

**MINUTES**  
**STATE TRANSPORTATION BOARD MEETING**  
**9:00 a.m., Friday, September 16, 2016**  
**Bullhead City Hall**  
**Council Chambers**  
**1255 Marina Blvd.**  
**Bullhead City, AZ 86442**

**Pledge**

The Pledge of Allegiance was led by Board member Deanna Beaver.

**Roll call by Board Secretary Mary Beckley**

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

**Absent:** William Cuthbertson.

**Opening Remarks**

Chairman La Rue requested Vice Chair Beaver to present an update on Thursday night activities. Vice Chair Beaver thanked the City of Bullhead City for hosting and sponsoring the pleasant evening with the Celebration River dinner tour and cruise event. From the dinner event, Vice Chair Beaver acknowledged Bullhead City Mayor Tom Brady, Bullhead City Council Members, City Manager Toby Cotter, Mohave County Supervisor Hildy Angius, Alvin Stump, District Engineer; Bullhead City also invited Kingman Mayor and his wife, Kingman Council and Lake Havasu City Mayor. Also in attendance were ADOT and Bullhead City staff; Regina Cobb, Legislator for District 5 representative; and Board's attorney, Michelle Kunzman. The river cruise staff members were very efficient.

**Call to the Audience:**

The following members of the public addressed the Board:

1. Tom Brady, Bullhead City Mayor, re: welcome to board; major problems on bridge and with millions of visitors a year, the bridge is a problem, needs improvement; south of Bullhead City, the gateway to Bullhead City, in Mohave County the road is very rough and needs attention.
2. Louis Martinez, Director of Operations, Lake Havasu City, and technical advisor for the LMPO, re: thank you and staff for assistance on several safety issues and putting together data to support needs.
3. Barbara Pape, resident, re: would like an update on Corwin signal at Hwy 95 and Corwin.
4. Greg Lucero, Nogales Vice Mayor, re: thank you to Director and staff provide support for community; impact of SR 189, international trade and commerce, shipment of goods; does not want to piecemeal the process and will hurt to market southern AZ; safety paramount commercial and school traffic at SR 189 and Frank Reed; all stakeholders need board to look at fully funding SR 189 to completion; P3 needs to be explored.
5. Guillermo Valencia, Chairman of Greater Nogales and Santa Cruz Co. Port Authority, re: his organization brings together major stakeholders in area; thank you to board and staff for inclusion of \$70 million for phase 1 of modernization of SR 189; you have welcomed public input; received \$25 million of state legislature to accelerate to 2019; if project is done in two phases, there will be congestion of southbound traffic and safety issues at SR 189 and Frank Reed Road; to address issues of phase 2, and an additional \$70 million for phase 2; requests to combine Phase 1 and 2 for SR 189 in 2021 due to costs savings and eliminate waste and to address congestion and safety; possibility P3, tiger grants and other grants to help fund in 2021.
6. Dr. John Moffatt, Pima County Economic Development Director, re: advocate for SR 189; new companies through Nogales which will create increased traffic; urge Board to complete SR 189 project as quickly as possible.

7. Chris Bridges, CYMPO Administrator, re: next week CYMPO board will vote to fund final design for SR 69 widening project; had meeting with Brian Townsend of the Governor's office and suggested community endorsing tolling as P3 as an option, next week CYMPO will be passing a resolution that says P3, including tolling for capacity, is an option; Flagstaff and NACOG will be passing similar resolutions and will present all those resolutions to the Governor's Surface Transportation Funding Task Force; second commercial for distracted driving is out on CYMPO website, data shows 122,000 views of new commercial, click through rate (CTR) - is when people view commercial and then click to go to your website - CTR is .82%, normal average of CTR .08%, outperforming average with these commercials; 400 commercials on TV every month.
8. Gladys Wiggins, Yuma Airport Director, re: read letter to board on aviation funding and airport development grant reimbursement payment deferrals; 57 grant reimbursements requests from 27 of 83+ public use airports which have been deferred for \$4.7 million; Yuma currently has a close to \$2 million deferral (her annual budget is \$3.6 million); sweep of \$15 million of aviation funds hurt the airports; this has a direct impact on the available cash flow of airports; requests board be part of solution to ensure that this critical area is funded properly for reimbursements.
9. Gerald Hinkle, Yuma Airport CFO, re: personalize what aviation fund is experiencing; long history of utilizing capital improvements through ADOT aeronautics; we have existing grant agreements in place, fund the match, yet when we seek reimbursement, we are told that the ADOT fund doesn't have the funding to reimburse; we have no information as to when to expect reimbursements; express to board the importance of this situation to our airport, but to other airports; we are meeting our obligations to our contractors, but fall short when ADOT can't make the reimbursements; we are financing the shortfall in the aviation fund.

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1 (Beginning of excerpt.)

2 CHAIRMAN LA RUE: We'll move on to Agenda Item  
3 No. 1 and hear from my favorite district engineer, at least for  
4 today.

5 MR. STUMP: It's something.

6 MR. HALIKOWSKI: That's something.

7 MR. STUMP: Take it for as long as it lasts, I  
8 guess.

9 CHAIRMAN LA RUE: At least one day you got to  
10 shine, right?

11 MR. STUMP: That's right.

12 Well, good morning, Mr. Chair, Board and  
13 Director. Right now, for what we've got going on, a lot of work  
14 on I-40. Mostly bridge project work, but we did finish up one  
15 pavement pres. job here recently, and then we're also wrapping  
16 up three right turn lanes in Golden Valley on 68 as well.

17 And then as far as what's coming up in this next  
18 year, again, a lot more work on I-40, mainly bridge work. We do  
19 have a rock fall project. And then up on 93, between Milepost  
20 18 to 28, we also have a shoulder widening project and pavement  
21 pres. work there.

22 And then it looks like in November we're going to  
23 advertise the Laughlin Bridge intersection to resurface that  
24 with AC, and also construct a median between that intersection  
25 and Aviation Way. We know that's going to be a little while

1 before it gets done, so we're going to do a little cinder seal  
2 on the right turn lane. We know it's gotten pretty rough there.  
3 So we're going to do that.

4           And then to the south, from the Needles Bridge to  
5 Milepost 239, we're going to be doing a slurry seal there in the  
6 springtime. So we've got going -- one thing, just to address  
7 the Corwin signal, that's something that we're working on a plan  
8 with the City. It was moving forward awhile back, but it was at  
9 the Sterling signal -- or intersection. It's been changed, and  
10 so we're working on a strategy for a joint project to try to get  
11 that done in the next two to three years. So that's where that  
12 one's at. We haven't forgotten about it.

13           A couple other projects. Lake Havasu, we have  
14 the Kiowa intersection and then some drainage work coming up in  
15 fiscal year '18. This is the -- the Kiowa intersection, there's  
16 -- it's a safety project. There's been a lot of accidents here  
17 with -- from the intersection up through those driveways. So  
18 we're going to construct a center median and right turn lanes  
19 there. So construction for that's in '18.

20           One project we have going right now is an interim  
21 project there at the west Kingman interchange. We're basically  
22 going to eliminate the right lane going westbound on Beale  
23 Street, make it a right in -- right turn only on to the freeway.  
24 That allows us to construct a free flow lane coming off the  
25 interstate to help improve those Friday afternoon volumes.

1           What it doesn't do is address the eastbound  
2 traffic trying to get on the I-40. Basically, the peak hour  
3 times and the -- especially the weekends, those volumes really  
4 just exceed what a diamond interchange can provide. So we are  
5 having discussions with the City to think about strategies to  
6 try to get the phase one of the system interchange into the  
7 program, and we're going to continue to talk about ideas there,  
8 get it on the radar.

9           We have several local projects coming up that  
10 we're going to administer. For the County, we have the Pearce  
11 Ferry Road just off 93 up north. Down in Golden Shores at Six  
12 Points is a roundabout at -- also a bridge project at Sacramento  
13 Wash. And then, of course, here in Bullhead City, we've got the  
14 Riverview project that we'll award today.

15           I wanted to note this project. This is a Mohave  
16 County project that I think it serves everybody. They're going  
17 to be building a shortcut from 93 down to 68 and Golden Valley.  
18 So it will be a help with the regional circulation there. I  
19 think it's going to be done in October. We helped out with a  
20 little milling supply there.

21           Also, in talking with Clark County, they've  
22 selected a designer to construct the second bridge across the  
23 road. It sounds like construction will probably be within a  
24 couple of years, but we don't have a hard date yet, but that  
25 will be welcome.

1                   And then with the Nevada DOT, they're going  
2 forward with plans to do a roundabout on the Laughlin side and  
3 widening the bridge to accommodate a pedestrian path. This will  
4 be -- we'll be doing a lot of coordination with them, and it's  
5 also an opportunity for us to look at addressing the long-term  
6 capacity needs on our side of the road, too.

7                   On 68, in Golden Valley, we just completed a  
8 study to evaluate safety through the area. There's been a lot  
9 of accidents there as well, and we've come up with a -- I think  
10 a good plan that can be incremented -- implemented on an  
11 incremental basis with minor project funding and safety funds to  
12 construct some center medians, along with -- in coordination  
13 with the County, as they're able to improve parallel streets and  
14 try to consolidate some of the left turn movements. So that's  
15 -- there will be an opportunity. We can apply for funding in  
16 the next round of safety funds.

17                   And we're also beginning to start a study on 95  
18 through the Bullhead City and Mohave Valley section as well.  
19 We've had a lot of accidents in this area over the past five  
20 years, over 1,000 accidents. Several fatalities and serious  
21 injury accidents. So we think we can look at managing access to  
22 improve on that a lot. Again, we see opportunities for getting  
23 safety funds and minor project funding to implement on a small  
24 basis.

25                   We do have a little bit of a head start on the

1 south end. We did have one minor project awarded for  
2 constructing a center raised median between Teller and Aztec,  
3 and we've received funding for roundabouts at Aztec and Camp  
4 Mohave. Both have had fatalities and multiple serious accidents  
5 and...

6 Just a little map. It's kind of hard to see, but  
7 at the far left there is where the new Wal-Mart is going.  
8 They're beginning construction. They will build a median to  
9 Teller, which that's where our project will pick up, and then,  
10 of course, you've got Aztec and Camp Mohave down the road, so...

11 That's it. If anyone has any questions or would  
12 like more project information, you can go to the ADOT website  
13 under the business section, and go to district contacts, and we  
14 have a quarterly status report.

15 That's all I've got.

16 CHAIRMAN LA RUE: Questions of board members?

17 MR. SELLERS: Mr. Chairman.

18 CHAIRMAN LA RUE: Member Sellers.

19 MR. SELLERS: Yeah. On an earlier slide, I think  
20 I saw a \$20 million project for State Route 93.

21 MR. STUMP: Uh-huh.

22 MR. SELLERS: Could you elaborate on that a  
23 little bit?

24 MR. STUMP: Yeah. It's a shoulder widening and  
25 pavement preservation project up north between -- it's basically



1 18 miles south of Hoover Dam, coming south for 10 miles. So  
2 we'll build shoulders there. We've had accidents there. And  
3 the pavement pres.

4 CHAIRMAN LA RUE: Board Member Stratton.

5 MR. STRATTON: You spoke earlier about the bridge  
6 to Laughlin.

7 MR. STUMP: Yes.

8 MR. STRATTON: Is that a combined effort between  
9 Nevada DOT and ADOT to maintain that, or do we maintain it on  
10 our own?

11 MR. STUMP: I don't know about the maintenance  
12 agreements. It's going to be funded by Clark County at this  
13 point, but that's all I know.

14 CHAIRMAN LA RUE: Any other questions?

15 MR. STUMP: But it's not funded by -- or  
16 maintained by ADOT.

17 MS. BEAVER: Chairman.

18 CHAIRMAN LA RUE: Vice Chair.

19 MS. BEAVER: I was wondering if you would tell us  
20 with regard to the section of 95 that is in the Bullhead City  
21 area that the mayor was talking of previously --

22 MR. STUMP: Sure.

23 MS. BEAVER: -- have we had a recent review of  
24 that?

25 MR. STUMP: Yeah. The -- it's really -- it's --

1 it's -- basically this project should cover that rough section  
2 on the south end. The city limits is around Milepost 237. So  
3 we're going a couple of miles into the city limits, but it's  
4 going through all of the Mohave Valley. It's pretty -- it's  
5 pretty rough down there, and this will buy us a little time, but  
6 it doesn't let us out of the woods long term. We need to plan  
7 for a major resurfacing down there.

8 MR. HALIKOWSKI: Mr. Chairman, Alvin, we're  
9 studying that option right now for the future, right? Going to  
10 be looking at (inaudible).

11 MR. STUMP: Yeah. We did do our annual pavement  
12 pres. tour in July to look at all of our roads, and so -- yeah.  
13 We recognize that we've got to do more there.

14 MR. HALIKOWSKI: Mr. Chairman, I had another  
15 question. We had a previous speaker who came up and talked  
16 about the signal at Corwin, and Alvin, I heard you say it's  
17 going to take another two, three years, but I'm not quite sure  
18 why. Could you talk a little bit about why (inaudible).

19 MR. STUMP: Sure. What happened is when it  
20 changed from the location, we kind of went back to square one.  
21 So we have to get it back into the program.

22 MR. ROEHRICH: Alvin, could you explain what  
23 changed? I mean, why did it change (inaudible). So we don't  
24 have the history, or I don't think the Board has the history of  
25 that.

1 MR. STUMP: Okay. Well, they -- it was before my  
2 time, but basically, they thought Sterling location was going to  
3 be a better location, but turned out it wasn't going to meet the  
4 signal warrants there. So we have to move it back to Corwin.

5 MR. HALIKOWSKI: Okay. But you think the Corwin  
6 interchange will meet the signal warrants or (inaudible).

7 MR. STUMP: Yes. Yes, they will.

8 CHAIRMAN LA RUE: So Alvin, to follow up on that,  
9 I would guess that there's somebody that's tasked with leading  
10 that project. There's got to be a project schedule with key  
11 milestones. Could that information get communicated out to the  
12 members of the public and community, and whoever takes the lead  
13 on that, make sure that happens?

14 MR. STUMP: Sure.

15 MR. HALIKOWSKI: Mr. Chairman, we'll work with  
16 Alvin and Michelle Beggs, our PIO for this area. We'll get some  
17 public --

18 UNIDENTIFIED SPEAKER: Would you speak up,  
19 please?

20 CHAIRMAN LA RUE: Yeah. Could you maybe --

21 MR. HALIKOWSKI: We'll work with Alvin and  
22 Michelle Beggs, our PIO for this area, and we'll make sure we  
23 get some public information out there, and we'll take a look  
24 into -- we'll work with Alvin on the Corwin issue. I'm a little  
25 concerned about the time frame and would like to see if we can

1 figure out any ways to speed up the process.

2 CHAIRMAN LA RUE: Thank you.

3 MR. STUMP: Yeah.

4 CHAIRMAN LA RUE: Any other questions by board  
5 members for Mr. Stump? Seeing none, thank you.

6 MR. STUMP: All right.

7 CHAIRMAN LA RUE: Alvin, thank you so much.

8 MR. STUMP: Thank you.

9 You've got a lot going in your district, so thank  
10 everybody in the district for us. You guys are pretty busy.

11 Next item on the agenda is director's report.

12 MR. HALIKOWSKI: Thanks, Mr. Chairman.

13 I've got to apologize. You're all in jackets  
14 today, and you fooled me. I've been on the road since Tuesday,  
15 and I'd attended ADOT's winter readiness seminars in Flagstaff.  
16 That's where we bring all our snow plow drivers and operators in  
17 -- or our snow emergency groups, and we go through training.  
18 And I sat through that and talked with a lot of our employees.  
19 And yesterday we had the privilege to go to Seligman and talk  
20 with our maintenance groups there, and then we spent some time  
21 in Kingman with our Needle Mountain maintenance and the Kingman  
22 groups. And we were lucky enough to sit with the mayor  
23 yesterday, and we talked for a little over an hour in the  
24 afternoon on several important transportation interchanges that  
25 he's looking at it. So it was a very good day.

1           But the Board asked me to kind of touch back on  
2 what's going on with the I-10 corridor and the coalition that  
3 ADOT has put together, and you know, I just would say that from  
4 a historical perspective, we watched what goes on back east with  
5 16 states that belong to the I-95 corridor, and it's obvious  
6 that there's strength in numbers. And so although we don't have  
7 as many states, perhaps, hooked up on I-10, we decided to start  
8 with four: California, New Mexico, Arizona and Texas. And  
9 basically, what we want to do is improve the overall efficiency,  
10 mobility and safety of the corridor for both non-commercial and  
11 commercial traffic. We've had private shippers who have  
12 expressed a lot of interest in how we can provide them with  
13 reliability so that they know when they ship something, when  
14 it's going to get there so that they can plan for that. And we  
15 need to really start coordinating the operation of that corridor  
16 across all four states.

17           So to date, we've done planning and adopting  
18 through the charter of the I-10 Corridor Coalition, and this has  
19 been a joint effort of the staff of all four of the state DOTs  
20 to develop the charter, which is really the beginning of the  
21 concept of operations that we're working on right now, which is  
22 the next document.

23           We reached out to the Federal Highway  
24 Administration, and they came in and helped us hold a peer  
25 group, not only of the state DOTs, but also the FHWA

1 administrators from those four states. And that happened in  
2 early July of this year at ADOT. All four of the state CEOs, we  
3 all signed the charter to begin the coalition, and sat with the  
4 staff and met for the entire day to talk about what our vision  
5 was and where we wanted them to go with this concept of  
6 operations.

7           So briefly, the expected outcomes and focus areas  
8 are we want to define the I-10 corridor. It's easy to look at  
9 it. It's just the asphalt of the interstate that runs, but if  
10 you really look at the I-10 corridor, there are lots of other  
11 things that affect it. In Arizona, for instance, trade to and  
12 from Mexico affects what happens in the corridor. What's going  
13 on with I-17 will have an impact in the corridor. Obviously  
14 what happens at the ports in L.A., whether there's a slowdown or  
15 a bankruptcy, as we've seen, of a major shipper, those will have  
16 impacts on the traffic. So when we talk about a corridor, I  
17 just want to mention that we are looking beyond just the  
18 boundaries of the right-of-way of that particular corridor as to  
19 the other economic and other factors that will impact it.

20           Next on the list, it was identifying brand of the  
21 corridor coalition. If you look at the I-95 Corridor Coalition,  
22 they have a very distinct brand and website for motorist  
23 information, and that has grown over the years to where that  
24 website is critical to a lot of people to know what's happening  
25 if they're planning travel on the I-95 corridor.

1           So we want to (inaudible) our website to  
2 disseminate a consistent brand of information for the I-10  
3 corridor, and we'll have to identify the topics and the content.  
4 But incident management, traveler information, truck permitting  
5 and truck rest stop availability are some of the things we're  
6 looking at right off the bat. We have to identify who the  
7 customers are also for the corridor.

8           It's important -- we all agree that CEOs  
9 understand who are the users, who are the beneficiaries as we're  
10 deciding on priority. And so we've charged the staff with  
11 reaching out to those stakeholders to better understand what  
12 their current needs are, but also what they expect in the future  
13 as they see increases in traffic volume and the incorporation of  
14 new technology, whether it's on the commercial or the  
15 non-commercial side, and what technology we should be  
16 incorporating into the corridor for the future.

17           There's a focus on transportation systems  
18 management and operations, which essentially encompasses the  
19 things that I've talked about. We want to ensure that  
20 operations of the corridor are seamless as possible across all  
21 four states. For instance, a commercial driver shouldn't have  
22 to stop in every single state to get permitted or to weigh or  
23 get other credentials checked. If there's no safety problems  
24 with the vehicle, we want to make that travel seamless. That  
25 means that we're also going to be looking at standardizing

1 weights across the states and things like that.

2           So there's lots of different things that we're  
3 looking at from the operations side. But more importantly, what  
4 technology we have to incorporate in the future to deal with  
5 issues like truck (inaudible) or automated trucks or whether  
6 trucks need to know about incidents up ahead, road construction,  
7 and how you disseminate that information across the common  
8 platform. So, essentially, this goes down to this theory of  
9 reducing friction for our commercial operators along the  
10 corridor, which is another focus.

11           There's quickly some possible policy and  
12 operational practices, and I'll go through those fast. From a  
13 policy perspective, permitting and harmonizing the states on  
14 that, inspections, coordination of weigh-in-motion programs  
15 among the states for commercial traffic, state freight plans.  
16 All the states have been charged with working out freight plans  
17 by the federal government. We want to make sure those are in  
18 harmony between us, and policy coordination. Differences  
19 amongst state policies that we need to address and how to better  
20 align those policies for the four states.

21           In the operation section, freight management.  
22 truck parking, as I mentioned, permitting and weigh in motion,  
23 and collaboration of state DOTs on the freight plans. Traffic  
24 and incident management. A lot of this involves training and  
25 coordination. As we sat with our snow readiness teams, and



1 also, our maintenance and call out first responders, how we  
2 approach incidents, where vehicles get parked, incident command  
3 structure, all these things can lead us to quicker clearings if  
4 we're working together and getting the road open again. So  
5 instead of a six-hour closure, you might have a two-hour or a  
6 one-hour. So the states and ADOT are working on that right now.

7 In the area of technology, as we talked about,  
8 ITS systems, screening and sorting trucks in the future, end of  
9 queue warning systems. One of our big problems right now with  
10 interstates and highways are secondary crashes. You have the  
11 initial blockage, whatever caused that. The queue builds up,  
12 and then we have secondary crashes because of that. So if we  
13 can warn motorists and warn the vehicles sooner that they're  
14 coming up on that, they can begin to slow down and get ready for  
15 it. So and then there's communication about the coalition,  
16 development of the website and social media.

17 So we think that this corridor can give us the  
18 opportunity to start to roll out some early benefits among the  
19 state and put the coalition on the map. We've got increased  
20 communication with our traffic management centers right now in  
21 all four states, which are resulting in quicker responses to the  
22 incident management and broadcasting those ahead of the vehicle.

23 So as we get up and running, I fully expect our  
24 state DOT partners to the east to inquire about joining the  
25 coalition. We've already gotten inquiries from Alabama and

1 Mississippi, Florida, that they would like to be part of it,  
2 too. And among the CEOs, we're talking about when it's the  
3 right time to expand.

4           So that's interesting that we're going to keep  
5 working with them and integrating them into the future. So I've  
6 got high hopes of this coalition -- and it does take time.  
7 I-95's been around for quite a few years. But the big, big  
8 issue there, as they told us in our peer exchange, is that you  
9 have to keep working this. If you don't, it just tends to fall  
10 apart and go away. So all the four state DOT directors are  
11 committed to working this, and our staff continues to work on  
12 it. We'll probably be getting back together very soon, because  
13 we want to get this concept of operations among the four states  
14 finalized so that we can be working on that.

15           That concludes that report. I guess the other  
16 thing I wanted to mention maybe as a last minute item,  
17 Mr. Chairman, is that as we listened to public testimony. We  
18 heard CYMPO talk about the fact that tolls are a consideration  
19 as an option in P3. And I just wanted to remind the Board that  
20 several years ago, ADOT submitted an expression of interest in  
21 tolling I-15, because if you were to recall, if you were on the  
22 Board then, there's eight bridges on I-15, and it costs about  
23 350 million to replace those. They're 1970 bridges. They're a  
24 two girder system, and we were experiencing cracking and stress  
25 fractures in the girders. We've replaced two of those now using

1 a combination of State funds and TIGER grants. But when you  
2 look at I-15, we take care of that particular corridor, the 30  
3 miles that dips into Arizona, but there's very little economic  
4 benefit to the State.

5 So I just want to say that one of the things that  
6 we're thinking about, since Missouri and the other two states  
7 who have been given the authority to look at tolling of existing  
8 interstates, if not use those (inaudible), we would consider in  
9 Arizona refiling our expression of interest, because if we're  
10 able to work out a public-private partnership on I-15,  
11 conceivably some of that money for bridge repair could be moved  
12 out into Greater Arizona in the future to cover projects that  
13 we've been talking about.

14 So I'm glad to hear that folks are interested in  
15 that option, because the first time we rolled out that  
16 expression of interest, it was not exactly warmly received as an  
17 option here in Arizona. But now that we're farther along and  
18 maybe a little more educated in how public-private partnerships  
19 work, maybe there will be more support for that. (Inaudible.)

20 That's my report, Mr. Chairman. I'll be happy to  
21 answer any questions.

22 CHAIRMAN LA RUE: Thank you, Mr. Halikowski.  
23 Any questions? Board Member Stratton.

24 MR. STRATTON: This is not a question. It's a  
25 comment to the director. I would like to applaud you for

1 re-looking at that I-15 option. I know --

2 MS. KUNZMAN: Mr. Chairman, this -- that item is  
3 for discussion only. So I apologize to Mr. Stratton, but we do  
4 need to not discuss that item (inaudible).

5 CHAIRMAN LA RUE: Or could he rephrase it just to  
6 say he appreciates tolling? Because that did come up.

7 MS. KUNZMAN: Okay. That's fine. Just make  
8 sure --

9 CHAIRMAN LA RUE: So if you keep your comments --

10 MS. KUNZMAN: -- your remarks --

11 CHAIRMAN LA RUE: -- to tolling, but not specific  
12 to I-15.

13 MS. KUNZMAN: Thank you.

14 MR. STRATTON: I would like to thank the director  
15 and the staff for looking at the tolling options on certain  
16 freeways in our state. Thank you.

17 CHAIRMAN LA RUE: Perfect. (Inaudible.)

18 Any other questions or comments of Director...

19 Thank you, Mr. Halikowski.

20 Let's move on to the consent agenda. That has  
21 been distributed to all Board members in our packet. Is there  
22 any Board member wishing to pull any item from the consent  
23 agenda?

24 Seeing none, I would propose -- I would entertain  
25 a motion to approve the consent agenda as presented.

1 MR. SELLERS: Move for approval.

2 CHAIRMAN LA RUE: I have Board Member Sellers  
3 with a motion.

4 MR. TELLER: Second.

5 MS. BEAVER: Second.

6 CHAIRMAN LA RUE: I have Board Member Teller with  
7 a second. All those in favor signify by saying aye.

8 BOARD MEMBERS: Aye.

9 CHAIRMAN LA RUE: Any opposed? The ayes have it.  
10 Agenda Item No. 4 is the legislative report.  
11 Mr. Roehrich.

12 MR. ROEHRICH: Good morning, Mr. Chair, members  
13 of the Board. Kevin Biesty does send his regrets that he  
14 couldn't be here, but there are just a few items that he would  
15 like to make the -- at least update to the Board.

16 The first item is a big item for a number of us,  
17 and that is the continuing funding of the government, the  
18 federal government. The end of the fiscal year is the end of  
19 the month, and right now we do have a budget set for the federal  
20 government to continue. That might not be a bad thing, I guess,  
21 but if they don't continue, we do have a problem with them  
22 processing our funding. So not only would we probably fall  
23 behind in funding aviation reimbursements, but we'd fall behind  
24 in funding even our reimbursements. So we hope that Congress  
25 does something.

1 Right now they have signaled the possibility of  
2 doing a short-term continuing resolution that will take it into  
3 December, basically getting through the election, and let the  
4 next administration deal with how they fund Congress moving  
5 forward.

6 The -- probably the one negative about the  
7 continuing resolution, the way they're looking at it right now,  
8 if they do extend it, it looks as if they're extending it at the  
9 same funding levels as they did last year, which would not  
10 include the additional funding that we received in  
11 transportation this year. That might be deferred again later on  
12 until you get a longer term funding solution. So there's a  
13 possibility that continuing resolution may again limit the  
14 amount of federal money available to us that we originally had  
15 gotten in the highway bill as part this budget bill. So we're  
16 monitoring that, and as we get more information, we'll obviously  
17 share that with the director, senior staff and the Board.

18 The other thing that -- of note on a federal  
19 level is Secretary Foxx has made a concerted effort to really  
20 push the USDOT to get involved in establishing more guidelines  
21 for the industry on autonomous vehicles. Obviously, the private  
22 industry and the technology industry is out there moving much  
23 faster than the government has been. So they know that they're  
24 lagging behind in setting safety standards, as well as  
25 guidelines and other policies and regulations related to the use

1 of autonomous or driverless vehicles.

2           So they're really, as a DOT, moving forward with  
3 a conscientious effort to try to catch up with the  
4 implementation of that technology, and which is good, because  
5 Arizona has been -- as a state, has been pretty involved in a  
6 lot of the testing by various groups; the pilot program between  
7 University of Arizona and Uber that is testing autonomous  
8 vehicles. Google, Ford and GM have all done the same here, and  
9 in consideration of that, the governor's committee on driverless  
10 car oversight just recently met and kicked off, and their big  
11 emphasis, obviously, is to continue to advance Arizona's efforts  
12 in this industry, support the research and policy development  
13 efforts necessary for autonomous vehicles. Hopefully issues  
14 that we develop here can roll up into the federal system as they  
15 start working on their process.

16           The last item he wanted to talk about was just  
17 this week, the legislatively-created Surface Transportation  
18 Funding Taskforce had their initial kickoff meeting. That was  
19 Wednesday of this week. They're meeting every two weeks from  
20 now until the 21st of December, and at that time they're going  
21 to publish their final report to the governor, to the  
22 legislature, to the public regarding their efforts to look at  
23 reviewing the existing analysis of transportation funding needs  
24 and revenues, recommend revenue proposals to address our  
25 declining revenues over the next 20 years.

1           Let's see. Recommend specific revenue proposals  
2 for dedicated funding for all sources of DPS, highway patrol, to  
3 again, look at opportunities outside of -- just sweeping in from  
4 the HURF fund, look at other revenue opportunities, recommend  
5 revenue proposals for dedicated funding for local cities,  
6 counties, towns and streets, as well as work with the Department  
7 of Administration to conduct a statewide study to identify  
8 vacant or underused buildings or properties that may be sold to  
9 provide additional funding for transportation.

10           That report is due by the end of the year, and  
11 they're moving forward with that. As we said, this past  
12 Wednesday, they initiated their first meeting. It really was to  
13 just get a -- an organization -- the priorities of effort that  
14 they intend to look -- to work on, and they got an initial  
15 briefing by the Joint Legislative Budget Committee, JLBC, on the  
16 current state of the HURF funds within the state.

17           The next topic they have set for the September  
18 29th meeting is to address the DPS highway funding revenues, as  
19 well as to have a discussion on regional transportation planning  
20 needs as well. They've not set the topics beyond the next one,  
21 but we expect that as those get available, they will be posted  
22 on the legislature's website, just like they do as a normal  
23 legislative committee.

24           Also, these committee hearings are being  
25 televised on the web as part of their live hearing proceedings



1 at azleg.gov.

2 That's Kevin's update, and at this time I'll try  
3 to answer any questions the Board may have.

4 CHAIRMAN LA RUE: Any questions by board members?  
5 Board Member Hammond.

6 MR. HAMMOND: This may be more for John. As many  
7 of you know, somebody -- I guess this came to ADOT in my name.  
8 This is the (inaudible) announcement for the (inaudible)  
9 engineering (inaudible).

10 This question is regarding autonomous vehicles.  
11 The -- I forget its title, but the guy that's running this  
12 operation spoke at a luncheon Wednesday and said that in  
13 Australia, they're using autonomous, driverless trucks in some  
14 mine. They're those big, umpteen million dollar trucks that  
15 move all around, have no drivers in there. What's the role of  
16 ADOT, if any, in smoothing this process? Is it all a federal or  
17 a state process? Do we have any role any getting ahead of it?  
18 Like you said, Floyd, we're behind, I think, in the bureaucratic  
19 structure behind using autonomous vehicles on our roads.

20 MR. HALIKOWSKI: Mr. Chairman, Mr. Hammond, I  
21 wouldn't characterize it right now as ahead or behind, because  
22 in my travels about this issue, the field is so wide out there,  
23 it's kind of like being a squirrel in an acorn warehouse. You  
24 don't know which one to grab first. I would say that really  
25 it's not so much of a bureaucratic issue about being behind as

1 there are significant policy issues that have to be decided.  
2 Some of those, or many of them, might be outside the scope of  
3 the department's jurisdiction.

4 And just in brief, some of them are insurance  
5 related. Well, who needs liability insurance? If two  
6 autonomous vehicles hit each other, who's responsible?

7 The others are in the programming arena that if  
8 the autonomous vehicle has to make a decision about whether it  
9 crashes into a bus or runs over someone in a crosswalk, what  
10 will the programming tell it to do if there's no driver there to  
11 take control? So as you look at the future, the technology is  
12 not insurmountable, but some of the policy issues that we're  
13 going to deal with are going to take some time, I believe, to  
14 work through.

15 However, the other school of thought is that when  
16 motor vehicles started to make their appearance on roads in the  
17 United States some hundred years ago, the laws weren't there to  
18 necessarily govern them, and a lot of local laws sprang up about  
19 speed limits and, you know, when the vehicles could be driven.  
20 I mean, there were laws calling them nuisances at first. And so  
21 what I think may happen in the future here is that you'll see  
22 the introduction of these vehicles on to the roadways, and then,  
23 depending on the activity, then you might see, again, laws form  
24 around that to govern it. It's just really very early to tell  
25 at this point how things are going to interact between

1 non-autonomous or connected vehicles and ones that are, because  
2 our fleet is 11 years old, on average, throughout the country,  
3 and there is going to be a significant transition time to work  
4 those together.

5           So there are a lot of policy issues, I think,  
6 that are more significant to wrestle with right now, because  
7 Arizona's law says as long as there's someone in actual,  
8 physical control of that vehicle, that's pretty much the  
9 standard, and it meets all the other equipment requirements.  
10 But there are folks who have said to me, "Does that mean someone  
11 has to actually be sitting behind the wheel, or could you drive  
12 that like a drone?" So there are a number of things that -- I  
13 don't know that the department will focus on, but I think will  
14 definitely be part of discussion.

15           So from a smoothness perspective, we are  
16 welcoming the testing at this point into Arizona, provided there  
17 is someone in actual, physical control of that vehicle. And  
18 we've been not only working with the auto companies, but also  
19 Pelicon and Auto Boutique EPO (phonetic), who does automation  
20 for trucks. Both of those companies do. And we're interested  
21 in working with them to test some platooning, and also some  
22 automated activity on the interstate. So we're moving ahead  
23 with this, but you know, when Michigan comes out and announces  
24 they're going to allow a vehicle on the road without a driver in  
25 the car, I look at that and say, but I think Arizona could

1 already do that, provided that someone is, a human being, in  
2 control of the vehicle, albeit remotely, for testing purposes.

3           So I think we're actually, from our standpoint in  
4 Arizona government, a lot more smoother than, say, California,  
5 which now, when you look at this from the manufacturer's  
6 perspective, you have federal requirements. You have to have  
7 your own manufacturer's liability (inaudible) have to meet, and  
8 now the State of California has rolled on a whole another layer.

9           So from my perspective, I think that government  
10 can get too far into the way too soon, as we've seen in  
11 California, and you're going to see companies go where testing  
12 is smoother and easier, able to accomplish.

13           When it comes to mining trucks or transit  
14 vehicles, very often those run on a set route on a track, and  
15 it's pretty easy to program those to do that. But when it comes  
16 to a vehicle that can drive literally anywhere there's a road,  
17 there's a lot more programming that has to go into it. And I  
18 liken it to the example that the F35, which is our most advanced  
19 jet right now, has about 10 to 12 million lines of computer code  
20 in it. An autonomous vehicle, fully autonomous vehicle, the  
21 estimate is maybe about 100 million lines of computer code.

22           So those computers all have to interact with the  
23 equipment platform, and we also need to look at, you know, cyber  
24 security, which is being worked on by the Society of Automotive  
25 Engineers, and -- I forget ITE's name. I know the acronym, but

1 it's another group of engineers. They're working on the  
2 encryption so that we have a basic machine readable language  
3 between vehicles that is securely transmitted.

4 So lots of issues. Some involve government at  
5 the state level. Some of them involve the federal level, and  
6 some of them, I think, are just too -- TBA as these vehicles  
7 roll out in the future.

8 Sorry for that long-winded explanation.

9 CHAIRMAN LA RUE: So any follow up?

10 MS. BEAVER: Chairman.

11 CHAIRMAN LA RUE: Vice Chair.

12 MS. BEAVER: I just want to say that analogy of  
13 the squirrel in an acorn factory. I mean, I had a visual on  
14 that.

15 MR. HALIKOWSKI: I've just got to confess,  
16 Mr. Chairman. I'm sorry I'm doing this, but I have a squirrel  
17 history in that probably in my first year, I think, as ADOT  
18 director, we authorized some squirrel bridges down in southern  
19 Arizona. They weren't bridges. They were (inaudible) squirrel  
20 so they didn't get squished by the cars. They had bridges to go  
21 across. And after some very pointed inquiries, we decided to  
22 cancel that little project, so....

23 So the question is you know -- well, I'll stop.

24 CHAIRMAN LA RUE: Yeah. You're going to end up  
25 hearing the attorney pop up here in a second.

1 Any other questions on the legislative report?

2 You know, I'll take note that it seems like  
3 Mr. Biesty's reports are longer when he's not here. So we  
4 probably want to invite him here more often.

5 Next Agenda Item No. 5, financial report. And  
6 Kristine, while you're coming up, I should pause and say did  
7 Mr. Cuthbertson join us by phone? No. I'm not hearing him,  
8 so...

9 Kristine.

10 MS. WARD: All right. Good morning. So I  
11 actually have some good news for you this morning. Start out  
12 with the regular financial report, and then I'll give you -- go  
13 into some other details for you.

14 Hey, Lynn. Having some struggles --

15 CHAIRMAN LA RUE: (Inaudible.)

16 MS. WARD: Thank you. I'm trying. I'm pushing  
17 the little button.

18 In terms of HURF revenues, we -- the word for the  
19 month on both HURF and RARF revenues is "moderate." We are a  
20 little bit below forecast on HURF, and gas taxes are running a  
21 little below -- just a touch below forecast. Diesel is about  
22 2.8 percent below forecast, and the larger one, 3.5 percent  
23 below forecast is VLT. But overall, understand when we start  
24 the year out, these things tend to smooth out throughout the  
25 year.

1                   RARF, similarly, I -- we actually have an error  
2 on this slide, because for the first time, we are out of our  
3 targeted range. We are at 2.1 percent revenues for the first  
4 month of RARF, which is year to date. And we didn't put a  
5 little yellow marker up there. And technically, I don't think  
6 we've even gotten one, because we've never had to use it before.  
7 But now we have to get a little yellow sign for you that says we  
8 are technically out of our target range. We are 2.1 percent  
9 above forecast.

10                   CHAIRMAN LA RUE: But isn't that good? So why  
11 wouldn't we do (inaudible)?

12                   MS. WARD: Well, I can understand why you would  
13 say that, Mr. Chair. We strive for accuracy in our forecasts as  
14 well, but I'll have to say, if we're going to have any variation  
15 from accuracy, this is the side of the fence we want it on. But  
16 let's go into the next report.

17                   Lynn, can you help me out? Thank you.

18                   All right. So -- oh, hopefully you remember on  
19 an annual basis we go through the August redistribution process,  
20 and you might have heard some numbers out there about the --  
21 nationwide, there was a two plus billion dollar August  
22 redistribution. So what our August redistribution is, is it's  
23 when FHWA redistributes unused funds, takes all of those unused  
24 funds across the country and then redistributes those funds.  
25 And those funds must be used by the close of the federal fiscal

1 year, which you all know is September 30th. And that's kind of  
2 a misnomer, because the systems shut down -- the accounting  
3 systems shut down in advance of that -- so we actually have to  
4 get those dollars, any August redistribution dollars, obligated  
5 immediately upon receipt, which tends to be -- we receive them  
6 -- we get our announcement on August 31st. So I'll try to stop  
7 teasing you now.

8                   So we counted on receiving 25 million. It was  
9 built into our forecasts. We actually received 62 million,  
10 which is a \$37 million variation. As I have talked to you about  
11 before, because those dollars have to be obligated so quickly,  
12 what we do is we apply them to projects that have already been  
13 approved by this board, and we essentially pay our bills ahead.  
14 And what that does, the result of that, is it frees up dollars  
15 in future years that then go through the reprogramming process.  
16 So they will show up when we start programming the '18 to '22  
17 program. But there you have it. There's some good news for  
18 you. \$37 million.

19                   CHAIRMAN LA RUE: Now, because you said, does  
20 that get a yellow star as well, or is that a double green one?

21                   MS. WARD: Yeah. I'm going double green on that.

22                   CHAIRMAN LA RUE: Okay.

23                   MS. WARD: You know, that might even be  
24 (inaudible).

25                   CHAIRMAN LA RUE: What she said is very positive.



1 MS. WARD: Very positive.

2 CHAIRMAN LA RUE: Board Member --

3 MS. WARD: Thank you FHWA.

4 CHAIRMAN LA RUE: Board Member Hammond.

5 MR. HAMMOND: I assume this prepayment doesn't  
6 mean you give a contractor payment for something they haven't  
7 done, right?

8 CHAIRMAN LA RUE: No. No. No.

9 MS. WARD: Oh, my goodness. No. No. No. No.

10 MR. HAMMOND: Okay.

11 MS. WARD: No, not ever.

12 CHAIRMAN LA RUE: (Inaudible.)

13 MS. WARD: No. There is a -- I am trying to  
14 think of a simple way to explain it. But suffice it to say we  
15 do not pay the contractors ahead. We just obligate those  
16 dollars ahead of schedule, if that makes any sense.

17 MR. HALIKOWSKI: Well, I guess, the point is you  
18 don't actually spend the dollars. You're obligating it ahead of  
19 schedule.

20 MS. WARD: That is correct, Director. Yeah. For  
21 future expenditures.

22 So my second point of good news, my second report  
23 of good news with regards to our debt financing program, you  
24 will recall that we came to the Board back in March to seek  
25 approval to proceed with some bond refundings, and unlike our

1 normal refundings, instead of doing a single refunding, we  
2 refunded -- we did refundings on three of our -- all three of  
3 our credits. We issue HURF bonds. We issue RARF bonds. We  
4 issue bond -- notes against our federal revenues that are called  
5 GANs, grant anticipation notes.

6           We went to market on -- with those issues on  
7 August 31st and on September 1st. We originally estimated the  
8 savings associated with those refundings, as I reported to you  
9 in March, to be somewhere between 12 and 15 million dollars. We  
10 actually ended up refunding a total of a little over \$400  
11 million worth of bonds, 425 million, and the present value  
12 savings of those refundings ended up being about \$35 million.  
13 So we had a very successful refunding, and it got better.

14           We also, in the -- no. The 35 million is very  
15 nice, but we also, in our interactions, because we have to have  
16 a number of meetings and conference calls with the rating  
17 agencies explaining the financial situation of the department,  
18 and we -- S&P upgraded us from a AA to a AA plus on our GAN  
19 rating because of the strength of our pledged revenues.

20           As you know, we have been steadily working to  
21 contain our expenses, to ensure our cash balances are adequate,  
22 and we are seeing the results in increased ratings, and we've  
23 got a very strong pledge on that -- on those -- on that debt,  
24 and they reported that out to investors. So that is --

25           MR. HAMMOND: (Inaudible.)

1 MS. WARD: Excuse me, sir?

2 CHAIRMAN LA RUE: Board Member Hammond, do you  
3 want to ask a question?

4 MR. HAMMOND: The -- I'm assuming -- I assume  
5 that 35 million is over the life of the bond, right? What's the  
6 annual savings on just basic cash flow? Are these 20-year  
7 bonds?

8 MS. WARD: Well, the term of the bonds that are  
9 being refunded is approximately about 15 years. So understand  
10 that we are refunding different maturities. So that means in  
11 different years. So the savings associated with how much we  
12 refund in a particular year. So let's say in 2017, there might  
13 be -- or 2018, there might be \$2 million worth of bonds that are  
14 in the money and worth refunding. In 2021, there might be \$5  
15 million worth of bonds that are in the money and worth  
16 refunding. So your savings is not level across those years.

17 MR. HAMMOND: Okay.

18 MS. WARD: It's dependent on how many -- how much  
19 we refund in a given -- for a given year.

20 MR. HAMMOND: And we don't have 35 million more  
21 to spend this month is what you're --

22 MS. WARD: Oh, no. I apologize, Mr. Chair,  
23 Mr. Hammond. It is not 35 million that is instantly available.  
24 If you looked at the -- that dollar instead of present value,  
25 how much is it worth today, if you looked at it how -- what's

1 the future value, it's about \$40 million, because it's streamed  
2 over. Those savings reduce debt service over a number of years.  
3 Does that make sense?

4 MR. HAMMOND: One final question. It does  
5 increase our bonding capacity (inaudible)?

6 MS. WARD: It does. It does give us a mild  
7 increase in our bonding capacity. That's quite astute. Yes,  
8 sir.

9 MR. HALIKOWSKI: Just one of the questions, a  
10 point I wanted to make. Some of the bond refunds are for  
11 federal match, also. Some of (inaudible) --

12 MS. WARD: They are for -- we are refunding some  
13 bonds that were issued against federal dollars. That is  
14 correct, sir.

15 MR. HAMMOND: Okay. But the proceeds are used  
16 for federal (inaudible), the refund proceeds?

17 MS. WARD: Not -- they can be.

18 MR. HAMMOND: Okay. Thank you.

19 MS. WARD: So on that -- on a final note, I would  
20 like to say, first of all, doing one refunding is very  
21 challenging. It is labor intensive. We did three. And we had  
22 a fabulous team, if you'd just permit me one second.

23 RBC Capital Markets, Kurt Freund is our financial  
24 advisor. He provides us exceptional service, and I want to  
25 extend a thank you to him, as well as JP Morgan and Wells Fargo,

1 who did the underwriting. They were the senior underwriting on  
2 the project.

3 Squire Patton, Mr. Chair, you will be hearing  
4 from them soon as we go into signing bond documents, the final  
5 documents.

6 And then I -- I just want to recognize my -- the  
7 staff of Financial Management Services. We had many late nights  
8 on this reviewing documents. The amount of documentation  
9 involved in this process, the accounting that has to be checked  
10 and double-checked so we communicate accurately to our investors  
11 is incredibly important, and they did a fabulous job.

12 So that concludes my report, and I'd be happy to  
13 answer any questions.

14 CHAIRMAN LA RUE: You know, Kristine, while I  
15 look around for questions, first I want to say -- I would say,  
16 "Congratulations, you've hit a home run," but I think it's,  
17 "Congratulations, you've hit a grand slam." You've really  
18 exceeded our expectations on this. You guys have hit the market  
19 just beautifully. Like you said, three bond refinancings in the  
20 same amount of time is a lot of work, a tremendous amount of  
21 work. Because I've been involved with some bond financings  
22 before, and even one is a lot of work. So thank you so much.  
23 Thank you on behalf of the entire Board, because this does make  
24 our going forward a lot better, with a higher rating, with some  
25 extra bond capacity.

1 MS. WARD: Uh-huh.

2 CHAIRMAN LA RUE: This is fabulous news for the  
3 Board.

4 I might mention, if you don't have access or if  
5 it hasn't popped up in your email box -- I don't know if it does  
6 it for you automatically -- the preliminary official statements  
7 are out there on (inaudible) or something like that.

8 MS. WARD: Uh-huh.

9 CHAIRMAN LA RUE: You can get access to them.  
10 It's great late night reading. I mean, everything that you want  
11 to learn about our bond and our bond refinancing and all the  
12 things that are out there. I know the preliminary OS is  
13 utilized there. I'm assuming the official OS is probably  
14 dropping now.

15 MS. WARD: Uh-huh.

16 CHAIRMAN LA RUE: Any day now, so...

17 MS. WARD: If you'd like, I can have a link sent  
18 to all of the board members that you can just click on it if you  
19 would like to go and read those documents. Having personally  
20 read them, it takes a little time.

21 CHAIRMAN LA RUE: Why don't you do that just so  
22 they're exposed to the amount of effort that goes into something  
23 of this nature. (Inaudible.)

24 MS. WARD: Very good. We'll take care of that.

25 CHAIRMAN LA RUE: Great. Any questions? No

1 questions by board members?

2 MS. WARD: Thank you.

3 CHAIRMAN LA RUE: Thank you.

4 We will now move on to Item No. 6. My most  
5 favorite, planning -- Multimodal Planning Division director  
6 today is Michael Kies.

7 MR. KIES: Just today, right? Thank you,  
8 Mr. Chair.

9 CHAIRMAN LA RUE: (Inaudible.)

10 MR. KIES: I do not have any special reports for  
11 the multimodal report, Item No. 6. Unless the Board has  
12 questions about the activities in the division, I'd request the  
13 Chair moves on to Item 7.

14 CHAIRMAN LA RUE: Without -- we do have a  
15 question. Board Member Teller.

16 MR. TELLER: Thank you, sir.

17 A question regarding the concern that was brought  
18 up by Yuma International Airport, as well as other airport --  
19 airports within the state of Arizona regarding the deferrals.  
20 Is there going to be a detailed response to that on how we can  
21 address concerns that were made by a transportation component  
22 within the state?

23 MR. KIES: Mr. Chair and Board Member Teller, our  
24 aviation group manager, Michael Klein, has been -- in my  
25 opinion, been doing a great job of continuously communicating to

1 our airport sponsors. The issue that we're wrestling with and  
2 getting updates about, when we might be able to help with  
3 partial reimbursements or full reimbursements.

4 I don't -- if the Board isn't aware, as Kristine  
5 Ward talks about with the HURF fund, of building up a cash  
6 reserve so that the cash flow can always be addressed for  
7 payments that are going out from that fund, the Aviation Fund  
8 does the same thing. And Mike Klein worked really hard to build  
9 up -- I think it was a \$24 million cash reserve to allow that  
10 cash management to happen as grants are awarded and  
11 reimbursements need to be made.

12 Unlike the HURF fund, where every time you buy a  
13 gallon of gas, a little bit of money gets distributed into the  
14 HURF fund, and there's always money coming into that fund, the  
15 Aviation Fund is actually based on property tax and flight  
16 registration, which, like, if you know your property tax, you --  
17 the bill comes to everybody the same month of the year. So  
18 flight tax comes one month of the year, and the license tax for  
19 airplanes comes a different month of the year. So that fund  
20 gets two spikes of revenue in the year, in October and in the  
21 spring. And so it's even more difficult to manage the cash flow  
22 of that fund with -- without money coming in at a constant rate.

23 So when Michael Klein described it as a perfect  
24 storm, he had a nice amount of cash reserves built up in  
25 anticipation of all the grants that were awarded, and then



1 unfortunately, the legislature swept \$15 million out of that,  
2 and it took his cash reserves from one point to a different  
3 point. And as we've been more aggressive of closing out grants  
4 and awarding grants and keeping the grants moving, we were  
5 relying on that cash reserve, and that is no longer available.  
6 So we need to wait for October to come when some of the revenue  
7 comes in and then assess our cash reserves. And then -- so what  
8 Mike has been reporting is that February is when we'll get out  
9 of this situation.

10 MR. HALIKOWSKI: So Mr. Chair, if I could just  
11 make a couple of points there. As was said in the public  
12 comment, they're going to be at the Board meeting every month.  
13 We will continue to work with Yuma and other airport folks about  
14 the cash reserve issue, but I want to point out that the Board  
15 isn't the sole body that they should be visiting.

16 Really need to work with the state  
17 representatives and JLBC as the budget is going through, because  
18 Mike pointed out a gallon of gas for HURF funds, and that's  
19 right. But it's also Constitutionally protected. It must be  
20 used for transportation purposes. The Aviation Fund is not  
21 Constitutionally protected. You can take money out of the  
22 Aviation Fund and use it for General Fund purposes, which is  
23 something that's been going on for a number of years when we  
24 build up cash reserves, because obviously there are a lot of  
25 General Fund needs out there. And so the legislature, the

1 governor, they're always constantly trying to balance those  
2 things.

3 This is not meant as a criticism, but if we see  
4 larger reserves built up in there, JLBC looks at that and says,  
5 "Hey, we need General Fund dollars." It's very tempting for  
6 them to take out. So I would suggest that they may want to  
7 consider putting some legal protections around that particular  
8 fund in the future, much like the HURF fund has some protections  
9 that it's only for transportation. Perhaps they want to  
10 consider the Aviation Fund only for aviation-related purposes.

11 So there's some things that need to be worked on,  
12 and I think better communication that -- that Aviation Fund is  
13 directly tied to communities' economic development, and we don't  
14 want to see it swept just into that huge General Fund pond, and  
15 (inaudible).

16 CHAIRMAN LA RUE: Board Member Stratton.

17 MR. STRATTON: Mike, is there any tax on aviation  
18 fuel at all?

19 MR. KIES: Yes.

20 MR. STRATTON: (Inaudible) go to the Aviation  
21 Fund?

22 MR. KIES: Yes. Yeah. That is --

23 MR. STRATTON: And how much is that tax?

24 MR. KIES: Yes, there's a jet fuel tax. I don't  
25 have that at hand, but I could have Michael Klein send you that

1 -- the information about the rates and how much of the fund is  
2 related to that.

3 MR. STRATTON: And knowing that, in the  
4 director's comment, is that tax protected from the General Fund?

5 MR. HALIKOWSKI: I'd have to look back. It's  
6 been some years since I looked at the aviation fuel tax statute,  
7 Mr. Chairman. There were some interesting issues with it,  
8 because I think only a certain amount of gallonage is first  
9 taxed, and I have to go back and look, because it's been some  
10 years. So there are some interesting issues in the way that law  
11 is structured on the jet A fuel and in regions where it's sold.  
12 But I'll get together with Kristine and some others, and we'll  
13 send a memo back to the Board on how that particular tax works.

14 MR. STRATTON: Thank you.

15 MR. HALIKOWSKI: The other thing I'd like to  
16 point out is we have a very aggressive unit in the Motor Vehicle  
17 Division on aircraft registration. We call it our Aircraft  
18 Registration Unit, and not all people who've gotten a bill from  
19 us have been happy, but if we get reports that an aircraft has  
20 not been registered and the aircraft license tax has not been  
21 paid, we go after it, and we generate, some months, 80, \$90,000.  
22 I mean, we've had some checks come in for well over a quarter of  
23 a million on past due taxes. So if you want a report on that  
24 unit, too, I just would let you know we are aggressively  
25 pursuing those so that we keep the money flowing into the

1 Aviation Fund.

2 CHAIRMAN LA RUE: Thank you, Director.

3 MS. BEAVER: Chair.

4 CHAIRMAN LA RUE: Vice Chair.

5 MS. BEAVER: Is there any way that -- or -- is  
6 there anything this body here can do to -- I just have real  
7 problems, generally speaking, with the sweeping of accounts that  
8 the legislature does. And I realize that they have the power to  
9 do that type of thing, but when you've got multiple governments  
10 or agencies that have already used the funds, and they're  
11 waiting for that reimbursement because they would have been  
12 guaranteed up front that they would have -- that it was going to  
13 be reimbursed, it really creates such a hardship across the  
14 state, to me. I -- you know, is there anything that we can do,  
15 or is it pretty much the local municipalities are going to need  
16 to...

17 MR. HALIKOWSKI: Well, Floyd says you may not  
18 like his answer, so (inaudible).

19 I think, first off, like anything else, there are  
20 some issues that are represented much more strongly at the  
21 legislature, and I think we all know what those are. But  
22 aviation, general aviation, I think, is a difficult -- I  
23 shouldn't say difficult. It may not be as well represented.

24 And so what I would suggest the Board do is that  
25 if you are familiar with your senator and representatives from

1 your district, talk to them about the importance. But you also  
2 have -- people have to attend committee hearings and talk to  
3 legislators. It takes more than just one or two people. You  
4 have to go and really make that presence known.

5           So having said that, I think that the other thing  
6 we're looking at is, you know, you mentioned, Board Member  
7 Beaver, is it right to defer payments because, you know -- and I  
8 don't want to get too far into the legal swamp here -- but if  
9 there's a contract for payment out there, you can't interrupt  
10 that contract if that money's been obligated, but a deferral may  
11 be considered differently. So that's another thing that may  
12 need to be looked at, is what does it mean to have obligated  
13 from the fund. Is that a contractual agreement that cannot be  
14 stopped by legislative action, or is it defer (inaudible)  
15 something different. So I think there's a number of issues to  
16 look at, and we can talk more perhaps (inaudible).

17           MR. KIES: And I would like to point out to the  
18 Board that our contracts that we sign with the airport sponsors  
19 does highlight that this is a potential situation that could  
20 happen. So we're not out of -- we're not violating our  
21 contract. I know that isn't -- doesn't make the pill easier to  
22 swallow, but we're -- this -- it's not -- and this is not  
23 unprecedented. It has happened in the past, also, so....

24           CHAIRMAN LA RUE: Other questions, comments on  
25 this item?

1 Board -- let's move on, then, Item No. 7.

2 MR. KIES: Great. Thank you, Mr. Chair.

3 This is a follow-up on the discussion that we had  
4 at the study session earlier in -- or in August, and I just want  
5 to remind the Board that the -- this discussion item relates to  
6 109 million additional dollars that have been brought to the  
7 program, and Kristine talked about the details of these in the  
8 study session. But as you recall, a \$54 million FASTLANE grant,  
9 that's allowed to be used on Interstate 10 widening between  
10 Phoenix and Tucson, and then the legislature provided 55 million  
11 additional dollars. 30 million of those dollars are designated  
12 to the same I-10 projects that the FASTLANE Act covers, and then  
13 a \$25 million amount for the acceleration of State Route 189.

14 Oops.

15 If the Board will recall, at the study session,  
16 we presented three options of how the construction projects  
17 within the five-year program could be adjusted to make the best  
18 of this 109 million additional revenue. Option one involved  
19 accelerating all of the I-10 projects to fiscal year '18, and  
20 accelerating SR-189 to the fiscal year '19.

21 Option two was very similar to option one, but  
22 included the idea of accelerating the entire ultimate 189  
23 project, which we're calling phase one and phase two, to '19,  
24 but would involve some sort of public-private partnership and  
25 looking at ways that additional funding could be brought to the

1 project.

2                   And then option three was a -- oops. Sorry. I'm  
3 having trouble with the clicker -- why'd that --

4                   UNIDENTIFIED SPEAKER: (Inaudible.)

5                   MR. KIES: Yeah. Sorry.

6                   Option three was the idea of not accelerating  
7 189, even though the legislative money, the \$25 million was  
8 talked about to accelerate 189 project, but to use the  
9 legislative money that could have been used for 189 in fiscal  
10 year '19, leave the 189 project in fiscal year '21, and then  
11 look at maybe ways that the program could be managed so that  
12 additional funding could be considered in fiscal year '21 for  
13 either expanding the 189 project or other projects.

14                   With that said, over the time period between the  
15 study session and today, staff has been discussing this item.  
16 There have been meetings in Nogales to talk about how these  
17 options especially affect the 189 project, and staff's  
18 recommendation of what might be the most appropriate way to  
19 adjust the funding is similar to the option one that was talked  
20 about in the study session. Accelerating the I-10 projects to  
21 the fiscal year '18, accelerating the first phase of 189 to '19,  
22 allowing the legislative money that was identified to accelerate  
23 189 to be applied to that project.

24                   And then one further adjustment that we've  
25 discussed to bring to the Board's recommendation is to move the

1 State Route -- or US-93 project that was previously -- that is  
2 currently programmed in the five-year program in fiscal year  
3 '21, advance that to fiscal year '18. So all of the revenue  
4 that's available when we combine the FASTLANE Act funding, the  
5 legislative funding for I-10, plus all the federal aid money  
6 that is available in fiscal year '18 is fully utilized by I-10  
7 projects and the US-93 Carrow to Stephens section project.

8           Also, the other recommendation that staff is  
9 making is accelerating the 189 project to fiscal year '19.  
10 There's \$40 million available in federal aid in '19, plus the  
11 25 million that the legislature provided to accelerate 189.  
12 That actually allows us to adjust the 189 first phase project to  
13 a \$65 million project instead of a \$64 million project. This  
14 just provides a little more flexibility in that project.

15           We attended a meeting in Nogales last week, and  
16 there were discussions about instead of signalized  
17 intersections, maybe a roundabout is more appropriate in some  
18 locations, and maybe there's some work that might need to be  
19 done to city streets to allow for diverted truck traffic. And  
20 that just provides a little more flexibility in that budget for  
21 some of those design options to be considered.

22           With that said, this recommendation that staff is  
23 making does not preclude the discussions to continue moving  
24 forward about is there an opportunity to fully fund phase one  
25 and phase two of the State Route 189 project in fiscal year '19.



1 Again, this will need to come up with some sort of way that  
2 there's a funding or financing option that brings funding --  
3 availability of funding forward to fiscal year '19.

4 Things that have been discussed are axle fees  
5 that might be appropriate at the border being charged that  
6 provide a new revenue source, that someone could use to finance  
7 construction money. As Mr. Valencia mentioned in his public  
8 comments, there's the idea of the funding in fiscal year '21.  
9 That's currently shown here unprogrammed as an opportunity for  
10 providing more funding to not only the 189 project, but maybe  
11 other projects that the Board has as a priority. And so we  
12 believe that our recommendation would allow all of those  
13 discussions to continue forward, and we've got some time  
14 available to see if that would happen. But this recommendation  
15 does -- would at least have the first phase of 189 fully funded  
16 in fiscal year '19.

17 With that said, some of the points of -- that we  
18 wanted to highlight with this recommendation is that this  
19 recommendation utilizes all the general funds that the  
20 legislature provided to us with the intention that the  
21 legislature put in the law, meaning the I-10 projects going to  
22 those -- those specific projects, and the 189 money used to  
23 accelerate 189 to fiscal year '19.

24 Also, as Ms. Beaver mentioned in the study  
25 session, moving all of these projects forward as we have here

1 shows ADOT's commitment to the idea of Interstate 11. Even  
2 though we're not in the position right now to construct a new  
3 interstate between Las Vegas and Nogales, we -- the Board may  
4 recall that out of our studies related to I-11, we identified an  
5 interim corridor that we wanted to commit to continuously  
6 improving, which involved improvements to US-93 from Nevada to  
7 Wickenburg, widening our existing interstates, such as I-10 and  
8 I-19, and improving our connections to the border at Nogales.  
9 And all of these projects being accelerated, as recommended,  
10 show that we are continuing that commitment to improving those  
11 projects up and down this interim corridor.

12           Lastly, this recommendation allows the Board to  
13 use the next programming cycle to look at the State's priorities  
14 and program \$99.5 million in fiscal year '21 for projects that  
15 are of state priority, whether that be more -- additional work  
16 to the 189 project or other projects around the -- around the  
17 state.

18           So with that, that's the information that I had  
19 for the -- for this agenda item. We do have it on the agenda  
20 for discussion and possible action. However, if the Board has  
21 more information that you would like us to collect or more  
22 things that you'd like us to do, there is an opportunity to  
23 table this item to a different month.

24           With that, Mr. Chairman.

25           CHAIRMAN LA RUE: Thank you, Mr. Kies.

1                   And I -- first, I want to say I really appreciate  
2 all the work that went into the study session. That was a lot  
3 of great information that was provided. I also appreciate the  
4 recommendation, because I can see where you've taken a lot of  
5 the comments from that study session from different board  
6 members, and I'm seeing, you know, the impact of those comments.  
7 So I thank the Board, and I will remind the Board that following  
8 that study sessions is really your time to think about -- you  
9 know, because this is a pretty important decision to be made,  
10 whether we make it today or next month. So now is your time to  
11 follow up with questions.

12                   And Board Member Hammond, I think you're up  
13 first.

14                   MR. HAMMOND: Yeah. I echo Chairman La Rue's  
15 comments on the inclusiveness of that study session and all of  
16 the input we've got into this. I mean, I think I have a  
17 question at the end of this speech, but --

18                   MR. KIES: I'll wait to hear it.

19                   MR. HAMMOND: There will be a question. I mean,  
20 there's a lot of interests here, not the least of which is the  
21 State's grant of 25 million to accelerate 189. And I don't  
22 think we can ignore that and not use it for the purpose  
23 intended, which would be to accelerate 189. So I think the  
24 decision to put phase one in '19, was it? '18? '19?

25                   MR. KIES: '19, correct.

1 MR. HAMMOND: Is the correct decision, but did I  
2 hear Nogales say that they would prefer not to do all that and  
3 try to get it in the '20, '21 and not commit anything now? Is  
4 that what I heard in the call to the audience and --

5 MR. KIES: That is what Mr. Valencia mentioned,  
6 that they do -- so if I -- Mr. Chair, if I could go back to the  
7 original option three that was in the study session, as I  
8 understand Mr. Valencia's comments was that leaving 189 in '21,  
9 as shown on this slide, and seeing all the additional revenue  
10 that's available in fiscal year '21, and as the Board may  
11 recall, the way -- reason we showed that 25 million kind of in a  
12 hatched box there was because the 25 million that the  
13 legislature provided to accelerate 189 would still be used in  
14 fiscal year '19, but on other state priorities, and that this  
15 option was to manage the five-year program so that all of that  
16 revenue could be available in '21 for the Board to program. So  
17 I -- my understanding of Mr. Valencia's comments was that they  
18 see this as a -- as a palatable option, to leave 189 in '21 and  
19 then encourage the Board to consider fully funding phase one and  
20 phase two of 189 in fiscal year '21, utilizing that additional  
21 revenue as shown on this screen.

22 MR. HAMMOND: You know, I guess I'm kind of  
23 (inaudible) --

24 CHAIRMAN LA RUE: Could I interject here? I  
25 don't want to digress, but I have a question on this slide, I

1 think. So, well, one, I do know the Board said seek outside --  
2 seek input from outside stakeholders. (Inaudible) it sounds  
3 like you've done that. So thank you for that. And sounds like  
4 you've gotten stakeholder input and this is part of it. But as  
5 I look at the option three, what's going on in 2019?

6 MR. KIES: Well, there's \$65 million of  
7 unprogrammed money in fiscal year '19, and if -- you know, and  
8 that would probably be more work that we would have to do as  
9 staff to say --

10 CHAIRMAN LA RUE: We'd have to figure out a  
11 project that we could figure out to advance to fill that in --

12 MR. KIES: Correct.

13 CHAIRMAN LA RUE: -- or run the risk of having a  
14 loss or something.

15 MR. HALIKOWSKI: Mr. Chair, (inaudible), but if I  
16 may interject, with all due respect to option three, because it  
17 is an option that we had to show, I mean, if you remember the  
18 past few years, the cry has been that we have to accelerate this  
19 189 project. And, I mean, these are resolutions for  
20 acceleration that have come from COGs and MPOs and other  
21 stakeholders. And the legislature and the way it's structured  
22 in the statute said the 25 million for acceleration is the first  
23 consideration, and then using it for something else is your  
24 second.

25 So, I mean, I would say that the way the

1 statute's structured, acceleration has been on everyone's mind,  
2 and I think that's why option two gets you there to initially  
3 accelerating this project. And as Mike mentioned, we have time  
4 then to continue talks about whether we want to accelerate  
5 financing privately and who would pay for that gap financing, or  
6 if the Board wanted to include some additional funds and not  
7 lose, perhaps, the phase two with some local participation.

8           So I think if you -- you look at acceleration and  
9 then the time we still have, there are different ways and  
10 opportunities to keep phase one and two together, and we can  
11 continue to work on that.

12                   UNIDENTIFIED SPEAKER: Thank you, Mr. Chairman.

13                   CHAIRMAN LA RUE: Before I go to Board Member  
14 Stratton, I'll turn it back to Board Member Hammond, because he  
15 had let me kind of hijack his question.

16                   MR. HAMMOND: I guess I would need to go on  
17 record to say I would think it would be a mistake to, you know,  
18 pull this project off the agenda today and try to work out a 220  
19 -- '20, '21 solution. I think it goes against what the  
20 legislature intended for that 25 million. But more importantly,  
21 and this is my business, my personal bias, you take a certainty,  
22 and you make it an uncertainty, and what could happen in two,  
23 three, four years globally, countrywide, citywide, statewide.

24                   I would recommend very strongly that Nogales take  
25 the acceleration option and work real hard to add phase two to

1 that in the interim between now and then. You know, but if  
2 somebody from Nogales wants to stand up here, and they have the  
3 opportunity to do so, and say, "We don't like that, you know,  
4 pull it off the agenda," I'd be okay with that, but my sense is  
5 it's a mistake to do that. I like the solution. So I don't  
6 know whether -- who Nogales is, if it's Guillermo or a lot of  
7 folks, but this is a serious fight that we're discussing and  
8 (inaudible).

9 CHAIRMAN LA RUE: I'm not ready to entertain a  
10 motion yet, but if I can paraphrase, I think what I'm hearing  
11 you say is you're showing support for the recommended adjustment  
12 (inaudible). With that I'll go to Board Member Stratton.

13 MR. STRATTON: Thank you, Mr. Chairman. I have  
14 several comments and at the end a question, I believe, and I'm  
15 not sure for who.

16 First of all, I'd like to say that I agree with  
17 Board Member Hammond that the legislature obligated this money  
18 for -- to expedite 189. I believe that we should commit to  
19 that, and we should use it for that purpose. I believe if we  
20 use it for any other purpose, that it could jeopardize future  
21 funds that the legislature would see fit (inaudible) projects.

22 I think at this point we could almost cut this  
23 into two pieces. It seems that everyone is in agreement on the  
24 I-10 portion, and the 189 portion seems to be the discussion  
25 point.

1                   If we were to expedite phase one, I have a  
2 question for Menlo (phonetic) if he's available, I believe, or  
3 for Mike, if he can answer it. It's my understanding that there  
4 have been staffing problems for the port of entry, and if we did  
5 expedite this project, and it would create more traffic, would  
6 the port of entry be able to staff that port of entry?

7                   MR. KIES: I'm not able to answer that question.

8                   MR. HALIKOWSKI: Yeah. And Mr. Chairman, the  
9 staffing issues aren't ADOT's staffing issues. They're CBP,  
10 Customs and Border Protection staffing issues. And actually,  
11 Mr. Valencia and I went to D.C. -- was it this year or last  
12 year?

13                   UNIDENTIFIED SPEAKER: This year.

14                   MR. HALIKOWSKI: But we went and talked with  
15 Customs and Border Protection folks in D.C., and Senator McCain  
16 and Flake were in the meetings, and they are very interested in  
17 ensuring that we get our fair share of CBP staffing in Arizona.

18                   Now, that being said, we also have just recently  
19 started a program with Mexican Customs where we're cutting down  
20 inspections by doing them jointly. So instead of a truck being  
21 inspected by Mexican Customs and U.S. Customs, and (inaudible),  
22 correct me if I'm wrong, but we've now joined Mexican and U.S.  
23 Customs in Nogales on the U.S. side, and they're doing joint  
24 inspections. So we're seeing trucks moving through faster.

25                   So the CBP issue was can you keep the port open



1 later if necessary? But if we're moving trucks through faster  
2 during the hours, that may cut down on the need to stay open  
3 later. Don't know for sure yet. But the CBP staffing issue is  
4 something that we're working on, but I don't know that you're  
5 going to see a huge increase in traffic that requires more  
6 staffing at this point or not. And I'd have to turn to Menlo  
7 and ask him what numbers he's seeing down there.

8 MR. STRATTON: That would prompt another question  
9 from me then. If we obligated these moneys to phase one and  
10 increased the port of entry or expedited the modernization, how  
11 much would that increase or expected to increase the daily  
12 traffic?

13 MR. HALIKOWSKI: Yeah. So Mr. Chairman,  
14 Mr. Stratton, it's kind of the theory if you build it, they will  
15 come, but it's not quite that simple. I think that you have to  
16 build the facilities, but the other phase of this is you really  
17 have to convince growers to ship through Nogales. And so Texas  
18 is actively marketing in Culiacan and Sinaloa, and even here in  
19 Nogales to get growers to ship to Texas.

20 And some of the things that we're seeing is that  
21 it's not only the time it takes to get through Arizona, but the  
22 number of inspections and CBP and the way folks are treated,  
23 because you've got the Mazatlan-Durango Highway, which is a  
24 Mexican superhighway that leads into Laredo, and we're working  
25 with the Mexican government to improve MX-15. So think of

1 Nogales as a piece in the system, but there are more pieces to  
2 the system that we need to work on, both from an infrastructure  
3 and a marketing standpoint.

4           So the issue is like chicken and egg, in a sense  
5 we have to have the infrastructure. They are ready to accept  
6 the traffic, but we also have to make the effort to go out and  
7 get that traffic. There will be some natural growth, but I  
8 think Arizona has to be very active in the marketing in Mexico  
9 to maintain not only what we have, but to continue to grow.

10           MR. STRATTON: Thank you. I appreciate that.

11           First and foremost, I'd like to say that my  
12 position is I support modernizing the port of entry. My  
13 questions were asking what are our (inaudible) going to be,  
14 basically.

15           MR. ROEHRICH: Mr. Chair, Mr. Stratton, if I  
16 could, these projects are on the route outside of the port of  
17 entry. The port of entry's (inaudible) being modernized, but  
18 that was done through -- through GSA, and there's infrastructure  
19 in place that could handle more capacity. It's a staffing level  
20 at CBP.

21           What this does, it's like two throughputs.  
22 Throughput through the port, and then once you get on to the  
23 port, it's throughput through our infrastructure on State Route  
24 189 that ties into I-19.

25           MR. STRATTON: Thank you, Floyd. It was my

1 mistake for not explaining myself well. I appreciate that.

2 I'm not sure that we have enough information now.

3 CHAIRMAN LA RUE: Well, let's take the other  
4 board members. (Inaudible.)

5 Vice Chair.

6 MS. BEAVER: Well, I really feel that we need to  
7 accelerate the 189 based on the fact the legislature, you know,  
8 -- if that's -- you know, if they're sitting back waiting to see  
9 how we behave, if -- you know, are they going to make future  
10 funds available if we start playing around with the money some  
11 other way?

12 And there is a real situation down there. I  
13 don't -- you weren't on the Board at the time we went down  
14 there, but it's like this really phenomenal port of entry. I  
15 mean, it's nice. But then it basically bottlenecks, and as  
16 Mr. Lucero (phonetic) was saying, where the bottleneck's at is  
17 also a high school entrance. So, you know, I just see that  
18 things need to be done there, and I think waiting until '21,  
19 '19, you're still going to have a lot of traffic going on down  
20 there. So I think we need to look at accelerating it.

21 My only thing with this versus -- I think it was  
22 option two -- was that part two, are we going to look at --  
23 you're saying that that's still on the table, that we can look  
24 at that --

25 MR. KIES: Yes.

1 MS. BEAVER: -- even if we went with the  
2 recommendation, which is not exactly this?

3 MR. HALIKOWSKI: Yeah. So let me rephrase,  
4 Mr. Chairman, Board Members.

5 What we are suggesting you do is as the  
6 legislature suggested, accelerate 189. That's been the request  
7 from around the state, from our MPOs and COGs and policymakers,  
8 is accelerate that.

9 So you can do that with the 64 million or 65 that  
10 Mike has in FY '19, and that will take care of the northbound  
11 traffic, the bottleneck that you referenced coming out of the  
12 port. The other side of that is the southbound ramp, which is  
13 the safety issue you mentioned, Board Member, of the high  
14 school. They have a flyover at Frank Reed Road.

15 So what we would do is get the acceleration  
16 moving, but there is interest in packaging both the north and  
17 southbound together, the phase one and phase two. And what's  
18 been suggested is that if there were a way to accelerate the  
19 funding privately from FY '21, can you go ahead and contract for  
20 both of those? That's one option. But there will be some  
21 financing cost there that someone would have to pay for, and it  
22 assumes that the Board would still want to pay full price for  
23 both northbound and southbound.

24 Another variation on that would be that we do  
25 phase one and phase two together with some private financing or

1 with some investment via axle fees or whatnot to cover parts of  
2 the cost.

3           So what we're suggesting is that there be state  
4 and local participation, get it launched and get the 64 million  
5 acceleration moving, and let us continue to work on the numbers  
6 with folks to see what kind of local participation we can  
7 generate while the Board decides if it wants to contribute any  
8 more to phase two to bring down the amount of local  
9 participation as necessary.

10           MR. SELLERS: Mr. Chairman.

11           CHAIRMAN LA RUE: You know, before I turn to make  
12 sure Board Member Sellers and Board Member Teller has input, I  
13 just want to remind us that in addition to the acceleration,  
14 which was a, you know, key component here, keep in mind that,  
15 you know, that frees up fiscal year 2021. We have other  
16 critical issues around the state that, you know, we've been  
17 presented, and so for the first time that I've been on this  
18 board, which has been five years, we're coming into a cycle that  
19 we actually have, you know, some dollars. So I kind of almost  
20 see this next cycle as the cycle of opportunity, which is  
21 completely different than what we've had the last four or five  
22 where we've been cutting. So I just want to remind board  
23 members that there are a number of other areas in this state  
24 that have really critical needs that really tie into the  
25 movement of freight and people and services throughout the

1 entire state, and so keep that in mind.

2           The other thing that also has been very clear in  
3 the Board discussions around this, is what Mr. -- Director  
4 Halikowski just mentioned, is that we have for a number of years  
5 been sending messages throughout the entire state that we need  
6 local and regional participation in order to move these critical  
7 need projects. That's -- you know, that is just the name of the  
8 game here, and so -- so, you know, I like what's being  
9 recommended, but I think we need to hear from all the board  
10 members. I just want to make sure that key tenements that we  
11 have been talking about for the last couple years, we keep those  
12 fresh as we make decisions.

13           And then I'll close on saying that, you know, not  
14 that I want to mess this up, but we had a very positive  
15 financial report today, which probably plays into this cycle of  
16 opportunity next year as well, which should help folks around  
17 the state as they think about their critical needs to say how do  
18 we play in solving those solutions with ADOT as a key  
19 collaborator.

20           So with that, Board Member Sellers. Next.

21           MR. SELLERS: Thank you.

22           Yeah. And I think this is such an unusual  
23 project, because we basically have statewide support for  
24 accelerating this project. Every MPO in the state. And so I  
25 think that we send a bad message if we even talk about now

1 delaying that to '21, and I -- I'm also concerned, I guess, that  
2 delaying it to '21 will make us even less competitive. So with  
3 the adjustments and options that have been presented today, I  
4 encourage moving forward.

5 CHAIRMAN LA RUE: Thank you. Board Member  
6 Teller.

7 MR. TELLER: Thank you, Chair.

8 In the last study sessions, I mentioned that I  
9 was going to be advocating on behalf of the school children, and  
10 the school is right off that port of entry. In my very first  
11 meeting with the Board, we were visiting the community, and  
12 that's the first thing I noticed, is that school children are  
13 walking along the sidewalks, and these 18-wheelers driving by.  
14 If we delay it, then I don't see that we're supporting the  
15 safety of the school children or the citizens any long -- you  
16 know, more -- how we just need to continue with the statute as  
17 appropriated, you know, as it's written. I believe that  
18 accelerating it would be in support of the citizens in that  
19 area. So I strongly recommend that we stay on course. If we  
20 show any wavering, flip-flopping, you know, that really shows  
21 our -- you know, confidence is not really there from the  
22 communities if we start wavering.

23 CHAIRMAN LA RUE: Thank you.

24 MR. TELLER: Thank you.

25 CHAIRMAN LA RUE: Now that all board members have

1 weighed in, I would at this time -- I think Ms. Beaver's next on  
2 the comment. I would at this time entertain a motion, if  
3 there's any motion that would like to be made at this time.

4 MS. BEAVER: That would be my comment. I'd like  
5 to make a motion that we go forth with the recommendation as  
6 presented. And does that also include the recommended  
7 adjustments?

8 MR. KIES: Yes, it does. Yeah. The -- what  
9 staff has presented is these adjustments here with the  
10 opportunity to continue discussion about how phase two could be  
11 accelerated through various financing or private options.

12 MR. HAMMOND: I'll second that.

13 CHAIRMAN LA RUE: We have a motion from the Vice  
14 Chair, a second by Board Member Hammond, and then now we'll  
15 entertain any further discussion. And I would, for one,  
16 encourage what I'm hearing (inaudible), because we know that  
17 combining more construction at one time saves a lot of dollars.  
18 So to the extent that we can do this, that's very important.

19 But also say that I sat -- Board Member Sellers  
20 and I sat on the MAG board years -- in the past few years where,  
21 you know, you can never predict the future. And so when there's  
22 projects in, you wake up one day because of global economies,  
23 the next thing you know, you're slicing projects out. And so I  
24 think this is a wise move to take something as soon as you can  
25 get it and not wait for what's going to happen in the future.



1                   With that, I would entertain additional board  
2 member discussion before I call for the action.

3                   And Board Member Hammond.

4                   MR. HAMMOND: (Inaudible.) This has been a very  
5 interesting discussion where virtually everybody agrees on the  
6 importance of this project. It's how to best do it. I think  
7 taking a bird in the hand, and getting phase one is to the  
8 benefit of the State and certainly Nogales, and I hope they, you  
9 know, would agree with this. I would hate to be voting against  
10 my district.

11                   CHAIRMAN LA RUE: Board Member Stratton.

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

13                   Looking at the private-public portion, would we  
14 have any input back during our next public hearing cycle in the  
15 spring on that, or is that not too quick?

16                   MR. ROEHRICH: Mr. Chair, Mr. Stratton, absolute  
17 -- no. I don't -- I don't think it's too quick. I think it  
18 will be part of that discussion.

19                   By leaving '21 unprogrammed at this point,  
20 knowing that you have that ability to go through the next cycle,  
21 plus don't forget the fact you're bringing in fiscal year '22 as  
22 well. So you'll be looking at two years of funding within there  
23 as part of how to move that forward. That gives us time between  
24 now and next spring when you start the hearing process to keep  
25 working on the ability of coming up with the P3 option or some

1 other option that then would allow those projects to be  
2 combined. We're not losing anything, but we are moving forward  
3 and locking down, if you will, phase one so we can continue to  
4 pursue options that bring phase two in and combine them.

5 MR. STRATTON: Thank you, Mr. Chairman. And I  
6 like that idea. I support that. I think it's a very good  
7 option.

8 CHAIRMAN LA RUE: Yeah. Whoever's going to be  
9 the chair next year is going to have a really fun time. I'm  
10 just saying. I might need to look at those statutes to see if  
11 the old chair can hang on.

12 Vice Chair Beaver, did you have a comment?

13 MS. BEAVER: (Inaudible.)

14 CHAIRMAN LA RUE: So we have a motion pending.  
15 We have a second. Is there any further discussion?

16 Seeing none, I would -- all those in favor  
17 signify by saying aye.

18 BOARD MEMBERS: Aye.

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

20 Thank you, staff. We've adopted your  
21 recommendation. Nogales, I would just say keep working.  
22 They're doing good work. You know this is a critical project  
23 for the State, to figure out how to make it work as quickly as  
24 you can make it work.

25 UNIDENTIFIED SPEAKER: Thank you.

1 MR. STRATTON: I have one last question now that  
2 we've passed it, if I may.

3 CHAIRMAN LA RUE: A question now? Do we need a  
4 motion to entertain further discussion?

5 MR. STRATTON: (Inaudible.)

6 CHAIRMAN LA RUE: No. I'm teasing.

7 MR. STRATTON: A point of discussion. It's to  
8 the director.

9 You commented that Texas was marketing in Mexico  
10 right now. By the port making this move, does that give Menlo  
11 and his group the opportunity to start marketing this port of  
12 entry?

13 MR. HALIKOWSKI: Mr. Chairman, I think that  
14 marketing opportunity is there and has always been there, and I  
15 believe that when GSA invested 250 million in the port  
16 modernization, that was certainly noticed.

17 As we continue forward, I believe this will be a  
18 very positive step seen by Mexican industry as our efforts to  
19 make sure they're getting through the ports as efficiently and  
20 expeditiously as possible. But we need to combine that with  
21 ensuring them that we're not going to be overzealous in our  
22 inspections and that we could work with the Mexican government  
23 to provide a high speed highway from central Mexico to Nogales.

24 So there's a number of issues that we're going to  
25 continue to work. There's a new undersecretary for

1 transportation that I'll be meeting with in Mexico City in  
2 October. So we will be continuing those discussions, but I  
3 cannot stress the importance of forming those relationships with  
4 those states in Mexico and the growers and doing our due  
5 diligence to let them know that Arizona's open for business.

6 MR. STRATTON: Thank you.

7 CHAIRMAN LA RUE: Thank you.

8 Let's move on to PPAC, Item No. 8.

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

10 There are eight project modifications that came  
11 out of the PPAC committee this month. They are Items 8A through  
12 8H, and unless there are questions or comments from the Board, I  
13 would ask you to approve Items 8A through 8H.

14 CHAIRMAN LA RUE: Is there any member of the  
15 Board wishing to pull any item, 8A through 8H?

16 Seeing none, I -- the Chair would entertain a  
17 motion to accept and approve project modification Items 8A  
18 through 8H as presented.

19 MR. SELLERS: So moved.

20 MR. STRATTON: Move for approval.

21 CHAIRMAN LA RUE: Board Member Sellers has a  
22 motion. Second by Board Member Stratton. All those in favor  
23 signify by saying aye.

24 BOARD MEMBERS: Aye.

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

1 They are approved.

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

3 There is one new project that came out of the  
4 PPAC committee. It is Item 8I. Unless there are any questions  
5 or comments, I'd ask the Board to approve Item 8I.

6 CHAIRMAN LA RUE: The Chair would entertain a  
7 motion to accept and approve new project Item 8I as presented.

8 We have a motion. Motion by Board Member  
9 Stratton. Second by the Vice Chair --

10 MS. BEAVER: Second.

11 CHAIRMAN LA RUE: -- Mrs. Beaver. Any further  
12 discussion?

13 Hearing none, all those in favor signify by  
14 saying aye.

15 BOARD MEMBERS: Aye.

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

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

18 There are four airport projects on the agenda  
19 this month. They are Items 8J through 8M. If there aren't any  
20 questions or comments, I'd ask the Board to approve Items 8J  
21 through 8M.

22 CHAIRMAN LA RUE: Would any board -- does any  
23 board member desire to pull any Item 8J through 8M?

24 Hearing none, I would entertain a motion to  
25 accept and approve airport projects Items 8J through 8M as

1 presented.

2 MR. TELLER: Motion.

3 CHAIRMAN LA RUE: We have a -- Board Member  
4 Teller has moved --

5 MS. BEAVER: Second.

6 CHAIRMAN LA RUE: -- the item. The vice chair  
7 has seconded the item. 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 They are approved.

13 Move on to Agenda Item No. 9, state engineer's  
14 report.

15 Thank you, Mike.

16 MR. HAMMIT: Good morning, Mr. Chairman.

17 For the state engineer's report, currently we  
18 have -- ADOT has under -- 139 projects under construction,  
19 totaling \$1.756 billion -- or -- billion dollars. Ten projects  
20 were finalized in August, totaling 11.5 million, and to date, we  
21 have finalized 16 projects.

22 Before I go into the projects, at the June board  
23 meeting -- and that teaches me to take a board meeting off,  
24 because I get assigned work while I'm gone -- but there was a  
25 request to get some information. And I appreciate the request,

1 because it's helped me, because I'm now getting more information  
2 that helps me give some information to people when asked.

3           We have asked each district to prepare a district  
4 report. You have it in front of you. It is a spreadsheet, and  
5 right now it's sorted by your Board districts. But one thing I  
6 like, being in this spreadsheet, I can sort it by my districts,  
7 because they overlap some of yours, and we can get that  
8 information. On there, you'll find the project name, the  
9 location, what ADOT district it is in, what Board district it's  
10 in, and then we have some -- what I use as my percent complete.  
11 We have the time on the project, how many days were in the  
12 contract, how many they've used, where they're at. And then I  
13 can compare that to the dollars.

14           So the first one you see on the list, we're in  
15 good shape. We've spent more money than time, so we're a little  
16 bit ahead of schedule. The second one on the list, it's about  
17 done, but we've used almost twice the amount of time as we've  
18 needed. And that jumped out at me. I'm going to find out why.  
19 But you can go through there.

20           And then there was also the request, "Hey, what's  
21 going on on the projects?" I want to be able to tell folks. So  
22 we've listed the completed activities, what's coming up in the  
23 near future. So if you would have been driving this morning on  
24 89, you would have saw the new bridge -- or the old bridge being  
25 demoed because the new bridge is done. We won't demo the new

1 bridge. And then major traffic changes.

2                   This will be updated. It is on the website  
3 today. I sent Mary a link earlier, and she'll forward it to  
4 you, but this will be updated the 15th of every month, and the  
5 Board will be able to pull that up any time you want. So the  
6 old ones will drop off, so you won't have a bunch of history,  
7 but if you need something, we can get it, but this will be on  
8 your website and updated the 15th of every month.

9                   CHAIRMAN LA RUE: I like it. Let's take  
10 questions.

11                   Board Member Stratton.

12                   MR. STRATTON: It's a compliment, Mr. Chair.  
13 Being the board member that requested this, Dallas, I can see  
14 you put a lot of time in this, and it answered everything that I  
15 have requested, and I truly appreciate your efforts and time.  
16 Thank you.

17                   MR. HAMMIT: You bet.

18                   CHAIRMAN LA RUE: Any other board member?

19                   Thank you. This is very nice.

20                   Is there an iPhone app that goes with it? I can  
21 just (inaudible).

22                   MR. HAMMIT: Well, I'll work on that because --

23                   CHAIRMAN LA RUE: (Inaudible.)

24                   MR. HAMMIT: -- you can see I use everything on  
25 my iPad. So I like the apps.



1 MR. ROEHRICH: Have you tried to catch Pokemon?  
2 Is that (inaudible)?

3 MS. BEAVER: Chairman, I would just have the one  
4 question. You said it's going to be updated on the website the  
5 15th of every month. Is it too much inconvenience, because of  
6 the fact this is a larger spreadsheet, that we could have one of  
7 these each month?

8 MR. HAMMIT: If you would like, we can print one  
9 out. That would not be a problem. And --

10 CHAIRMAN LA RUE: How much do they change on a  
11 monthly basis versus maybe a quarterly basis? Do you need it  
12 monthly or quarterly?

13 MS. BEAVER: No, not necessarily. It's just to  
14 kind of -- you know, you can look at something on a website, but  
15 sometimes --

16 CHAIRMAN LA RUE: Right.

17 MS. BEAVER: -- on a hard copy -- I don't know.  
18 I'm still into books. So I haven't totally gone over to Kindle  
19 yet.

20 MR. HAMMIT: And it's at the Board's -- what the  
21 Board would like, and if you would like our copy, do you want  
22 the whole package or just your district? And we can support.  
23 And as you go through it, you'll see they are separated by  
24 sheets. So we can separate that whichever way you would like to  
25 go.

1                   CHAIRMAN LA RUE: (Inaudible) is your -- are you  
2 more interested in your district the whole packet?

3                   MS. BEAVER: Well, I think it's nice to know  
4 what's going on, actually, around the --

5                   CHAIRMAN LA RUE: The whole state.

6                   MS. BEAVER: -- entire state, because there's  
7 times when, you know, something will come up that's somewhere  
8 else, and it's kind of just a quick -- I don't know, though. If  
9 it's real time cumbersome, you know, I don't want (inaudible).

10                  CHAIRMAN LA RUE: (Inaudible.)

11                  MR. HAMMIT: Right. They're doing the work to  
12 get it updated on the website. So that's where the work is. So  
13 if I need to bring seven copies, it's not a problem.

14                  MR. ROEHRICH: Mr. Chair, Mrs. Beaver, I think --  
15 just talking with Mary, I think what we can do is when we put  
16 together the Board packet to get it sent out. We can just go  
17 ahead and print off whatever was the current one at that time,  
18 because it looks like it's usually somewhat after -- around the  
19 15th or after. So we can send that out as part of the Board  
20 packet so you'll have -- you'll have the most current one at  
21 that time.

22                  MS. BEAVER: That would be (inaudible).

23                  MR. ROEHRICH: So you'll get the new one every  
24 month.

25                  CHAIRMAN LA RUE: That's probably the most

1 efficient way to do it. Just add it in to the Board package's  
2 back. Okay.

3 MS. BEAVER: Thank you.

4 MR. HAMMIT: I notice everyone stayed for  
5 Mr. Kies's presentation, but...

6 CHAIRMAN LA RUE: Well, I think we can assign  
7 (inaudible). So it's open season. Go ahead.

8 MR. HAMMIT: Moving on to our construction  
9 projects. Thank you for approving the 15 projects in the  
10 consent agenda. We have four projects to talk about. Looking  
11 year to date, we have awarded projects -- or we've opened  
12 projects totaling about \$38.7 million. The State's estimate was  
13 41.9 million. We're averaging in the first two months about  
14 7 percent under the State's estimate. So we're hanging in there  
15 pretty well.

16 The first project, Item 10A, this project, the  
17 low bid was \$528,442.53. The State's estimate was  
18 \$1,196,498.58. The estimate -- the bid was lower by 668,256.05,  
19 or 55.9 percent. In talking to the contractor -- in fact, the  
20 contractor called us afterwards and went through their bid, and  
21 they said, "We made a mistake." They had some earlier estimates  
22 that didn't get put in the final bid. We're reviewing the --  
23 their request to withdraw that, and I would request that the  
24 Board postpone this to the next meeting, and we will have a  
25 recommendation at that point.

1                   CHAIRMAN LA RUE: Do we have a motion on that  
2 item? And I would -- the Board -- the Chair would entertain a  
3 motion to accept and approve staff's recommendation to postpone  
4 Item 10A to a future meeting.

5                   MR. STRATTON: So moved.

6                   CHAIRMAN LA RUE: We have a motion by Board  
7 Member Stratton.

8                   MR. HAMMOND: Second.

9                   CHAIRMAN LA RUE: Second by Board Member Hammond.  
10 Any further discussion?

11                   All those in favor signify by saying aye.

12                   BOARD MEMBERS: Aye.

13                   CHAIRMAN LA RUE: Any opposed? It's postponed.  
14 The ayes have it.

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

16                   Item 10B, this is a project on US-89A. It's  
17 extending five box culverts. The low bid was \$1,520,194.70.  
18 The State's estimate was \$1,932,691.05, or under the estimate by  
19 \$412,496.35, 21 percent under the estimate. If you remember a  
20 couple years ago, or right at a year ago, we had a flood in this  
21 area, and we brought in a contractor to do some emergency work.  
22 The apparent low bidder was the contractor who did that. He was  
23 on site and was able to save some money in mobilization when he  
24 bid this. So he gave better prices in the structural concrete  
25 and the steel, basically just on mob., because his crews were

1 there. We have reviewed the bids, and the department believes  
2 it is a reasonable and responsive bid and would recommend award  
3 to Vastco, Inc.

4 CHAIRMAN LA RUE: Any discussion on this item?  
5 If not, the Chair would entertain a motion to accept and approve  
6 staff's recommendation to award the contract for Item B to  
7 Vastco, Inc.

8 I have a motion --

9 MS. BEAVER: I make a motion.

10 CHAIRMAN LA RUE: -- by Vice Chair Beaver. A  
11 second by Board Member Stratton. Any further discussion?

12 All those in favor signify by saying aye.

13 BOARD MEMBERS: Aye.

14 CHAIRMAN LA RUE: Any opposed? Item 10B is  
15 approved.

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

17 Item 10C, this is a mill and replace with a  
18 double chip seal on State Route 287. The low bid was  
19 \$2,212,348.11. The State's estimate was \$2,914,017.44. It was  
20 under the State's estimate by \$701,669.33, or 24.1 percent. In  
21 looking at it, we did see good prices in oil, but the biggest  
22 difference was we had planned for them to haul off the millings.  
23 It was, in this case, the contractor's responsibility. He was  
24 able to use it both in its mix for recycle and use some for  
25 shoulder buildup in the roadway, and he didn't have to haul

1 those off. We have reviewed the bid and believe it is  
2 responsible and reasonable, and would recommend award to N.G.U.  
3 Contracting, Inc.

4 CHAIRMAN LA RUE: Any Board discussion on this  
5 item? If not, I hear a motion from Board Member Stratton to  
6 accept and approve staff's recommendation to award the contract  
7 to Item 10C to N.G.U. Contracting, Inc. Do I have a second?

8 MS. BEAVER: Second.

9 CHAIRMAN LA RUE: Second by the vice chair. Any  
10 further discussion?

11 All those in favor signify by saying aye.

12 BOARD MEMBERS: Aye.

13 CHAIRMAN LA RUE: Any opposed? It's been  
14 awarded.

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

16 Item 10D, this is a loop detection project.  
17 We're replacing some of the loop detectors on Interstate 10, 17,  
18 US-60 and SR-51. The low bid on this project was \$1,506,942.  
19 The State's estimate was \$1,256,849.68. It was under the  
20 State's estimate by \$250,092.32, or -- excuse me. It was over  
21 the State's estimate by that amount, or 19.9 percent over.  
22 Where we saw our differences, we had higher-than-expected  
23 pricing for the loop material, the copper in the loops, and as a  
24 part of their job is to go out and test all the areas. It was  
25 going to take longer than we had estimated. After we got our

1 explanation, we have reviewed the bid and believe it is a  
2 responsible and reasonable bid and would recommend award to CS  
3 Construction, Inc.

4 CHAIRMAN LA RUE: Any discussion by board  
5 members? Hearing none, I heard a motion from Board Member  
6 Sellers to accept and approve staff's recommendation to award  
7 the contract for Item 10D to CS Construction, Inc. Do I have a  
8 second?

9 MS. BEAVER: Second.

10 CHAIRMAN LA RUE: Second by the vice chair. Any  
11 further discussion?

12 Hearing none, all those in favor signify by  
13 saying aye.

14 BOARD MEMBERS: Aye.

15 CHAIRMAN LA RUE: Any opposed? The contract's  
16 awarded.

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

18 CHAIRMAN LA RUE: Thank you, Dallas.

19 Item No. 11 is suggestions by board members for  
20 follow-up. Any suggestions?

21 MS. BEAVER: I previously -- Chair -- excuse me,  
22 Chair. I'd previously asked if we could have a presentation by  
23 the CYMPO director next month on I-17, if it could be on the  
24 agenda.

25 CHAIRMAN LA RUE: I remember that. I'll have to

1 look to Floyd and see if he's building that into the agenda.

2 Yes, Floyd.

3 MR. ROEHRICH: Mr. Chair, Mrs. Beaver,  
4 absolutely. We'll work out the agenda with you. I do think  
5 originally, when the request was made, I thought we were looking  
6 for a future study session, quite honestly. But Mr. Chair,  
7 we'll agenda it (inaudible) meet back whatever you want.

8 CHAIRMAN LA RUE: Yeah. Let's have that  
9 discussion, because I do remember a study session, because that  
10 could be a very lengthy conversation. Is that your (inaudible)?

11 MS. BEAVER: Mr. Burgess, is he still --

12 CHAIRMAN LA RUE: He just stepped out, I believe.

13 MS. BEAVER: Okay. He --

14 MR. ROEHRICH: Mr. Chair, Mrs. Beaver, I mean,  
15 we'll --

16 CHAIRMAN LA RUE: (Inaudible) maybe introduce the  
17 topic, and then (inaudible).

18 MR. ROEHRICH: Right.

19 CHAIRMAN LA RUE: -- (inaudible) because I think  
20 it could be (inaudible).

21 MS. BEAVER: Okay. He has a presentation that he  
22 was -- it wasn't to vote on anything. It was a presentation  
23 that he had prepared (inaudible). I don't know. Can I just  
24 call on him for a second?

25 MR. ROEHRICH: Don't look at me. Look at the --



1 either the Board chair or the Board attorney.

2 MS. BEAVER: The attorney (inaudible) --

3 MR. ROEHRICH: As far as I am concerned, you can  
4 do whatever the hell you want.

5 MS. BEAVER: Okay. What I would like is he does  
6 a presentation --

7 CHAIRMAN LA RUE: We'll work that out --

8 MS. BEAVER: Okay.

9 CHAIRMAN LA RUE: -- (inaudible) work on the  
10 draft agenda.

11 MS. BEAVER: Okay.

12 CHAIRMAN LA RUE: Yes. Maybe I was thinking the  
13 bigger topic. Maybe he's (inaudible).

14 MS. BEAVER: He -- at the Arizona League of  
15 Cities and Towns, he did make a presentation there.

16 CHAIRMAN LA RUE: Okay.

17 MS. BEAVER: And so I believe that that's what he  
18 would like to provide to the Board.

19 MR. ROEHRICH: Mr. Chair, if I could, I think the  
20 reason why we thought it was only for kind of just presentation  
21 discussion, just something for Board consideration, a study  
22 session being that's where we'd normally present those ideas  
23 would be best, and (inaudible) Mr. Kies has had a conversation  
24 with Mr. Bridges, and I guess what I heard is the study session  
25 was kind of the format they were looking at, because they really

1 wanted to have a brand discussion. Usually you hear you're  
2 either limited or you try to get to an action.

3 So yeah. I'll agenda it. We're work it out.  
4 Whatever month you want it, whatever you feel is appropriate,  
5 but really, we were targeting the next available study session.

6 MS. BEAVER: The reason I was asking for it to be  
7 in October has to do with we are looking at the new year when we  
8 start looking at building the five-year plan. I think that  
9 would give some more time for, you know, working on it if --

10 CHAIRMAN LA RUE: Let's better understand what  
11 the presentation is, and if it fits into a meeting agenda  
12 (inaudible).

13 MR. ROEHRICH: Yeah. Mr. Chair, let me talk with  
14 Mr. Bridges and work that out. But reminder, we started  
15 building the five-year program in January. That's why we have a  
16 study session to kick it off, and then we start to build the  
17 tentative, and then start holding the public hearings next year.  
18 So I don't necessarily -- I'll do whatever (inaudible).

19 CHAIRMAN LA RUE: Board Member Teller.

20 MR. TELLER: Yeah. In the May meeting -- and  
21 I'll jump on Vice Chair's question -- in the May meeting, last  
22 half, we had several organizations for Navajo came over to  
23 express some shared information on the Twin Arrows corridor  
24 study. I think that my request is to have that done, a study  
25 session in November, if at all possible. Thank you.

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CHAIRMAN LA RUE: Okay. Thank you.

Any other topics for future board meetings or  
agendas or study sessions?

(End of excerpt.)

**Adjournment**

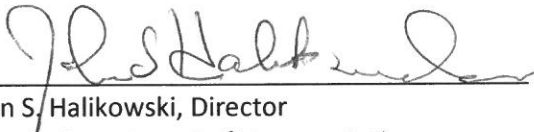
***A motion to adjourn the September 16, 2016 Board meeting was made by Deanna Beaver and seconded by Jack Sellers. In a voice vote, the motion carries.***

**Meeting adjourned at 11:25 a.m. MST.**



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Joseph E. La Rue, Chairman  
State Transportation Board



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John S. Halikowski, Director  
Arizona Department of Transportation