Ward, Sedona resident. Mr. Ward asserted that the ADOT staff has been disingenuous, and "deliberately misleading" our city council, residents and their governing Board. He said that in their February 3rd presentation, ADOT staff repeatedly stated that their first interest is safety, and their second interest is community involvement. However, he added, ADOT staff actions "clearly demonstrated that their primary interest is in putting in street lights and that they don't really care what anybody else thinks..." Mr. Ward continued with a discussion of Safety Panels which he claimed have been discounted and ignored. Mr. Ward then referred to a City Council meeting of which a DVD is available, where ADOT staff "coerced" the Council into approving Continuous Roadway Lighting or the City would have to pay for continuous maintenance. He added that ADOT staff put out a survey to the public, asking them to choose between 68 lighting options, and they held a public forum on November 5, 2009, but no reports from that meeting can be found. He said 60 people told the court reporter at the meeting that they were opposed to the lights, and two were in favor; of those who responded in public comment forums, 167 were against the lights, and 30 were in favor. Mr. Ward asked the Board to question ADOT staff regarding the results they received in their public outreach efforts, as he believes they have not informed the Board.

Mr. Rod Veach, a West Sedona resident. Mr. Veach began by discussing a February 3rd meeting, in which a Board member asked if the proposed lights for 89-A were the same as the lights used on SR179, which have been well received by residents. Mr. Veach reported that Mr. John Harper and Mr. Seth Chalmers both answered yes to the question, while in fact, they should have answered no and explained the differences. Mr. Veach asked the Board if ADOT staff had informed the Board of the differences between the lights, and if not, he would explain the differences. Mr. Veach then detailed for the audience and Board the specifications for the existing lights in Sedona vs. the specifications for the Continuous Roadway Lights proposed for use on 89-A. (These specifications were included in a handout to the Board.) He mentioned that low-level pedestrian lights, such as those approved by the Safety Panel, are not included in the plan for 89-A.

Mr. Steve DeVol, President of "Keep Sedona Beautiful" and a resident of West Sedona. He stated that ADOT's standards require side street lighting when lighting a highway, and there are many hidden costs in this project. He added there are enormous liability issues yet to be resolved and considerable public opposition. He pointed out that medians cost about the same as Continuous Roadway Lighting, and asked that ADOT install the medians utilizing local contractors, rather than the proposed lighting. He asked the Board to utilize context-sensitive solutions, and warned the Board of the fatal consequences of installing a less safe solution.

Mr. Mark DeNunzio, resident of Sedona. Mr. DeNunzio stated that ADOT identified the problem as "darkness," and that the accidents occurring along a two-mile stretch of the highway occurred in darkness. He went on to say that if you agree the problem is "darkness" then the solution has to apply to the whole two miles. He said that a single light in one location or selected crosswalks may help, but the problem exists "every foot" along the two miles of roadway. He then quoted the City Manager of Sedona in a memo dated August 12, 2008 to the City Council, stating that the committee did not have consensus on the final report. Mr. DeNunzio's final point concerned the transparency of ADOT staff: he found them to be fully open and transparent.

Ms. Pud Colquitt, resident of Sedona. Ms. Colquitt stated that because the highway is so dark and is five lanes across, "you cannot see a pedestrian in middle." She stated that the project resulted from a petition from residents because of night-time fatalities, and that public officials have no higher duty than to preserve and protect human life. She said that she is tired of hearing all the facts and all the data, but not hearing about compassion. She stated that she drove 6.5 hours to speak for several minutes and she urged the Board to move forward.

Mr. Ron Volkman, resident of Sedona. He stated that he has lived in Sedona for 35 years and that five signalized intersections in West Sedona are the only lighting improvements on that section since he moved. He pointed out that Sedona is now a major tourist attraction, not just a small town. He then enumerated curb cuts and traffic counts, up to 41K cars per day. He said he attended all committee and Panel meetings and the City Council has voted "yes" on it, and Sedona wants complete lighting. He submitted a letter from a Mr. Graham, who witnessed the pedestrian fatality in 2000. Mr. Volkman concluded by requesting that ADOT move ahead on Item #1 on the agenda.

Mr. Scott Dooley, City Engineer, City of Sierra Vista, Arizona. Mr. Dooley welcomed the Board to southern Arizona and thanked them for everything they have done for the City of Sierra Vista and southern Arizona as a whole. He thanked the staff, in particular Mr. Harmon, for his help facilitating their projects. He mentioned that they just finished a multi-use path, an ARRA I project which could not have happened without the help of ADOT.

District Engineer's Report – Bill Harmon

Mr. Harmon, Safford Construction District, welcomed the Board to Cochise County and expressed his appreciation for their support. He highlighted a few projects in this area:

- Advertisement for the I-10/SR90 traffic interchange will start soon. This project will affect the city of Benson especially and improve traffic and safety for all communities north and south of I-10.
- SR90 – SR92 Corridor in Sierra Vista. They are finishing a video and look forward to programming projects off the video. This project will be of great service to Sierra Vista and also to Fort Huachuca.
- Douglas Port of Entry plus Pan American plus Chino Road. This is a major focal point due to long lines of traffic at the border. Advertisement is hoped to start very soon, possibly in February or March.

Mr. Harmon then explained that the photographs included in his report were placed there to give the Board a “flavor” of what happens in his district:

- Photo of dust storm on upper left: Safford District is trying to develop additional warning systems for dust storms on the I-10 corridor.
- Photo on upper right shows an illegal “visitor” crossing a private ranch near Deer Camp; half of the district’s fence money goes into the Douglas Maintenance Office to try to keep SR80 and SR90 fencing patched up.
- Photo on lower left shows an oversized load; the county with the second largest number of vehicles with oversized loads is Pima County, first is Cochise County. Because of load restrictions on state highways, many oversized loads are diverted across county roads, sometimes forcing other motorists off the road. They are trying to line up projects in the future, so that these vehicles remain on state routes.
- Photo on lower right shows rescue and recovery activity in the Texas Canyon/Wilcox area on I-10 area; remote areas are difficult to service.

Mr. Harmon concluded by inviting questions, emails and phone calls if the Board needs further information.

ITEM 1: Sedona 89A Lighting Project – Jennifer Toth

Ms. Toth presented to the Board for reconsideration a recommendation to establish a new project for \$2M in the fiscal year 2011 Highway Construction program for highway lighting and signalization on SR89A from milepost 371 to milepost 373. This reconsideration is based on the Board’s prior action to defer the PPAC Agenda Item #7a from its January 15th agenda in order to give the Board additional opportunity for public input and study. Subsequently a board study

session was held on February 3, 2010, where additional input and discussion was held. Staff recommends adding this project in Fiscal Year 2011 using funds from the Highway Safety Improvement Fund.

Chair Montoya asked for a motion on Item #1.

Motion made by Delbert Householder, seconded by Bobbie Lundstrom, to accept the staff recommendation in Item #1 for highway lighting and signalization on Highway 89A.

Discussion:

- Mr. Flores asked Ms. Toth to clarify whether the \$2M was specifically for the lights as presented/recommended and if there would be any additional consideration as to what happens when going further with the design. Ms. Toth asked Mr. Roehrich to comment on that.
- Mr. Roehrich pointed out that the \$2M is not only for continuous lighting for the project, but also includes upgrades at the signal at Andante and some other components within that. As part of working with the City of Sedona, the light fixtures will be what they wanted and it is costly, but ADOT is looking at other funding sources to help mitigate the cost.

The motion carried unanimously.

Mr. Zubia offered the following comments on his vote: In any issue of this nature, you cannot please all groups. But one thing that stood out in the discussion was that Sedona is now an urban area, and deserves urbanized solutions. He pointed out that ADOT is dedicated to coming up with better integrated land use and transportation decisions. Hopefully this is a platform for future issues.

ITEM 2: Director's Report – John McGee, Executive Director of Planning and Policy

Mr. McGee mentioned that Director Halikowski asked him to present the report today as he is taking some well-deserved leave. Mr. McGee thanked Cochise County for hosting the ADOT meeting and for their hospitality the previous evening.

Mr. McGee opened with the Federal obligation rescission. He sent a letter on February 1, 2010 to each Board member hopefully clarifying what happened with the rescission.

- Rescission impacted excess apportionments; neither ADOT nor local governments have sufficient obligation authority to utilize these excess apportionments so there was no loss of federal funding.
- The rescission did significantly reduce ADOT's flexibility in finding matching program apportionments on local projects. The department and Mr. Fink have found ways to fund every project that has come to ADOT this year and we hope he can do so in the future.
- There is still work to be done. Congress needs to fix the FY2010 apportionment problem by allocating FY2010 apportionments at least at FY2009 pre-rescission levels. Otherwise, by the end of this year, Arizona and other states could find themselves unable

to utilize 100% of their 2010 obligation authority. This would be an actual loss of funding. The Senate version of the stimulus bill addresses this issue, so hopefully that will go through. Mr. McGee expressed a desire to explore this issue with the Board at a future study session.

With respect to the situation with rest areas, Mr. McGee noted it was an ongoing problem of great interest to the traveling public. On February 12, the Governor sent a letter to the Secretary LaHood asking for relief from the commercialization prohibitions imposed on all interstate rest areas since 1956. The Governor also asked the department to do a number of things to mitigate the situation. She specifically asked ADOT to:

1. "Identify the impacts of traffic in rest areas". We are in the process of looking at all rest areas and finding what their traffic counts are and then prioritizing them in order of potential re-opening.
2. "Identify any federal funding that might be available to reconstruct any existing facilities". This was discussed briefly at the last study session.
3. "Ask FHWA to allow for use of federal funds to operate new or reconstructed areas as part of the construction contract".
4. "Continue to pursue P3 options, including an adopt a rest area stop option".
5. "Investigate possible use of inmate labor to reduce maintenance costs". Director Halikowski along with the Director of Corrections and Mr. Roehrich are looking at that particular option.

Mr. McGee stated that they have started working on all tasks assigned by the Governor and they hope to schedule this topic at a future study session.

Twelve MVD offices have been closed, or are in the process of being closed around the state so far this month. This has also been very difficult, but had to be done due to operating budget restraints, noting the operating budget had been reduced by \$100M, almost 25% over a two-year period. Eight offices have been closed so far: Ajo, Benson, Bisbee, Central Phoenix (28th St.), Mesa, Fredonia, Kearny and Superior, the last three being part-time offices. He said they are working with the cities of St. John's, Williams, Wilcox, and the town of Clifton to establish alternative locations or provide third-party services, as these offices are also scheduled to close.

FHWA announced the recipients of its TIGER grants yesterday. The \$1.5B of TIGER grants that are part of the ARRA II program. Arizona received one grant; not for ADOT but one project for the city of Tucson for \$63M for their street car project. This was the only grant awarded to Arizona, but the amount represents approximately double the Arizona per capita share of the \$1.5 billion dollar total.

The next topic Mr. McGee discussed was a Public Hearing to be held March 19 at the MAG office in downtown Phoenix. This is a joint hearing with the State Transportation Board, CTOC, MAG, RPTA, Metro and Valley Metro. The meeting begins at 12 noon, about the time the ADOT Board meeting will be ending, and we encourage all members to attend. It has been a few years since a meeting has been held with all the organizations mentioned.

Mr. McGee then spoke about work/study sessions; Board Secretary Mary Currie sent a schedule to each Board member for the remainder of the year, with dates, times and place.

Finally, he mentioned that since this is Mr. Householder's final meeting, he would like to thank him one last time "for being a great Board member."

Chair Montoya opened the floor for questions.

Chair Montoya asked a question regarding the MVD: how are people going to renew their licenses in the rural areas? Mr. McGee said when you do have to go an office, the Department has alerted folks about possible third-party services. Many transactions can also be done online without visiting an office.

ITEM 3: Consent Agenda

Chair Montoya asked if any items were open for reconsideration or removal from consent agenda. If not, he asked for motion to approve.

Motion made by Bill Feldmeier, seconded by Bobbie Lundstrom, to approve Item 3, Consent Agenda. In a voice vote, the motion passed unanimously.

ITEM 4: Legislative Report – Kevin Biesty

Mr. Biesty referred to two handouts which the Board received prior to the meeting: one referring to Federal issues and one to State issues.

Federal:

- Transportation committees have begun talks on the FY2011 appropriations bill. The President's budget was released and proposes a slight increase for highway funding and would also transfer \$19.1 billion in general funds to the highway trust fund to help with the projected shortfall.
- On the authorization bill, the House has included their extension to their highway bill to Sept 30, 2010; the Senate has included an extension in their bill until Dec 31, 2010.
- FAA re-authorization has not been addressed and has been extended through the end of March. No current move is in place to get that addressed.
- Second Stimulus Bill (ARRA II): the Senate is breaking their jobs bill into smaller pieces and next week will be trying to get SB3312 through, which would basically be a repeat of ARRA I. Some Cochise County residents have expressed concerns about restrictions with ARRA II, and Mr. Biesty noted that he has encouraged those folks to share their concerns with their congressional delegates, as that's where decisions will be made. Mr. Biesty noted he will be back in Washington, D.C., the following Monday and will be part of the discussions on balancing the creation of jobs with federal restrictions such as environmental concerns.
- Mr. Flores mentioned that someone had told him that the language restricting it to the 90 days will probably not be in the Bill at the end, and he asked what the process is in the Senate for discussion of those types of specifics before it is passed to the President.

- Mr. Biesty noted that Mr. Flores is correct in that these specifics are discussed in the Senate. The 90-day restriction is “impossible” and probably won’t be in the final Bill.

State: Tracking Summary of Some Bills

- Two bills deal with the state parks: the first is 2628, and the second is a House Concurrent Resolution, proposed by a task force to examine sustainability of state parks. The main option is to attach a \$9 fee to vehicle registrations to help sustain the state parks. Several concerns are:
 - Transportation is suffering along with everyone else and if you start attaching fees to registration, it becomes more difficult for ADOT and Dept. of Transportation to go forward and request more money for infrastructure.
 - Also, is it constitutional? Article 9, Section 14 of the Constitution says any money related to registration and operation of vehicle on roadways has to be used for roads and streets.
- The HCR has to be decided by the legislature. If it passes, it then goes to a vote of the people, making it difficult to make any changes down the road. It has put the Department in a difficult situation with another department: without roads, one cannot get to the state park, and parks are also important. Discussions are ongoing on this topic.
- House Bill 2667 is the “perennial legislature wants to control federal funds bill.” This always ends up with a veto.
- Senate Bill 1137 is the Department’s bill and has many issues. There is a lot of federal money coming out of Washington particularly with rail and transit. Mr. Biesty noted that according to our constitution, ADOT cannot use any current funding to access those monies at this time as it is not related to roads/streets. Ways are being explored to use a portion of what ADOT receives currently for a federal match. There is a proposal with the legislature where the Department could possibly draw down hundreds of millions of dollars: it says the Department could use up to \$10M per year to use for federal transportation grants. The proposal is worded in such a way that it would allow matches to be made with aviation, transit grants and the like. The Department can tap into this money which Arizonans contribute to anyway when they purchase gas: three cents per gallon of gas goes right into this fund. This money currently goes to other states and Arizona could be a recipient of these monies, not just a donor.
- Senate Bill 1313 – This is an expansion of the current “move over” law. It would add any stationery vehicle to the Bill, and is important for public safety. The Bill will also eliminate the HELP Advisory committee.
- There are a series of bills dealing with eminent domain which are being monitored closely, and some have serious impacts. Local programs work fairly well and ADOT is being regarded as a model.
- Senate Bill 1416 deals with regional transportation authorities and touches on issues between MAG and the RPTA. The bill has not been heard in committee yet.
- Senate Bill 1435 requires that an additional Board member be assigned to the State Transportation Board from an Arizona tribal nation; bill is being monitored.

- HB 2542 was vetoed last year by Governor Brewer but has resurfaced. It deals with placement of political signs in the right-of-way. Freeway systems are exempted but not state routes; basically signs can be placed anywhere as long as they don't present a visible safety issue. This is being watched closely.
- Budget: A "stealth budget" was released the previous evening and the Board will be kept abreast of what is happening.

Mr. Feldmeier asked who sponsored the "sign bill" and was informed that it was Representative Gowan. He asked if there is any hope for that bill (hoping not). Mr. Biesty said that it was on the agenda late in the game last year, so now it is starting out, but he doesn't think the Governor will approve it.

ITEM 5: Financial Report – John Fink

Mr. Fink reported as follows:

- HURF in January was \$105M, up slightly compared to last year and up 4.6% compared to estimate. This brings the total to \$684.3M, down 6.3% compared to last year and down 3.4% compared to estimate. For the year HURF is down about \$24M dollars in total compared to estimate – it is highly unlikely the full year estimate will be achieved.
- Gas tax first seven months is \$261.5M, down 0.7% compared to last year, and down 1.2% compared to estimate. However, this is the third consecutive month that gas tax revenue is above the same periods last year and the third consecutive month it has been higher than estimated.
- Use Fuel tax revenue for first seven months is \$96.1M, down 7.3% compared to last year and down 3.8% compared to our estimate. For two consecutive months now Use Fuel tax revenue is above last year.
- YTD VLT is \$194.4M, down 9.6% compared to last year and down 8.6% compared to estimate. Total HURF collections are down \$24M compared to estimate and \$18M of that (75%) is attributable to VLT.
- December RARF was \$24.4M down 8.4% compared to last year and down 3.4% compared to estimate. YTD RARF is \$147.5M, down 12.8% compared to last year and down 4.1% compared to estimate.
 - Retail sales are at \$69.1M so far for the first six months, down 10.3% compared to last year and down 3% compared to estimate.
 - Contracting revenue is at \$16M, down 41.3% compared to last year and down 24.2% compared to estimate.
 - Preliminary January RARF results were \$28.4M, down 9.9% compared to last year and down 8.4% compared to estimate.
- Aviation Fund: Through January, total revenue was \$13.6M, up 21.3% compared to last year, but down 18.7% compared to estimate.

- Flight property tax was \$4.8M, down 21.7% compared to last year and down 19.3% compared to estimate. (Note the category fluctuates due to collection dates.)
- Aircraft registration was \$2M, down 29.7% compared last year and down 6.7% compared to estimate.

January Investment Report:

January average monthly invested balance for all funds was about \$1.18 billion. Interest income during the month of January was \$1.05M for an annualized yield of 1.03%, YTD date interest earnings were \$10.1M for an annualized yield of 1.33%.

The HELP fund cash balance at end of January was \$51.2 M; currently there are seven outstanding loans representing a total principal balance of about \$23.7M. As those loans are repaid over the next few years, the HELP cash balance will continue to grow and new loans can be accepted.

Mr. Zubia asked if the high year for HURF revenue was 2007. Mr. Fink confirmed that and said there have been two successive years of decline. Mr. Zubia asked for a comparison of now compared to 2007. Secondly he asked about an alternative funding source related to electric vehicle use and what can be expected in the way of those vehicles sales for the next year. What does this mean in terms for the state budget or the Department's budget?

Mr. Fink replied that that the impact of electric and hybrid vehicles not paying gas tax has been a topic of discussion over the last few years. Several states are looking at this issue and a number of concepts being explored such as number of miles traveled tax, as a replacement for gas tax. This issue is recognized and HURF revenues may not grow as quickly as they have in the past due to vehicles becoming more fuel efficient, changing over of fleets and so forth.

Mr. Zubia asked when we will start to identify a solution; the longer this persists the more difficult it will be to inform users of a new tax. Perhaps there should be a notice of some sort when the person buys the car so there are no surprises later.

Mr. McGee stated that the Department has known for years that current funding for transportation is not working. Every study at the state and federal level for the last twenty years has recommended increasing the gas tax. He stated that the most efficient way to get money into the system is to increase the gas tax, but that has not happened since the early 1990's due to lack of political will. He stated that a one cent increase in the State gas and use tax would bring about \$33-35M per year.

Mr. Zubia commented that he was asking for solutions rather than more studies.

Mr. McGee stated that if there is going to be any increase in those taxes, ultimately it is going to have to go to the people.

Mr. Zubia recalled that when he first joined the Board, one of the board members championed the issue of privatization of rest areas. Nothing so far has been done. Recently the Governor sent a letter to the Secretary of Transportation asking about privatization of rest areas. There are

many solutions and positions rather than a study that merits consideration that the board, the department and the state can do that do not take an act of congress or the legislature.

Mr. Feldmeier stated that he agreed with Mr. Zubia and recalled that this was discussed in great detail at the January study session. He said that the Board needs to be far more proactive, and he said that he doesn't think anyone is listening to us but us. He suggested that at the next study session the Board should discuss how to communicate with the decision makers.

ITEM 6: Financing Program – John Fink

Mr. Fink had nothing new to report and referred the Board to their books for printed information.

ITEM 7: Multimodal Planning Division Report – Jennifer Toth

Transit:

- \$100M in ARRA funds was awarded to Arizona for transit, and even though most of that was for one particular project, \$14M was distributed for transit programs throughout greater Arizona. She referred to a handout summarizing the details of that distribution. \$2M of that funding went to the Cochise County area.
- The Verde Valley Maintenance and Operations Center in Cottonwood, which supports the Cottonwood and Sedona Transit System operated by Northern Arizona Inter-Governmental Public Transportation Authority, provides about 5,000 square feet of office space and has solar panels over the parking area. The project used about \$2.5 of ARRA funding.
- The City of Coolidge Transit Center, a 6,000 square-foot facility providing office space and passenger amenities for the Cotton Express Transit System received about \$2M in ARRA funding and was completed in December.

ARRA airport funding was not funneled through ADOT, but went directly to the airports. About six airports in Arizona received about \$28.7M in ARRA funding and resulted in improvements of runways, taxiway, apron pavement and security.

- Sierra Vista Municipal Airport received \$4.5M, which was used for runway reconstruction and taxiway realignment. These two projects included about 94,000 square yards of runway and taxiway asphalt and concrete pavement, and will be completed in May of this year.
- Kingman Airport Authority project, which was to remove and replace 110,000 square yards of the aircraft apron area, where there was cracking. This project was awarded for about \$4M and has been completed.

ITEM 8: Priority Planning Advisory Committee (PPAC) – Jennifer Toth

Ms. Toth said that she would take Agenda ITEM: 8A under Agenda ITEM: 9, as there was duplication for which she apologized. She then recommended taking ITEM 8b - 8R as one item if the Chair agrees.

Motion made by Felipe Zubia, seconded by Delbert Householder, to include 8b through 8r as one motion. In a voice vote, the motion passed unanimously.

Ms. Toth continued by saying that the majority of those projects are pavement preservation projects, three of which are the result of ARRA. She noted that ITEM 8q is contingent on the MAG Regional Council approval on February 24.

ITEMS 8s-8u are in relation to the Colorado City Municipal Airport for runway projects and environmental supplements. She recommended approving those projects as one item.

Motion made by Victor Flores, seconded by Bill Feldmeier, to include 8s through 8u as one item. In a voice vote, the motion passed unanimously.

The last ITEM 8b is to establish a new design-build project that will be advanced and implemented through the design-build project delivery process. It may be a potential Jobs on Main Street project under the second stimulus package if that moves through. If not, it will be converted to FY2010 Funds. Approval on this is contingent on the MAG Regional Council approval on February 24.

Motion made by Bill Feldmeier, seconded by Bobbie Lundstrom, to approve ITEM 8b. In a voice vote, the motion passed unanimously.

ITEM 9: 2011-2015 Tentative Program Review and Request for Approval for Public Comment – Jennifer Toth

Ms. Toth said she would present the FY 2011-2015 tentative 5-year Transportation Facilities Construction Program and then ask for the Board's approval to move forward with Public Hearings in March, April and May. She stated that she will cover regulations, subprograms, regular Greater Arizona major projects, and Pima Association of Government regular projects; then Steve Hall will discuss the Maricopa Association of Government Regional Program and the Airport Development Program.

Ms. Toth pointed out the importance of certain State and Federal regulations as they apply to the 5-Year Program and to statewide transportation programs. She stated the first two years need to be fully funded projects. It is critical that FY 2011-2012 program projects are fully funded.

She stated that in a departure from past actions, this year the Department is moving to increase Federal Aid Subprograms up to 90% of the FY2009 apportionments. Among the subprograms, bridges are a high-cost system asset. The purpose of the Bridge Replacement and Rehabilitation Program is to restore the structural integrity of a bridge and/or replace it; and the overall objective of the Highway Safety Improvement Plan is efficient spending of funds to achieve the

highest safety benefit. The HSIP program is restrictive and it has been difficult to obligate some of the funding through current policy; the Inter Modal Transportation Division is currently updating the HSIP program in order to raise maximum projects from the \$3M threshold to \$10M, changing some benefit cost criteria and encouraging systemic improvement across the state. Those increases in the early years of the plan are due to not having drawn down on federal funds because of challenges within the overall program. The HSIP program also contains set-asides for railway and highway crossing improvements and high-risk rural roads. The funds in the railway/highway crossings are used for elimination of hazards, and the high-risk rural road portion relates to all roadways in Arizona.

One of the programs funded yearly is the Planning Assistance for Rural Areas, which is very popular with local agencies. This Fund also includes research and technology transfer activities in connection with the planning, design, construction and maintenance of the Department's system. The Recreational Trails Program provides funds to the State to develop and maintain recreational trails and trail-related facilities for both non-motorized and motorized recreational uses. The purpose of the Safe Routes to School Program is to enable and encourage children to walk or bicycle to school, and to facilitate the planning, development and implementation of projects that will improve safety and reduce traffic, fuel consumption and air pollution in the school vicinity.

Federal Aid programs:

- The Coordinated Border Infrastructure Program, that can be used for improvements within 100 miles of an international land border to facilitate and expedite crossed borders, motor vehicle and cargo movements.
- The Transportation Enhancement Program, that has 12 different categories of activity; the most familiar being permissions for pedestrians and bicycles. Ms. Toth noted that "we are not asking for any additional funding within the TEP program," but are asking to roll three separate line items into one item to maximize flexibility with those funds.

State-funded Subprograms:

Ms. Toth noted that preservation of the existing State-Funded Subprograms is a primary objective of ADOT's mission. She spoke about the importance of preventive maintenance surface treatments and pointed out that bridges are a major transportation asset, consisting of almost one-third of Arizona's highway assets. Bridge inspection is federally mandated but some have no accompanying funding.

The objective of the Bridge Deck Replacement sub program is to maintain the integrity of the bridge deck and the safety of the traveling public. An increase is needed to because there are a total of 96 bridges requiring bridge deck replacement or rehabilitation in the near future, with an estimated cost in excess of \$75M. Assuming a preservation time frame of 10 years with constant conditions, annual funding would be in excess of \$6M. An increase from \$4.5M in FY 2015 to \$7M was requested in order to ensure preservation of assets.

The Port of Entry mission supports not only the six international ports of entry, but also the 16 borders shared with neighboring states. She said there is a subprogram to modernize the border facilities to meet federally mandated requirements.

With the recent P3 legislation she is submitting a request to increase the Project's foundation and the Alternative Plumbing Subprogram in order to support development of the P3 program in Arizona. P3 funding is a good source of "new" funds.

Two new subprograms:

- Roadside improvement program including cow guards, drainage and roadway fencing.
- Environmental stewardship to examine wildlife connectivity, environmental stewardship and preservation of open spaces.

Several Greater Arizona subprograms:

- Major Project and Design
- Design Concept Report
- Passing Lane Programs – Request design and construction money in FY 2014 and FY 2015 and continuing the program.

The next category was the Greater Arizona Major Projects. The Cameron Section Project was identified as the first phase of several by the DCR; the existing two-lane facility had varying shoulder widths from one to eight feet with other deficiencies. By reconstructing this into a four-lane divided highway with raised medians, roundabouts at RT 64 and US89 intersections, and Cameron Bridge replacement will help mitigate those deficiencies. The Bridge Group has identified the replacement as a priority as it is structurally deficient. The accident rate on this stretch of highway is higher than the state average for rural facilities. Total estimated project cost is \$40M; currently it is funded with \$10M in FY2014; an additional \$17M is requested to be programmed in FY2015. It is anticipated that the remainder of the funding will be derived from the Bridge Replacement and Rehabilitation Program.

Ms. Toth continued with the following projects/requests:

- I-17, Rock Springs to Cordes Junction. Request an additional \$6.2M for the project; it is currently budgeted at \$24.9 M for FY 2014. The total cost would be \$31.8M.
- Defer \$5M from FY2014 into FY2015 for an I-40 Rancho Santa Fe Parkway, formerly known as Rattlesnake Wash. This would allow staff to work with the City of Kingman to further the IGA efforts.
- SR260, the W. Bullis extension: take a two-lane facility and extend it outside the Show Low area to five-lane section. Request for FY2015 to fund that project at \$6.8M for Phase I of that project.

PAG major projects as follows:

- I-10 Marana to Ina Road: request \$10M for FY2013 to FY 2014 and increase that \$20M so the total in the program would be \$30M in the FY2014.

- Defer DCR money, \$4M for FY2011 to FY2012 and add in the roadway widening construction phase in FY 2015 for a total of \$10.1M.
- Defer design from FY2014 to FY2015 for the I-10 Kino road T.I.
- Defer \$4M in design for the I-10 Country Club Road T.I. for FY 2013 to FY2014.
- I-10 Valencia T.I.: request to defer \$25M from FY2013 to FY 2015 and defer \$17.82M from FY2014 to FY2015, combining all the money into FY2015 for a combined total of \$42.8M.
- Another PAG interchange is the I-10 Wilmot Road T.I.: defer \$4M from FY2013 to FY2014 for design and then \$6M in construction from FY2014 to FY2015.

Ms. Toth explained that many of these deferrals are to balance the program where monies are being added in and to fiscally constrain the program within the overall budget.

- Construction on I-19 from San Xavier to Ajo Way: request an increase in funding for FY2014 from \$66.4M to \$86.4M.
- Widening project on SR77 from Tangerine Road to the Pinal County line: request increase from \$30.5M to \$33M within FY 2013.
- Widening project, SR86, Valencia to Kinney: request an increase in FY2011 from \$23.5M to \$31M.

Ms. Toth turned the podium over to Steve Hull to discuss the MAG Regional Program.

Mr. Hull noted that he would be talking about the Maricopa Area Regional Freeway Program. Last year at this time, he noted that “we were sitting here looking at Proposition 400,” a major funding component of the freeway system in Maricopa County. There is a \$6M gap between estimated revenue for the remainder of Proposition 400 (15 more years) and the cost to complete the work. Last year MAG’s focus was to try to figure out how to rebalance that program. The outcome of that effort was to take the remaining 15 years and spread it over the current 20-year transportation plan. This has resulted in changes to MAG’s 5-year plan for freeway construction, some in lengths of time for project completion, and some priority changes:

- Many modifications in FY2011-2013 to adjust to the new scenario.
- Typical updates for cost for design construction based on current prices.
- Prices were down, so most of the projects will have estimates a little bit lower.

MAG is repackaging three major corridors: the Loop 303, I-10 Maricopa Corridor and the 202 South Mountain Corridor have been repackaged into individual segments for re-design and construction. New projects are being added for FY2014 - 2015. System-wide costs for the regional freeway program include landscape maintenance, litter removal, and pavement sweeping; and there is money in the system for right-of-way advance acquisitions as parcels come on the market to acquire them to protect future corridors.

Traffic interchange improvements and freeway management systems (cameras that monitor traffic flow) costs were all identified in the original Proposition 400 programs. Overall there is a lot of money in the 5-year window for the MAG program, about \$800M per year, in large part because of Prop. 400:

- \$900M of that money goes into Loop 303 corridor to upgrade it to a full freeway capacity corridor.
- \$600M goes into the I-10 Maricopa Corridor to add combination of express lanes and local lanes to improve traffic flow.
- \$900M is coming up in Loop 202 South Mountain Corridor in two specific segments in the current Five-year program and the rest comes up in the following five years.
- In the five-year window are also HOV lane improvements on the Loop 101 Corridor from I-10 to Tatum to complete the HOV lanes for that entire loop.
- On the Loop 202, HOV lanes from the I-10 as far east as Gilbert Road. This may be one of the segments that will be repackaged pending funding.
- Small HOV Corridor on I-10 from Loop 202 to Riggs Road.

There is other work that is going on in the system including general purpose lanes and T.I. improvements in a number of other locations.

Ms. Toth returned to the podium to show one slide in relation to the Aviation Development Program. In anticipation of legislative sweeps in 2011, these are conservative revenue forecasts; but there is also hope for more economic stability in the program. She recommended approval of the tentative program in order to move forward with public comments in the March, April and May Board hearings.

Motion made by Steve Christy, seconded by Bill Feldmeier, to approve the tentative program outlined above. In a voice vote, the motion passed unanimously.

ITEM 10: State Engineer's Report – Floyd Roehrich

ADOT still has a fairly robust construction program. Some projects have slowed or shut down due to weather, but out of nearly \$1.4B under contract, there is still over \$400M of work to do. January saw the close-out of some significant projects and this should generate some close-out funds back into the program. An increase in the construction program is expected throughout this year.

ITEM 11: American Recover and Reinvestment Act (ARRA) 2009 Update

Mr. Roehrich applauded ADOT staff for their success with the ARRA projects despite the difficulties in these challenging times. He was confident that 100% of our funds would be obligated well before the March 2 deadline. 27 ARRA projects have already been completed and are in the process of being reconciled so that any leftover funds can be released back. He will work with Mr. Fink's team to get those funds obligated by the end of the fiscal year.

ITEM 12: ARRA II Funding Allocation - John Fink

Mr. Fink reminded the Board that earlier in the meeting the possibility of ARRA II funding was briefly discussed, and that there is still a lot of uncertainty about what it will be. In general, Mr. Fink said that it is believed that there will be new stimulus funding and there will be short time

frames involved, so it is important that funding allocations should be decided upon ahead of time.

Mr. Fink said that at the February 3, 2010, study session he presented three options for allocating funding:

- Option 1: Use the existing distribution formula for ARRA funds.
- Option 2: Apply distributions (the entire amount of highway funds) that were allocated in MAG and PAG. Under this option, shares of the state portion would go down and greater Arizona would gain.
- Option 3: Apply a standard percentage to the total highway amount. PAG share would stay the same, MAG shares would increase, and the greater Arizona share would decrease.

Chair Montoya opened up the floor for discussion and motion.

Mr. Feldmeier asked if the Board was being asked to change their previous position relating to ARRA I, or is the Board being asked to maintain that position.

Mr. Fink answered that it is the Board's option to either maintain their previous position or reconsider and change it.

Mr. Feldmeier asked if no action meant that "we would maintain as is."

Mr. Fink requested that the Board take action if it wishes to maintain. Mr. McGee explained further that since it involves additional new funds that may be coming from Congress, it is prudent that the Board takes formal action either way.

Mr. Christy commented that he was not present when the original allocation was made, and asked if the Board finds the efficacy of the current funding matter to be positive.

Chair Montoya answered that it was equitable and that the Board had previously discussed the matter.

Motion made by Steve Christy, seconded by Bobbie Lundstrom, to maintain the prior ARRA I allocation and commit to the same scenario to ARRA II. In a voice vote, the motion passed unanimously.

ITEM 13: ARRA II Priority List – Floyd Roehrich

Mr. Roehrich commented that while the preliminary list of ARRA II projects in the Board packets did include projects statewide and two projects in the MAG region, the project list is not finished yet. Work is still being done with the PAG region and Tucson District Engineer to finalize projects. He asked that the Board approve the list of projects brought forward with the understanding that if the funding does not occur, then those projects would come back to a normal priority programming process to get funded. Or if the ARRA funds do come, that list of projects would be the projects the Board would deliver using those funds. The list is not

prioritized and staff is asking the Board's discretion to allow the list to not be prioritized given the short time frames that may ultimately be in the legislation. This would allow for the projects to go out the door as they are ready, whereas a prioritized list would hamper staff in delivering the pull-through projects.

Motion made by Steve Christy, seconded by Bobbie Lundstrom, to maintain the current list as presented by staff regarding the projects dependent upon ARRA II and if there is any change in ARRA II funding that they be brought back to the board for re-evaluation.

Discussion:

Mr. Flores asked about the process for determining which project is #1, #20, and so forth. Will there be further recommendations by the stakeholders or ADOT?

Mr. Roehrich answered that after the Board approves the list, staff will deliver whatever sequence of the project list they can to cover the total cost of the project. ARRA II funds would only be used on these projects currently on the list; a different project would not be added without bringing it back to the Board. He commented that staff will not come back to the Board asking direction on the projects, but rather to report on the projects. Projects will be moved out at staff discretion when they are ready to go. There were no dollar amounts for PAG in the report but we know that is coming, and asked if the dollar amounts reflect the decision the Board just made regarding ARRA II percentages. These are not all of the projects necessary to consume the expected funds. He reminded the Board that they have \$350M at their discretion to use through ADOT and another \$175 set by Formula R1. The expected dollar amount of ARRA II is approximately \$350M. These dollar amounts would stay roughly within those same distribution cores: Greater Arizona, MAG and PAG.

Mr. Feldmeier asked how the Board should respond to the comments made earlier by Mr. Johnson representing Yuma related to potential ARRA projects in that region.

Mr. Roehrich said that consideration could be given to those if the Board would so choose. At this point "we would have to see if there have been savings" or if more fund distributions will be available to bring those back and add to the list. If the Board wishes, they can be prioritized and brought into the list.

Mr. Feldmeier stated that that would be his preference as well, and he is not interested in changing the list at this time. He stated that he is interested in better understanding the issues that Mr. Johnson has brought forward. He said he wants to address Mr. Johnson's concerns at some point in the future and also allow others to bring their concerns to the Board as well.

Mr. Roehrich agreed that would be a good discussion item. He added that there is a Federal program with hundreds of millions of dollars and that there is a possibility to use those funds for those programs, rather than try to attach them to ARRA.

Chair Montoya commented there may be districts that don't qualify for the ARRA funding because of the time frames so there may be federal aid money to put in those slots.

Mr. Roehrich encouraged the Board to keep working with the District Engineer to establish the priorities on those projects.

In a voice vote, the above motion passed unanimously.

ITEM 14: Construction Contracts - Floyd Roehrich

Mr. Roehrich continued with a discussion of contracts, noting that four have been awarded. He specifically commented on a project on SR 260; in evaluating the bid, the Department saw an apparent discrepancy in the road condition which caused the Department to question the validity of the bid. In the meantime, a road test was received from the second low bidder regarding the same condition observed by the Department. He requested that the Board defer ITEM 14a no later than March to allow the City Engineer's office to finish the inquiry and evaluate the merits of the road test and the bids.

Mr. McGee commented for clarity that this is the amendment made on February 17, 2010, to the regular Board agenda.

Chair Montoya asked for a motion.

Motion made by Steve Christy, seconded by Bill Feldmeier, to defer ITEM 14a this project for one month. In a voice vote, the motion passed unanimously.

Mr. Roehrich commented that ITEMS 14b – 14j are all recommended for approval. The Department believes that these are all competent bids, and under Department estimates for the most part. Bids were numerous, some with as many as 15. Also, there were good prices on commodities such as concrete, steel, asphalt and fuels. With the exception of the bid for the work on SR260 (Item 14-a), staff recommends award of these competent bids so that work can begin on the infrastructure needs.

Motion made by Delbert Householder, seconded by Bill Feldmeier, to approve ITEMS 14b – 14j. In a voice vote, the motion passed unanimously.

Chair Montoya suggested deferring Agenda Items 15 and 16 (Information Only items) to the next meeting or study session, unless the Board wishes to hear them at this meeting. The Board agreed to hear them at the next study session.

ITEM 17: Comments and Suggestions

Mr. Christy received a letter from the office of County Administrator Chuck Huckleberry of Pima County in response to Mr. McGee's letter. The writer said that the "Pima Association of Governments recently communicated with ADOT management regarding unexpected notification that available federal transportation funds were to be rescinded and that PAG program projects would be negatively impacted." Mr. Christy further quoted from the last paragraph of the letter which stated its intent: "I encourage you to request that ADOT staff keep the ADOT transportation board apprised of developments related to this important matter and that you insist that ADOT continue its previous and greatly appreciated efforts to work cooperatively with local jurisdictions to maximize securing federal funds to address our program


needs." Mr. Christy explained that he wanted that read for the record and will give the letter to Mr. McGee and the Director's office, asking them to respond to the County Administrator.

Mr. McGee said they will certainly respond to that letter. He encouraged representatives from COGs around the state to attend the next Study Session if they wish to give a review to the Board on the exact issues with respect to the rescission. He requested the item to be added to the agenda with the Chair's consent.

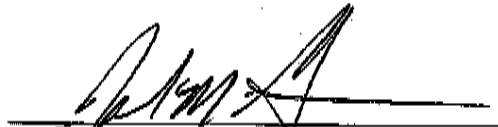
Chair Montoya expressed his support for Mr. Zubia on the alternative fuel issue and wishes to have a Board discussion on how this item can be approached from a policy standpoint, and maybe move it forward to the Governor in a letter. Mr. Montoya stated that he wants the Board to be proactive on this issue so that in five years the Board is not in "crisis" mode, as now is the case with the rest area issue.

Mr. Feldmeier asked if the Board would entertain that at the next study session and Mr. Montoya replied affirmatively. Mr. Feldmeier thanked Mr. Householder for the time he has spent on the Board and the additional months he has given the Board beyond his tenure to keep us going. He stated that the Board would miss him.

Motion to adjourn made by Steve Christy, seconded by Bobbie Lundstrom. In a voice vote, the motion passed unanimously.



Bob Montoya, Chairman
State Transportation Board



John McGee, Executive Director of Planning & Policy
Arizona Department of Transportation