

**STATE TRANSPORTATION BOARD
MEETING MINUTES
9:00 a.m., Friday, January 21, 2011
City of Nogales Council Chambers
777 North Grand Avenue
Nogales, Arizona 85621**

Pledge

The Pledge of Allegiance was led by Chairman Feldmeier.

Roll Call

Roll call by Board Secretary, Mary Currie.

In attendance: Bill Feldmeier, Felipe Zubia, Bobbie Lundstrom, Victor Flores, Steve Christy, and Kelly Anderson.

Opening Remarks

Chairman Feldmeier stated that he has always loved coming to Nogales and has spent a lot of time there in the past. He thanked Bobbie Lundstrom on behalf of the Board Members for her hospitality and he appreciated meeting folks from the City and County.

Chairman Feldmeier also recognized City of Nogales Council Members Jose Diaz and Ramon Felix and thanked them for taking the time to attend the meeting.

Call to the Audience

Manny Ruiz, Chairman, Santa Cruz County Board of Supervisors: Welcomed the Transportation Board and thanked Vice Chairwoman Lundstrom for her hospitality. He knows there is a tremendous job ahead of the Board especially when there are little funds. In Nogales, they would love to see the opportunity to have money for a train overpass. At times the train has had three side streets to North Morley Avenue blocked off at once which really has an impact on Emergency Services getting to the side streets. He mentioned the surface issue of the SR 82 overpass bridge. They welcome the opportunity to partner with ADOT to solve their transportation issues.

Shane Dille, Nogales City Manager: It has been a long time since he has had the opportunity to be in front of the Board. Partnerships are indeed the answer to public service today. There is certainly a need for those partnerships here in Nogales. He understands the magnitude of what the Board is faced with in dealing with these types of issues local, regional, and statewide. Really nobody can feel the complete weight that is felt and he respects that. There are needs in Nogales presently. There is I-19, SR 189, I-19 Business, Grand Avenue, and SR 82. There are lots of opportunities for partnership. He wants to recognize the support of the district office in Tucson. They will offer what support they can to help mitigate. That bridge that exists today is the only access point they have across the railroad. With the kind of traffic that they generate both local and regional, the critical arterials are a mess. There is a lot of pedestrian and vehicular traffic. These arterials are critical to their ability to be a success as a regional player and as a local community. And so, partnerships are very important. IGA's that they have between city and the state that were put into play 20 – 30 years ago may not be appropriate today. These may need to be revisited to make sure that they still work for the state, city, and the region. It is his hope and effort to address those with the state.

Ann English, Cochise County Supervisor: She thanked the Board for realizing that those in the rural areas of Arizona really have a great number of transportation needs. She also wants to thank the Board for applying for the federal funds for the border infrastructure. Cochise County sits on the border just like Santa Cruz County. This does present unique opportunities for them to enter into cooperation with the federal government in order to get the roadways to a standard that is livable. We did a survey for Cochise County two years ago asking people what were their priorities. What it came down to was for safer roads to drive on. They have to take that seriously as the Board of Supervisors because that is what the communities want and need are better infrastructures so that they can drive from one place to another. It is not the highways that they are concerned about, it is the dirt roads. They have 800 miles of dirt roads out of the 1,400 miles of road structure in Cochise County. There are limited funds at this point and they are trying to maintain the dirt roads as best as possible. Cochise County has two ports of entry one of them is in Douglas and one of them is in Naco. Naco is the only port of entry that does not have a state road that leads to it, but rather a county road. They are grateful for the federal funding through ADOT and through SEAGO to the area. With the tremendous hurdles that have to be gone through with this kind of project sometimes makes it hard to follow through because they lack the manpower to do what is necessary in order to accept the federal funding. With the number of rural communities van transportation is very important to get people to medical services and get the things that they need. She applauds the Safford District for their service and compliment them with the way they worked with Cochise County in order to resolve problems.

Randy Heiss, Executive Director of SEAGO: Introduced their new Transportation Planner Luke Droeger. Randy noted an error on agenda Item 15, which shows the Davis Road Project Assessment sponsored by SEAGO, and it should read as sponsored by Cochise County. He also wants to urge the Board's approval of Items 8e, 8m and 8p today and at a future meeting the projects that are in Item 15. All of those projects are extremely important to the movement especially the investment in the border infrastructure.

Annie McGreevey, President, Friends of Scenic Hwy 82: Expressed an issue related to ADOT's Adopt a Highway program. Until recently many local groups pick up litter on their adopted mile twice a year. A new regulation requires clean ups four times a year, once each quarter. That means ADOT volunteers have to be out walking in the grass on the side of the highways during snake season. Additionally, she requested that ADOT reduce the clean-up regulations to twice per year.

ITEM 1: District Engineer's Report – Todd Emery, Tucson District Engineer

Construction accomplishments for the Tucson Region in 2010 include

- 20 Projects Awarded by Board
- 21 Projects Substantially Completed
- 250+ Encroachment Permits Issued

Maintenance accomplishments include:

- Guardrail Repair: 4,475 feet
- Fence Repair: 50,786 feet
- Sign Maintenance: 107,945 square ft.
- Roadway Flushes: 300 Lane Miles
- Roadway Lighting Repairs: 619
- Traffic Signal Repair: 867
- Emergency Response: 820 Call Outs, 1,800 hours
- Operation Clean Sweep: 1,850 miles, 572 T

Projects Completed:

- I-10 Potrero Road Bridge – October 2010
- SR 82/B-19 Railroad Bridge
There were two main challenges on project, 1) Reinforcing Steel at Surface or just below (0.25 to 0.5 inches) – should have been 1+ inches below, 2) The amount of patch work required far exceeded planned amount. The bridge has been profiled and the bridge group was consulted to determine options for improving surface profile. The result is that we will be able to grind the deck up to 0.5 inches and may be able to overlay the deck up to 1 inch (pending)
- Projects near bid ready
 - SR 189 MP .42 to B-19 – Pavement Preservation – April 2011
- Design Projects
 - Interim improvements to SR 189 Mariposa Port of Entry. How to get traffic safely in and out of MPOE
- Planning Projects
 - SR 189; MPOE to B-19
 - DCR/EA
 - Possible SR189 Parkway
 - Possible Realignment of I-19

ITEM 2: Director's Report – John Halikowski, Director

South Mountain

- ADOT is working closely with the Maricopa Association of Governments and the Federal Highway Administration to conduct environmental and engineering studies of the proposed freeway. The current EIS is studying the alignment along Pecos Road, going through a portion of the South Mountain Park and connecting to I-10 along 59th Avenue.
- A public meeting will be held on Feb. 22 – in partnership with the City of Phoenix – to describe and solicit input on two alignment options in the western section of the proposed corridor through Laveen. One option comes from the original 1988 plan while the other option was developed a few years ago. We will ask the public to consider the options in the context of the surrounding land, its history, potential uses and how it complies with the City of Phoenix General Plan.
- In addition, MAG and ADOT are working with the Gila River Indian Community to address environmental and cultural concerns with the current freeway alignment. The Community indicated it was willing to assist in conducting a preliminary study of an On-Community freeway alignment that is consistent with the tribe's 1988 Gila Borderlands Regional Planning Study. The work done to date has been to develop design-level concepts, providing GRIC leadership with information to consider.
- The Community's main concern is to protect South Mountain. An On-Community alternative would avoid cuts into the mountain and address additional environmental and cultural concerns.
- The preliminary study has found no technical (engineering, environmental or cultural) "showstoppers" at this point in constructing the freeway on the Gila River Indian Community, but additional survey and engineering work is still needed.
- Gila River Indian Community is a sovereign nation; any impacts to the reservation require Community Council approval, this includes an On-Community freeway alignment. Input from tribal members is

critical to GRIC's process and the Community is conducting meetings with tribal members to assess how or if to proceed with further study of this potential option.

- No decisions have been made regarding a final South Mountain alignment. However, all parties recognize that it is critical to resolve the final alignment for about the South Mountain Freeway and move toward the conclusion of the EIS process as soon as possible.

SR 303

- Construction at key intersections at Loop 303 and Bell, Cactus and Waddell roads will be completed this spring. The advancement of construction at these intersections will help make way for future expansion of Loop 303 into a freeway.
- The Loop 303 segments north of Happy Valley Parkway connecting Loop 303 to Interstate 17 are currently under construction.
- The Loop 303 segment from Happy Valley Parkway to I-17 is anticipated to open to traffic as an interim roadway (two lanes in each direction) this spring 2011.
- Loop 303 segments between Interstate 10 and US 60 (Grand Avenue) are currently in the final design phases. Construction will start this spring / early summer 2011 beginning north in Surprise (Mountain View Boulevard to Peoria Avenue) and will work south toward Interstate 10.
- Loop 303 / Interstate 10 Interchange construction is anticipated to begin this summer / early fall 2011 and will take approximately two and a half years to complete.
- All Loop 303 segments between I-10 and US 60 (Grand Avenue) including the Loop 303 / I-10 Interchange and the interim Loop 303 / US 60 Interchange are anticipated to be completed by 2015.

Logo Signs

- ADOT is working closely with the Maricopa Association of Governments and the Federal Highway Administration to conduct environmental and engineering studies of the proposed freeway. The current EIS is studying the alignment along Pecos Road, going through a portion of the South Mountain Park and connecting to I-10 along 59th Avenue.

Legislation

- Legislature is in session; the House has until Jan. 24 and the Senate has until Jan. 31 to submit bills.
- ADOT is working through two bills, an Omnibus bill and a draft Public Private Partnership bill, that Eileen will update you on this morning.
- Already in the two week old session, we have met with several legislators individually, we are working with the freshmen members and we have conducted several meetings with new leadership such as the new chair of the House Transportation Committee, Vic Williams from Pima County.
- Governor Jan Brewer has released the FY2011 and FY2012 state budget:

Comparison of Estimated FY 2011 v. Governor's Recommended Budget:

	<u>FY 2011</u>	<u>Recommended FY 2012</u>
HURF Revenue	\$1,205.5	\$1,220.7
Net HURF	\$1,125.3	\$1,099.2
Net State Highway Fund	\$522.1	\$485.7
Net Cash Available	\$305.5	\$289.2

***ITEM 3: Consent Agenda**

Motion to approve the Consent Agenda made by Kelly Anderson and a second Bobbie Lundstrom. In a voice vote, the motion carries.

Bill Feldmeier: Asks to have Item 14 & 15 moved up to accommodate Gail's schedule

ITEM 15: Coordinated Border Infrastructure (CBI) Federal Funding Program Update – Gail Lewis

Gail provided an informational presentation and explanation of CBI:

What is CBI

- Improvements in a border region to existing transportation and supporting infrastructure that facilitate cross-border movements;
- Construction of highways and related safety and safety enforcement facilities in a border region that facilitate international trade;
- Operational improvements in a border region, including improvements in electronic data interchange and telecommunications to expedite cross border vehicle movement;
- Modifications to regulatory procedures to expedite safe and efficient cross border motor vehicle and cargo movements;
- International coordination of transportation planning, programming, and border operations with Canada and Mexico relating to expediting cross border movements.

Issues unique to Border Projects

- Relationship to different forms of federal regulations, funding and priorities
- Need to consider transportation projects in Mexico
- Unique needs of border communities – amount of truck traffic, truck destinations
- Pedestrian/motor vehicle interactions
- Enforcement component
- Small communities – big issues
- Dedicated funding source - \$22 million left unallocated

New Process

- Step 1: Basic CBI Criteria (FHWA Project Eligibility Form)
- Step 2: Expanded CBI Criteria (ADOT Project Eligibility Form)
 - Ready to begin within 12 months
 - Required steps completed (or underway and funded)
 - Leverage other funding or projects
 - Contribute to systemic efficiency and mobility
 - Contribute to safety
 - Future funding options identified
- Step 3: Meet with Communities
- Step 4: Internal ADOT Review and Mainstream into ADOT Planning and Delivery Process

Outcome

- Encourage communities and ADOT to think more strategically
- Process that is better understood and more transparent
- More accountability to federal funders

- More visibility for border projects and their connections to federal/state/local transportation systems

ITEM 14: P3 Update – Gail Lewis

Gail provided an overview and update of the P3 Program which included:

- MPO Policy Discussions
- MAG HOT Lanes Study
- Legislative Changes
- Temporary suspension on acceptance of unsolicited proposals for tolled highways
- Interviewing consultants to assist with polling, focus groups, message development and strategies

ITEM 4: Legislative Report – Eileen Colleran

FEDERAL

On the federal level, the House just passed a new rule which allows them to appropriate less than the recommended funding levels in SAFETEA-LU for highways and transit. This new rule changed the existing rule that had been in place through TEA-21 and SAFETEA-LU. The impact of this change will not be known until the House comes out with their appropriation bill for the rest of 2011.

Congressman Mica will be doing field hearings in March to receive input on his reauthorization bill.

Senator Boxer, Chair of the Senate Environment and Public Works Committee has been working on her piece of the reauthorization bill and will have a hearing next Wednesday on Transportation's Role in Supporting Our Economy and Job Creation. The President and his administration are supposed to unveil their priorities for the next reauthorization bill in February. It is unclear whether this will be a detailed proposal or an abbreviated version.

STATE

On the State level, the Legislature is in session and bills are in the process of being filed. The House has until 1/24 and the Senate has until 1/31 to submit bills. ADOT has filed an Omnibus bill which includes the following:

- Allows the director to conduct background checks on new employees
- Conforms state law to federal commercial motor vehicle requirements
- Eliminates obsolete legislation that is covered by federal requirements
- Deposits special overweight fee permits at the international port of entry into the State Highway Fund
- Enables ADOT to contract out the licensing of all professional driving schools

We are also working on a draft Public Private Partnership bill to make changes based on the recommendations of the experts we are working with. Stakeholders are meeting today to discuss the draft. The draft generally does the following:

- Expand the facilities eligible to include such things as airport retail concessions, transportation buildings, and maintenance yards.
- Repeals the refund for fuel tax and motor carrier fees
- Provides for tolling authority and enforcement

ITEM 5: Financial Report – John Fink

John provided an update of various ADOT Funds, including: December HURF report, Maricopa Regional Area Road Fund, Aviation Fund, Cash Management / Investment Program through December 31, 2010.

ITEM 6: Financing Program – John Fink

John presented final pricing information on the Grant Anticipation Notes (GANs) Series 2011 being issued by the Board in the amount of \$158,585.00.

ITEM 7: Multimodal Planning Division Report – Jennifer Toth**L RTP**

They are currently developing the recommended investment choice for revenue projections of a 25 year time frame. Public Meetings will be held in March and policy committee meeting in March / April timeframe. Also creating a division recommended investment choice and that is a basis from bqAZ, taking a look at the investment scenario if they could implement those projects by 2025. Also, creating other scenarios for middle ground, mixed use, and transit rail. They are looking forward to gaining input from the public.

Transit Funding Applications

Developing grant application process for 5310 and 5311, rural transit aids program and elderly and special needs program. They have been going out doing their application work for the selection of the 2011 grant period.

Rail Program

Announcement of a new MPD Rail Project Manager, Mike Kies, to move forward with the rail study alternatives analysis and environmental document between the Phoenix to Tucson area.

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

Jennifer proposes the award of Items 8a – 8o together. These are various projects throughout the state. Items 8b – 8h will go before the MAG Regional Council on January 26, so Board approval will also be contingent upon approval from the MAG Regional Council.

Motion to approve Items 8a – 8o, noting that approval of Items 8b – 8h are contingent upon MAG Regional Council approval, made by Felipe Zubia and seconded by Bobbie Lundstrom. In a voice vote, the motion carries.

Items 8p – 8s are various projects being funded through the State Aviation Fund. Item 8p is a state and local match, whereas, Items 8q – 8s are federal, state and local matches.

Motion to approve Items 8p – 8s, made by Steve Christy and seconded by Kelly Anderson. In a voice vote, the motion carries.

***ITEM 9: Sedona Route Transfer – John McGee**

John McGee gave an overview of the 8 additional PPAC items related to the Sedona Route Transfer and updated the Board on current negotiations with the City of Sedona.

Items 9a – 9h represent actions the board needs to take in order to effectuate the potential route transfer being negotiated by ADOT and the City of Sedona staff, as was reported to the Board at the November 19, 2010 Board Meeting. Since that date a number of things have occurred. On November 23, he along with other ADOT staff attended a Sedona City Council Meeting to answer questions about the transfer. Sedona staff presented to the Sedona City Council, the same presentation that John gave on November 19, and the City Staff recommended to the Council that they accept the proposed agreement and transfer.

Joe Acosta, Assistant Atty. General, has developed a draft legal agreement for the transfer. John and Mr. Acosta have met twice with the Sedona City Manager and City Attorney to discuss the framework and specifics of the agreement. Their legal counsel is developing some alternative language for our review. Our goal is to have an acceptable agreement completed by the end of February.

The City of Sedona held an open house for their residents on the proposed transfer on January 13. ADOT technical staff and Public Information staff attended the event and reported that the residents that attended expressed a wide range of opinions on the transfer. The City has two more formal events planned over the next few weeks and will send a questionnaire to all its residents, in anticipation of taking a formal vote on the proposal on February 22.

These Board Items were all approved by PPAC on January 5, however PPACs approval was a conditional approval contingent upon Sedona's acceptance of the route transfer as evidenced by the signing of the route transfer agreement. Should the board approve the actions Items, which the Department recommends, it is also recommended that the Board's approval be conditional such that it becomes effective only upon execution by the City of the route transfer agreement.

Even though the Department and City Staff have agreed to a set of financial terms and schedules, as presented to the Board in November, the agreement is complex and there may need to be some minor changes to those terms. If such changes require any modification, the information will be brought back to the Board for reconsideration.

Motion to approve Items 9a – 9h, contingent upon the acceptance and signing of the route transfer agreement by the City of Sedona, made by Steve Christy and seconded by Bobbie Lundstrom. In a voice vote, the motion carries.

***ITEM 10: Additional Enhancement Project – Jennifer Toth**

Jennifer presented recommended PPAC actions to the Board on additional Round 18 Enhancement Projects (located on P. 218 of the Board Agenda).

Motion to approve the additional enhancement projects made by Felipe Zubia and a second Kelly Anderson. In a voice vote, the motion carries.

ITEM 11: State Engineer's Report – Floyd Roehrich

Floyd gave an overview of current projects. There are 145 projects under construction. They are placing a lot of emphasis on finalizing projects and put any left over funds back into the program.

The Globe District Engineer position is vacant once again and Dallas Hammit is working to fill the position. Yuma District Engineer, Rod Lane, has expressed interest in that position and will become the Globe District Engineer.

***ITEM 12: Construction Contracts – Floyd Roehrich**

Seven Construction projects are before the board today, three of which were approved on the Consent Agenda.

Three of the projects have protests.

Item 12a involves a protest. Representatives from each company are present and have requested to address the Board. Floyd explained the Departments recommendation to Reject Fann's protest and award the contract to Meadow Valley Contractor's, Inc.

Chairman Feldmeier – Provided time for each party to address the Board:

Rob Bottcher, President, Meadow Valley Contractors

Mr. Bottcher explained his history of working with ADOT and the process by which he prices his product. He contests that his prices are fair and balanced.

Mike Fann, President, Fann Contracting

Mr. Fann explained his reasoning for submitting a formal bid protest that states Meadow Valley submitted a bid that was mathematically and materially unbalanced.

Motion made by Steve Christy to go into Executive Session for the purpose of receiving legal advice on Item 12a and seconded by Felipe Zubia. In a voice vote, the motion carries.

The Board moves into Executive Session from 11:50 to 11:55 am and then returns to the regular Board Meeting.

Motion made by Victor Flores and seconded by Bobbie Lundstrom to reject Fann's protest and award the Item 12a contract to Meadow Valley Contractor's, Inc. In a voice vote, the motion carries.

Item 12b is a pavement preservation project on I-40. Originally a formal bid protest was filed by Fann Contracting, stating that FNF Construction submitted a bid that was mathematically unbalanced and their bid should be rejected. Mr. Fann has rescinded his protest and Floyd requests that the Board move forward to approve the award.

Motion made by Steve Christy and seconded by Kelly Anderson to award Item 12b to FNF Construction, Inc. In a voice vote, the motion carries.

Item 12c is a box culvert extension project on SR 79. Bison Contracting submitted a formal bid protest claiming that Aloha Grading is not prequalified with the Department to perform the work described in the Advertisement for Bids. The second item is that Aloha is 33% under bid. The Department's analysis finds Aloha Grading is prequalified. The 33% under bid is due to Aloha Grading being a subcontractor on a nearby project. They are in the vicinity of this project, which is an efficiency reflected in their bid. The Department recommends Board approval for Item 12b

Motion made by Steve Christy and seconded by Bobbie Lundstrom to award Item 12c to Aloha Grading, Inc. In a voice vote, the motion carries.

Item 12d is a small enhancement project in the Town of Quartzsite on SR 95. The bid was 24.9% under. The efficiency is due to the contractor working on another similar project nearby. The contractor will also be able to provide granite mulch needed for the project, from a location near the vicinity, which saves on having the materials hauled in. The Department recommends approval of Item 12d.

Motion made by Steve Christy and seconded by Victor Flores to award Item 12d. In a voice vote, the motion carries.

***ITEM 13: Transportation Enhancement Review Committee (TERC) Chairman – Felipe Zubia**


Felipe Zubia, current TERC Chairman, nominated Board Member, Victor Flores as the new TERC Chairman. Victor agrees to accept the position.

Motion to approve nomination of Victor Flores as the new TERC Chairman made by Steve Christy and seconded by Kelly Anderson. In a voice vote, the motion carries.

ITEM 16: Comments and Suggestions

Board Member Christy thanked Floyd Roehrich and Todd Emery for the information provided to him regarding traffic incidents on I-10 between Phoenix and Tucson. He would like the Department to keep in mind an ongoing focus on developing traffic alternatives for roads and frontages, particularly north of Casa Grande. The concern is that a catastrophic event could damage commerce and industry between Tucson and Phoenix and it is important to keep that corridor open.

Motion made by Mr. Anderson and a second by Mr. Christy to adjourn the meeting at 12:10 pm. In a voice vote, the motion passed.



Bill Feldmeier, Chairman
State Transportation Board



John Halikowski, Director
Arizona Department of Transportation