

MINUTES
STATE TRANSPORTATION BOARD PUBLIC HEARING AND BOARD MEETING
9:00 a.m., Friday, May 20, 2016
Flagstaff City Hall
City Council Chambers
211 W. Aspen Avenue
Flagstaff, AZ 86001

Pledge

The Pledge of Allegiance was led by Board member Arlando Teller.

Roll call by Board Secretary Mary Beckley

In attendance: Joe La Rue, Deanna Beaver, William Cuthbertson, Jack Sellers, Michael Hammond, Steve Stratton and Arlando Teller.

Absent: None.

Opening Remarks

Chairman La Rue reminded all in attendance this is the last public hearing prior to the Study Session, and appreciates all work done by staff to the public hearing and board meeting. Chairman announced prior board members in attendance: Jack Husted, Bill Feldmeier and Victor Flores.

Call to the Audience for the 2017-2021 ADOT Tentative Five-Year Transportation Facilities Construction Program:

The following members of the public addressed the Board:

1. Jerry Nabours, Flagstaff Mayor, re: welcome to Board; pinch point on SR 180/Humphries Street, new hotel sold eight feet along Humphries Street to City and City has right of way, Ms. Merrick applied for and awarded a grant to expand Humphries Street in front of City Hall; funds planned for rehab of deck bridge over I-40, and City applied for Tiger Grant to expand bridge; coordinating with ADOT on timing to widen bridge; City to ask taxpayers to renew portion of sales tax for transportation in area.
2. Art Babbott, Coconino County Supervisor District 1, re: welcome to board; best small transit system in the US; recognize the good working relationship with ADOT NC district staff; appreciates 89 north in Cameron project and 89 south to begin; regional transportation planning (RTP) process out with project list to City/Bd of Supervisors to focus our advocacy and work together with ADOT delivery system for highway projects.
3. Tommie Martin, Gila County Supervisor, re: thank you for Silver King project but now time for Lion Springs/SR 260 to be included in the five year plan; speeding through Star Valley; submitted resolution from Gila Co. in support of Lion Springs.
4. Dawnafe Whitesinger, Navajo Co. Supervisor, re: thank you for funding for local communities, maintenance and preservation and understand financial constraints; advocates for Lion Springs/SR 260 in five year plan; also represents White Mountain Regional Transportation Council, many townships and cities feel it is important to have Lion Springs completed; also US 60 and rocks falling needs attention in community; looks forward to strengthening relationships with ADOT.
5. Tom White, Apache County Supervisor District 2, re: thank you for construction to widen of Hwy 264; appreciates Lynn Johnson, DE in area; working with ADOT on traffic study Fort Defiance to try to get traffic lights/solar street lights in a one mile area, now need funding for it; sidewalks needed on side of Hwy 264 so school children and pedestrian can walk safely along the highway; remember Navajo Nation with state funding.
6. Craig Brown, Yavapai County Supervisor and CYMPO Chair, re: 2014 Strategic Highway Safety Plan had a strong recommendation to address distracted driving, so county has developed program involving law enforcement to participate in 10-12 public service messages for cable television; Yavapai has younger families and older folks, to address other activities other than cell phones, but distracted driving (eating, dogs, etc.).

7. Kee Allen Begay Jr., Navajo Nation Council, re: submitted letter to advocate for Highway 191 between Many Farms and Chinle, northeastern part of AZ; requesting ADOT address needs on Navajo Nation; how to assist Navajo Nation to learn the process to get funding for their projects.
8. Christian Price, Maricopa Mayor, re: thank you for SR 347 overpass as part of the plan; completion of budget for \$15 million to add to Tiger Grant application for the total of \$30 million committed to project; City concerns on five fatalities in last eight days on SR 347 with median crossovers; requesting added DPS patrols in this area; Pinal Co. placing half-cent sales tax for SR 347 on ballot this November; working closely with Gila River community to collaborate on funding to push projects through RTA.
9. Billie Orr, Prescott Councilmember and CYMPO board re: consider accelerating the Hwy 69 safety and capacity project in FY 2019 in five year program; partnership opportunity for City of Prescott, Yavapai County and CYMPO contribution to cover design costs of Hwy 69 project up to \$1 million; busy corridor through town of Prescott Valley into Prescott, at entry into mall, wide six lane corridor and suddenly six lanes to four and next one mile unsafe situation on Hwy 69 until it widens up again to six lanes, last year over 582 accidents in this one mile area; would like to have final design in 2017; invite you to Prescott in January for the Rural Transp Summit.
10. Josh Wright, Wickenburg Town Manager, re: appreciate work of board and staff, esp Dallas Hammit and Alvin Stump, working on funding ideas for GAP portion of US 93; encouraged for window of opportunity for variety of funding sources, money from federal government and active private investment of 25% from developer to build this corridor that connects two large markets, Phoenix and Las Vegas; need economic development to see return of investment for future transportation projects.
11. Chris Bridges, CYMPO Administrator, re: SR 89 update completion of final design on project for construction in spring; \$6 million realigning Willow Creek Road to finish in summer; requests I-17 be placed in five year program as Sunday backup for 15 miles - \$125 million estimate for two way reversible lanes to assist traffic from Black Canyon City to Sunset Point would reduce delay by 75%, improvement to commerce in region and residents' travel; ADOT twitter is phenomenal.
12. Steve Sanders, Gila County Public Works Director, re: requests Lion Springs section of US 260, east of Payson, last two lane section of roadway, creates a bottleneck to the gateway to the White Mountains, to move the project up and/or into the five year plan would assist the area; appreciates investment in US 60 W of Globe, divided Highway between Superior/Miami with passing lanes, climbing lanes and US 60 bridge replacement.
13. Michael Lopez, Chino Valley Public Works Director/Town Engineer, re: thank you for efforts on widening US 89 between Prescott and Chino Valley will increase safety and capacity; thanks CYMPO to partner with getting projects to fruition; appreciates Dallas Hammit and Alvin Stump found innovative ways to keep projects moving with financial constraints; Road 1 North in Chino Valley last intersection not improved, state began design and has been shelved; partnering with Yavapai County to continue with design and get it in the five year program in the next few years.
14. Derrick Watchman, Navajo Nation Gaming Enterprise, re: consider additional interchange overpass by Twin Arrows AZ near Exit 219; develop western Navajo from Twin Arrows to Leupp and Cameron, looking to grow and create jobs, develop better transportation, benefit tourism; opens opportunities to Navajos.
15. Guillermo Valencia, Chairman Greater Nogales and Santa Cruz Co. Port Authority, re: provided testimony to add SR 189 to five year plan; ADOT applied for Tiger Grant application \$25 million; met Victor Mendez in Washington DC to get support; urge board to keep SR 189 in the five year plan.
16. Alan Abare, Wickenburg resident, re: requests US 93 Gap Project, important to include in the five year plan; starts in Wickenburg north, with money from private party, to take advantage of funding; thank you to Board members La Rue and Beaver for coming out to tour the area.
17. Woody Grantham, Wickenburg resident, re: support US 93 Gap Project, north of Wickenburg, to alleviate traffic issues from Wickenburg to Las Vegas.
18. Jeff Burt, Director Economic Initiatives for City of Prescott, re: Prescott Airport for FY17 ACIP, letter submitted by Mayor to defer current obstruction/mitigation project to FY 19 and to add an environmental assessment for existing airport terminal (built in 1947) to FY17 ACIP; reflecting improvements to provide service and safety to Prescott Municipal Airport; reason for change by FAA grant for new airport master plan which will start in FY17, to delay the obstruction/mitigation to FY19; ADOT aeronautics have been a great support to Prescott airport.
19. John Moffatt, Pima County Strategic Planning Director, re: support for SR 189 in five year plan, attended the Transportation and Trade Corridor Alliance (TTCA) meeting, stated \$5 billion of state produced goods and \$9 billion of nationally produced goods go out through port, encouraged to find funding through Tiger Grant or

supplemental funding for project; Space Port Tucson, appreciate consideration of planning and design is now complete, building has arrived, 700 foot diameter launch pad poured next week; finishing rules and regulations that this is county property; Goldwater Institute filed a lawsuit, project will be done prior to dismissal; requests acceleration of Sonoran Corridor in the program; moving forward with re-routing Nogales line to S. of airport.

20. Bill Bess, Navajo Co. Public Works Asst. Director, re: thank you for funding the pavement preservation in the program, to extend the life of the pavement.
21. Alicyn Gitlin, Sierra Club/Gr Canyon Program Manager, re: modernization of current terminal at the Grand Canyon National Park Airport and destination for major airlines; considering all projects vying for funding and shortages of funding, concerned with the modernization of existing terminal - noise, light air quality and water issues associated with major airport expansion/ modernization; new water well should not be sole source of water for airport; declining springs and all time low groundwater in area; reach agreement for appropriate water supply.
22. Kevin Todacheenie, VP of Leupp Chapter on behalf of Navajo Gaming Enterprise, re: requests new Twin Arrows interchange east of existing I-40 and Exit 219 for safety, no running water, electricity and currently takes 1 to 1-1/2 hours emergency response for emergency vehicles on I-40 to Cameron; to keep Leupp community with water in area – takes 15 miles to haul water to the nearby communities – will minimize time spent in travel.
23. Marc Fuller, Big Park Regional Coordinating Council Chairman Transportation Committee, re: request consideration of modernization and rehabilitation of overpass at I-17 and SR 179 near Oak Creek and Big Park, previously on a five year plan and taken off and is not on the current proposed five year plan; business and population growth and tourism, rehab of overpass is very important to the area and requests inclusion in five year plan.

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1 (Beginning of excerpt.)

2 CHAIRMAN LA RUE: So now we will move to the
3 presentation of the 2017-2021 Tentative Five-Year Plan. Just to
4 tip off Board members, because I'll ask the question once we get
5 through the presentation, as we wrap that up whether we want to
6 call for a small break before we get in -- move into the rest of
7 the agenda. (Inaudible) be thinking about that.

8 And so Mike Kies, you'll lead us in providing the
9 presentation for the Five-Year Transportation Facilities Plan.
10 Mike, given this is, like, your fourth time to do this, we
11 expect this one just to be really -- just be phenomenal,
12 polished and (inaudible) this time, right?

13 MR. KIES: (Inaudible.)

14 CHAIRMAN LA RUE: Only shorter.

15 MR. KIES: Oh, shorter. I was ready to do what
16 you asked until you added in shorter.

17 Thank you, Mr. Chair. I'm Mike Kies with the
18 Planning Division director for ADOT, and I just wanted to remind
19 the Board and the public of the contents of the tentative five-
20 year program that's currently up for comment. So just a quick
21 overview of the background of the tentative program.

22 First, we're going to -- we're going to talk
23 about the background and then review some of our asset
24 conditions.

25 I do want to give a call out to the gentleman

1 from Navajo County who came up and said he supports pavement
2 preservation. Usually I feel like the only voice that's talking
3 about an asset condition and the importance of preservation.

4 Then going to the details of the five-year
5 highway program, a quick review of the PAG and MAG program,
6 which are those programs that are done independently in the
7 Tucson area and the MAG -- and the Phoenix metro area, and then
8 a brief overview of the airport program.

9 So the background of the tentative program is
10 that we -- as soon as the -- we -- the program is approved in
11 June, we start yet again on the next tentative program, and it's
12 a collaboration between various parts of ADOT and our regional
13 partners, and this program demonstrates how ADOT intends to
14 spend federal and state dollars over the next five years. It is
15 something that's done annually, and so this new program is in
16 anticipation of our new fiscal year that starts July 1st.

17 One of the most important things about the five-
18 year tentative program and eventually the final program is that
19 it must be fiscally constrained. So we work with our financial
20 management group in ADOT each year to refine the revenue
21 forecasts and only have the number of projects in the program
22 that can -- can be funded with that revenue stream.

23 So before I get into the details of the five-year
24 program, I do want to review the condition of our assets that
25 are out there in the -- on the state highway system. Each year

1 we do reevaluate the value of the system that ADOT owns and
2 maintains out in the state of Arizona. This year, the assessed
3 value is \$20.2 billion of existing assets that are out there.
4 This is why our pavement preservation and preservation in
5 general is so important in the five-year program. If we fail to
6 maintain the existing system that we have out there, we estimate
7 that it would cost over \$200 billion to replace that system
8 that's currently valued at \$20 billion. So therefore, some of
9 the emphasis on preservation.

10 So with that, we'll look quickly at some of the
11 conditions of our assets out in the field. This is a slide that
12 shows our bridge condition. The green dots on the map show
13 bridges that are in good -- that we rated good condition, yellow
14 is fair and red is poor. You can see by the bar graph that's on
15 the upper part of this slide that a ten-year -- or a 15-year
16 trend of our bridge conditions shows that we are slowly losing
17 ground on the good, the number of bridges that are considered in
18 good condition, and more of our bridges are what we call poor
19 condition.

20 Again, I would like to remind the Board and the
21 public that a bridge that's in -- considered in poor condition
22 is just a heads up to us that it's a bridge that we need to do
23 some maintenance and rehabilitation on. It does not mean in any
24 way that those bridges are unsafe condition.

25 Secondly -- oops. Secondly, I highlight the

1 condition of our pavement. We do spend a lot of money and
2 effort in our five-year program maintaining the pavement that we
3 have out in the field, and again, you can see a ten-year history
4 on this graph of the condition of our pavement condition. The
5 top graph is the interstate system, separate from the bottom
6 graph, which is all those state highways that are not part of
7 the interstate system. You can see, again, green is the number
8 of miles of pavement that are in good condition, yellow is fair,
9 and the red is poor. And we, again, over a ten-year history, we
10 see that we are slowly losing ground on the condition of our
11 pavement -- of our pavement.

12 With that, I want to highlight the elements of
13 the five-year program. First, our long range plan gives us
14 suggestions on how much we should be giving to our program in
15 three major categories: Preservation, which is, again, the
16 preservation of our existing system; modernization, which is
17 those projects that are typically tailored towards safety
18 improvements and improving the existing highways in their
19 current condition; and then expansion of our system. A lot of
20 the comments that you heard earlier really focused on projects
21 that are in what we call the expansion category where people are
22 asking for additional lanes, additional improvements at
23 expanding intersections and so on and so forth.

24 This slide shows that in the last five-year
25 program, the five-year program we're currently operating under,

1 we had -- are operating under 29 percent of that program being
2 towards preservation, and 59 percent towards expansion. This
3 five-year program -- tentative program that you have in front of
4 you shows more emphasis towards preservation. 41 percent of
5 this tentative program is dedicated towards preservation, and 44
6 percent for expansion, which is a slight change over the last
7 five-year program.

8 With that, the next thing I would like to
9 highlight is what we call the five-year program for Greater
10 Arizona. This is the activity that is outside the program that
11 is programmed by MAG and PAG in the Phoenix metro area and the
12 Tucson metro area. This is primarily where all of our
13 preservation activity occurs, and you see that the Greater
14 Arizona Five-Year Tentative Program is 61 percent of the dollars
15 that are -- are proposed are towards preservation, with 14
16 percent towards expansion, and 25 percent for modernization.

17 So one of the things I do want to highlight is
18 the -- as we go through this five-year program is those few
19 expansion projects that we're able to put into this program, the
20 Greater Arizona program, because of the high emphasis on
21 preservation and modernization. And again, those modernization
22 projects are those that are typically tailored towards safety
23 improvements.

24 So the way I like to present the tentative
25 program for each of the five years is with these bar graphs.

1 Again, the colors are consistent. Green is preservation, red is
2 the modernization category, and the blue is those expansion --
3 the funds that are dedicated to expansion projects. Some of the
4 other funds on this graph is how much the department spends on
5 developing the projects that are in the program, such as design
6 and planning. And then the -- and so on and so forth.

7 So with that, I do want to highlight the green
8 bar that goes across this bar graph. That is, as you know, five
9 years ago when we did our long range plan for transportation for
10 the State of Arizona, we looked at the preservation needs around
11 the state and came up with a number of -- for funding that we
12 need to expend each year to just keep up the maintenance of our
13 system at the existing condition that it is today. I showed you
14 those slides that show that there was -- there is some
15 degradation in the conditions of our existing system, and that
16 number that we calculated that we needed to spend each year to
17 keep that condition as is is \$260 million a year. We are
18 proposing that this five-year program, that we do get to that
19 spending level in 2019 and then beyond, 2020 and 2021. Still
20 not spending at that level in '17 and '18.

21 I also want to highlight some of the expansion
22 projects that are locate -- that are part of this tentative
23 program. So I'll go through each of the five years and
24 highlight some of those expansion projects that we have fund --
25 proposed for funding. First, in 2017, 15 million for the State

1 Route 89 Deep Well Ranch project. That -- this is an expansion
2 from two lanes to four lanes between Prescott and Chino Valley.
3 This has been in the five-year program for quite some time, and
4 it's still proposed for 2017 to go to construction.

5 Another expansion project in the program is US-60
6 in the Show Low area. This is a project that's proposed to
7 widen the road from two lanes to an urban section, which will
8 include a left turn lane, and that's estimated at \$6 million.

9 The largest project that's proposed in the five-
10 year program in 2017 is State Route 347. This proposes a new
11 overpass over the Union Pacific railroad within the community of
12 Maricopa. It's shown on this slide as a \$19 million project,
13 because that's the amount of funding that this program would
14 dedicate to that project. As you heard, the mayor from Maricopa
15 talked about earlier, this is 15 million that is anticipated
16 from the local community to go to this project, and then we have
17 been awarded a \$15 million TIGER Grant, which helps the funding.
18 So this is a -- nearly a \$50 million project in its totality.

19 When we get to year 2018, we are proposing an
20 expansion project on I-10 between Phoenix and Tucson at the
21 community of Picacho. This would be a project that widens I-10
22 from a four-lane interstate to a six-lane interstate, meaning
23 three lanes in each direction, and it's one of those missing
24 pieces between Phoenix and Tucson where the six-lane section
25 doesn't exist today.

1 And then also, in 2018, we intend to start the
2 development process on the State Route 189 project, which is
3 down in Nogales, and starting the final design of that project.

4 When we advance to 2019, we have another
5 Interstate 10 project that we propose as an expansion project.
6 It's another project between Phoenix and Tucson that is proposed
7 to widen the interstate from four lanes to six lanes. This is
8 in the area of Casa Grande between junction I-8 and Earley Road.
9 Another one of those missing sections -- or sections that hasn't
10 been widened to a six-lane section. And then we want to start
11 the process on one of our US-93 projects at Cane Springs and
12 start the design of that project.

13 Next year is 2020, and we proposed another US-93
14 project to go to construction. That's from Carrow to Stephens,
15 and this is a project north of Wickenburg. Well, between
16 Wickenburg and I-40 that is proposed to widen the corridor from
17 two lanes to a four-lane divided highway.

18 Lastly, when we get to year 2021, the tentative
19 program proposes the construction of an enhancement to SR-189 at
20 Mariposa Road in the Nogales area, and that's estimated at \$64
21 million, and we suggest the construction of a second project on
22 US-93 at Cane Springs to, again, widen from two lanes to a
23 four-lane divided highway.

24 Really quick, if people are not familiar with
25 where these projects are located, you can see on this map all of

1 those expansion projects, highlighting the two I-10 projects
2 between Phoenix and Tucson. You can see where the two US-93
3 projects are proposed for widening and all the other projects
4 that are mentioned.

5 MR. SELLERS: Mr. Chairman.

6 CHAIRMAN LA RUE: Yes.

7 MR. SELLERS: Mike, quick question. On the
8 Interstate 10 expansion between Phoenix and Tucson, would that
9 expansion include median barrier?

10 MR. KIES: I don't believe we have the details of
11 that yet. Do we have -- it looks like Dallas is ready to jump
12 up.

13 MR. HAMMIT: If we designed it, we would design
14 it with a corridor wide enough where it would not warrant median
15 barrier.

16 MR. SELLERS: Okay. Thank you.

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

18 One of the expansion projects that I did want to
19 highlight, which I talked about earlier, is the State Route 347
20 project. You can see a depiction of it on this slide. The
21 current cost estimate is \$55 million. Again, 6 million of that
22 has already been obligated by this board in this current fiscal
23 year to go to design and advance some of the right-of-way
24 activities. So this tentative program includes \$19 million of
25 program funds, but in addition to that, again, there's \$15

1 million of a local contribution. Some of that could go to
2 relocating the Amtrak station that is currently located in
3 Maricopa, and some of the local contribution goes to the final
4 phases of the project. And then, again, a \$15 million TIGER
5 Grant has been awarded for this project. So again, this is a --
6 one of those great partnerships between the local community and
7 the State to bring funding together and deliver a \$55-million
8 project without that amount of funding really hitting the
9 program.

10 Another project I do want to highlight is State
11 Route 189. That has been talked about in a lot of detail
12 recently. We are currently going -- we are currently working on
13 a design concept report and environmental assessment, which will
14 clear this project for environment -- which will provide
15 environmental clearance for this project. That's anticipated
16 later in this calendar year to be completed. Then we are moving
17 directly into 30 percent plans to keep the development of this
18 project going, and that 30 percent design activity is for what's
19 referred to as the "ultimate plan." So all of the improvements
20 that are intended for this corridor between I-19 and the border
21 with Mexico. Then this tentative does highlight \$4 million for
22 final design in the year 2018, and then the construction project
23 of an interim phase or one phase of this ultimate plan that you
24 see in front of you at an estimation of \$64 million. And that's
25 in year 2021.

1 CHAIRMAN LA RUE: Mike, just -- I got -- Board
2 Member Stratton.

3 MR. KIES: Sorry.

4 MR. STRATTON: On the 189 project, as we heard,
5 there's a TIGER Grant that has been applied for, and there's
6 obviously time frames associated with those. The way we have
7 this scheduled, would that coincide with the TIGER Grant if they
8 do (inaudible).

9 MR. KIES: Mr. Stratton, no. If -- so one of the
10 reasons that we applied for the TIGER Grant was because that
11 would provide a funding -- more federal funding to the program,
12 and that would allow us to accelerate this project. So if the
13 TIGER Grant is awarded, we anticipate that this project will be
14 accelerated to the year 2019, and that is the time frame that is
15 required by the TIGER Grant.

16 MR. STRATTON: That was my final question
17 (inaudible). Thank you.

18 MR. KIES: You're welcome.

19 MR. ROEHRICH: Mr. Chair, Mr. Stratton, if I
20 could maybe add on to that, we don't expect that we will know
21 about the TIGER Grant or whether it will be awarded before the
22 Board needs to act on the five-year program in June. Therefore,
23 you're going to see the plan that we have in place based upon
24 current funding, but we as staff have been looking at options
25 that would happen when the TIGER Grant comes available, and if

1 that happens, it will be after the five-year program is
2 approved, which means you're not (inaudible) just like we do
3 every other -- every month, we bring those forward.

4 So we are looking at options, but we can't put
5 those options in the program, because they're not fiscally
6 constrained, and I don't need Kristine coming into my office
7 every day and telling me how ignorant I am, because I know the
8 process. I'm just trying to figure out a way around it. So
9 we're going to put in the process (inaudible), but we have
10 options in place given whether we're successful or not.

11 MR. STRATTON: Thank you.

12 CHAIRMAN LA RUE: And so my -- Floyd -- I think
13 Floyd just answered it, but one of things that was jumping out
14 at me is we're going to 30 percent design in 2017, which I
15 understand you want to kind of do a check there and do some
16 evaluation, but then final design in 2018, and I just want to
17 make sure we weren't losing valuable time between 30 percent
18 design and final design, and there's not a lag there for any
19 other reason than we're just checking ourselves and making sure
20 the path is the path we want to take.

21 MR. KIES: Yes. Thank you, Mr. Chair.

22 So the 30 percent design, again, is to keep
23 moving forward on the ultimate plan. And it is -- it's an
24 opportunity for us to see how the ultimate plan weighs out and
25 verify the right-of-way that would be required for that. If

1 there is -- if the TIGER Grant is awarded, then we do have some
2 options for delivery. So the fact that we're going forward with
3 the 30 percent design provides some options for us to maybe go
4 design build and maybe -- and not even go to the final design
5 step, but those are all of the options that we're going to be --
6 that we're reviewing and would be ready to kick in place if
7 needed if the TIGER Grant is awarded.

8 CHAIRMAN LA RUE: Excellent. Thank you.

9 Board Member Hammond.

10 MR. HAMMOND: (Inaudible) to you, but I want to
11 think the statewide support that we've received on this project.
12 It's refreshing to see the recognition of how important this is
13 to them (inaudible) the whole state in a time of limited
14 resources. It's been very, very noticed by southern Arizona and
15 much appreciate (inaudible).

16 CHAIRMAN LA RUE: Board Member Hammond, thank you
17 (inaudible). I, too, -- the time I've been around, I've not
18 seen that much support up and down and across the entire state
19 for one project, and so that -- it's actually what was driving
20 my question about let's not lose any time, because I think the
21 State has spoken that's the highest project -- highest priority
22 project. So we just need to make sure it gets done. I thank
23 you.

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

25 The next slide is to highlight our preservation

1 project. Again, 61 percent of the statewide program is proposed
2 to be dedicated towards preservation. This map shows the spread
3 of preservation projects all across the state on our state
4 highway system, and the table here is just an example of a few
5 of the projects that are projects that are highlighted in the
6 tentative program. You can see that they're mostly centered
7 around pavement preservation and bridge replacements or bridge
8 rehabilitation around the state.

9 Next is our modernization program, and again, the
10 map here is intended to show that there are modernization
11 projects proposed around -- fairly distributed around the state.
12 These are the projects that typically deal with safety
13 improvements such as intersection improvements, shoulder
14 widening and other aspects of modernization of our system.

15 So with that, I just want to do a quick summary
16 of the tentative program from fiscal year '17 to '21 that is
17 currently out for comment. Again, we focused on the expansion
18 projects that -- some of those from the previous five-year
19 program remain in that -- in this five-year program, but we are
20 focusing more funding towards preservation, and within this
21 five-year program, we get near to our goal of 260 million a year
22 each year being spent on preservation.

23 Some of the funding opportunities that -- with
24 the TIGER Grant for 347, the passing of the FAST Act, which
25 Congress passed in December, has allowed us to provide more

1 expansion projects in this five-year program than the previous
2 one, and I highlighted those projects on Interstate 10, US-93,
3 and again, US -- State Route 189.

4 Again, just really quick, I want to highlight the
5 PAG tentative program, which is also included in the document
6 that we call the tentative program. This is done as a separate
7 process, but we do coordinate with PAG quite a bit. You can see
8 that a lot of the projects -- excuse me -- a lot of the projects
9 in the Tucson area are looking at expansions of interchanges
10 along our interstate system, such as I-10 and I-19.

11 And then really quickly, on the PAG -- or the MAG
12 system in the Phoenix metro area, again, a lot of expansion
13 projects in the Phoenix metro area, with the largest project
14 being the South Mountain corridor, which is almost a billion
15 dollars in this five-year program.

16 And now I'm going to have to, you know, quickly
17 wrap up, because -- oh, thank you, Mary. I was go to say, I'm
18 losing my voice.

19 CHAIRMAN LA RUE: Board Member Hammond.

20 MR. HAMMOND: Is it appropriate to comment on the
21 attempt to stop the South Mountain Freeway and any update on
22 that?

23 MR. ROEHRICH: Mr. Chair, Mr. Hammond, I think
24 it's important to know that the South Mountain's not in this
25 five-year program. That's a current project, and that this

1 hearing, the discussion is supposed to be on -- it's agendaed
2 for this tentative five-year program. In general, if you would
3 want to have a discussion of the South Mountain, I think we need
4 to agenda it as a separate item. It's not part of this item.
5 Michelle, fair? Is that...

6 MS. KUNZMAN: Yes.

7 MR. KIES: Just a point of clarification. There
8 is funding in this proposed five-year program to -- because
9 South Mountain is a public/private partnership, and there's
10 funding that would be provided to the private venture on
11 numerous fiscal years. So just to --

12 MR. ROEHRICH: So with this funding being spread
13 out, so then it is in this five-year program.

14 MR. KIES: Correct.

15 MR. ROEHRICH: So that you can talk about the
16 South Mountain.

17 MR. HAMMOND: Okay.

18 MR. KIES: Yeah. \$973 million of the -- I think
19 it's about \$1.7 billion for that project is in this tentative
20 program.

21 MR. HAMMOND: So then, Mr. Chair (inaudible).

22 CHAIRMAN LA RUE: Board Member Hammond, do you
23 have a question on that?

24 MR. HAMMOND: Obviously if that (inaudible),
25 there would be a lot of money (inaudible) in Maricopa County.

1 CHAIRMAN LA RUE: I can assure that those that
2 are in Maricopa County that I met for (inaudible). But it looks
3 like it's going forward.

4 MR. KIES: Dallas, (inaudible) just -- we just
5 had a conversation. Dallas will be covering the status of the
6 lawsuit regarding South Mountain in his state engineer's report.

7 And then last is the airport program. The State
8 does have an aviation fund, which is funded by license fees and
9 jet fuel taxes that goes towards improvement of our state
10 airports, and each year the Board approves the dedication of
11 funding from that fund towards different programs for the
12 airports. The first is each year we set aside a portion of
13 funding that can match federal grants. So the airports request
14 federal funding from the FAA, and then the State Aviation Fund
15 provides part of that match to those federal funds. So some of
16 those projects that were commented on earlier that the Grand
17 Canyon would be requests that that airport could make from the
18 federal government. Those funds would then be -- in an example,
19 could be used to match those federal fund requests.

20 The second program is our state loan -- state and
21 local grants. These are state aviation funds that go -- could
22 go directly to airports for improvements around the state that
23 ADOT makes those grants to the local airports.

24 And then the third program is our pavement
25 preservation program. Again, airports, it's important to

1 maintain those assets that are out there. So the State Aviation
2 Fund is proposing over \$6 million in the next fiscal year to be
3 awarded to local airports for pavement preservation. And then
4 there's a loan program, and then the State also does planning
5 services such as the State Aviation Plan, and that's proposed at
6 about \$4 million for next fiscal year.

7 With that, I would just conclude with what the
8 next steps are for the tentative program. We have been holding
9 public hearings since March. Today is the last public hearing,
10 here in Flagstaff. We had a previous one in the Tucson area,
11 last month in Phoenix. We have been compiling all the comments,
12 and you've been getting reports on those comments as we -- each
13 month as we get together here at the board meeting.

14 So this is all leading up to a study session on
15 May 31st, which will be held in Phoenix, where staff will come
16 back, and based on all the comments we've heard, bring to you
17 recommendations on changes to the tentative program that if you
18 concur, then could become the final program. We then bring back
19 the final program to you at the board meeting in June, which
20 will be in Holbrook this year, for your -- to request that you
21 approve it as the final program. If you do approve it as the
22 final program, we then send it over to the governor's office for
23 signature, and we need to do that by June 30th, because then the
24 program will be available when our next fiscal year starts,
25 which is July 1st.

1 With that, that's the overview I had of the
2 tentative five-year program.

3 CHAIRMAN LA RUE: Okay, Mike.

4 Board Member Stratton.

5 MR. STRATTON: I have a comment and a request.
6 First, I'd like to thank the entities that realize how short we
7 are on money and the needs that we have, and those entities that
8 have stepped up and offered partnerships with ADOT, especially
9 those that have budgeted specific amounts or given us specific
10 amounts so that the staff has something hard dollar wise to work
11 with.

12 Having said that, I would ask staff to speak to
13 Gila County. They gave a commitment today, but it was very
14 loose. There was not a dollar amount associated with it. And
15 looked at the feasibility of moving the Lion Springs sign
16 project forward in the five-year plan. Hopefully we can have
17 that for the study session.

18 CHAIRMAN LA RUE: Any other board member?
19 Questions? Comments? Concerns?

20 Board Member Teller.

21 MR. TELLER: Going back to the state aviation
22 program, in 2013, Navajo Nation championed an amendment to
23 consider tribal airports be part of this opportunity to improve
24 the tribal airports, and it passed, and we're now involved two
25 years, three years into this program. There has been

1 discussions of an aviation sweep again, and my concern is,
2 especially for tribal airports, now that we're in the program,
3 Navajo Nation's involved, (inaudible) involved in getting -- the
4 State Aviation Fund, we do appreciate it. I know the other --
5 there's other tribal programs that are going to take advantage
6 of this opportunity, and their concern is this discussion of
7 that sweep again. So that is a concern of mine.

8 MR. KIES: Mr. Chairman and Board Member Teller,
9 I'm happy to report that the budget process is over this year.
10 The legislature did propose a budget and it was approved, and
11 there are no sweeps from the aviation fund. Last year there was
12 a \$15 million sweep, but there were no sweeps this year from the
13 aviation fund.

14 CHAIRMAN LA RUE: Seeing no other questions, I
15 would entertain a motion to adjourn the public hearing on the
16 2017 to 2021 Tentative Five-Year Transportation Facilities
17 Construction Program.

18 MR. STRATTON: So moved.

19 CHAIRMAN LA RUE: We have a motion by Board
20 Member Stratton.

21 MR. TELLER: Second.

22 CHAIRMAN LA RUE: We have a second by -- we'll go
23 with Board Member Teller.

24 All those in favor signify by saying "aye."

25 BOARD MEMBERS: Aye.

1 CHAIRMAN LA RUE: Any opposed? The ayes have it.
2 Now the question. We've been going for about an
3 hour and 45 minutes. Do you guys want a five- or ten-minute
4 break or -- we have about an hour, probably, in this agenda.
5 Your pleasure.

6 I see that nod. Yes, a five-minute break. Let's
7 take a five-minute break. We'll come back at about five of
8 11:00.

9 (Short break taken.)

10 CHAIRMAN LA RUE: Call this meeting back to
11 order, regular board meeting.

12 First item on the agenda is call to the audience.
13 I do not have any speaker cards for the call to the audience,
14 and therefore we'll go to the next agenda item, which is the
15 district engineer's report, and Audra Merrick is up.

16 MS. MERRICK: Good morning, Chair and members of
17 the Board. My name is Audra Merrick. I'm the ADOT North
18 Central District Engineer. We're excited to have you here in
19 Flagstaff, and thanks for being here today. Welcome to
20 Flagstaff.

21 I'm going to talk to you today in the interest of
22 your time about four construction projects of interest. I'll
23 talk a little bit about district operations since generally we
24 seem to focus on construction projects, but some of the
25 maintenance side of the house is interesting as well.

1 We do have a -- we are anticipating administering
2 28 fiscal year '16 projects alone. It's going to be totaling
3 over \$36 million. That is a combination of local projects and
4 ADOT projects, just an FYI. So two of those four projects I'll
5 talk to you about today are the fiscal year '16 projects, and
6 then the other two are rollovers from years past.

7 This is the district map. I do apologize. It's
8 the old district map. It's not that we don't welcome the new
9 area into our district. I had some computer challenges and
10 couldn't get the new district map in. So my apologies there.

11 The first project I'll be talking to you about is
12 the I-17 northbound rock scaling project. I've been traveling
13 north above Flagstaff on 89, the US Cameron Bridge project, and
14 I spoke to you about this project last year, but we're finishing
15 it up.

16 And then onward to the northwest corner of the
17 state and talk about I-15, Bridge Number 6, and then a pavement
18 preservation project we have up there from Nevada state line,
19 which is Milepost 0 to Milepost 13.

20 So this is the first project. It's I-17
21 northbound. It's a rock scaling project. There's also some
22 debris removal, some W beam guardrail, and some concrete barrier
23 in this project. It was just awarded in February of this year.
24 It's about one-and-a-half million dollars. It is a 100-working
25 day contract, so probably will be about -- probably be about

1 five months long. So I just tossed maybe a fall completion
2 estimation. The contractor's Fann. It is night work, and so
3 here's what rock scaling looks like in the evening hours on
4 I-17.

5 This is the second project. It's US-89, the
6 Cameron Bridge replacement project. It was awarded back in
7 October of '13. This is the one I presented to you last year.
8 \$37 million contract. It's nearing completion now. We'll have
9 it completed this summer, and the contractor is Vastco.

10 The structure on the right was the old steel
11 truss bridge. It went over the Little Colorado River, and this
12 is what it looks like today. We've replaced it with two
13 concrete (inaudible) bridges.

14 And then in addition, you can see how massive
15 these structures are. In that red circle, there's actually a
16 man painting the bridge, and you can barely see him. The
17 structure depth, which is measured from the roadway service that
18 we drive on to the bottom of the girders, is roughly 7 feet.
19 It's actually 6 feet, 11 inches. And those pier caps, which is
20 the horizontal element that sits on top of the columns, are
21 four-and-a-half feet tall. So this just gives you an idea of
22 the magnitude of the structures.

23 This is still the US-89 project. US-89, before
24 we had this project, was a lane of traffic in each direction,
25 one northbound, one southbound lane. We've now made it a

1 divided, two-lane section. So the photo on the left is looking
2 southbound on US-89. Cameron Trading Post is there on the
3 right. You can see some of the signage.

4 And this photo shows the pedestrian pathways that
5 were put in on this project, along with some of the roadway
6 lighting. We also put in four pedestrian tunnels that go under
7 US-89, and the top right photo shows one of those pedestrian
8 tunnels. They're 10 feet by 12 feet boxes. So they're 12 feet
9 wide, 10 feet tall concrete boxes, and you can see some of the
10 architectural treatment that was placed inside.

11 This is the third project of interest. This is
12 I-15, (inaudible) Bridge Number 6. This is the last time I'll
13 be presenting to you on this project, because we're pleased to
14 announce that we should have this completed July of this year.
15 It was awarded in January of '14. It's a \$27 million contract.
16 I don't know if you remember, there was TIGER Grant money in
17 this. The contractor's (inaudible) Wadsworth, and we should
18 have it open to traffic for Memorial Day weekend, but it has
19 intermittent lane closures between there and July. But then
20 we'll complete the project in July.

21 The fourth project of interest was (inaudible) on
22 the I-15 corridor. It's a pavement preservation project from
23 Nevada state line to Milepost 13. Milepost 13 is just to the
24 south entrance of the gorge. It was awarded in October of '15.
25 It's a \$10-and-a-half million contract. It's 70 percent

1 complete. It's actually a three-inch mill and a two-inch
2 overlay. We completed that last week, and we started the
3 friction course paving this week. So expect that to be
4 completed this summer. Again, this is (inaudible), and so those
5 are some photos of what paving actually looks like in the
6 evening hours.

7 So that completes my -- the four projects of
8 interest.

9 Moving into some of our district operations,
10 which you don't see a lot of necessarily during these meetings,
11 I just wanted to share a few minutes with you. We're a seasonal
12 district up here in the North Central District. So during the
13 winter months, we spend a long time in snow operations. When
14 the season breaks, when the weather breaks, we're out there
15 instantly working on roads, filling potholes. When we have
16 better weather, you'll see us put overlays out on the roads,
17 repairing guardrail from the winter months, repairing fence,
18 those types of items. And then normally, about mid summer, you
19 see us start preparing again for that next snow season.

20 In the midst of all that, we have other things
21 which I actually call the fun stuff, and this is all the
22 incident management that we have, and we'll talk some about that
23 as well. Here's a photo of a tow plow that we purchased this
24 year, and what it allows us to do is plow two lanes at the same
25 time. This was used for the first time this season on

1 Interstate 40. I believe this is -- I think this is westbound,
2 and it's out in the Williams area.

3 This is a picture of the plow from behind. The
4 truck itself has a plow on the front of it. It's plowing the
5 left lane. The tow plow, which articulates from the back of the
6 truck, is a plow on the right lane. We anticipate getting
7 another one of these plows this summer. We'll use that in east
8 Flagstaff out on the I-40 area.

9 We do have a road that we close during the winter
10 months. It's State Route 67, Jacobs Lake to the north rim. The
11 north rim of the Grand Canyon is closed in the winter months,
12 and so as a result, we don't put as many resources on that
13 roadway. And here is an example of when the weather breaks,
14 they go out and try to clear the road and have it open for the
15 Grand Canyon National Park opening day, which is usually mid
16 May.

17 Some of our spring, summertime operations is --
18 usually starts with the potholes, because we have a lot of
19 (inaudible) spot conditions up in this area. And so the picture
20 on the left is the I-15 bridge number three. This bridge since
21 has been rehabbed, and we've -- we worked on the deck of this
22 bridge, and thank you to you all for that project. And then the
23 other picture is I-40, just parts, just example of a pothole on
24 the road.

25 So these are our all-year operations, what I call

1 kind of our incident management. Really, the -- kind of the fun
2 stuff of the district, the things that just happen, and we need
3 to quickly respond. We're getting really good at it. I'm not
4 sure if that's a good thing or not up in this district.

5 This is just a small taste of recent events in
6 the North Central District. So up on 180, we see winter
7 congestion in our winter months, and we have vehicles that park
8 on the side of the road, then we have difficulty getting our
9 plows through. We use law enforcement to help with those
10 situations. We've also done a lot of communications this year
11 to educate the public not to park on the sides of the roads, and
12 that's helped.

13 We have dust storms up in the North Central
14 District. Here is an example of I-40 out in the Winslow area.

15 We actually have earthquakes. We've had a few up
16 on the I-15 area and Littlefield this year, and then last year
17 we had some down on State Route 89A between Flagstaff and
18 Sedona.

19 I don't know of anything wrong with this bridge.
20 It was just a picture of a bridge. Really, it's just to remind
21 me. When we have these earthquakes, generally what we do from a
22 district standpoint is we send people out to take a look at
23 bridges to see if they see anything obvious that's wrong, and
24 we'll call in additional resources if we need to. We haven't
25 had an issue so far.

1 We have lots of fires up in this area. We're
2 very fire prone. Two years ago, we had the State Route 89A
3 (inaudible) fire, which is the top picture, and that was when we
4 had State Route 89A closed for a period of time from Sedona to
5 Flagstaff. We actually had an active construction project at
6 that time, and we held off on that project and had the
7 contractor wait, and then we slid the closure from the fire
8 right into the construction closure. And we were able just to
9 have the fire and pave, and we were out of there. It worked out
10 great, from that side of it, anyway.

11 I-15, this was just two months ago on I-15. This
12 is north of I-15. You're actually sitting on, I believe, Bridge
13 1 or close to it. We had a fire up there.

14 Floods, we have -- we're starting to get more
15 floods. This is US-89A, House Rock. This was August of last
16 year. The top right is an aerial. That is the roadway, and the
17 water came across the road. You can see the vehicle up close,
18 to the top of the slide. You can see the white vehicle below.
19 There was no injuries.

20 And then the bottom photo is that same flood,
21 US-89A, House Rock, and it shows two men standing there. You
22 can see the scale of those boulders that we had on the road, and
23 so we brought up district resources from all over the district,
24 and we were boulder blasting, trying to get the boulders off the
25 road because they were so massive.

1 About a month after this, that's when we had the
2 State Route 389 flood, the Utah flooding. We had some minor
3 damage to that bridge structure up there. Our maintenance staff
4 went out and put a temporary fix in, and we're working on a
5 project for a permanent fix.

6 We have landslides. You're familiar with the
7 US-89 landslide, various rock fall. There was mention of that
8 earlier. This is just an example of the rock down on State
9 Route 89A.

10 Sinkholes, we have sinkholes up in this district,
11 too, and that's an example, State Route 89A.

12 Various vehicle fires. I think most districts
13 probably have these around the state.

14 And this one is actually interesting. It's a
15 tornado. And I'm really happy to say this is something I
16 haven't seen as district engineer yet, but this is a photo out
17 from (inaudible) 2010 in the Bellmont area on I-40.

18 And so that's all I have for you today, and thank
19 you for having me. I appreciate it. And I'd take any questions
20 if anybody has any.

21 CHAIRMAN LA RUE: Thank you.

22 Board Member Teller.

23 MR. TELLER: Thank you, Chairman.

24 Ms. Merrick, thank you very much for your hard
25 work and your district's hard work. We do appreciate it in this

1 region of Arizona, and I commend your efforts for working with
2 Navajo Nation and Hopi Nation as well in our partnership
3 efforts. It is -- it really helps us work together in a
4 streamlined fashion, and you -- you begin to understand us, and
5 "us" meaning Navajo DOT and Hopi DOT, and we're beginning to
6 understand the process a bit more. And so you see today we saw
7 some tribal members here advocating for some projects, and
8 that's through the efforts of yourself, Mr. Johnson and the
9 Board members sharing and encouraging and, I guess, instructing
10 how to do -- how to put in projects into the process. Your
11 effort is (inaudible). Thank you very much.

12 MS. MERRICK: Thank you. Appreciate that.

13 CHAIRMAN LA RUE: Any other Board members?

14 MR. ROEHRICH: Just -- Mr. Chair, the director's
15 not here, but I know if he was, he would really express his
16 appreciation, Audra, of you and the whole North Central team,
17 everything that you do. When he goes to board meetings and
18 hears all the great comments from the speakers -- we talked
19 about how great it is to work with the district engineer and
20 district staff. He really -- it solidifies in his mind the
21 importance of he can't be everywhere, he's got such a big state,
22 but he knows he's got the right professionals out there.

23 We heard great comments here. Mr. Teller, your
24 comments now are so appreciative. But it really starts with
25 you, Audra, you and the whole team in the district. So thank

1 you for that. I know if he was here, he would want to express
2 that appreciation, especially looking at the magnitude of what
3 you have to do day in and day out. So thank you.

4 MS. MERRICK: Thanks. Appreciate it.

5 CHAIRMAN LA RUE: Thank you. On behalf of the
6 entire Board, thank you. We receive a lot of great comments
7 about all the great work that you and your team are doing here,
8 and again, this presentation, all the efforts and all the things
9 that you deal with, it's just amazing. And I drive many of
10 these roads through a lot of this different weather, and it's
11 nice, safe travel. I feel very comfortable (inaudible).

12 MS. MERRICK: Thank you. Appreciate it.

13 MS. BEAVER: I might -- I don't know if Audra
14 could help me on this, but in one of the speakers'
15 presentations, they were talking about what I'm assuming had to
16 do with a -- like a -- a new road maybe between Cameron and --
17 it was a loop.

18 MS. MERRICK: Yes.

19 MS. BEAVER: Is that what that -- the interest
20 was, was seeing kind of a shorter route rather than having to go
21 clear around to I-40?

22 MS. MERRICK: Yes. And Mr. Teller can probably
23 answer this as well. Navajo DOT has been communicating now with
24 ADOT. They're interested in putting a route in that essentially
25 goes -- about the Twin Arrows Casino area on I-40, up north, to

1 loop up into Cameron.

2 MS. BEAVER: Okay. So Cameron is back over on
3 the -- where they're doing that road construction that you --

4 MS. MERRICK: Yes.

5 MS. BEAVER: I've been up there, by the way, and
6 I've seen it.

7 MS. MERRICK: Uh-huh.

8 MS. BEAVER: And it's -- it even looks nicer than
9 what (inaudible).

10 MS. MERRICK: Uh-huh. Yeah. It's -- it will --
11 they are -- they're running a feasibility study now. My
12 understanding is it could be potentially in a draft form. I
13 haven't seen it. And so that new highway will come into --
14 connect into 89 somewhere in the Cameron area.

15 MS. BEAVER: Is there already a dirt road?
16 (Inaudible) road, I guess, is the term we use?

17 MS. MERRICK: Uh-huh.

18 MR. TELLER: Mr. Chair, (inaudible), thank you
19 very much.

20 Vice Chair, Chair and Ms. Merrick, the route that
21 Navajo Gaming provided in a brief statement this morning is a
22 route that is in feasibility form, and it's a corridor that
23 starts in Cameron. Then it goes on the western side of Navajo
24 following some dirt roads. There's a collection of dirt roads
25 that are up there.

1 As you may recall, Mr. (Inaudible) did mention
2 that that particular part of Navajo and Hopi (inaudible) area.
3 So the infrastructure still is very primitive and basic, and
4 there's a series of dirt roads that are within the Navajo DOT's
5 inventory, as well as some Hopi inventory. When I say
6 "inventory," the routes are collected into the EIA's road
7 infrastructure, road inventory database. So there's a lot of
8 roads up in that area that then meets at the Grand Falls area,
9 and then it comes down south to Tribal Route 15 where that
10 connects to the loop, then southward to Twin Arrows. So it's
11 approximately a 60- -- I want to say 60-mile corridor route that
12 goes from I-40 up to Cameron.

13 MS. MERRICK: Thanks.

14 CHAIRMAN LA RUE: Thank you. And I might
15 encourage maybe in the future, I might get (inaudible) in the
16 future. Thank you, Audra.

17 MS. MERRICK: Thank you. Appreciate it.

18 CHAIRMAN LA RUE: Let's move on to Item Number 2.

19 MR. ROEHRICH: Good morning, Mr. Chair and
20 members of the Board. The director, again, could not be here.
21 He had that conflict that he hopes this might be the last month.
22 So he still sends his regrets. The only item that we have was a
23 recognition of a past Board member, Board chair, Mr. Bob
24 Montoya. I'm actually going to defer to past Board chair and
25 Board Member Bill Feldmeier to talk about the actions that I

1 think this board has contributed to, but past Board members have
2 to honor the memory of Mr. Montoya and what he's meant to the --
3 to ADOT, the transportation and to this region.

4 CHAIRMAN LA RUE: Floyd, as Mr. Feldmeier's
5 coming down, Mr. Feldmeier filled out a form. Does he need to
6 fill one of these out?

7 MR. ROEHRICH: Well, I saw Mary get her phone
8 out, so I think you get three minutes.

9 MR. FELDMEIER: I thought I had some kind of
10 executive privilege here. I guess when it's over, it's over.

11 CHAIRMAN LA RUE: Do we need to hear from legal
12 counsel to see if (inaudible)?

13 UNIDENTIFIED SPEAKER: (Inaudible.)

14 MR. FELDMEIER: You have legal counsel here?

15 CHAIRMAN LA RUE: Always.

16 MR. FELDMEIER: We used to do it without.

17 CHAIRMAN LA RUE: Well, yeah. That was the good
18 old days.

19 MR. FELDMEIER: That was the good old days.

20 CHAIRMAN LA RUE: (Inaudible), you know, moved
21 on. They attach legal counsel to us and stuff. We can't turn
22 on the mics without legal.

23 MR. FELDMEIER: I think I understand why.

24 Well, Mr. Chairman, staff members and members of
25 the public that are here today for this item specifically, I

1 want you all to know that it is indeed my pleasure, and really
2 my sad pleasure, to recognize Robert, and Bob, Montoya for his
3 time on the State Transportation Board.

4 I was on this board the year after Bob came on.
5 So I followed him for five years. And then better than that,
6 because he lived in Flagstaff and I lived in Verde Valley, and a
7 lot in Prescott as well, we would link up in either (inaudible)
8 Junction on I-17 or here in Flagstaff and then drive together to
9 both study sessions and board meetings throughout the state. So
10 I got -- I got to know Bob really, really well, and it was my
11 pleasure to know him, spend a great deal of time with him during
12 his tenure on the Board, and then some periods of time after as
13 well.

14 When we're on the Board, we always recognize
15 there are certain projects that are special to us that we wanted
16 to accomplish during the tenure that we have. For Bob, it was
17 the bridge -- the bridges and the construction project attached
18 to both bridges at Cameron on 89. Bob used to riddle me on the
19 way down to meetings and on the way back. He says, "On the
20 Board, I want to get that in the five-year plan, and I want to
21 see that thing completed." Well, to his credit, that project is
22 now under construction and close to completion. But it's sad to
23 say he didn't make it to cut the ribbon.

24 While I was passing over that bridge construction
25 a number of months ago, maybe it was probably a year ago, I had

1 this flash and the memories of the conversations I had with Bob
2 about the importance of that project. And I thought, you know,
3 maybe we ought to remember Bob and his efforts by creating a
4 plaque and putting it on one of the bridge (inaudible) there.

5 So I let that work in my mind for a period of
6 time, and I pitched some other board members, Victor Flores, in
7 particular, and we discussed it and all thought it was kind of a
8 good idea. So we milled that around a little bit and talked to
9 some family members, and everyone was on except ADOT, because we
10 hadn't run the idea by them yet.

11 So we met with John Halikowski, the director, a
12 number of months ago, probably six, seven months ago, and
13 expressed the idea to him. And right there everybody was on,
14 and it was off to the races with the commitment that no public
15 money is going to be involved in this. So it's all going to be
16 privately funded by friends and family.

17 So what we ended up with was the plaque that we
18 see up here. That -- this thing is heavy. This is it right
19 here. And it comes with -- it comes with (inaudible) bolts and
20 all, and your ADOT staff, through Audra's district, has offered
21 to mount this for us. So here it is, for all of you back there
22 to see. I'll set it down before I drop it on my toe.

23 And then I want to recognize, before I move on,
24 that there's some members of the family that are here today.
25 First, I want to recognize Bob's wife, Linda, who unfortunately

1 couldn't be here today through -- due to a prior commitment out
2 of state, but she's here, nevertheless, in spirit and knew this
3 was going to take place.

4 We also have Veronica and Henry Ortiz, who are
5 back here. Just raise your hands for us so the folks up here
6 can see who you are. And then -- and Veronica is Bob's sister.

7 And then Jerry and Theresa Montoya. Jerry was in
8 a sling. He had to go to some shoulder therapy just a few
9 minutes ago, and so he's not here, but Theresa is here. So
10 please raise your hand. Thank you.

11 And then I thought maybe that Ernie and Kathy
12 Montoya, Bob's brother and sister-in-law, would be here today,
13 but they didn't make it. So we had contributions from them as
14 well as Bob -- one of Bob's sons, Ryan.

15 In addition to family, a whole host of friends
16 that paid for the -- this plaque, and then in addition to that,
17 a bench that I don't have a picture of, except on my iPad, and
18 we're working through -- we've collected all the money necessary
19 for that \$1,500 expenditure. And when we get that ordered, that
20 will be here and sent to Audra's office, and at the appropriate
21 time, they'll take care of the installation of both the plaque
22 and bench. And for that, I'm grateful to ADOT and the fine way
23 that you all have helped and for the contributions that came in,
24 especially for Bob Montoya and for his family and for the fine
25 things that he did for this area. Thank you.

1 CHAIRMAN LA RUE: This is really about -- really
2 goes to the heart, because you know, you're so right in that
3 Board members spend a lot of time and energy on certain projects
4 to conceptualize them, to get them, you know, launched, get them
5 in the plan, get the scope in before (inaudible) construction,
6 and I think this is a phenomenal way to recognize all of these
7 efforts, and, well, thank you for that. It's very nice.

8 MR. FELDMEIER: You're welcome. It was a
9 pleasure, a sad pleasure, as I said. Okay. Thank you all.

10 MR. ROEHRICH: Mr. Feldmeier.

11 MR. FELDMEIER: I'm going to leave this in your
12 capable hands.

13 MR. ROEHRICH: We will take care of that,
14 Mr. Feldmeier. Yes, sir.

15 UNIDENTIFIED SPEAKER: Thank you.

16 MR. ROEHRICH: Mr. Chair, that's all for the
17 director's report.

18 CHAIRMAN LA RUE: Let's move on to Agenda Item
19 Number 3, which is the consent agenda.

20 You received all the materials in your package.
21 Is there anyone that -- any Board member that would like to pull
22 something off the consent agenda?

23 Seeing no requests, I would entertain a motion to
24 approve the consent agenda as presented.

25 MR. HAMMOND: So moved.

1 MR. TELLER: Second.

2 CHAIRMAN LA RUE: I have a motion by Board Member
3 Hammond, second by Board Member Teller.

4 All those in favor signify by saying "aye."

5 BOARD MEMBERS: Aye.

6 CHAIRMAN LA RUE: Any opposed? The ayes have it.
7 Item Number 4 is the legislative report.

8 MR. ROEHRICH: Mr. Chair, Bill Fathauer will be
9 giving the legislative report. John Carlson did not make the
10 trip. An issue came up that needed his attention today.

11 CHAIRMAN LA RUE: Thank you, Bill.

12 MR. FATHAUER: Mr. Chairman, Board members, thank
13 you. My name is Bill Fathauer. I'm the legislative liaison
14 with the Government Relations Office at ADOT. I wanted to give
15 you a brief update of some of the key federal issues that are
16 going on currently, as well as a summary of some of the
17 important impacts that resulted from the recent legislative
18 sessions.

19 First, our -- the re-authorization of the Federal
20 Aviation Administration. Haven't had too much movement on that
21 since last month, but the Senate has approved their
22 re-authorization bill, and the House's version is being held up
23 currently. There's some bipartisan disagreement about the
24 privatization of air traffic control, and that's been holding
25 that up for a little bit. The deadline for the re-authorization

1 is July 15th of this year, and we're expecting a short-term
2 resolution to be reached around that time until a bill for a
3 long-term solution can be determined and introduced in the
4 House.

5 As you heard earlier, there were several federal
6 grants that the department is waiting approval, including the
7 \$60 million fast lane grant for several widening projects on the
8 I-10, specifically near the Picacho and Casa Grande area.
9 There's also a \$25 million TIGER Grant for the acceleration of
10 improvement projects on the 189, State Route 189 from the
11 Interstate 19 to Mariposa Port of Entry. There's also a
12 24-and-a-half million dollar TIGER Grant for rehabilitation of
13 (inaudible) number one on Interstate 15 in the northwest corner
14 of the state.

15 We are expecting to hear from the US Department
16 of Transportation in August on the two TIGER grants and the fast
17 lane grant for the I-10. We expect to hear a little bit earlier
18 than that.

19 Finally, the federal appropriations bill for
20 Transportation, Housing and Urban Development was passed by the
21 US Senate on Wednesday, and we anticipate getting a full
22 analysis of that completed sometime in the middle of next week.
23 I'd be happy to provide that to you.

24 The House is a little bit further behind on their
25 version of the Appropriations Committee. Heard that on the

1 morning of Wednesday, May 18th, and we'll provide further
2 analysis as we go along for that.

3 As far as the state legislative update, the
4 legislature has continued the Department of Transportation for a
5 further eight years, which is always a good thing, and the state
6 budget took roughly \$96 million from the State Highway Fund to
7 go towards DPS, enforcement, highway patrol, which is usually
8 the case. However, this year there was an appropriation of
9 roughly 86-and-a-half million dollars from the State General
10 Fund, \$30 million of which is a one-time appropriation to the
11 counties, cities and towns.

12 Another 56-and-a-half million dollars to the
13 department will be used on various -- various state projects,
14 and you've heard about those. But it's \$30 million for the
15 widening projects on Interstate 10. That money will be combined
16 with any fast lane grant money that we receive later this year
17 as part of that. If the -- if it is not -- if we do not get the
18 grant money from the fast lane grant, that \$30 million would be
19 placed in a state highway fund where instead, it can be used for
20 highway construction on projects that are part of the five-year
21 program.

22 Similarly, the \$25 million that we were
23 appropriated for the acceleration of the State -- State Route
24 189 project, if we do not get the TIGER Grant, that money will
25 go towards that acceleration. If we do get the TIGER Grant

1 money or for some other reason the \$25 million appropriation is
2 not able to accelerate the 189 project to year --

3 UNIDENTIFIED SPEAKER: '19.

4 MR. FATHAUER: -- 2019, that money will also be
5 placed in a similar subaccount and can be used for projects in
6 the five-year plan. In addition, in fiscal year 2018 -- 2017
7 and 2018, you will see another \$30 million from the -- HURF for
8 that normal distribution process is undertaking. You'll see \$30
9 million distributed to the cities, counties and towns as well to
10 match the one-time General Fund appropriation from this current
11 year.

12 In addition, we also have a \$1.5 million
13 appropriation to the department that will be distributed to the
14 Navajo Nation for the purpose of a Route 60 construction
15 project. That appropriation is under the budget, not subject to
16 a review by the Joint Committee on Capital Review.

17 Also, we had a \$5.3 million appropriation for the
18 construction of vehicle wash systems, ten of them across the
19 state, which will go a long way towards ensuring that ADOT's
20 fleet of snow plows and other heavy equipment are not further
21 corroded, and that will extend their life -- life span and save
22 the department a pretty significant amount of money in the long
23 run towards replacing them.

24 We also saw a -- the creation of a surface
25 transportation task force, which will consist of nine members,

1 three of them chosen by the governor, including one each
2 employed by a trucking company, a highway user group that
3 represents the motoring public, and a statewide business
4 organization. The other six members will be appointed -- will
5 be split between the governor, the senate resident and the House
6 -- speaker of House of Representatives.

7 Those appointments will be made within 30 days of
8 the general effective date of August 6th of this year, and they
9 will review previous analyses of transportation needs and
10 funding, revenue sources available to the State, as well as
11 recommend new dedicated sources of revenue for the next 20 years
12 of expected interstate capacity, needs, as well as potential
13 incremental sources of revenue for the HURF fund. They will
14 meet at least once a month and will present a final report to
15 the governor and legislative leadership by the end of this year.

16 A couple of other department priorities. We now
17 are allowed statutory authority to conduct fingerprint
18 background checks on employees and our authorized third-party
19 providers, which is important, because they often have access to
20 customers' financial information and other personal information.
21 So that protection for our Motor Vehicle Division customers is
22 very important.

23 The program's also established to allow the
24 department to offer sponsorship and advertising opportunities on
25 our department assets, both non-highway and facilities. It

1 would be a way to generate a small amount of additional revenue
2 to be used on transportation projects and other operational
3 costs. As well, we have made various changes to gross wage
4 length restrictions and modified requirements for the
5 disqualification of CDL permits, and this simply just gets us
6 into line with federal rules on those matters.

7 Another big -- along with the transportation
8 funding task force, one of the big priorities that the
9 department had this year was allowing ADOT to establish a
10 completely electronic highway system, which is -- it goes along
11 with our other efforts to provide as many of department services
12 online and electronic as possible. It's going to go a long way
13 to increase the efficiency and customer service quality that we
14 provide for our customers. It's going to allow much greater
15 flexibility for Motor Vehicle Division customers to do a whole
16 wider range of transactions online without having to go into a
17 field office, and it will also create a much easier system of
18 electronic transfer of information between license companies and
19 the Motor Vehicle Division.

20 Oh, and one more thing I forgot to mention about
21 the State budget. There was also an \$80,000 appropriation for
22 -- from the State Air Quality Fund to the department to cover
23 our 20 percent match that will allow us to draw down 400,000 in
24 federal funding to cover our statutory responsibilities on
25 (inaudible) the safety oversight or the valley's light rail

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2 to be used on transportation projects and other operational
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21 the State budget. There was also an \$80,000 appropriation for
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23 our 20 percent match that will allow us to draw down 400,000 in
24 federal funding to cover our statutory responsibilities on
25 (inaudible) the safety oversight or the valley's light rail

1 system and Tucson streetcar system as well.

2 That is all I have on legislative update. I
3 appreciate your time, and I'll be happy to answer any questions.

4 CHAIRMAN LA RUE: Thank you.

5 Board, any questions?

6 Bill, that was a lot of information, and I will
7 suggest if there's a matrix that you could put together that
8 shares ADOT priorities, what the legislature gave us, and those
9 key points that you kind of laid out there, because I saw a
10 different work and was taking some quick notes on --

11 MR. FATHAUER: Sure.

12 CHAIRMAN LA RUE: -- things that piqued their
13 interest, but there's so much coming at us, it escaped me quite
14 a bit.

15 MR. FATHAUER: Of course, Mr. Chairman, members
16 of the Board. I'd be happy to provide you with a more in-depth
17 breakdown of both the appropriations and budget and also the
18 other priorities that were passed as well.

19 MR. ROEHRICH: Bill, if you get that to Mary,
20 she'll handle the distribution.

21 MR. FATHAUER: Perfect. Will do.

22 CHAIRMAN LA RUE: Thank you.

23 MR. FATHAUER: Thank you.

24 CHAIRMAN LA RUE: Financial report. Kristine.
25 Floyd, I told Kristine (inaudible).

1 MR. ROEHRICH: She talks to me very politely and
2 professionally.

3 MS. WARD: (Inaudible.) I'm very appropriate,
4 Floyd. I don't know what you're referring to.

5 All right. Well, I have a very brief report for
6 you today. Bill covered a lot of what's been going on
7 budgetarily, so I won't redo that.

8 All right. HURF is doing well. We are -- we
9 (inaudible) report this one. I'm right on the edge of my
10 forecast. Do I want to be right, or do I want more money?

11 CHAIRMAN LA RUE: We want more money.

12 MS. WARD: We want more money.

13 We are right where -- we are just barely on
14 target. We're about 2 percent above forecast. Largely, that is
15 fueled by fuel, which is running -- which is driving these
16 numbers. Still thankful for the lower gas prices. So when you
17 see that, just as a point of reference, when you see that 2
18 percent above forecast, try to compute that to what does that
19 mean in actual money? You can simply do it as about 50 percent,
20 we're looking at technically it's 47. So it's about a
21 \$10 million gain to the State Highway Fund that then goes
22 through similar distributions. So that's what it equates to.

23 Moving on to RARF -- oops. Moving on to RARF, we
24 are a little behind forecast. This is what happens when you try
25 to forecast the future when legislative changes take place, but

1 we're still within target. We've got about 4 percent growth
2 year to date. There were -- I wanted to let you know that some
3 of the bills that got dropped this year at the legislature, got
4 (inaudible) the process were TPT exemption bills, things that we
5 were watching very closely. I'll actually be -- we'll be
6 reviewing the impacts of what actually did get through, but
7 every time we see those, we put forward a comment that says,
8 keep in mind you're eroding transportation funding, and
9 (inaudible) speak to the impacts of that. So yeah, we're at
10 about 4 percent year to date on RARF.

11 On our federal aid program, I was going to cover
12 some items with regards to what Bill was talking about. There
13 are a few things that are a little concerning. There are some
14 rescissions built into some of the federal bills being
15 considered, and we're watching those closely. Every time we see
16 those types of things, it's -- what's being discussed is a
17 rescission of -- let's see how to put this -- apportionments.
18 What that means to actual operations is it reduces our
19 flexibility. Kind of takes federal policy and fences the State
20 in, says, You will build these types of projects of pending more
21 towards safety or what have you, but we never like to see
22 rescissions. It limits our flexibility. So we're watching this
23 closely and actually issued a letter, I think it was last week
24 or the week before, expressing our concern about those potential
25 rescissions.

1 With that, that covers my financial report, and
2 if you have any questions, I'll be happy to answer them.

3 CHAIRMAN LA RUE: Questions of Board members?
4 No.

5 Thank you, Kristine.

6 Sorry. Vice chair.

7 MS. BEAVER: I just wanted to notate the date of
8 that letter was May 13th.

9 MS. WARD: Thank you very much. Now, see, I need
10 to be that precise.

11 MS. BEAVER: (Inaudible.)

12 MS. WARD: (Inaudible.) All right. Thank you
13 very much. Have a great day.

14 CHAIRMAN LA RUE: The next item, Item 6,
15 Multimodal Planning Division. Mike.

16 MR. KIES: Mr. Chair, I don't have any further
17 updates under the multimodal update item, unless the Board has
18 questions about our activities.

19 CHAIRMAN LA RUE: Very good work. Any questions?
20 Item 7, PPAC.

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

22 You'll notice that there's been a lot of activity
23 this month in the PPAC committee, over 60 projects either
24 modified or proposed new projects. I just want to remind the
25 Board that this is the time of the year where we're coming close

1 to the end of our fiscal year. So this is where we look for
2 projects that need to be deferred to a future fiscal year
3 because maybe for some various reasons the schedule is slipping,
4 and then we also accelerate projects from future fiscal years to
5 this fiscal year to help with the contingency fund that builds
6 up throughout the year. So that's where a lot of the activity
7 comes from.

8 With that, Mr. Chair, there are items 7A through
9 7AC, 29 projects that are proposed to be modified by PPAC. Lynn
10 prepares a map each month of all of the projects, and this month
11 there were so many projects, it fits on two maps. So we can go
12 back and forth between the map if you have any questions. But
13 if there aren't any questions or comments on any projects,
14 Mr. Chair, I ask the Board to approve Item 7A through 7C.

15 CHAIRMAN LA RUE: Any Board member want to pull a
16 particular item?

17 MR. KIES: Excuse me. Through Item 7AC.

18 UNIDENTIFIED SPEAKER: Yeah.

19 CHAIRMAN LA RUE: If not, I would entertain a
20 motion to accept and approve project modifications Items 7A
21 through 7AC as presented.

22 MR. SELLERS: Move for approval.

23 MR. HAMMOND: Second.

24 CHAIRMAN LA RUE: We have a motion by Board
25 Member Sellers, second by Board Member Hammond. Is there any

1 further discussion by any Board member?

2 I will just mention that there's a lot of
3 movement in this PPAC, as Mike has just mentioned, which impacts
4 what we're doing here. So at the study session be prepared to
5 think about what this vote means as impacts and how that impacts
6 our discussion for the study session.

7 No further discussion, all those in favor signify
8 by saying "aye."

9 BOARD MEMBERS: Aye.

10 CHAIRMAN LA RUE: Any opposed? The ayes have it.
11 Mary, did you get the motion and the second?
12 Good.

13 Mike.

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

15 Items 7AD through Items 7BL are 35 projects that
16 are new projects in the program that came through PPAC. Again,
17 35 projects fit on two maps, for your information. So we can
18 toggle between the maps if you have any question.

19 If there are no questions or comments on any of
20 these items, I ask the Board to approve Items 7AD through 7BL.

21 CHAIRMAN LA RUE: Does the Board desire to pull
22 any of those items for further discussion?

23 If not, we'd entertain a motion to accept and
24 approve new project Items 7AD through 7BL.

25 MR. TELLER: So moved.

1 CHAIRMAN LA RUE: I have a motion by Board Member
2 Teller.

3 MR. SELLERS: Second.

4 CHAIRMAN LA RUE: Second by Board Member Sellers.
5 Do we have any further discussion?

6 Hearing none, all those in favor signify by
7 saying "aye."

8 BOARD MEMBERS: Aye.

9 CHAIRMAN LA RUE: Any opposed? The ayes have it.

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

11 CHAIRMAN LA RUE: Thank you, Mike.

12 Item 8, the state engineer's report. Dallas.

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

14 As Lynn gets set up, currently we have 122
15 projects under construction totaling about \$1.85 billion.
16 Again, that includes the South Mountain project. Fourteen
17 projects were finalized in the month of March, totaling \$47.7
18 million, and year to date, we've finalized 143 projects.

19 A question was asked about the legal status of
20 the South Mountain project. Michelle said I had to keep it
21 really tight. I said, "That's good, because that's about all I
22 know." But in detail, when we got a record of decision from the
23 Federal Highway Administration on our EIS, we were sued by two
24 groups. We work with FHWA. Each of us have counsel, and we've
25 gone through briefs.

1 A week ago last Wednesday, our attorneys were --
2 met in court and pled our cases. Both sides have requested a
3 summary judgment. In other words, you state your case, and the
4 judge makes the decision. Each side is intended to be about two
5 -- two-and-a-half hour hearing. It went over five hours. Both
6 sides were asked very challenging questions, and we are waiting
7 to hear back from the judge. So we could get a decision. We
8 could have a request for another hearing to get more
9 information, but we're waiting to hear from the judge on that at
10 this time.

11 At any time our developer -- we have a record of
12 decision, then we're moving forward until we hear something
13 different. We will not start turning dirt until we get a
14 decision from the judge, so...

15 Further questions on that?

16 CHAIRMAN LA RUE: Further questions from Board
17 members?

18 And if I remember right, didn't they not, when
19 they filed, seek some kind of preliminary injunction which was
20 denied?

21 MR. HAMMIT: That is correct. They did ask that
22 just stop all the work, and that was denied.

23 CHAIRMAN LA RUE: Denied. And so work is
24 progressing. So it's going to be an interesting day if they
25 come and rule against, you know, building the facility. That's

1 (inaudible).

2 MR. HAMMIT: Mr. Chairman, the work so far is in
3 the development stages. We're not turning dirt yet.

4 CHAIRMAN LA RUE: Well, no, but we've bought the
5 right-of-way.

6 MR. HAMMIT: Yes, sir.

7 CHAIRMAN LA RUE: Demolished homes. We've done a
8 lot of things. I mean, so we're -- we're progressing as though
9 we're (inaudible).

10 MR. HAMMIT: Yes, Mr. Chairman.

11 CHAIRMAN LA RUE: Interesting. Interesting to
12 see how it comes out.

13 Any other questions on that item?

14 MR. HAMMOND: First of all, I drive through that
15 area a lot. I can't wait for it to get done, but just a
16 question that's (inaudible) to do with the legalities of it. I
17 know the right-of-way's being cleared right now. Are there --
18 do you have to (inaudible)?

19 MR. HAMMIT: We do not. We have over half the
20 parcels, but there's some very high dollar, more in the
21 industrial area, closer to I-10 that we don't have access to.
22 One of the interesting things in this -- in a P3, our developer
23 is now taking the lead on some of the right-of-way acquisitions
24 moving forward. ADOT will still do the final end of it, but the
25 developer has control of getting some of those areas done.

1 MR. HAMMOND: Are there any legal challenges that
2 might delay the start of construction (inaudible) right-of-way
3 acquisition (inaudible)?

4 MR. HAMMIT: Mr. Chair, Mr. Hammond, there will
5 be some condemnation, but nothing unusual to construction
6 projects.

7 CHAIRMAN LA RUE: Thank you.

8 Ready to move on?

9 MR. HAMMIT: I thank you for approving the five
10 projects in the consent agenda. There is eight projects that we
11 have some discussion, and again, we did summarize our -- both
12 this month and our year to date. And as you see year to date,
13 we had awarded \$418 million worth of projects. The State's
14 estimate on those projects was about 430-31 million, or 3
15 percent under. So we're about -- some are high, some are low,
16 but on average, we're about 3 percent. So our estimates
17 haven't been too far off.

18 The first one that needs discussion today would
19 have been on the consent agenda if we looked only at the dollar
20 amount, but in this case, this is a project in Flagstaff. It's
21 a sign panel upgrade. The low bid was \$180,533.52. The State's
22 estimate was \$201,522, or \$20,988.48 under the State's estimate,
23 or 10.4 percent. The contractor, Trafficade Signs and Sales,
24 does not have the required license from the State of Arizona.
25 Our rules do allow you to bid, as long as you can get that

1 license before we award the contract. So what staff is
2 recommending, we did review and believe this is a responsible
3 and reasonable bid, and would recommend a contingency award to
4 Trafficate Signs and Sales contingent that they get their
5 licensing (inaudible) contractors.

6 CHAIRMAN LA RUE: Any questions by Board members?

7 MR. HAMMOND: Is there a deadline on that?

8 MR. HAMMIT: They have 90 days from the time of
9 bid.

10 MR. STRATTON: I didn't hear it. I'm sorry.

11 MR. HAMMIT: Mr. Chairman, Mr. Stratton, 90 days
12 from the time of bid.

13 CHAIRMAN LA RUE: So because of the contingent
14 award, I'll read and propose the motion, and then we'll
15 entertain a motion, see if the Board so desires.

16 So the proposed motion is: Motion to accept and
17 approve staff's recommendation to award the contract for Item 9A
18 to Trafficate Signs and Sales, Inc., contingent upon Trafficate
19 Signs and Sales, Inc. showing the department on or before close
20 of business on June 28, 2016 it has obtained the appropriate --
21 I think it says ROC in -- register of contractor licensing award
22 can be effective the date of the notification to the department
23 the contractor obtained the appropriate license; and that the
24 bid of Trafficate Signs and Sales, Inc. be rejected if it does
25 not show the department has obtained the ROC licensing by close

1 of business on June 28th, 2016. In the event the bid of
2 Trafficate Signs and Sales, Inc. is rejected, the department
3 will bring this project back to a future board meeting.

4 That's the proposed motion.

5 MR. STRATTON: Mr. Chairman, I have one more
6 question.

7 CHAIRMAN LA RUE: Can we get a second on that
8 motion? We have -- did we have a --

9 MR. ROEHRICH: Mr. Chair, nobody motioned it.

10 CHAIRMAN LA RUE: We have Bill Cuthbertson moved
11 for a motion, and seconded by Board Member Hammond. And let's
12 take further discussion.

13 MR. STRATTON: Dallas, will waiting this period
14 of time have a negative impact on any of the projects that they
15 would be utilized on?

16 MR. HAMMIT: No. They're holding their bid
17 values for this project. So it will not change what the bid
18 would be, if that's your question.

19 MR. STRATTON: My question being would it have a
20 negative impact waiting that long? If we waited until June 28th
21 until they got their license, would it have a negative impact on
22 any projects?

23 MR. HAMMIT: Mr. Chair, Mr. Stratton, no. In
24 this case, it's a sign panel. So there's not a season of
25 (inaudible) with this project.

1 CHAIRMAN LA RUE: Great. Thank you.

2 We have a motion. We have a second. Do we have
3 further discussion?

4 All those in favor signify by saying "aye."

5 BOARD MEMBERS: Aye.

6 CHAIRMAN LA RUE: Any opposed? The ayes have it.

7 MR. HAMMIT: The second project that we have
8 today is a intersection improvement project in the town of Show
9 Low. In this project, the low bid was \$455,862.30. The State's
10 estimate was \$392,602. It was over the State's estimate by
11 \$63,260.30, or 16.1 percent.

12 Like a lot of these local projects, very small
13 work area. We saw higher-than-expected prices in excavation, in
14 the retaining wall. The survey and layout was also a little
15 higher. There was a little bit of extra work that the
16 contractor felt they needed to do. But after review, the
17 department believes the bid is reasonable and responsive and
18 would recommend award to Tiffany Construction Company.

19 CHAIRMAN LA RUE: Any discussion by Board
20 members?

21 If not, I'd entertain a motion to accept and
22 approve staff's recommendation to award the contract for Item 9B
23 to Tiffany Construction Company.

24 MR. TELLER: So moved.

25 CHAIRMAN LA RUE: I have a motion by Board Member

1 Teller.

2 MR. STRATTON: Second.

3 CHAIRMAN LA RUE: Second by Board Member
4 Stratton. Any further discussion?

5 Hearing none, all those in favor signify by
6 saying "aye."

7 BOARD MEMBERS: Aye.

8 CHAIRMAN LA RUE: Any opposed? The ayes have it.

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

10 Item 9C, this is a project out on I-40 at the
11 Haviland rest area. The low bid was \$1,360,194.50. The State's
12 estimate was \$1,031,395.62, or being over the State's estimate
13 by \$328,798.88, or 31.9 percent.

14 This rest area is -- if you know where the
15 turnoff is to go to Lake Havasu off of I-40, it's still west of
16 there. So it's a remote location. We have longer hauls for
17 concrete than expected, and one of the other things in this
18 project, we're rebuilding part of the parking lot. You see a
19 lot of truck traffic in the parking lot. It was in rough shape,
20 and so it is concrete paving. There's production rates of being
21 in the rest areas. So we did see higher-than-expected costs,
22 but we did review the bids and believe they're responsible and
23 responsive and would recommend award to Southwest Concrete
24 Paving, Inc. -- or Company.

25 CHAIRMAN LA RUE: Any Board member, questions?

1 If not, proposed motion, I'd entertain to accept
2 and approve staff's recommendation to award the contract for
3 Item 9C to Southwest Concrete Paving Company.

4 MS. BEAVER: Chairman, move so.

5 CHAIRMAN LA RUE: We have a motion by Vice Chair
6 Beaver. Do we have a second? Second by Board Member
7 Cuthbertson. Any further discussion?

8 Hearing none, all those in favor signify by
9 saying "aye."

10 BOARD MEMBERS: Aye.

11 CHAIRMAN LA RUE: Any opposed? The ayes have it.

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

13 Item 9D (inaudible) on I-40. This is in the
14 Kingman area at the intersection of Interstate 40 and US-93. It
15 is some improvements, putting in (inaudible) and landscaping.
16 The low bid was \$314,159.26. The State's estimate was
17 \$236,214.60, or \$77,944.66 over the estimate, or 33 percent.

18 As we've talked with the contractor, this work
19 will require multiple phases, which resulted in higher cost in a
20 number of areas, (inaudible) and lots of phases. We did review
21 the bid and believe it's responsible and reasonable and would
22 recommend award to C and S Construction, Inc.

23 CHAIRMAN LA RUE: Any Board member, discussion,
24 questions? Hearing none.

25 MS. BEAVER: Chairman La Rue, I move that we

1 approve this.

2 CHAIRMAN LA RUE: I have a motion by Vice Chair
3 Beaver to accept and approve staff's recommendation to award the
4 contract for Item 9 D to CS Construction, Inc. Do I have a
5 second?

6 MR. HAMMOND: Second.

7 CHAIRMAN LA RUE: Second by Board Member Hammond.
8 All those -- any further discussion?

9 All those in favor, signify by saying "aye."

10 BOARD MEMBERS: Aye.

11 CHAIRMAN LA RUE: Any opposed? The ayes have it.

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

13 Item 9E is on State Route 64. This is a safety
14 project. Shoulder widening, (inaudible) shoulders on State
15 Route 64 up near the Grand Canyon Airport. The low bid was
16 \$2,088,755. The State's estimate was \$1,619,119.60. The
17 project was over the estimate by \$469,535.40, or 29 percent.

18 Remote location. Our haul distance for this, for
19 the material source was 60 miles. We didn't estimate it to be
20 that far, so we did see higher-than-expected prices in the
21 aggregate base and the concrete. And in addition to the
22 materials coming in, the materials going out also had to travel
23 that same -- the waste site was at 60 miles. After review, we
24 do believe it was a responsible and reasonable bid and would
25 recommend award to Fann Construction (sic), Inc.

1 CHAIRMAN LA RUE: Any Board member, questions? I
2 would entertain a motion to accept and approve staff's
3 recommendation to award the contract for Item 9E to Fann
4 Contracting, Inc.

5 I have a motion by Board Member Teller.

6 MS. BEAVER: Yes.

7 CHAIRMAN LA RUE: Yes?

8 MS. BEAVER: Second.

9 CHAIRMAN LA RUE: And a second by Board Member
10 Beaver. All -- any further discussion?

11 All those in favor, signify by saying "aye."

12 BOARD MEMBERS: Aye.

13 CHAIRMAN LA RUE: Any opposed? The ayes have it.

14 MR. HAMMIT: The next item is 9F. This is a
15 project in the city of Kingman at the visitor center, and if you
16 remember, we did postpone this the last board meeting. The low
17 bid was \$339,800. The State's estimate was \$195,000, or 144,800
18 over the State's estimate, 74 percent. In discussion with the
19 City of Kingman, the decision is they don't want to move
20 forward, and so staff's recommendation is to reject all bids.

21 CHAIRMAN LA RUE: Any discussion?

22 MS. BEAVER: Chairman La Rue, I believe that we
23 can reject all bids for Item 9F.

24 CHAIRMAN LA RUE: Vice Chair Beaver has made a
25 motion to accept and approve staff's recommendation to reject

1 all bids in connection with Item 9F. Do we have a second?

2 MR. CUTHBERTSON: Second.

3 CHAIRMAN LA RUE: Second by Bill Cuthbertson,
4 Board Member Cuthbertson. Any further discussion?

5 All those in favor signify by saying "aye."

6 BOARD MEMBERS: Aye.

7 CHAIRMAN LA RUE: Any opposed? The ayes have it.

8 I tell you, it seems like every contract so far
9 is either in Deanna's district or Board Member Teller's
10 district. Hopefully (inaudible).

11 MR. HAMMIT: I think this is still Mr. Teller's
12 district, so...

13 This one is on State Route 77. This is a rock
14 fall project. The low bid was \$2,975,000. The State's estimate
15 was \$2,427,959.37. The project was over the State's estimate by
16 \$547,040.63, or 22.5 percent.

17 This is a rock project. We saw a difference
18 higher than expected in the rock excavation. The material can't
19 be used outside. It has to be trucked off. In review, the
20 department believes it was a reasonable and responsive bid and
21 would recommend award to Fisher Sand & Gravel, doing business as
22 Southwest Paving.

23 CHAIRMAN LA RUE: Any Board member, questions?

24 MR. STRATTON: So moved.

25 CHAIRMAN LA RUE: We have a motion to accept and

1 approve staff's recommendation to award the contract for Item 9G
2 to Fisher Sand & Gravel, DBA Southwest Asphalt by Board Member
3 Stratton. Do we have a second?

4 MS. BEAVER: Second.

5 CHAIRMAN LA RUE: Second by Vice Chair Beaver.
6 Any further discussion?

7 All those in favor, signify by saying "aye."

8 BOARD MEMBERS: Aye.

9 CHAIRMAN LA RUE: Any opposed? The ayes have it.

10 MR. KIES: And our last project (inaudible) Item
11 9H is on State Route 84. This is some miscellaneous paving and
12 crack sealing. The low bid was \$388,999. The State's estimate
13 was \$511,821.71. The project was under the State's estimate by
14 \$122,822.71, or 24 percent.

15 Again, on some of these others, we saw better-
16 than-expected pricing in oil. We have been nervous to lower our
17 oil prices in our bids. So I'd rather -- this is the only one I
18 got -- justified that was under the State's estimate, but it was
19 all in the oil prices. The department does believe it is a
20 reasonable and responsive bid and would recommend award to
21 Sunland paving construction company.

22 CHAIRMAN LA RUE: Any questions by Board members?
23 Do we have a motion?

24 MR. STRATTON: Move for approval.

25 CHAIRMAN LA RUE: Well, you know I'm going to say

1 Board Member Stratton moved to accept and approve staff's
2 recommendation to award the contract for Item 9H to Sunland
3 Asphalt & Seal Coating. I've got a second by Board Member
4 Sellers. Any further discussion?

5 Yes, Mary, he waves his hand at the same time, so
6 (inaudible) his conduct.

7 Any further discussion?

8 All those in favor signify by saying "aye."

9 BOARD MEMBERS: Aye.

10 CHAIRMAN LA RUE: Any opposed? The ayes have it.
11 I saw Mary (inaudible). But I did see the hand
12 wave.

13 We'll go on to the next item. Item 10 is the
14 suggestions. Are there any suggestions by Board members for
15 future agendas, future meetings?

16 MR. SELLERS: Mr. Chairman.

17 CHAIRMAN LA RUE: Board Member Sellers.

18 MR. SELLERS: We -- I think everyone knows that
19 Chandler has been selected as one of the test sites for the
20 Google autonomous vehicle. Our counsel had a briefing on --
21 them on this vehicle and what they're doing on that, and I think
22 at some future study session, it would be instructive for our
23 board to hear that briefing. And I could get the information on
24 (inaudible).

25 CHAIRMAN LA RUE: I agree. I think that is an

1 industry changer, and I think -- and I think ADOT's involved in
2 some of that as well.

3 MR. ROEHRICH: Mr. Chair, that is correct. The
4 director has had some conversations with some people. People
5 have come in and talked to us. We recently met with a group out
6 of the San Francisco area, Bay area that wants to talk about
7 doing something with trucks, semi trucks.

8 So there's a lot of activity here, and our
9 governor's signaled that he wants to be a part of leading
10 technology in those discussions. So I absolutely think that
11 that would be good (inaudible) study session item. I would
12 recommend not the May study session. That's going to be
13 (inaudible) the five-year program, and we've got two more later
14 this year, and we'll be working on getting those scheduled and
15 done. (Inaudible) reach out to you (inaudible) make that
16 happen.

17 CHAIRMAN LA RUE: Excellent. Perfect.

18 Mr. Teller, Board Member Teller.

19 MR. TELLER: Thank you, very much.

20 Consideration for another item for a study
21 session would be the Grand Falls corridor feasibility study that
22 was mentioned twice by Ms. Merrick and also by Mr. Watchman.
23 (Inaudible.)

24 CHAIRMAN LA RUE: If it's appropriate,
25 absolutely.

1 Any other items?

2 MR. HAMMOND: (Inaudible.) I don't know if this
3 would be an appropriate expansion of what they're suggesting,
4 but I know -- I think ADOT's aware that the Sonoran corridor
5 (inaudible) I-19 to I-10 is being kind of looked at as a -- as a
6 brand-new (inaudible) that has all kinds of options for testing
7 some of this new technology, because it's a short stretch
8 (inaudible). Within the context of the State's competitiveness
9 (inaudible) of driverless vehicles, it might help just to keep
10 that in mind as far as accelerating the funding from the federal
11 (inaudible) for something like this as we (inaudible) and how do
12 we test them and how do we make sure that they're safe when they
13 get on the highway. So if something in that study session
14 (inaudible) that context?

15 CHAIRMAN LA RUE: Yeah. I think (inaudible) is
16 how do we adopt a highway system to take advantage of this
17 technology, and what do we need to do from a build and
18 environment? We can add that to the study session and what are
19 our opportunities in our five-year plan (inaudible).

20 MR. ROEHRICH: Mr. Chair Mr. Hammond, we could
21 look at and (inaudible) brief conversation. And specific to the
22 Sonoran corridor, I did want to remind you that PAG is funding
23 and ADOT is kicking off a study on that. So we're going to
24 specifically study that corridor with this type of improvement
25 within that. So a general discussion of a policy would be good,

1 but I'd hesitate about specifically (inaudible) Sonoran study,
2 because if they come out (inaudible) until the study progresses
3 to the point where that comes in as a discussion point to the
4 study.

5 CHAIRMAN LA RUE: Yeah. My comments --
6 (Speaking simultaneously.)

7 CHAIRMAN LA RUE: -- then look at our five- and
8 ten-year plans leveraging that technology, not calling out any
9 specific project in that five- or ten-year plan, because that
10 would be premature at this time.

11 Okay. Anything else?

12 (End of excerpt.)

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Adjournment

A motion to adjourn the May 20, 2016 Board meeting was made by Michael Hammond and seconded by Deanna Beaver. In a voice vote, the motion carries.

Meeting adjourned at 12:07 p.m. MST.



Joseph E. La Rue, Chairman
State Transportation Board



Floyd Roehrich, Executive Officer
Arizona Department of Transportation