

MINUTES
STATE TRANSPORTATION BOARD PUBLIC HEARING AND BOARD MEETING
9:00 a.m., Friday, April 17, 2015
Arizona Department of Transportation
Administration Building Auditorium
206 S. 17th Avenue
Phoenix, AZ 85007

Pledge

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

Roll call by Board Secretary Mary Beckley

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

Absent: None.

Opening Remarks

Chairman Anderson welcomed the new State Transportation Board member Michael Hammond, from District 2, Pima County, replacing outgoing member Steve Christy.

Call to the Audience

The following member of the public addressed the Board:

1. Maria Cecilia Ramos, YMPO Chair, inviting Board to the Rural Transportation Summit in January 2016, and State Transportation Board meeting will be in San Luis on January 15, 2016.
2. Mike Willett, Asst. Public Works Director, Yavapai County, re: requests SR 260 between Thousand Trails to I-17 accelerated into the five year program; and keep the SR89 project between Deep Well Ranch Roundabout and 89A in the program; update on progress between Prescott and Yavapai County on the Willowcreek alignment.
3. Scott Walters, Advocacy Director, Tempe Bicycle Action Group, re: requests federal funding for bicycle lanes, use, etc., not building more freeways and creating more opportunity for bicyclists.

An additional late request to speak on the public hearing was allowed after the public hearing items were heard, which is part of the following transcription:

STATE TRANSPORTATION BOARD MEETING – APRIL 17, 2015

I N D E X

PAGE

PUBLIC HEARING ON FY 2016-2020 FIVE-YEAR TRANSPORTATION FACILITIES CONSTRUCTION PROGRAM (Michael Kies)3

ITEM 1: DISTRICT ENGINEER’S REPORT (Madhu Reddy)25

ITEM 2: DIRECTOR'S REPORT (Director Halikowski)38

ITEM 3: CONSENT AGENDA39

ACTION TAKEN
 MOTION TO APPROVE CONSENT AGENDA.....40

ITEM 4: LEGISLATIVE REPORT (Director Halikowski).....40

ITEM 5: FINANCIAL REPORT (Kristine Ward)42

ITEM 6: MULTIMODAL PLANNING DIVISION REPORT (Dallas Hammit)46

ITEM 7: PRIORITY PLANNING ADVISORY COMMITTEE (PPAC) (Michael Kies)52

ACTION TAKEN
 MOTION TO APPROVE PROJECT MODIFICATIONS ITEMS 7a through 7i56
 MOTION TO APPROVE NEW PROJECTS ITEMS 7j through 7m.....56
 MOTION TO APPROVE AIRPORT PROJECT ITEMS 7n and 7o.....57

ITEM 8: STATE ENGINEER’S REPORT (Dallas Hammit)57

ITEM 9: CONSTRUCTION CONTRACTS (Dallas Hammit)61

ACTION TAKEN
 MOTION TO APPROVE ITEM 9a63

ITEM 10: RESOLUTION TO RESCIND THE DESIGNATION OF TANGERINE ROAD (as State Route 989) from State Route 77 to I-10 (Floyd Roehrich, Jr.)64

ACTION TAKEN
 MOTION TO RESCIND DESIGNATION OF TANGERINE ROAD AS STATE ROUTE 98968

ITEM 11: SUGGESTIONS.....68

1 (Beginning of excerpt.)

2 CHAIRMAN ANDERSON: At this time we'll move into
3 the presentation by staff.

4 Mr. Kies.

5 MR. KIES: Thank you, Mr. Chair and members of
6 the board.

7 As part of the public hearing for the five-year
8 program, I'd like to give an overview of the contents of the
9 five-year program and some of the other elements that are
10 included in the program.

11 Okay. Got it.

12 What I'm going to cover as part of this overview
13 of the program is first a little background on how we developed
14 the program and some of the requirements that are needed to
15 approve the program. Then a little information about our
16 process, how do we identify projects and then move them into the
17 program, and that's called our Planning to Programming process.

18 I'm going to touch a little bit on the condition
19 of our assets, the state highway system. That actually exists
20 out there in the field, and then an overview of our five-year
21 highway program, which is our construction program for the next
22 five years.

23 We also have what we call -- what is called our
24 development program. That's the program that looks an
25 additional five years out. So we're talking about projects that

1 we envisioned implementing over the next ten years when we talk
2 about this entire program.

3 Then there's projects that are proposed in the
4 Pima County area, which is overseen by PAG, or the Pima
5 Association of Governments, and then projects in the Maricopa
6 County area, which is overseen by MAG, or the Maricopa
7 Association of Governments.

8 Then we also have an airport program that we
9 manage in -- at ADOT.

10 So a little background about the five-year
11 program and what goes into it. First, this is a collaborative
12 effort. There is a small group of people that talk about the
13 projects that go into this program. We coordinate within ADOT,
14 and we coordinate with our regional partners as we develop this
15 program. And what the program does is it demonstrates how
16 federal and state dollars will be obligated over the next five
17 years. And then as I mentioned, we have our development
18 program, which looks the next five years out. So an entire ten
19 year look ahead. We do this process every year. It's approved
20 annually, and then the program must be fiscally constrained.

21 As you see at the bottom of this slide, there's
22 two bullet points there. The five-year program, which is the
23 construction program for the next five years, must be fiscally
24 constrained, which means that we must assure that there's enough
25 revenue to cover all of the projects that are identified in the

1 five-year program. And then our development program, which
2 looks out to the ten-year horizon, is what we call financially
3 constrained. Meaning that we have a reasonable expectation that
4 that number of dollars will be available to us for projects over
5 the next ten years.

6 So how do we develop the five-year program and
7 then the six through ten-year program after that? Well, much of
8 our guidance is from our federal legislation that provides the
9 federal funds to us that much of the projects are funded by, and
10 that requires us to look at several national goals. Safety,
11 infrastructure condition, system reliability and so on. You see
12 those on this slide in front of you. So we've developed a
13 process where we look at our needs around the state and align
14 them to these national goals that the federal legislation
15 instructs us to look at.

16 And that process is called Planning to
17 Programming or our Planning to Programming linkage. We
18 nicknamed it P to P. And what the planning and programming
19 process does is it links our three major documents together,
20 which you see on this slide. The first one at the far left is
21 our long-range vision, or what we called bqAZ, Building a
22 Quality Arizona. That document suggests what our transportation
23 should look like 50 years out in front of us. Then we -- the
24 second document there is our long-range plan, which looks out 20
25 years and gives us guidance on how we should be programming our

1 funding between different types of projects. And then lastly is
2 our five-year construction program, which we're talking about
3 today. And this P to P process links all of those documents
4 together to identify and prioritize projects into the five-year
5 program.

6 This graphic graphically shows that linkage
7 between all these documents, where we start on the left with a
8 universal project or all the different type of projects that we
9 might identify to build out our state highway system. We then
10 divide those into different categories, which focused on
11 different elements of the highway system. We have these
12 elements as modernization, expansion and preservation.

13 Modernization are those type of projects that
14 improve the existing system that we have. One good example of a
15 modernization project would be a safety enhancement where we're
16 improving the safety of the facility that's already in the
17 ground. Expansion projects are those that simply expand the
18 system, add new lanes, add new capacity to the roadways.
19 Preservation is that category where we preserve the existing
20 system that we have. We then take all of those projects in
21 these categories, prioritize them, which are the most important
22 to the State of Arizona, and then fund those that are the
23 highest priority to the State.

24 The goal of the P to P process is to create a
25 performance-based process that simply links the planning work

1 that we do at ADOT to the programming, so that we're
2 implementing the right project at the right time.

3 This is a graphic that shows the principles of
4 that -- this Planning to Programming process. It's a yearly
5 cycle where we start with system performance at the bottom. We
6 look at how well is the system operating, where are the needs on
7 the system. Then every year we evaluate the projects that could
8 help us improve that system performance, and we identify
9 projects that go into two programs, the delivery program, which
10 is the first five years, the development program, which is then
11 the second five years, looking out a full ten years. What we're
12 here to talk about today is that one-year cycle that we're doing
13 to identify projects that go into these two programs.

14 So with that said, I'd like to review a little
15 bit about the current condition of our assets that are out
16 there, the state highway system that exists in -- out on the
17 ground. Every year we value what the value of that system is to
18 the State of Arizona. This year we've identified that the value
19 of our state highway system is worth nearly \$20 billion. \$19.7
20 billion.

21 One of the major issues that we wrestle with with
22 the five-year program is we need to make sure that we preserve
23 this system that we have in the ground. If we were not
24 preserving this system and it fell into disrepair, we estimate
25 that it could cost as much as \$200 billion to replace that

1 system that we currently have. So staff has a strong focus on
2 making sure that we're spending enough on preservation of the
3 existing system.

4 And the reason is that preservation ultimately
5 saves money. If you think about your car, if you never did
6 maintenance on your car, you never changed the oil, it would
7 cost you more in the long run with major repairs that need to be
8 done to your car. The same happens with our state highway
9 system. If we don't put enough preservation to maintain the
10 good repair of the system, it's going to cost us more in the
11 long run.

12 This is an example of how we track, one element
13 of tracking the condition of our assets. This graphic shows all
14 the bridges on our state highway system and the condition that
15 they were in in 2013, green being good, yellow fair and red
16 being poor condition. And we're happy to report that only 5
17 percent of our bridges are what we consider in poor
18 condition. But that really -- those bridges then become the
19 focus of what projects should go into the five-year program to
20 make sure that we're keeping up with the preservation of our
21 system.

22 Here's some examples of what we consider bridge
23 preservation projects. This is an example of a recently
24 completed project where a culvert was failing because of some of
25 the drainage aspects, and you see the after picture there where

1 now we believe it's in good condition. It can last for quite
2 awhile.

3 Another example of a bridge preservation project
4 on State Route 77. You see the before picture there and then
5 the after picture where the deck has been completely replaced.
6 And you can see with this example not only are we preserving the
7 condition of the bridge, but we're actually enhancing the
8 transportation system at the same time. You see that shoulders
9 have been widened to the bridge, and so now there's added safety
10 to this part of the transportation system.

11 Another example of bridge preservation where the
12 bridge was completely replaced, removed and replaced with a new
13 bridge. Another example of the type of projects we do as far as
14 preservation.

15 Here's another example of how we track the
16 condition of our assets. This is now looking at the trends over
17 the last ten years. So the graph on the left is now showing you
18 pavement conditions on our interstate highway system over the
19 past ten years, and you can see that the focus of pavement
20 preservation on the interstate system has kept the majority of
21 the interstate system in good condition. 90 percent of the
22 interstate system is in what we consider good condition.

23 However, with the limited funds that we have, we
24 haven't been able to put the same level of funding into our
25 state highway system on the non-interstate system, and you can

1 see that the trend for the pavement condition has been slowly
2 degrading, and more and more of that system is considered in
3 poor condition. So we -- so staff feels that we need to
4 continue to focus on the preservation side of the five-year
5 program.

6 This is an example of a project recently
7 completed, and this is what we refer to when we refer to
8 pavement preservation. You can see the condition of the
9 pavement before and after the preservation was completed.

10 With that said, every once in awhile we ask our
11 internal staff what level of funding should we be spending if we
12 were to -- if we were to spend an amount of funding each year,
13 what would that level be if -- to maintain the existing state
14 highway system in its current condition, its overall current
15 condition that we see today. And staff has identified that that
16 amount of funding is \$260 million a year that we should be
17 spending on preservation to keep the system in its current state
18 of condition.

19 This ten-year program that we're presenting today
20 does not attain that level of funding until the year 2024. So
21 we see a concern that we may not be fully funding preservation.
22 We need to keep remembering that preservation is a key part of
23 this program.

24 With that said, I'll provide an overview of the
25 five-year construction program, the next five years of projects

1 that we intend to fund.

2 The pie chart on the left here shows what the
3 long-range plan suggests as how we should be dividing our
4 program between preservation, modernization and expansion.
5 Approximately a third of our programs should be in preservation,
6 another third in modernization, which highlights those safety
7 improvements, and then a third in expansion.

8 The five-year program that we're presenting today
9 is the pie chart on the right, where you see as -- as I
10 explained, preservation is a little short of what the long-range
11 plan goal is at 29 percent of the program, modernization at 12
12 percent, and then you see 59 percent of the overall program in
13 expansion, which does not match the graph on the left at 27
14 percent.

15 However, this pie chart does include all the
16 projects that are proposed in Maricopa County, Pima County and
17 the rest of the state. And in Maricopa and Pima County, they
18 have dedicated funding sources that the voters have voted in.
19 Part of the sales tax goes towards transportation, and most of
20 those projects have been -- that have been promised in those
21 regions are expansion projects, and we have little influence on
22 that percentage of the program. So we at staff level are really
23 focusing on preservation and modernization for the statewide
24 element.

25 So if we look at this Greater Arizona, this is

1 outside of Maricopa County and Pima County, the rest of the
2 state. The program focuses a lot on preservation. 68 percent
3 of the program on preservation, 24 percent on those
4 modernization projects, which are those safety projects, mainly
5 safety projects that we mentioned, and that, as you can see,
6 provides very limited funding for expansion projects around the
7 state. 8 percent of the program in Greater Arizona is proposed
8 for expansion projects.

9 This is an overview of each fiscal year from 2016
10 to 2020 in the five-year program. Again, you see in green how
11 much of each year's funding is dedicated to preservation, in
12 red, modernization, and then what's left for the expansion
13 projects. To highlight some of those expansion projects that
14 are in the five-year program in fiscal year 2016, State Route
15 260, Thousand Trails, which is between Camp Verde and
16 Cottonwood, a project widening that road from two lanes to four
17 lanes.

18 Also in 2016, you see some initial phases of a
19 couple of our high priority projects: State Route 347 overpass
20 in Maricopa and State Route 189 in Nogales. As far as the State
21 Route 347 project, you see in the last fiscal year, 2020, the
22 full construction of that project proposed at \$36.2 million,
23 with 8 of that -- 8 million of that being from our local
24 partners in the City of Maricopa.

25 Another project to highlight in this five-year

1 program is in 2017, State Route 89 from Deep Well Ranch Road to
2 SR-89A. It's another project in the Prescott area to widen from
3 a two-lane road to a four-lane divided highway.

4 If we focused on the preservation program, this
5 map on the right shows all of the preservation projects that are
6 proposed in the five-year program. You can see that they're all
7 over the state of Arizona and different sizes and shapes of --
8 related to the preservation program. The list on the left is
9 simply an example of some of those projects that are in the
10 program and the type of information that you see if you study
11 the five-year construction program.

12 Again, the modernization program. Again, the
13 projects that are proposed around the state, and then on the
14 left, an example list of some of those projects that you would
15 see in the program. This demonstrates the type of projects that
16 we consider as modernization projects, such as shoulder
17 widenings, roundabout, other safety improvements. There's a
18 project here listed for variable message signs in different
19 parts of the state, and those are the type of projects that you
20 would see in our modernization program.

21 And that -- last, the expansion program. And
22 again, as you can see, we have limited funding towards expansion
23 around the state, but those projects that I highlighted earlier
24 are on this list, including the 260 project, the 347 project,
25 the 89 project and so on. With that, that is the summary of the

1 five-year construction program and the major projects that we
2 highlighted.

3 With that, I'll move on to the development
4 program, or the next five years, six through ten, which takes us
5 out to fiscal year '25. Again, the focus in Greater Arizona is
6 on preservation, with 67 percent of that program being dedicated
7 towards preservation over those years. However, there's a
8 larger emphasis on expansion in this program, 17 percent of the
9 development program.

10 This is the overview of that next five years, out
11 to the year 2025. Again, green is preservation, red
12 modernization, and then you see the amount of funding that we
13 believe is available for expansion projects, including State
14 Route 189, a construction project in the year 2021 to -- that's
15 the highway that connects to the port of entry down in Nogales.

16 Then in 2021 and 2022, our two projects that we
17 feel are high priority along Interstate 10 in the Picacho area
18 and another one in the Casa Grande area, those projects would
19 widen the freeway from four lanes to a six-lane freeway.

20 And then in 2023 and 2024, two projects along
21 US-93 at Carrow-Stephens and King Springs, which would widen
22 that highway in those sections from a two-lane road to a
23 four-lane divided highway.

24 And lastly, in fiscal year 2025, the State Route
25 260 project at Lion Springs, again, widening a section of that

1 highway from two lanes to a four-lane divided highway.

2 That was an overview of our ten-year program.

3 I'd like to now over -- provide an overview of some of the
4 projects that are proposed in Pima County or the Tucson metro
5 area.

6 As I mentioned before, the Tucson metro area has
7 a focus on expansion because of the -- some of the dedicated
8 funds that are available in the Tucson area. 94 percent of this
9 program is earmarked for expansion, and much of that is work on
10 interchanges along our interstate system. You see the list of
11 projects on the left, including Ina Road interchange, Ruthrauff
12 Road interchange, the Ajo Way interchange on I-19 are all
13 examples of the projects that are proposed in the five-year
14 program in the Tucson metro area.

15 Also you see on that list different years shown.
16 Like on Ina Road, 2016 and 2017, that means that the project is
17 phased over a couple of years, and the detail that's shown in
18 the five-year program gives you more detail about how that
19 phasing would work. If you look at the first two lines of this
20 table, you see Ina Road listed as being constructed in 2016, and
21 then another phase in 2017.

22 You also see in the five-year program the type of
23 funding that is anticipated for this project. As in the case of
24 Ina Road, the 2016 funding at \$32 million is listed as RTA.
25 That's funds from the local program, the half cent sales tax

1 program that is in the Tucson area. And then in 2017, the
2 national highway funding, which is actually federal funds that
3 ADOT contributes to that project. Just an example of the type
4 of information that you can see in the five-year program.

5 Lastly, the Maricopa County area, or MAG, the
6 projects that are proposed in the Phoenix metro area, again, 97
7 percent of the projects in the Phoenix metro area are dedicated
8 towards expansion. One of the very large projects that's
9 included in this five-year program is State Route 202, South
10 Mountain Freeway at \$1.48 billion. And you see there on the
11 list that it stays over several years, from 2016 to 2020. And
12 then you see other examples of projects that are proposed in the
13 Phoenix metro area, including work on Loop 303 and Interstate
14 10.

15 Again, many of these projects are phased and come
16 from different funding sources, and the five-year program gives
17 you detailed information as shown on this example table.

18 The last part of the program that we are
19 presenting today is the Airport Capital Improvement Program.
20 ADOT has access to the state aviation fund, which the board then
21 is asked to distribute those funds to different projects around
22 the state. And that aviation fund has revenue from many
23 different sources, the main source being flight property tax and
24 aircraft registration. In fiscal year '14, that fund was in
25 excess of \$24 million.

1 What does ADOT propose to do with the fund?

2 Well, most of the expenses go towards pavement management, the
3 maps there on the -- this pie chart is the Airport Pavement
4 Management System. So again, a lot of the funding goes towards
5 preservation out of the state aviation fund.

6 Other parts of the state aviation fund go to
7 match federal grants, and we also have a state grant program
8 that provides money for improvements to our airports.

9 With that, in fiscal year 2016, the aviation fund
10 is proposed to spend \$27 million with the breakdown that you see
11 there. A big portion of it going to state and local grants to
12 our local airports around the state.

13 So what are the next steps with the five-year
14 program? Well, right now we're in the middle of public outreach
15 and public hearings. Today here in Phoenix is the second public
16 hearing that we're holding. In March we were in Tucson. The
17 last public hearing will be on May 15th in Chino Valley. We
18 have been collecting comments throughout this process, and
19 members of the board, you've been provided with the comments to
20 date that we've received for your information. We will then
21 come to you on May 26th at a study session. We'll have all the
22 comments that we've received at that point, and we'll have --
23 we'll ask you for your input on how we should revise the
24 tentative program to become the final program.

25 Yes, sir.

1 CHAIRMAN ANDERSON: Mr. Kies, what is the last
2 day for public comment, either through written or online means?

3 MR. KIES: The last day for public comment, I
4 believe it's --

5 MR. HAMMIT: May 26th.

6 MR. KIES: May 26th, correct?

7 MR. HAMMIT: It is May 26th.

8 CHAIRMAN ANDERSON: Thank you.

9 MR. KIES: And those comments can be submitted
10 here today. We have an opportunity on our web page to do that
11 through the web page and other sources of submitting those
12 comments.

13 And then in June, we'll submit the final program
14 to the board for your approval and then ask the governor to sign
15 it by June 30th. So with that, that's what I had to review the
16 five-year program for the public hearing.

17 CHAIRMAN ANDERSON: Questions for Mr. Kies?

18 MR. LA RUE: Yes.

19 CHAIRMAN ANDERSON: Mr. La Rue.

20 MR. LA RUE: Thank you.

21 Mike, great presentation, and I appreciate it. I
22 think I've got a disconnect in my brain on some of the data, and
23 I think you can help me with this.

24 So you've shown us a pie chart on our policies,
25 you know, that says a third, a third, a third, and so from that

1 pie chart, it's about 34 percent for preservation. Then you
 2 showed us a pie chart of Greater Arizona that says in the
 3 construction program area, the next five years, it ramps --
 4 preservation ramps up to, like, 67 percent, 68 percent.

5 MR. KIES: 68, yeah. Right.

6 MR. LA RUE: Then in the next five years, which
 7 is the development program, it stays around 68 percent. So
 8 we're clearly almost double above the policy. But then you show
 9 a ten-year bar chart on preservation where you have the
 10 recommendation of the team at 260 million, and in that ten-year
 11 chart, if I remember correctly, there's only one year that we
 12 get to 260, and that's in 2024. All the other years were
 13 considerably below the recommendation. So in the next ten
 14 years, we're almost doubling preservation as proposed. We're
 15 way over the recommended. So is our policy out of whack? I
 16 mean, what's out of whack when I put all those charts side by
 17 side by side --

18 MR. KIES: Yeah.

19 MR. LA RUE: -- and try to make sense of them?

20 MR. KIES: What happened is that our long-range
 21 plan is on a five-year cycle, so the long-range plan we're
 22 operating on now was approved in 2011. And the work on the
 23 long-range plan happens in advance of that, and part of the
 24 long-range plan is estimating revenues that will happen over the
 25 next 20 years. And then based on those estimates were these

1 recommendations of how much should go to this preservation,
 2 expansion and so on.

3 Right at that same moment in time was when the
 4 recession was having its full impact on the State of Arizona,
 5 and those revenue estimates were really based on data that now
 6 we see was not correct and that the revenues went down quite a
 7 bit after that, that recommended investment choice was done. So
 8 we believe we're doing the best we can, but since the revenues
 9 went down so greatly, then what happens is that -- and we really
 10 still think we should be focusing on preservation at the proper
 11 amount of funding, that it does sort of change the percentages
 12 from that original estimation.

13 Since our long-range plan is on a five-year
 14 cycle, it comes up again in 2016. In fact, here soon we're
 15 going to start that process, and that is going to reevaluate the
 16 revenue, then reevaluate those recommended investment choices.

17 MR. LA RUE: I think I knew you could pull it
 18 together and....

19 MR. ROEHRICH: Can I add something?

20 MR. LA RUE: Sure.

21 MR. ROEHRICH: Mr. Chairman, Mr. La Rue, one of
 22 the things that you see, and if I understood your question, why
 23 is preservation double in Greater Arizona than we said our long-
 24 range plan was? Is that --

25 MR. LA RUE: Well, no. So for ten years, we're

1 more than doubling what our recommended policy is, and it just
2 seemed to me like -- and we're not even getting to
3 recommendation number. So I think what I'm understanding the
4 answer is, well, that recommended policy was based on a big
5 budget, bigger budget than we have today, and that's what's
6 throwing those percentages out of skew.

7 MR. ROEHRICH: Partly. The other part is that
8 the recommendation of the preservation is the complete state
9 system. The 67 --

10 MR. LA RUE: Oh, yeah, yeah, yeah. You're right.

11 MR. ROEHRICH: -- is only of Greater Arizona.

12 MR. LA RUE: Okay. You're right. Thank you.

13 MR. ROEHRICH: I was waiting to see if you got it
14 right.

15 MR. LA RUE: No, no, no. Thank you. Yeah, yeah,
16 yeah. Okay. There you go. There was my disconnect.

17 MR. ROEHRICH: And the other part of that, also,
18 Mr. Chair, Mr. La Rue, is the time frame. That investment from
19 -- (inaudible) that, the 20-year investment, how we want it
20 spread over 20 years is identified, because we haven't been able
21 to keep up with it, the preservation was shrinking, we're trying
22 to gather more up front to try to stay ahead of it as well. So
23 it's not just the statewide as well as over that time frame, and
24 then (inaudible) five years we look to update it and then
25 reassess how it's been going and do we need to change the

1 strategy moving forward.

2 MR. LA RUE: Great. Thank you.

3 CHAIRMAN ANDERSON: Further comments or
4 questions?

5 Seeing none, thank you, Mr. Kies.

6 I did have one additional request to speak on the
7 plan, and I'm going to allow that, because I want to keep the
8 plan separate from the board meeting. I have Mr. Don Stenton
9 (phonetic).

10 Mr. Stenton, up here. As with the other
11 speakers, you will have three minutes to present to the board.

12 MR. STOYER: Hello. My name is Don Stoyer. I'm
13 the conservation chair for the Grand Canyon chapter of the
14 Sierra Club, and our concern with this proposed five-year plan
15 has to do with airport modernization at the Grand Canyon
16 National Park and also at the Grand Canyon Park West.

17 The plan states that this money is supposed to be
18 for modernization of the airports up there, but we would like to
19 be reassured that really that money is going to go for
20 modernization and not ultimately end up expanding these
21 airports. Our concern is about noise and excess air traffic,
22 airport noise up at the Grand Canyon. And if increased funding
23 for these airports end up making for a noisier Grand Canyon
24 National Park, we would have concerns about that. So if there's
25 anything that you could do to allay our concerns that we're not

1 ultimately going to end up with expanded airports up there, we
2 would be most grateful.

3 CHAIRMAN ANDERSON: Thank you.

4 With that, I'd like to ask for a motion to
5 adjourn from the public hearing.

6 MS. BEAVER: So moved.

7 CHAIRMAN ANDERSON: Moved by Ms. Beaver.

8 MR. SELLERS: Second.

9 CHAIRMAN ANDERSON: Second by Mr. Sellers to
10 adjourn from the hearing.

11 All in favor?

12 BOARD MEMBERS: Aye.

13 CHAIRMAN ANDERSON: We are now into the regular
14 public meeting. Call to the audience. I have -- it's always
15 fun to hear from Mr. Bridges.

16 MR. BRIDGES: Thank you, Mr. Chair, board
17 members. (Inaudible.)

18 I'm actually here about a resolution that you
19 have a copy of in front of you. Wednesday night (inaudible)
20 board approved this resolution, and I'm not going to read the
21 whole thing. I'll just summarize it for the public.

22 I-17, which can carry as much as 3,000 vehicles
23 per hour on busy weekends, this identified it as a key commerce
24 corridor, and it's obviously a significant part of moving
25 people, goods and services across Arizona.

1 In the CYMPO (phonetic) region, there's been a
2 growing concern over the increasing number of accidents and the
3 shutdowns that have occurred on I-17 seemingly weekly. It's
4 impacting our businesses and the residents. And as a result,
5 the CYMPO board believes that it's in the best public interest
6 to accelerate the much needed improvements on Interstate 17, and
7 the board does support and request that ADOT that -- to begin
8 pursuing public private partnership opportunities for these
9 improvements.

10 And more specifically, beginning with the
11 improvements that were identified in the recent Black Canyon
12 City to State Route 69 study that was done by ADOT, these
13 improvements are the alternatives (inaudible) far exceed any
14 traditional or current existing funding capacity with estimated
15 ranges of \$100 million for the first improvement, to as much as
16 \$500 for the ultimate alignment. And what Mike just showed you
17 was we're looking at \$485 million for all of Greater Arizona.
18 We're not even getting there for a five-mile segment of this
19 roadway.

20 CYMPO does understand as with any P3 road project
21 that tolling on new capacities is part of this discussion, and
22 we did discuss that with our board members, and the board does
23 recognize that obviously nothing's free, and we believe that the
24 I-17 corridor as a whole is too important to (inaudible), and if
25 alternate methods to deliver these improvements are possible, we

1 would like to see that happen.

2 So thank you for your time, and thank you for
3 considering this resolution.

4 CHAIRMAN ANDERSON: Thank you.

5 Next up is a report from the district
6 construction engineer of the Phoenix district, Mr. Madhu Reddy.

7 MR. REDDY: Mr. Chairman and director and members
8 of the board, it is my privilege to present to the board on
9 projects that Phoenix construction district's administering. So
10 to start with, Phoenix construction district currently has 25
11 projects under construction. (Inaudible) one project is a state
12 funded project (inaudible) federally funded projects.
13 (Inaudible) projects, you know, these are (inaudible).
14 (Inaudible) \$29 million, and we have spent roughly (inaudible)
15 million dollars. The federally funded projects include
16 landscape projects, freeway management systems, highway
17 construction projects. So we have a mix of projects throughout
18 the district.

19 So the projects under construction, we have --
20 just before I get to the projects (inaudible), I just wanted to
21 touch on the 303 projects that we just completed last year
22 between I-10 and Grand Avenue. We had very good success on
23 those projects, and the projects came in, you know, under
24 budget, and we delivered those projects on time. (Inaudible)
25 used by the traveling public.

1 So on 303, between 60, at the US-60 and I-10, we
2 have (inaudible) we have three landscape projects that are under
3 construction from Peoria all the way south to I -- to Thomas
4 Road. From Peoria to Mountain View, we have completed two
5 landscape projects already. Then we have another project that's
6 US-60/303 (inaudible). That project is currently under
7 construction. It's -- you know, it adds improvements -- it
8 adds a bridge on the lower Grand Avenue and also (inaudible)
9 some improvements along Grand Avenue.

10 Then we have another project on 303 and El Mirage
11 Road TI. The project started this year in February, and they
12 are 10 percent complete. It adds -- it basically takes all the
13 asphalt (inaudible) and replaces pieces (inaudible).
14 Then the last project on the 303 we have
15 currently ongoing, which is 70 percent complete, is the design,
16 build project that's from Grand Avenue all the way to Happy
17 Valley Road. Once that project is complete, the whole 303 from
18 I-10 all the way to (inaudible) will be in (inaudible)
19 condition, and both directions will be separated, and we have --
20 currently on the section between Grand Avenue and Happy Valley,
21 the speed limit's 55, but once that's completed (inaudible).

22 Then moving over to the east side, we have a
23 project that we are administering for City of Phoenix
24 (inaudible). This is the GMP-1. That's the phase of
25 construction (inaudible) platform (inaudible) 101, and we are

1 working on the GMP-2 2, which is to build bridges over 101. The
2 GMP-1 project is 90 percent complete. It's been opened to
3 traffic. It is being used by the community.

4 A project along 101, which is the (inaudible)
5 project, to add general purpose lanes. This project, it's a
6 two-and-a-half year project. It's 30 percent complete. It adds
7 a general purpose lane in both directions between, you know,
8 between 202 and Chandler Boulevard, and also improves
9 (inaudible).

10 The biggest project we have in the district,
11 which is a \$33 million design build project along 202. This
12 project is 50 percent complete. It's a design build project
13 started in October last year, and the contractor is working
14 multiple shifts to complete the job, and they expect a
15 completion date (inaudible). Adds general purpose lanes between
16 202 -- between 101, up to Gilbert, and then from Gilbert all the
17 way up to Broadway, adds an HOV lane in both directions.

18 Then the last project under construction provides
19 the US-60, Meridian Road TI, adds the connecting ramps to
20 Meridian Road from US-60.

21 And those are the major projects we have under
22 construction. So we are expecting (inaudible) improvement in
23 the program (inaudible). South Mountain Freeway will be the
24 biggest project in the district. Estimated budget at 1.9
25 billion (inaudible) construction budget, we are looking at

1 (inaudible) billion. Notice to proceed, looking at February
2 2016, with construction to follow within a couple of months, and
3 this is a 23-mile segment with over 70 bridges, this project.

4 And currently the department has issued an
5 additional request for technical provisions and meeting with the
6 short listed teams. We have short listed three firms: The
7 Connect 202 Partners, headed by Fluor, Granite and Ames
8 Construction; South Mountain Development Group, led by Kiewit,
9 Sundt; and the last one, South Mountain Mobility Group,
10 Dragados, (inaudible) and Pulice Construction. So we are
11 planning on issuing the final proposal in June, and then go
12 through the (inaudible) process and (inaudible) in February of
13 2016 we will have a (inaudible) have a developer on board and to
14 get this project started.

15 Then other than the 202, the South Mountain
16 Freeway, we have two construction projects in the valley. We
17 have the I-10/303, that interchange. It's the phase two project
18 to connect ramps to the south and (inaudible) and 303 to Van
19 Buren Road.

20 And then we also have a landscape project that's
21 currently advertised to complete the landscaping portion of the
22 (inaudible) change.

23 The next project we have is the Bell Road and the
24 Grand Avenue traffic interchange. It is advertised for
25 qualifications. It is a design build project, and we are

1 looking at construction starting in early spring or summer of
2 next year.

3 And then we also have a Thunderbird Road traffic
4 interchange at Grand Avenue, too, that should be under
5 construction next year.

6 (Inaudible) 101 and connect the (inaudible) from
7 51. That project should be going out soon. They are working on
8 the (inaudible,) and we are expecting to have construction
9 starting in June or July of this year.

10 Then we have -- currently we have a project
11 (inaudible) to improve the drainage and also the deck joints,
12 Third Street and Deck Park Tunnel.

13 Then I think that's pretty much what we have in
14 terms of (inaudible) projects that's upcoming, and thank you for
15 the opportunity.

16 MR. SELLERS: Mr. Chairman.

17 CHAIRMAN ANDERSON: Mr. Sellers.

18 MR. SELLERS: The South Mountain project is
19 pretty unique in that it will be a design, build, maintain
20 project. Could you comment a little on that?

21 MR. REDDY: It is a public private partnership,
22 and it's a design, build, maintain and we are looking at 30-year
23 maintenance on this project, and all 20 miles will be
24 constructed at one time, and you know, the team's working on --
25 you know, we have (inaudible), and they're working on trying to

1 get all the technical aspects captured (inaudible).

2 MR. ROEHRICH: So Mr. Chair, Mr. Sellers, I guess
3 I'd like to add a little bit to that.

4 And this -- the uniqueness of this, I think, is
5 that added maintenance fact, which is something we've not done
6 on a project before. The 30-year maintenance cycle is really
7 for the major elements of the road, the pavement, the bridges,
8 the structures, those elements. It's not like the routine trash
9 collection or, you know, clean out drainage structures, if you
10 will. That is still the department's responsibility.

11 But what it allows us to do is look at the major
12 investment in that corridor, and by tying it into that now and
13 getting the company to invest and committed to that, over
14 time -- as you see, we're struggling with preservation of the
15 system once it's constructed, especially here in the valley, and
16 that's a huge corridor. Our intent is to work with a private
17 company to balance out that investment so over time, as it
18 reaches the end of that 30-year period, we can get some major
19 improvements done before it's turned back to the State and then
20 we take over it from there. So the intent was really to balance
21 out the maintenance responsibility over 30 years, but at the end
22 of the light, get it back to the shape where we didn't have to
23 do major -- a maintenance investment in it for a period of years
24 afterwards.

25 MR. HAMMOND: Can I ask a question?

1 CHAIRMAN ANDERSON: Go ahead.

2 MR. HAMMOND: Companies come and go, and I'm just
3 curious how the department protects themselves against the
4 company not being around 15, 20 years from now if something
5 happens.

6 MR. ROEHRICH: Mr. Anderson, Mr. Hammond, good
7 point, because a lot of these companies will end up developing
8 consortiums and partnerships outside of normal corporate
9 structure. All companies that are on here are companies that
10 have been around decades. Matter of fact, some of the companies
11 on here have been around more than 100 years. So the issue is
12 not so much the company being there, but will the consortium,
13 the agreement that they have in place be there, which is why we
14 have contract language in there, which is why we require them to
15 post bond and put money into a dual escrow or some kind of
16 financial account.

17 And I'm an engineer trying to tell you financing
18 and contract law. There are legal elements. But understanding
19 that, that's an issue within the industry. We've put in checks
20 and balance to protect ourself from that, and then remedies to
21 that obviously if somebody does default. Remedies to that are
22 legal challenges, and you just have to fight through that. So
23 we attempt to mitigate that up front through these type of
24 contractual languages, relationships, establishment of financial
25 responsibilities. But again, you know, 30 years is -- we don't

1 know what's going to happen over those 30 years. And some of
2 them have been challenged in the past in other areas.

3 CHAIRMAN ANDERSON: Mr. Sellers.

4 MR. SELLERS: I think another positive thing
5 about this is that the contractors knowing that they will be
6 responsible for maintenance where you could end up with a better
7 product.

8 MR. HALIKOWSKI: So, Mr. Anderson, thank you for
9 those comments, Mr. Sellers, because that's exactly why you
10 enter into this long-term maintenance contract issue. But
11 understand, Mr. Chairman and board members, there are off ramps
12 at certain periods within the contract that ADOT did not just
13 develop this contract on its own. We looked around the country
14 and hired (inaudible), which is one of the best legal services
15 in the nation (inaudible) for P3 projects.

16 So essentially, we've done a lot of homework to
17 ensure that we don't make mistakes that we've seen in other
18 states where you've seen some of these P3 projects not turn out
19 quite as it was anticipated in the beginning. So working with
20 our attorney general, (inaudible) and some P3 experts we've
21 brought on, we feel we've got a pretty good -- pretty
22 (inaudible).

23 CHAIRMAN ANDERSON: Mr. La Rue.

24 MR. LA RUE: I just want to say, thank you.
25 Thank you to you and your team, all of, you know, ADOT, because

1 I mean, I drive the valley every day, and I'm just amazed as I'm
 2 driving the valley to see this construction. But it's more than
 3 just the construction. Like on the 303 north up there, there's
 4 a lot of activity going. There's cement trucks, dump trucks,
 5 backhoes, personnel coming and going, plus the motoring public.
 6 It's really a symphony orchestration of tons of things going on,
 7 and it seems to be coordinated very well.

8 You know, the traffic changes are well advertised
 9 in advance, and you know, the community that I interface with up
 10 in that area are just so thankful and so appreciative of the
 11 effort, and it just seems to be going so seamlessly. So I know
 12 that that's a lot of hard work behind the scenes. I know that's
 13 a lot of people thinking and staying up late at night trying to
 14 figure out what is the best process and how do you manage that
 15 construction to keep the motoring public motoring through those
 16 zones. So thank you for that.

17 MR. REDDY: Thank you for your feedback
 18 (inaudible).

19 CHAIRMAN ANDERSON: Further comments?

20 Mr. Reddy, I do have one question. Do sound
 21 walls work? And I'm going in a different direction with this,
 22 but...

23 MR. REDDY: No, they have -- they have proven to
 24 work, and that's why we build them, and you know, those are
 25 justified based on the (inaudible). I can't get into the

1 details because I (inaudible).

2 CHAIRMAN ANDERSON: Like seeing the I-10
 3 expansion through the Casa Grande area, and you have the
 4 developer come in to build houses next to a freeway knowing it's
 5 going to be expanded, and I guess we have to build a sound wall.
 6 So I'm kind of curious, the 303 on the west side, there's some
 7 bigger developers out there. Are we going to have to come back
 8 in and build a sound wall, and then, you know, what's the cost
 9 of the wall per mile? Depending on how high it goes, I guess,
 10 huh?

11 MR. REDDY: Yeah. It all depends on how high you
 12 put it, and I think currently we looked at what's out there,
 13 what's planned, (inaudible). So I think it's going to be part
 14 of (inaudible).

15 UNIDENTIFIED SPEAKER: Mr. Chair, if I could,
 16 that's an excellent comment, Floyd.

17 CHAIRMAN ANDERSON: Mr. Hammond.

18 UNIDENTIFIED SPEAKER: Mr. Hammond, what's your
 19 comment first?

20 MR. HAMMOND: So this is on sound walls, and, you
 21 know, this is my first meeting, and this isn't in your purview,
 22 but I'm already (inaudible) southern Arizona, kind of wondering
 23 what I've gotten myself into here. Having said that --

24 CHAIRMAN ANDERSON: Past of point of no return.

25 MR. HAMMOND: How can we mitigate the need for

1 sound walls, which certainly very valid concerns of noise
 2 (inaudible) walls, and the land owners that own properties along
 3 corridors that are high value properties because of the
 4 visibility (inaudible) corridor, how do you mitigate their
 5 concerns on building a 20-foot wall (inaudible) their property
 6 (inaudible)? Do you get much into that, or is this one of those
 7 priorities you listen to and try to deal with? I'm just
 8 curious.

9 MR. HALIKOWSKI: So what I'd like to -- before,
 10 let me step back, because this has been a contentious issue I've
 11 been involved with in the legislature and on staff for probably
 12 over 20 years, and ADOT's policy on noise actually exceeds the
 13 federal requirements for (inaudible) levels. So we have a
 14 better policy than the rules require.

15 The other issue that comes in though is who's
 16 responsible for paying for noise mitigation, and it has to do, I
 17 believe, with --

18 MR. ROEHRICH: (Inaudible) public knowledge
 19 identify that the facility is going in.

20 MR. HALIKOWSKI: And so what we saw in a lot of
 21 cases where there was the date of public knowledge, you had
 22 development afterwards, technically that should be the developer
 23 or the landowners who are paying for the noise mitigation.
 24 Unfortunately, as Board Member (inaudible) pointed out,
 25 sometimes these companies that purchase the land (inaudible) to

1 pay, and so it becomes then incumbent on the State to figure out
 2 how we're going to do noise mitigation.

3 By all the studies we've read, sound walls do
 4 work, but there are limitations, and very often what you'll see
 5 are mitigations that are combined with rubberized asphalt
 6 (inaudible) urban areas, because we've learned over the years
 7 that the rubberized asphalt, asphalt in combination with the
 8 sound walls provide us better noise mitigation. (Inaudible)
 9 because at some point you reach a point where we have
 10 diminishing returns.

11 So the science of sound and noise is something
 12 that's been studied quite a bit across the country, and very
 13 much so here at ADOT, and your comment is very true,
 14 Mr. Hammond. We really try to do the best we can to mitigate,
 15 but understand that noise mitigation is a very touchy issue, and
 16 it's very expensive. So...

17 CHAIRMAN ANDERSON: Mr. Hammit.

18 MR. HAMMIT: Mr. Chairman, Mr. Director, if I
 19 could add, part of that question is do we force a high sound
 20 wall if I don't want to lose my view? And part of our
 21 environmental process on the noise is we work with the public.
 22 We have freeways in the Phoenix area where the public said, I
 23 want my view. We don't want as high a sound wall. We'll take
 24 the noise. We mitigated part of that with the flat pavement and
 25 gave them a lower wall so they could keep their view. So we do

1 work with the public on that. We don't just force the height of
2 the wall on everybody. It's a joint process.

3 MR. HALIKOWSKI: We're continuing to research. A
4 few weeks ago I sent Dallas an article on sound walls made out
5 of a carbonate material. It's clear. You can see through it.
6 Unfortunately, I don't know what that means if we start looking
7 at that from a (inaudible) perspective or (inaudible). So it's
8 being used in some states in some cases, and we're continuing to
9 look into better ways to do things.

10 CHAIRMAN ANDERSON: All right. Other comments or
11 questions?

12 MR. SELLERS: Mr. Chairman.

13 CHAIRMAN ANDERSON: Mr. Sellers.

14 MR. SELLERS: I'd just like to make one more
15 comment about South Mountain Freeway. One of the things I think
16 is pretty exciting is that ADOT and MAG have been working
17 together on something called risk analysis (inaudible) value
18 engineering that we think can save a considerable amount of
19 money on this construction project. So congratulations to you
20 for being inventive enough to look for ways to save some money
21 that's very badly needed in other areas. Thank you.

22 CHAIRMAN ANDERSON: Mr. Reddy, on behalf of the
23 board, please relay to your staff that we appreciate all the
24 work you do here in the MAG region.

25 MR. REDDY: (Inaudible.) Thank you.

1 CHAIRMAN ANDERSON: Thank you.

2 Mr. Halikowski, you're up.

3 MR. HALIKOWSKI: Thank you, Mr. Chairman. I
4 don't really have a formal report, but under last minute items,
5 I would like to mention a couple of things.

6 As it was just pointed out, we have to be
7 inventive these days, because the current state of
8 transportation revenues is really going in the wrong direction,
9 whether it's federal or state. As we look at where our gas tax
10 is right now, last increase was in 1991. Coupled with fuel
11 economy, inflation, alternative fuel vehicles, I think Kristine,
12 her estimate, its purchasing power bought what it did in 1988.
13 So we're actually starting to lose ground there.

14 But the reason I bring it up is because I was
15 talking to a commercial real estate services group this week
16 about ADOT's Key Commerce Corridors plan, and as we've heard
17 today with the CYMPO resolution, and you've heard other
18 resolutions and people come forward, there's a lot of need out
19 there for a very strong interstate, state highway system.
20 Really, it's the backbone of the economy.

21 And the reason I was talking to this commercial
22 real estate group is they specialize in industrial parks. And
23 so they're very interested in if they're going to bring clients
24 into Arizona to manufacture things here, sell them somewhere
25 else and bring the money back, that they have a reliable

1 transportation system.

2 We've met with over 550 businesses over the past
3 three years to talk about Key Commerce Corridors. You've seen
4 the arrow maps. You've seen the bubble maps that show the GDP
5 of L.A., Long Beach and Texas and how our connections to global
6 markets really depend on a strong interstate system. So ADOT
7 can't rule out and lobby for revenue increases. That's not our
8 job.

9 But it is our job to point out to people if you
10 want to make an investment in a strong state highway system,
11 here's a plan, here's what it could look like, and the final
12 thing that the team's working on or what are the returns on
13 investment going to be as we build these projects out. Because
14 we want the taxpayer to trust us since it is their dollars that
15 we're not just building a facility to build something. It would
16 have an economic return for the state in jobs and revenue. So I
17 just wanted to bring that up.

18 As you see these things, there's lots of need out
19 there, but as you're seeing in the five-year report, the
20 revenues that are coming in are not going to (inaudible) future,
21 and we're out there actively talking to people about what
22 (inaudible).

23 CHAIRMAN ANDERSON: Consent agenda is in your
24 packet. Does anyone wish to pull an item from the consent
25 agenda? If not --

1 MR. LA RUE: I would move approval of the consent
2 agenda.

3 MS. BEAVER: Second.

4 CHAIRMAN ANDERSON: Moved by Mr. La Rue, second
5 by Ms. Beaver to approve the consent agenda as presented.
6 Discussion?

7 All in favor?

8 BOARD MEMBERS: Aye.

9 CHAIRMAN ANDERSON: Opposed?

10 Legislative report. Last month Mr. Biesty hid
11 from me. I don't know if he's here today or who is in charge
12 of...

13 MR. HALIKOWSKI: So Mr. Chairman, I will say that
14 Mr. Biesty truly did come down with strep throat this week.
15 I've been working with him from his house, but I don't believe
16 he's in here today.

17 On the legislative side, there's a number of
18 things that came in from the state legislature. The ADOT
19 omnibus bill. There were issues with that that we could not
20 come to agreement with. So that bill did not clear the House.
21 It would have provided us with some more authority to enter into
22 wider or broader public private partnerships for other things
23 that we (inaudible) perspective.

24 As you probably have read, (inaudible) working on
25 a real ID compliant driver's license pending (inaudible) waiver

1 from the Department of Homeland Security. But other than that,
2 not a lot of news to report on the legislative side.

3 We're eagerly watching what Congress is going to
4 do, but we feel that based on the intelligence we have
5 (inaudible) probably (inaudible) going to give us a continuing
6 resolution and move that (inaudible) down the road. We hear
7 interesting things from both sides of the house, perhaps about
8 coming together with some sort of transportation revenue package
9 to bridge the gap that gas tax is not bridging. But it's kind
10 of like that Taylor Swift song, *We Are Never Ever Getting Back*
11 *Together*.

12 But I'm hoping that at some point after this
13 continuing resolution, that's what the outcome is, that Congress
14 does figure out a way to fund transportation (inaudible) states
15 need, because I think obviously as you're seeing around the
16 country, I believe Idaho and Washington state are the latest to
17 pass their own self-help funding (inaudible) to fund
18 transportation. So we see conservative western states like
19 Idaho, like Wyoming and others investing in transportation,
20 because quite frankly, a lot of the states are growing weary
21 dealing with this never-ending continuation (inaudible), because
22 it's difficult to plan for the next 5, 10, 20 years when you're
23 dealing with resolutions that last for 3, 5, 6 months.

24 So that's the latest we're hearing from D.C.
25 They're working on it, but given past performance, we feel

1 (inaudible).

2 CHAIRMAN ANDERSON: Thank you, Director.

3 Up next, Ms. Ward, financial report. And I see
4 at the bottom you've thrown in my favorite item for discussion,
5 contingency fund.

6 MS. WARD: (Inaudible.)

7 CHAIRMAN ANDERSON: I don't know. It's right
8 here at the bottom.

9 MS. WARD: (Inaudible) we have anything lined up
10 (inaudible). Excuse me. Good morning.

11 MR. ROEHRICH: Mr. Chair, correct, we were
12 looking at a comprehensive review of the study session.

13 CHAIRMAN ANDERSON: Right.

14 MR. ROEHRICH: But that once you have that, if
15 there was any questions that you wanted to ask specifically
16 about the contingency fund, we put it on here so it would be a
17 standing item. But (inaudible) Kristine and I, don't think you
18 were going to go extensively through a presentation today
19 (inaudible).

20 CHAIRMAN ANDERSON: Well, I do have a question,
21 because on PPAC there are some items that are being pushed out
22 to a later year, but we're using those funds in this year's
23 contingency.

24 MS. WARD: Uh-huh.

25 CHAIRMAN ANDERSON: And that's just a matter

1 of -- help me out.

2 MS. WARD: So (inaudible) projects come in, and
3 they come in underbid, some projects come in overbid, and those
4 dollars flow in and out through the contingency program. So
5 other projects that have come in over will be utilizing those
6 contingency dollars. Is that --

7 CHAIRMAN ANDERSON: Well, there's a couple
8 projects being pushed out to '16 or '17, and then those moneys
9 are being used in this year's contingency formulas.

10 MR. ROEHRICH: Mr. Chair, I think we should
11 answer those questions on the PPAC item.

12 CHAIRMAN ANDERSON: Okay.

13 MR. ROEHRICH: Just to stay on the agenda.

14 CHAIRMAN ANDERSON: All right.

15 MS. WARD: Mr. Chair (inaudible).

16 CHAIRMAN ANDERSON: Go right back to the top.

17 UNIDENTIFIED SPEAKER: She wanted to see how you
18 (inaudible).

19 MS. WARD: Well, if I may address Mr. Hammond,
20 because I am sure that Chairman Anderson has already told you
21 that this is the most exciting part of the regular board
22 meeting. He particularly gets excited about this, so...

23 We're on the five-year program. I tend to do a
24 short, abbreviated report during this -- during these meetings.
25 I'll just give you an update on our present fund sources and how

1 they're tracking to forecast.

2 We'll start off with the Highway User Revenue
3 Fund. We are right on forecast, and we are enjoying our gas and
4 diesel tax being stronger than normal ascribed to a gas price
5 that is one dollar less than it was a year ago. A dollar one if
6 you want to be very precise. So gas and diesel are doing quite
7 well.

8 VLT, although it is coming along, we've got
9 moderate growth there, but we are however under forecast. We're
10 a little optimistic. We've seen three months of double digit
11 growth, so we're hoping that that's coming back and (inaudible).

12 Moving on to the Regional Area Road Fund, again,
13 right on forecast. Retail sales and restaurant and bar are
14 moving along quite well. I thank you for any of your
15 contributions to the restaurant and bar component.

16 Contracting, however, continues to show weak
17 growth. We're just not seeing the growth rate that it had. I
18 was a little encouraged recently. I read about a meager amount
19 of growth in jobs, contracting jobs. However, we have had some
20 negative growth there in jobs. So we're just watching, but
21 we're within forecast.

22 In terms of the federal aid program -- well, let
23 me report on Congressional action. (Inaudible) program, we have
24 (inaudible) but we have that programmed for the five-year
25 program, and so we're right on target there. Cash management --

1 is in terms of what our investments are doing, it's (inaudible).

2 We get about a .73 percent return on our (inaudible).

3 With that, that concludes my financial report.

4 If you have any questions, I will be happy to answer them.

5 CHAIRMAN ANDERSON: Questions of Ms. Ward?

6 MR. ROEHRICH: Mr. Chair, just for (inaudible)
7 comment.

8 CHAIRMAN ANDERSON: Floyd.

9 MR. ROEHRICH: Mr. Chair, just first a comment.

10 Even though I know we struggle with inactivity within Congress
11 and activities there, I must say though we have a fantastic
12 working relationship with our key federal stakeholder, Federal
13 Highway Administration, and even here today is the Arizona
14 division administrator, Karla Petty. And I know we do make fun
15 of Congress, but I do want to separate the difference. And
16 Congress doesn't know what the hell they're doing. FHWA does.

17 MS. PETTY: Thank you, Floyd.

18 MR. ROEHRICH: Does that get us five million more
19 in obligation funds?

20 MS. WARD: Floyd, don't (inaudible).

21 MR. ROEHRICH: (Inaudible.) We do have an
22 excellent relationship with our Congressional delegation. They
23 are very tentative and very accommodating (inaudible).

24 MR. HALIKOWSKI: I've always said Congress as a
25 whole, not (inaudible).

1 CHAIRMAN ANDERSON: All right. Next up, the
2 Multimodal Planning Division report. Mr. Hammit.

3 MR. HAMMIT: Mr. Chairman, members of the board,
4 quick on the -- last week I briefed you that we were in the
5 recruitment process for our planning director. We have
6 conducted interviews and made a selection, and we are going
7 through the final paperwork on the HR process. So I fully
8 expect that the next meeting, I'll be introducing the new
9 planning director to you. So we're that close to having that
10 done.

11 Also, you had asked me a question as we came in,
12 what the heck is PPAC, and so -- for our new board member. And
13 before I answer that, I'm going to answer one other. What's
14 PRV? PRV is our Project Review Board. And so if a project is
15 started or needs a change in money or schedule, this is a staff
16 meeting. So it's not a public meeting. Staff will (inaudible)
17 that. Why do they need this extra money? Why do they need this
18 extra time? Why can -- sometimes we need less money and we
19 advance the project. I wish there were more of those than I
20 need more money and I need to delay my project, but we review
21 those and fully vet those.

22 The recommendations of the PRV goes to the PPAC,
23 which is the Priority Planning Advisory Committee. This is a
24 public meeting. So the public's there. It is an ADOT, have all
25 the voting members, but through different areas, but we also

1 have a non-voting member to (inaudible) that is a part of the
 2 board. This committee reviews -- gives it a second look at the
 3 senior staff level, and it makes a recommendation to your board.
 4 Those are the steps as any project needs funding or schedule
 5 changes for the program.

6 Does that answer questions on PPAC and PRV?

7 CHAIRMAN ANDERSON: Let me just introduce
 8 Mr. Hammond to PPAC, and it was kind of a daunting task for me
 9 early on, my first board meeting, to kind of grasp all of what
 10 it was and what it does.

11 MR. HAMMIT: And we'd be having to give a more
 12 detailed explanation and welcome anyone to attend if you're
 13 brave enough.

14 First thing, PRV, because we do get well into the
 15 weeds in that meeting. The other meetings, we stay at a higher
 16 level.

17 CHAIRMAN ANDERSON: Mr. La Rue.

18 MR. LA RUE: I just want to say you do notice us
 19 on PPAC (inaudible).

20 MR. HAMMIT: Yes.

21 MR. LA RUE: So you do get that information.

22 UNIDENTIFIED SPEAKER: Mr. Chairman, just a
 23 question. Would it be helpful to bring in a flow chart of the
 24 process?

25 CHAIRMAN ANDERSON: I think that would be great.

1 UNIDENTIFIED SPEAKER: And then present it to the
 2 board at some point. (Inaudible.)

3 MS. BEAVER: Chairman.

4 CHAIRMAN ANDERSON: Ms. Beaver.

5 MS. BEAVER: I would just like to say, this was
 6 something that was a curious thing for me as well, and Mike Kies
 7 was nice enough to explain the process to me. So I think it is
 8 something that would be beneficial (inaudible).

9 MR. LA RUE: I thought maybe the director was
 10 going to say they were going to televise PPAC so we could watch
 11 it from our desk and beep in when we need to.

12 CHAIRMAN ANDERSON: Thank you. (Inaudible.)

13 MR. HAMMIT: Mr. Chair, there was one other item
 14 that was requested at the last board meeting, and that question
 15 was what projects were in the program, in past programs that had
 16 dropped out. And so we went back through, and as -- what I can
 17 find, here's a list. There's two slugs.

18 The first one, the (inaudible) rest area. At one
 19 time we had that funded for \$20 million. That -- when I was in
 20 the Yuma district, I got to Yuma in 1999, that was in the
 21 program. That's bounced around because we've seen other
 22 priorities. That is not in the program.

23 Two projects on I-10, I-8 to Earley, and State
 24 Route 87 to Picacho were both in the program at one point. You
 25 see on the I-8 to Earley, \$138 million. We did see that that

1 was going to happen extremely fast. We did relook at that
 2 project; have redesigned it. It was a widening to the outside
 3 with a new interchange. We've changed that to a widening to the
 4 median and revamped the current interchange, and now we believe
 5 we can deliver that for \$40 million.

6 There was a right-of-way project in the Tucson
 7 area at Country Club TI, going east on I-10 on that Wilmot. We
 8 had a TI project that was in the program at one point for \$20
 9 million.

10 In addition, on --

11 MR. HALIKOWSKI: Dallas.

12 MR. HAMMIT: Yes.

13 MR. HALIKOWSKI: This I-10, Picacho project
 14 (inaudible).

15 MR. HAMMIT: It's -- I didn't fully go into it.
 16 I can. Thank you.

17 MR. HALIKOWSKI: I just bring it up Mr. Chairman
 18 because we had needs on I-17, and as you've seen by the
 19 resolution, but I-10 (inaudible).

20 MR. HAMMIT: And as you see, Mr. Chairman,
 21 Director, we -- that is one of them. That was the fully-loaded
 22 costs -- a number of those costs on that 126 million was
 23 right-of-way. We have expended those. We have all the
 24 right-of-way purchased now. So we believe we can deliver that
 25 project now for 80 -- right around \$85 million, and that's

1 strictly construction, because we have already completed the
 2 design and purchased the right-of-way needed to build that
 3 project.

4 MR. HAMMOND: (Inaudible) those projects are not
 5 in this five-year plan but the next five years as I recall
 6 earlier.

7 MR. HAMMIT: Mr. Chairman, Mr. -- Board Member
 8 Hammond, yes, they are in the development program. You are
 9 correct.

10 MR. HAMMOND: 2021, '22, I think.

11 MR. HAMMIT: That is correct.

12 MR. HAMMOND: Okay. I guess we should keep them
 13 there or accelerate them.

14 MR. HAMMIT: Mr. Chairman, and -- yes, we are
 15 looking, if there's opportunities, to find ways to accelerate
 16 those projects. We haven't found those ways to date.

17 We also had some port of entries that had made it
 18 into the program at one point on I-10, I-40. Those have been
 19 deferred.

20 A project on -- in the Kingman area, the Rancho
 21 Santa Fe, at one point it was known as the Rattlesnake TI, had
 22 made the program. It was an incorporation with some
 23 development. The development has not occurred in that area, and
 24 it has fallen out.

25 A widening of State Route 90. This is east of

1 Sierra Vista. That was to take the existing two-lane roadway to
2 a five-lane (inaudible) median.

3 The 93 Carrow-Stephens is also in the development
4 program. It is not in the five-year, but it's in the six
5 through ten, and the same is true for the Lion Springs project,
6 but each of those at one point was in the five-year program.

7 Are there any additional questions?

8 CHAIRMAN ANDERSON: Further questions?

9 MR. HALIKOWSKI: Just a comment, Mr. Chairman.

10 CHAIRMAN ANDERSON: Director.

11 MR. HALIKOWSKI: Often we overlook the importance
12 of the ports of entry because they're not necessarily pavement
13 projects, but realizing those ports (inaudible) permits and fuel
14 permits, the weight details at those ports are very important to
15 keeping those trucks in the right weight categories. Otherwise,
16 we see a lot of damage to the pavements from overweight trucks
17 (inaudible), and that, of course, needs to increase (inaudible)
18 pavement preservation. So they're in the program, but we want
19 (inaudible).

20 MS. BEAVER: Chairman.

21 CHAIRMAN ANDERSON: Ms. Beaver.

22 MS. BEAVER: The reason that I was interested in
23 seeing this is because if -- before we start adding new, I
24 wanted to know what had been in the five-year plan, and then
25 when it was removed, you know, where we stood on it, because it

1 seemed like if it was significant enough to get in a five-year
2 plan and then -- you know, what was the rationale, if there were
3 things that needed to be, you know, completed in order to get it
4 back in that hadn't been. But I do see that we have a number of
5 them that are actually in the ten-year. I would like to see
6 this, though, kind of incorporated into our hearing process just
7 for its a matter of record.

8 MR. HAMMIT: Mr. Chairman, Ms. Beaver, we can
9 make that available.

10 CHAIRMAN ANDERSON: Further comments?

11 Thank you, Mr. Hammit.

12 Mr. Kies, PPAC.

13 And I guess my question to Ms. Kunzman would be
14 to talk about a specific item off of PPAC, we'd just remove it,
15 or can we talk about the general contingency and how that works?

16 MS. KUNZMAN: Yeah, I think (inaudible).

17 CHAIRMAN ANDERSON: Okay.

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

19 CHAIRMAN ANDERSON: Well, I'm going to --

20 MR. KIES: Do you want me to start with questions
21 or --

22 CHAIRMAN ANDERSON: Well, I just -- you know,
23 let's take 7A, for example. You're deferring a project from '15
24 to '16, and you're going to transfer the funds to the '15
25 contingency. And so is that a project that wasn't ready to go

1 just in general or --

2 MR. KIES: Right. In that -- that case, that
3 project, the State Route 265 at Milepost 218, that project has
4 been identified that it wouldn't be able to be delivered in this
5 fiscal year, which -- and June 30th. So we're getting to that
6 point where we can understand whether the project can be
7 delivered this fiscal year. So it will be delivered next fiscal
8 year.

9 However, the funds that we have available to us
10 have to be spent in this fiscal year. So then what we do is we
11 take those funds, transfer them to contingency, and then
12 identify another project that can be delivered in this fiscal
13 year, and then transfer those funds to that project. And it
14 helps us with recordkeeping to understand where the funds came
15 from and where the funds are going. (Inaudible.)

16 UNIDENTIFIED SPEAKER: (Inaudible.)

17 MR. KIES: Yes.

18 MS. WARD: Okay. May I take just two minutes to
19 give you a summary of contingency?

20 CHAIRMAN ANDERSON: All right. Start the timer.

21 MS. WARD: Okay. So every year when you guys
22 approve the program, there are two contingency subprograms in
23 there. There are two pots of money. One for construction and
24 one for design that are built into the program should projects
25 come in under or over in design or construction.

1 The construction subprogram holds \$5 million. We
2 track that (inaudible). We track the ins and outs, in and
3 outflows of that subprogram. So when dollars -- we start with
4 that 5 million (inaudible) keep statement on that, every month
5 we track it for PPAC, and we've gone in the negative at times,
6 and we've popped out when we think that there's a reasonable
7 assumption can be made that the dollars will come in,
8 (inaudible) into the negative, and then other projects when we
9 shift around, they can utilize that contingency extra dollars or
10 (inaudible) contingency program.

11 So let's say we come to the end of the year and
12 we have dollars left (inaudible). This is where the two minutes
13 gets itchy. We apply those dollars to projects that have
14 already been approved by you. And those projects that are
15 moving in and out are also projects that have already been
16 approved by this board.

17 Does that help?

18 CHAIRMAN ANDERSON: My next question would be if
19 you move a project out, keep the contingency in this year, but
20 you have contingency in '16, does that cause -- create a
21 fiscally constrained problem within that next year.

22 MS. WARD: I promise you, Mr. Chair, we've never
23 let it get out of fiscal constraint.

24 CHAIRMAN ANDERSON: I'm learning more.

25 MS. WARD: And Karla's right over there. We

1 never -- where'd she go?

2 MR. ROEHRICH: What happens, Mr. Chair, is when
3 it gets to (inaudible) to the next year, when we update the
4 five-year program, we always update the first four years, we'll
5 account for that by making those upgrades at the time that is
6 presented to you as a tentative. So that's why it's captured
7 under that. You don't see a lot of individual actions for those
8 projects, because they're all captured in the new tentative. We
9 make those program adjustments at that time, and then the board
10 has a chance to review it and then approve it as a complete
11 five-year program.

12 CHAIRMAN ANDERSON: I think that's why we see a
13 lot of PPAC activity in June, at the end of the year, correct?

14 MR. ROEHRICH: Correct.

15 MS. WARD: Uh-huh.

16 CHAIRMAN ANDERSON: Trying to reconcile and get
17 things....

18 Mr. Kies.

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

20 The PPAC items are divided into three categories,
21 project modifications, new projects and airport projects. Items
22 7A through 7I are the project modifications that were approved
23 by PPAC. I would ask the board to approve Items 7A through 7I
24 unless there are any questions.

25 CHAIRMAN ANDERSON: What's the board's pleasure?

1 MR. LA RUE: I move for approval.

2 MS. BEAVER: I make a motion --

3 CHAIRMAN ANDERSON: He beat you.

4 MS. BEAVER: Second.

5 CHAIRMAN ANDERSON: Mr. La Rue moved and
6 Ms. Beaver second to accept the project modifications as
7 presented, 7A through 7I. Further discussion?

8 All in favor?

9 BOARD MEMBERS: Aye.

10 CHAIRMAN ANDERSON: New projects.

11 MR. KIES: The new projects that were approved by
12 PPAC are Items 7J through 7M. I would ask the board to approve
13 Items 7J through 7M unless there are some questions.

14 CHAIRMAN ANDERSON: The board's pleasure?

15 MR. LA RUE: So moved.

16 MS. BEAVER: Second.

17 CHAIRMAN ANDERSON: Moved by Mr. La Rue, second
18 by Ms. Beaver to accept projects in the new projects, 7J through
19 7M as presented. All discussion?

20 All in favor?

21 BOARD MEMBERS: Aye.

22 CHAIRMAN ANDERSON: Airport projects.

23 MR. KIES: This month there are two airport
24 projects. There are Items 7N and 7O. I would ask the board to
25 approve Items 7N and 7O unless there are questions.

1 CHAIRMAN ANDERSON: Board --

2 MR. SELLERS: Move for approval.

3 MR. CUTHBERTSON: Second.

4 CHAIRMAN ANDERSON: Mr. Sellers moved,

5 Mr. Cuthbertson seconded to approve the airport projects 7N and
6 7O as presented. Further discussion?

7 Seeing none, all in favor?

8 BOARD MEMBERS: Aye.

9 CHAIRMAN ANDERSON: Opposed?

10 Thank you, Mr. Kies.

11 State engineer's report. Mr. Hammit.

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

13 For the state engineer's report, currently under
14 construction right now, we have 125 projects totaling just under
15 \$800 million. In the month of March, we finalized 13 projects
16 totaling \$225 million, and year to date, we've finalized 83
17 projects. And just as a reminder, that the emphasis that we put
18 on finalizing the projects, any money that's left in those
19 projects, we have now freed it up. If we don't finalize them,
20 we can't release those and build new projects. So we have a
21 strong emphasis on closing them out as soon as possible.

22 I do have -- there was a request to -- in our
23 prep meeting to give a quick update on the 89 landslide project.
24 Four weeks ago today, we reopened State Route 89 or US-89 after
25 it was closed for a little over two years. So February 20th,

1 2013, this is what the roadway looked like. We had a major
2 landslide in the area. Something like I hadn't seen quite
3 before. This was the next morning. A number of us flew up
4 there and looked at it.

5 An aerial view. It encompassed quite a bit of
6 the area. And one thing, if you see where the fault is, it's
7 right at the roadway, which was a little different from the
8 landslide in 2008 on State Route 87. As you see above the
9 roadway, that's where the fault was, and the toe of the slide
10 was at the roadway.

11 One difference in -- one that I'm pretty proud of
12 with what we did, State Route 87, this was Good Friday, so I'm
13 on my way back from (inaudible) streets. I'm the district
14 engineer in this area. I get the call, hey, we have a
15 landslide. The next morning, Saturday morning, and all day
16 Easter, we're out there removing that area. We reacted very
17 quickly, but we didn't fully have a plan on what's the best way
18 to manage and rebuild this. So we moved a lot of dirt that we
19 moved back. So one of the things that we wanted to make sure at
20 US-89 is we take the time to understand what happened in the
21 landslide and so we only fix it one time.

22 So we were very fortunate that we had a second
23 route, and I'll get to that in one second, but if you see this
24 is the -- basically a map of the system. Let's see if I can --
25 yeah. So you have the major hill. You have a little

1 (inaudible) here, and right here was the existing roadway. And
 2 you see that red line there is the fault line. That's where the
 3 fall and where the slide occurred. As we looked at it, how to
 4 mitigate it, what we decided to do, as you can see that black
 5 line, we cut into the -- into that -- the side of the mountain,
 6 removed about a million yards of material, and moved it down to
 7 the toe. And it basically served as a buttress, or if you're a
 8 (inaudible), that holds that slide. And you can also see right
 9 here we moved the roadway about 60 feet into the mountain, which
 10 gets it off the slide plane. That was the fix.

11 This is what the new roadway looked like four
 12 weeks ago today, just before we opened it to traffic. To allow
 13 us that time, we had to get a detour. We had a lot of people
 14 displaced. We saw in working with Federal Highways and the
 15 Navajo Nation, there was 28 miles of a dirt road between the
 16 (inaudible) Gap area to Page. We looked at that and very
 17 quickly -- so the landslide happened in February. By March we
 18 decided this is our detour. We need to start a design project.

19 So we started that design project in March. We
 20 had a contractor on board in May. We had pavement on that road
 21 and traffic on it (inaudible). We moved very quickly. Our
 22 federal partners made available emergency funds, and generally
 23 the way emergency funds happen is the State advances those, and
 24 someday, once it's approved, we're going to get reimbursed. In
 25 this case, we got an immediate reimbursement, and so it helped

1 us tremendously.

2 Like I said, Labor Day weekend, that's what the
 3 roadway looked like.

4 So what did it cost us? On the detour route,
 5 (inaudible) about \$38 million is what it cost to do that. 32
 6 million was in construction cost. The remaining little over 6
 7 million was in design, oversight and improvement fees with the
 8 Navajo Nation.

9 The repair of -- the permanent solution, the
 10 construction was a little over \$22 million. The total budget,
 11 about \$27 million, and again, that includes the administration.
 12 After you total everything up and look at design, right-of-way,
 13 all of our cost for (inaudible) emergency actions that we had to
 14 do on the project, over \$70 million, and those were all federal
 15 ER funds that did not affect our program in the long run. We
 16 did it -- moved some projects out to make available money
 17 immediately, but those have all received that total money and
 18 been able to bring back all of the projects and build those.

19 Are there any questions on the 89 project?

20 CHAIRMAN ANDERSON: Just kind of a side note, but
 21 in the consent agenda, was the turn back of now '20 -- in '20.

22 MR. HALIKOWSKI: That's correct.

23 MR. HAMMIT: And one note on that. When we got
 24 that right-of-way, the current state engineer (inaudible) sent
 25 me to Alamo, New Mexico to get that. And like I told you, the

1 last out-of-state guy that went to Alamo, he didn't get to come
2 home. So I was very happy when we got the resolution
3 (inaudible).

4 MR. HALIKOWSKI: Thank you, Mr. (Inaudible).

5 MR. HAMMIT: Any other questions on the state
6 engineer's report?

7 MR. HALIKOWSKI: Mr. Chairman, if I could, I just
8 wanted to reiterate thanks to our federal partners and our
9 partners, the Navajo Nation (inaudible). This really displaced
10 a lot of people and (inaudible), and I think everybody worked
11 very well together to get this thing (inaudible) and a permanent
12 fix. (Inaudible.) So it's amazing what you can do (inaudible).

13 CHAIRMAN ANDERSON: Thank you.
14 Construction contracts.

15 MR. HAMMIT: Thank you, Mr. Chairman. And thank
16 you for approving the eight projects on the consent agenda, and
17 we only have one project that we have to justify this month.

18 CHAIRMAN ANDERSON: Is that an anomaly or is it
19 because we're in a lull? Usually there's, you know, more than
20 one.

21 MR. HAMMIT: There's a number of them, and I
22 think depending on me, but I think we're getting -- we're
23 continually working to get better on our estimates. Some
24 projects are easier to estimate than others, local projects that
25 don't have what aren't a normal ADOT project. So if we have

1 specialty fixtures, sign poles, lights, it's harder for ADOT to
2 estimate those. And (inaudible) do are going to justify, you'll
3 see some stuff (inaudible) that as well.

4 This project is on the new -- Mr. Reddy, the
5 district engineer, mentioned it in his report. This is over the
6 Deck Park Tunnel. And what we've found is we have some leaks
7 through the tunnel. There is a pond above there, and we want to
8 seal that up. If you've been up in the park, there's a pond,
9 lots of trees, the library, and one of the biggest changes or
10 one of the areas where we missed it in the estimate is we have a
11 (inaudible) pipe that goes through the library, underneath, and
12 there's a tight, confined space. And we underestimated what it
13 would take to get into that confined space and place that water
14 line that goes through there and continue out through the park.
15 That was the biggest area where we saw a difference in the
16 bidding on this. We reviewed the bids (inaudible) out. We do
17 believe we have a good bid and would recommend approval to J.
18 Banicki for this project.

19 CHAIRMAN ANDERSON: Board's pleasure?

20 MR. SELLERS: Mr. Chairman.

21 CHAIRMAN ANDERSON: Mr. Sellers.

22 MR. SELLERS: I guess a concern I had with this
23 would be so far -- the bid being so far over estimate is the
24 fact that we only had two bidders. Is there a reason for that?

25 MR. HAMMIT: Mr. Chairman, Mr. Sellers, I think

1 the specialty work, it's the location. So I think that did
 2 limit the pool of bidders, but as we did look at it, we do think
 3 we have a good bid. Would more competition change it? Maybe,
 4 but we're not sure, because we don't know if we advertised it
 5 again if we would get any more people interested.

6 CHAIRMAN ANDERSON: Ms. Beaver.

7 MS. BEAVER: Mr. Chairman.

8 Is there -- the liability with regard to the fact
 9 that it's under the library, is that --

10 MR. HAMMIT: It's a confined space under the
 11 library. So it is not like we're digging under there. But as
 12 the crews go in there to work --

13 MS. BEAVER: I'm just visualizing the library
 14 going like this or something.

15 MR. HAMMIT: It would be like a vault that you go
 16 in, but since it's confined, they have to have special air
 17 protection. They have to have fans to make it safe for their
 18 workers to go in there.

19 CHAIRMAN ANDERSON: Further questions? Board's
 20 pleasure? It's in your district, guys.

21 MR. SELLERS: Move for approval.

22 MR. LA RUE: Second.

23 CHAIRMAN ANDERSON: Moved by Mr. Sellers, second
 24 by Mr. La Rue to approve 9A, motion to accept and approve
 25 staff's recommendation to award the contract to J. Banicki

1 Construction, Inc. Further discussion?

2 All in favor?

3 BOARD MEMBERS: Aye.

4 CHAIRMAN ANDERSON: Item 10, resolution of
 5 rescind (inaudible) Tangerine Road. We addressed this last
 6 month in Tucson. I'm going to tee it up to you, Floyd, for
 7 further information.

8 MR. ROEHRICH: Thank you, Mr. Chairman.

9 Just as a reminder or a quick update reminder for
 10 everybody, back in January of this year, the Pima Association of
 11 Government, PAG, had sent a resolution to the director of this
 12 board asking for basically two actions. One was the designation
 13 of a state route status for their proposed Sonoran corridor.
 14 Last month the board took action and designated that as State
 15 Route 410. So that has the state designation, state route
 16 designation for continued development of that corridor.

17 But the second part was to rescind a state route
 18 that had been identified in their region, which was basically
 19 Tangerine Road, the principal arterial for the region. It did
 20 have a state route status, but it was never developed to a state
 21 route designation. So it was never taken in as a state highway.
 22 It always had a state route designation, which by statute means
 23 it's a local county road, but it is available to be developed
 24 (inaudible) standards, and the board can take it as a state
 25 highway.

1 The region has decided that that corridor, that
2 route will not be continued to be developed or planned for
3 development as a state highway. Therefore, they're asking to
4 rescind it as a state route. So what you see in the packet is
5 the paperwork to rescind that, and unless there are any
6 questions, the staff is making a recommendation that this board
7 does rescind the designation of State Route 989 for that portion
8 of Tangerine Road, that -- which basically is -- stretches from
9 Interstate 10 to State Route 77.

10 There will still be about a little more than a
11 mile-and-a-half stretch that is in the state jurisdiction. We
12 currently maintain it. That is ours to maintain. That would
13 stay state jurisdiction, but the future state route, State Route
14 989 along Tangerine Road that is in the local jurisdiction would
15 be rescinded and removed, and State Route 989 would basically go
16 away. There would be not be a State Route 989 on the state
17 system.

18 If staff does approve that, the recommendation is
19 in here, and we're asking the state board to approve rescission
20 of State Route 989.

21 CHAIRMAN ANDERSON: And you did have the former
22 Board Member Christy's support at that meeting.

23 MR. HAMMOND: (Inaudible.) So PAG has approved
24 this. (Inaudible.) Why would they want to rescind?
25 (Inaudible) remove some bureaucratic restrictions (inaudible).

1 What's the rescission benefit?

2 MR. ROEHRICH: Mr. Anderson -- excuse me --
3 Mr. Chair, Mr. Hammond, the reason they explained to me, it
4 wasn't in the resolution, but the reason staff explained it to
5 me is as -- this designation of a State Route 989 was made over
6 30 years ago for the region. At that time, it was part of their
7 planning to develop that as a major throughway for the northern
8 parts of the city and the county as it was developed. But over
9 time, as it's developed, it's stayed a principal arterial, the
10 planning -- (inaudible) the planning element is it would not be
11 a major highway, wouldn't be developed. It would stay as a
12 local road, a local arterial highway. So therefore, they wanted
13 it removed off of that as part of their future planning that it
14 wouldn't -- as they explained it, we just don't see it being
15 planned as a state highway.

16 CHAIRMAN ANDERSON: (Inaudible.)

17 MR. HALIKOWSKI: Floyd, the other thing that
18 occurred to me probably late last week on Friday, I received a
19 letter from the county administrator (inaudible) about this
20 issue, and I asked (inaudible). Can you explain to the board
21 exactly what he was asking for in that letter or (inaudible)?

22 MR. ROEHRICH: Yes, sir. Mr. Chair, director
23 Halikowski, after the board's action last month designating
24 State Route 410, the County did send us a letter asking that the
25 board -- we certify that designation by doing it as a formal

1 resolution as to a -- just a formal board action. And talking
 2 with the executive director for PAG, and you know, Farhad was
 3 here last month as well to answer any questions, he felt as long
 4 as the board took the formal action that designated State Route
 5 410, they didn't feel the desire, at least from PAG's
 6 perspective, that the board needed to re- -- to take additional
 7 action.

8 In discussing the action that the board took, the
 9 reason why that was done by board action and motion and not a
 10 resolution, the state statutes that govern the adoption of
 11 boards -- or adoption of state routes, (inaudible) state route,
 12 just because the board has the authority to do it doesn't give
 13 you the mechanism of how you choose to do that as a board.
 14 That's up to you in the form of how you do that.

15 The Attorney General's office has identified that
 16 you can do that by board motion, which you did. You designated
 17 State Route 410. It has all the authority of a state route
 18 that's in the statute. But these routes like 989, over 30 years
 19 ago the board did a resolution, and therefore, we felt the
 20 staff, that you needed to rescind it as a resolution, and that's
 21 why we're doing this type of an action, because it matches the
 22 action the board took the previously.

23 Responding to the PAG executive director and to
 24 the County that the authority -- the actions that the board took
 25 gave it all the statutory authority and the designation that it

1 means, and therefore, unless the board would choose to do some
 2 different action that would reaffirm that, you know, we're done
 3 with State Route 410, that designation's there, and now we're up
 4 to the rescission that they have asked for by resolution of
 5 State Route 989. That's why we're not addressing the State
 6 Route 410 again. We're only addressing the State Route 989 to
 7 complete that action.

8 So at this time, I'm asking that the board would
 9 approve the Resolution Number 2015 A4A020 (sic) rescinding State
 10 Route 989 designation.

11 CHAIRMAN ANDERSON: Mr. Hammond, this has your
 12 name written all over it.

13 MR. HAMMOND: Move for approval.

14 MR. LA RUE: Second.

15 CHAIRMAN ANDERSON: Motion by Mr. Hammond, second
 16 by Mr. La Rue to rescind the designation of Tangerine Road as
 17 State Route 989, from State Route 77 to Interstate 10, retaining
 18 existing (inaudible) that are under ADOT jurisdiction. Further
 19 discussion?

20 Seeing none, all in favor?

21 BOARD MEMBERS: Aye.

22 CHAIRMAN ANDERSON: Opposed?

23 Item 11, suggestions? Board members have the
 24 opportunity to suggest an item for future board meetings. It's
 25 an opportunity to...

1 Ms. Beaver.

2 MS. BEAVER: Chairman, Yes. CYMPO, after
3 executive board meeting on 4-15 had a presentation done by the
4 Arizona Game and Fish called Habitat, Connectivity and Roadways.
5 I would say the gentleman's name, but I'd probably get it wrong.
6 Ray Schweisburg. I apologize.

7 UNIDENTIFIED SPEAKER: (Inaudible.)

8 MS. BEAVER: I apologize to him in advance.

9 UNIDENTIFIED SPEAKER: (Inaudible.)

10 MS. BEAVER: But I would ask that we could have
11 this on a future maybe study session similar to what we did with
12 DPS. I -- in speaking with Mr. Roehrich before the meeting, he
13 indicated that ADOT does have individuals also that work with
14 Arizona Game and Fish, but I think it's more of an informational
15 thing for us as a board to have to know.

16 I know on -- coming from the west side of the
17 state, there's a lot of problem with burros over there, but you
18 get up in the northern country, then you're dealing with elk and
19 wildlife. And I had the opportunity to review the PowerPoint of
20 it but not the dialogue that went along with it.

21 In talking with Chris Bridges, he had indicated
22 that what they thought was maybe going to be, you know, ten
23 minutes, and everybody kind of just (indicating), it ended up
24 being a 40-minute discussion about it because it was very
25 enlightening.

1 So I would just ask if we could maybe reach out
2 to Arizona Game and Fish, that they could come and do that
3 presentation and maybe also have our individuals within ADOT
4 that work with Game and Fish be there, also.

5 (End of excerpt.)
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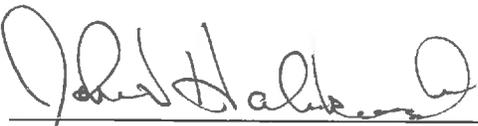
Adjournment

A motion to adjourn the April 17, 2015 Board meeting was made by Jack Sellers and seconded by Bill Cuthbertson. In a voice vote, the motion carries.

Meeting adjourned at 10:45 a.m. MST.



Kelly Anderson, Chairman
State Transportation Board



John S. Halikowski, Director
Arizona Department of Transportation