

MINUTES
STATE TRANSPORTATION BOARD MEETING
9:00 a.m., Friday, October 21, 2016
Town of Wickenburg
Council Chambers
155 N. Tegner Street, Suite A
Wickenburg, AZ 85390

Pledge

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

Roll call by Board Secretary Mary Beckley

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

Absent: None.

Opening Remarks

Chairman La Rue requested Board member Sellers to provide an update on Thursday night activities. Mr. Sellers thanked the City of Wickenburg, Wickenburg Chamber of Commerce and Mr. Gant for hosting the board and the nice reception, meeting with former board chairmen and connecting with the town officials. Mr. Stratton thanked Rusty Gant, owner of the Rancho de los Caballeros Resort and past board chairman, to allow the board and past chairmen to stay at his lodge at a discounted rate.

Call to the Audience:

The following members of the public addressed the Board:

1. Royce Cardinal, Wickenburg Vice Mayor, re: welcome from town of Wickenburg; becoming a destination and please come back next year; thank you for your work/service and asked for consideration and progress of Gap project.
2. Julie Brooks, Wickenburg Chamber of Commerce, re: enjoyed having reunion back with past chairs; appreciate work on the Gap project.
3. Rudy Molera, Santa Cruz County Supervisor, re: hospitality of Wickenburg, food is great and golf even better; thank you for accelerating SR189 and thank Governor as well for appropriating funds; requests to keep full build out, look at all possibilities; thank you town of Wickenburg.
4. Mary Mallory, Vice Chair of CYMPO and Councilwoman Prescott Valley, re: Hwy 69 project, CYMPO has authorized \$150,000 to accelerate project for final design in 2017, have partnered with Prescott and Yavapai County for \$150,000 each, worked with NACOG and Alvin has agreement in place to use \$650,000 of NACOG funds (since they are not ready to use it for their STP plan) and pay back to NACOG in 2019 , a ready to go project and in five year plan for 2021; appreciate project for I-17, that is important to the area; Alvin is doing an amazing job in the area.
5. Kee Allen Begay, Jr., Navajo Nation Councilmember, re: requests to host a board meeting in northern Arizona; appreciation of ADOT funding for right of way improvement on Hwy 264, advocating for improvements on Hwy 191 in Many Farms two miles to Chinle for street lights, shoulder widening, bus pull out and general safety improvements.
6. Craig McFarland, Mayor-elect Casa Grande, re: requests I-10 widening from Casa Grande to Phoenix to become a high priority and if funding is located, to moved up project; Kortsen TI intersection at I-10 is needed, help in economic development in area
7. Chris Bridges CYMPO Administrator, re: Chino Valley working on Road 1 North and SR89 and working on signal at intersection; Alvin is doing a great job; Town \$75,000 and Yavapai County \$100,000 for design and CYMPO will fund some of construction of signal; looking forward to hosting Rural Transportation Summit in January.

8. Guillermo Valencia, Chairman of Greater Nogales and Santa Cruz Co. Port Authority, re: friendly restaurant owner in Wickenburg, thank you to board for accelerating SR 189 and southbound traffic and safety issue at grade separation at Frank Reed Road; look at all possible alternatives for P3, wait for DCR and can't put both phases together until we get the DCR and come up with a number.
9. Jeremy Keating, Airport Director, Laughlin/ Bullhead City airport, re: started crucial project, extending runway in phase 2, respectfully requests approval of project on the PPAC agenda; get this project into the system.

****Board member Teller joined the meeting telephonically at 9:29am**

10. Jack Husted, former board member, re: designed Rural Transportation Summit to come up with an agenda to speak to the legislative process; Mr. Gant has agreed to host board in November or December and encourage board to reconsider the 2017 board locations to allow the meeting in Wickenburg for the board reunion.

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2017 Transportation Board Meeting Locations

Date	2017 Board Locations	Remarks
January 20	Prescott	Board Meeting & Rural Transportation Summit
January 31	Phoenix-HRDC	Study Session
February 17	Benson	
March 17	Tucson	Board Meeting & Public Hearing
April 21	Flagstaff	Board Meeting & Public Hearing
May 19	Phoenix	Board Meeting & Public Hearing
May 30	Phoenix-HRDC	Study Session
June 16	Payson	Board adopts 5-YR Program
July 21	Kingman	
August	BREAK	No meeting scheduled
August 29	Phoenix-HRDC	Study Session
September 15	Second Mesa	
October 20	Sierra Vista	Board Meeting & Rural Transportation Summit
October 31	Phoenix-HRDC	Study Session
November 17	Wickenburg	
December 15	Phoenix	

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1 (Beginning of excerpt.)

2 CHAIRMAN LA RUE: That's all the call to the
3 audience that I have, so we will move on to Agenda Item No. 1,
4 the district engineer's report, and -- oh --

5 MR. ROEHRICH: Mr. La Rue, just one quick
6 comment. I just want to check.

7 Mr. Teller, are you able to hear the Board
8 proceedings?

9 MR. TELLER: I am. Thank you. I'm paying close
10 attention to it. Thank you very much.

11 MR. ROEHRICH: Okay. I will be -- since we only
12 have you on a cell phone, I'll be trying to listen, and if you
13 have something, please speak up. Get my attention, and then I
14 can relay any type of message in to the rest of the Board.
15 Okay?

16 MR. TELLER: You got it. Thank you, sir. I
17 appreciate it.

18 CHAIRMAN LA RUE: Thank you.

19 So I guess Alvin's not here. So Dallas, you're
20 going to present. But, you know, Dallas, I find this kind of
21 curious that we've heard just phenomenal kudos and things for
22 Alvin, but you're here to kind of accept them and -- but, you
23 know, not saying that it was arranged...

24 MR. HAMMIT: Well, unfortunately --

25 CHAIRMAN LA RUE: I'm teasing.

1 MR. HAMMIT: -- Tuesday this week, Alvin lost his
2 father.

3 CHAIRMAN LA RUE: Oh, my gosh. Sorry.

4 MR. HAMMIT: So he's with family, and so our
5 thoughts are with Alvin as they go through this time. So --

6 CHAIRMAN LA RUE: You know, thank you for
7 permitting him to do that and to be away, and that's the most
8 appropriate place for him. So thank you for sharing that.

9 MR. HAMMIT: (Inaudible.)

10 CHAIRMAN LA RUE: And if there's anything we can
11 do collectively as a board, we would like to do so.

12 MR. HAMMIT: Okay. Thank you, sir. And I'll
13 pass that along to him. Alvin's doing a great job.
14 Tradition -- a strong district engineer (inaudible).

15 (Speaking simultaneously.)

16 MR. HAMMIT: So I should get going.

17 We're going to need to discuss a couple of
18 projects, and two of them that bids will open this month are in
19 this area. One on US-93 near The Gap area. With that project
20 in the future, we need to do a minor project just to hold the
21 pavement together before the construction starts, and we talked
22 about this. Should we do this project, because the construction
23 is coming, but not only -- it doesn't start until 2020, but it
24 has to stay intact through construction as well. We are doing
25 the minimum possible to hold it, and then we have a new roadway

1 when we rebuild US-93. So that opens this month, as well as a
2 project from Congress down to State Route 93 on -- US-93, on
3 State Route 89. So both of those are coming this month.

4 Alvin's been working very diligently with the
5 Wickenburg Ranch development. They have continued putting
6 together an IGA to make improvements, not only on US-93, The Gap
7 project, but they're working on improvements on State Route 89.

8 If I can make the cursor go...

9 There's a roundabout right there. The Developer
10 on 89, for their access in there, is building that. They're
11 using their funds and -- to improve access to their development,
12 and that's going to happen this coming year, or right after the
13 first of the year, that's going to go on.

14 We put in the program in 2020 the improvements on
15 US-93. In the IGA, the developer says we would like it -- part
16 of it to be done earlier, and we will fund that. So they're
17 working right now maybe to advance the part from the current
18 roundabout going into the development up to US-93, all funded
19 with developer dollars, what they submitted earlier, and then
20 with our program, we would complete the project in 2020. It
21 would be a two-phase project.

22 The agreement is going to be at least a three-way
23 agreement, ADOT, the developer and the Town of Wickenburg. Part
24 of the concern is how do we hold the developer accountable. We
25 trust them, but -- trust but verify. We have a trigger on

1 housing starts. So before this number of housing starts goes,
2 they will have these improvements done. And we're working as a
3 partnership between the three areas, the town, ADOT and the
4 developer, moving forward. So we anticipate that agreement done
5 in the first part of next year.

6 CHAIRMAN LA RUE: Before we move off that, any
7 questions from Board members?

8 So Dallas, I do have a question unless you're
9 going to show us the same stuff --

10 MR. HAMMIT: It's the same update, so it's --

11 CHAIRMAN LA RUE: Well, so -- so that's
12 predominantly residential development, correct, through this --
13 what you're showing us?

14 MR. HAMMIT: Yes, sir.

15 CHAIRMAN LA RUE: So the commercial -- there's
16 got to be commercial development in the area. Is that coming
17 across the street?

18 MR. HAMMIT: I'm not -- I know there's some
19 commercial within the development, and -- but I don't know where
20 the other commercial development -- Andy, do you know --

21 CHAIRMAN LA RUE: Well, I don't think we need to
22 deal too --

23 (Speaking simultaneously.)

24 CHAIRMAN LA RUE: So my point being is there's
25 got to be commercial development out here somewhere. So there

1 should be discussion with the commercial developer, because
2 that's going to create different traffic flows, different
3 impacts, different incidences with all these improvements. Keep
4 that in mind, I guess.

5 MR. HAMMIT: So to answer that question, yes. As
6 we develop the project, we do take into account land use and the
7 zoning. So when we look for opportunities for what type of
8 access is needed at a certain location, land use is planned for,
9 and we take that into account.

10 CHAIRMAN LA RUE: No. I know we do that typical
11 planning. I guess what I'm thinking is either the Town of
12 Wickenburg -- because I think we're limited -- needs to think
13 about the impacts that that's going to have and work with
14 whoever that land owner/developer is to help, you know, mitigate
15 those impacts, which you know they're coming. All you've got to
16 do is look at that and say, you know, there's traffic impacts
17 coming. So that's it. Thank you.

18 MR. HAMMIT: This is a plan for the interchange
19 or the intersection of US-93 and 89. It will be a roundabout.
20 One thing that you can see that's a little different than what
21 we've done in the past, there is a bypass lane. So if you're
22 coming south, southbound from the Kingman area, you will bypass
23 that intersection, and there will be a through movement, and
24 since there's not a northbound -- or a south development right
25 now, we don't have that conflict, and we can keep traffic going.

1 So that's all on the district update. You heard
2 from Alvin two months ago in Kingman, but if there's other
3 questions, I'd be happy to make up an answer or get back with
4 Alvin (inaudible).

5 CHAIRMAN LA RUE: Any questions by Board members?
6 Mr. Teller, he's good?

7 MR. ROEHRICH: Mr. Teller, do you have any
8 questions?

9 MR. TELLER: No, I do not have any questions.
10 Thank you.

11 CHAIRMAN LA RUE: All right. Thank you, Dallas.
12 Move on to Item No. 2 is the director's report.

13 MR. ROEHRICH: Good morning, Mr. Chairman,
14 members of the Board. I do have to express apologies from the
15 director. An issue came up where he had to stay out in Phoenix
16 today. So what I am going to do is touch on a couple of his
17 topics, which on the agenda is Topic 1 and 3, and then the
18 second topic, the overview of activities to Mexico, he's going
19 to defer that to next month and give a summary.

20 So what I'd like to start with is the State Route
21 30. It's been referred to as the I-10 reliever in Maricopa
22 County. What you see up here is a graphing. In Prop 400, it
23 included a future corridor. This is a green fill, fully -- new
24 corridor that will be constructed south of Interstate 10 in the
25 west valley between Interstate 10 and the river. That basically

1 would be called the I-10 reliever.

2 Its limits were on the east side, tying in to
3 where the South Mountain Corridor, under construction right now,
4 would move -- its north and south movement, somewhere around
5 about 59th Avenue, and would extend west out to the future State
6 Route 30. And then from there -- and that will be a full
7 freeway, four lanes each direction, which is three general
8 purpose lanes and an HOV lane. And then from the future State
9 Route 303, it would extend it west, all the way out to State
10 Route 85, about another 14 miles. But that was only a two-lane
11 road in each direction. So it was a full freeway in the heart
12 of the city area, and then it was, if you will, like, an interim
13 condition, a four-lane -- a two-lane facility out to State Route
14 85.

15 That was included in Prop 400, but as the economy
16 and the downturn happened, MAG had to work in balancing their
17 program with the loss of revenues, and they moved out a number
18 of corridors. This project was moved out. It was originally
19 estimated to be about 1.6 billion for that work. That was moved
20 out when MAG rebalanced their program, and so it has basically
21 been in a future unfunded phase. In 2005, we had started the
22 study of the environmental work for that project, but once the
23 funding was moved out, the project was put on hold, and the
24 study basically was shelved at that time.

25 Well, what we're -- what MAG is contemplating

1 now, what we're coordinating with MAG, as part of the
2 rebalancing, there's some 700-plus million dollars that have
3 been identified of additional revenues. So they've started to
4 work on a project list of where that money would get programmed.
5 So one of the considerations they're giving us to restart State
6 Route 30, and then fund at least the right-of-way -- purchasing
7 the right-of-way for the corridor, as well as maybe interim
8 roadway condition, one to two lanes in each direction, whether
9 it would be built more of an arterial or parkway concept that
10 later would be expanded to a full interstate concept, and the
11 limits would only be from the 202 to about MC-85. Because the
12 future Loop 303, as well, was -- is under study, but has not
13 been funded, although they're giving some consideration to that.

14 So when we started talking with them about the
15 possibility of at least resurrecting the State Route 30 concept,
16 but they're looking at it as only a partial build as part of --
17 with the additional money they have available. That's when the
18 director started to think of, well, if you really, truly want
19 this to be a reliever to Interstate 10 -- and that is our
20 busiest corridor, right through the heart of Phoenix, and a
21 trade corridor as well, nationally, regionally, and the focus of
22 that -- why don't we look at a concept that would give us the
23 full buildout, not just from the 202 to the 303, but let's take
24 it all the way out to State Route 85.

25 And then to make it a true -- a reliever off of

1 the traffic that's heading downtown to I-10, why don't we extend
2 it east about another -- I think it's four to six miles, and tie
3 into the Durango curve of I-17. And then truly you get a relief
4 off of that. You get a relief that's coming from the far east
5 valley that will take the South Mountain and -- to avoid
6 downtown, but then you'll get all that inner city traffic that
7 will have continued to funnel its way through downtown I-10, off
8 of the Durango curve, or off the I-10 connection itself. And in
9 order to do that, we are talking about probably more than
10 \$2 billion worth of work, of construction, and right-of-way
11 costs that obviously are not in the program.

12 So one of the issues that we're looking at is
13 through the concept of our public-private partnership statute is
14 to study that as a toll road, and the possibility that this
15 would be a toll through the whole facility that would allow the
16 traffic, again, coming off of the Durango curve, coming off of
17 the 202, to use this corridor, and extend it all the way out to
18 the west to relieve -- to be a true reliever of all that traffic
19 in the west valley.

20 So all we're asking for is the -- or what we're
21 informing everybody is, is that as we look to the future
22 planning of that corridor, not just looking at the interim
23 solution and the end-term improvements that MAG is considering,
24 that we are going to study through our P3 process the traffic
25 and revenue analysis, the financial viability, as well as the

1 constructability issues of this full corridor buildout as an
2 implementation concept.

3 It is not a final decision. We're not saying at
4 this point it is going to be a toll facility. All we're saying
5 is as part of the planning process, as we look to address MAG's
6 programming components of it, and their phased implementation,
7 could we do a full buildout implementation, and would it be
8 impossible at a potential tolling facility? So that's what
9 we're studying.

10 The director has started to coordinate with a
11 number of the east valley -- excuse me -- west valley mayors.
12 He's been meeting with the representatives from Maricopa County.
13 We've sat down with MAG staff to discuss this, and we're at the
14 point of starting to initiate our study, probably in November,
15 maybe early December. And then by next spring, we'd at least
16 have a conceptual analysis done that would show the viability of
17 this to continue to move toward. It should not delay any of the
18 action MAG's taken. It should not delay any of the additional
19 planning and work we're doing, and in fact, it could expand it
20 and give us an option for full buildout.

21 So we're starting the dialogue. We've started to
22 look at this, and the director just wanted the Board to know
23 that we're planning -- that we're going to start planning, at
24 least, the preliminary analysis of look at this, and that next
25 we'd have a Board definitive conversation and discussion about

1 the viability of an implementation of a full buildout of the
2 State Route 30/I-10 reliever.

3 CHAIRMAN LA RUE: Thank you, Floyd. Any
4 questions by Board -- well, let's -- Board Member Hammond.

5 MR. HAMMOND: This isn't a question, Floyd, but I
6 want to give the director's report on Mexico, because I know he
7 -- he was -- he would probably --

8 CHAIRMAN LA RUE: Well, can we first -- let's
9 take questions on this item --

10 MR. HAMMOND: Okay.

11 CHAIRMAN LA RUE: -- before we dive into...
12 Ms. Beaver.

13 VICE CHAIR BEAVER: I just was curious. With
14 regard to this section, it's hard for me to tell -- others that
15 are familiar with maps all the time -- but is this more of a
16 rural section? Agricultural area? Or is there a lot of
17 development already out there?

18 MR. ROEHRICH: Well, the section shown here,
19 basically where the green is on the right is where the future
20 202 South Mountain's coming in. And if you can see that, that
21 little bit of red coming down where the future 303 ties into
22 Maricopa County Route 85, that stretch is mostly undeveloped,
23 but it's starting to get development within it. It has been
24 agricultural for a long time. A lot of it is vacant land, but
25 we are starting to see development in there. Avondale has done

1 quite a bit of work to rezone that and plan for that, for that
2 being developed. It is intended through their plan, it's all
3 going to get developed in the future, but it's mostly
4 agricultural or empty land right now.

5 VICE CHAIR BEAVER: Well, I guess my question is
6 if we're truly -- if MAG is going to be looking at this and
7 ADOT's going to be looking at it, is -- in the conversation that
8 we have with the communities, you know, could we begin
9 discouraging development as far as, like, housing and that,
10 where we don't have to get in a situation of buying back
11 properties and that kind of stuff when something like this would
12 go through? I guess it's just can we tamp down any kind of
13 development in that area if this really has true potential of
14 happening in the future?

15 MR. ROEHRICH: Well, we don't have the authority
16 to tamp down or stop development, but the cities, obviously,
17 they're the ones who issue the permit. We coordinate closely
18 through what we call the red letter process with all the valley
19 communities on our future planning, and then it's up to them to
20 decide as they get requests, as they work through their zoning
21 changes or their zoning requests that they work through their
22 city planning.

23 It's been very -- it's been successful in some
24 areas. Some areas it hasn't been. But it's really up to the
25 city to decide that. But we coordinate with them. We attempt

1 to do as much as we can, Ms. Beaver. That's an excellent
2 comment as it is, is to try to avoid the future development.
3 Fortunately, when you own the land and you want to move now, you
4 don't necessarily want to always wait for government, who's not
5 prepared to move. But we attempt to coordinate with all the
6 cities through a process to try to minimize that.

7 CHAIRMAN LA RUE: And let me take a little shot
8 at that. What Floyd's saying, it's very challenging, you know,
9 when you've got the Constitution and private property rights and
10 due process rights and those things. So it's a balance. You
11 have to be very careful. So I'm really pleased that ADOT is
12 taking this on to show a bigger vision there, because, you know,
13 our lesson from South Mountain -- you know, we looked at that
14 for, what, 30 -- 30-plus years, and a ton of development came
15 along, and a lot of that was because there really wasn't
16 solidarity on what we're doing, how we're going to do it, and
17 let's get it done, and it just took us a long time.

18 Here, because the initial kind of thought here is
19 very small, and ADOT knows, our planners know, or as Mike knows,
20 that two or three decades from now, we need a bigger vision
21 here. And so let's start talking about that bigger vision and
22 start moving on it so that we can message that out and have
23 cities and everybody message it together so that we avoid some
24 of what we -- you know, what we're experiencing in South
25 Mountain.

1 But it's a real challenge with -- you know,
2 you've got to honor what's in the Constitution, and we all -- we
3 all have sworn to abide by and support the Constitution. So
4 it's that balance. But I applaud ADOT for stepping up and
5 saying let's look at a bigger vision, because this is not just
6 for the west valley of Phoenix. This is not just for Maricopa
7 County. This is really for the entire state. Much like we
8 heard earlier from the mayor-elect about the I-10 south of
9 Phoenix is a pinch point. Absolutely. And it's critical for
10 the entire state to fix that. We also heard from, I think, Mary
11 Mallory about north I-17 as a pinch point. Absolutely. And
12 it's critical to the entire state. So we've got to wrap all of
13 these projects together, set the vision, and really get all
14 stakeholders behind us and keep from having this bifurcated, you
15 know, view on these pinch points, or else we're just really,
16 really shortchanging ourselves on our future growth of the
17 state.

18 MR. ROEHRICH: So one of the other benefits of
19 delivering it as all one project through a toll or some other
20 mechanism that does it, you get a lot of time savings. That
21 will help get ahead of any future development. If you take a
22 piecemeal approach that puts a little bit of improvements in
23 now, but then wait for a Prop 500 or future that's not going to
24 happen for -- funding, for future funding that's more than a
25 decade or two away, it's going to take a decade or two to come

1 back, and then all that development happens.

2 If we can get something like this done through a
3 P3, if it becomes a viable project and we have the support for
4 something like that, we can probably have it delivered in 10
5 years or less as a full facility to get ahead of what you could,
6 you know, 10, 20-plus years worth of piecemealing it section by
7 section.

8 MR. SELLERS: Mr. Chairman.

9 CHAIRMAN LA RUE: Mr. Sellers.

10 MR. SELLERS: And I think it's encouraging, too,
11 at the MAG Transportation Policy Committee meeting this week,
12 you know, a lot of discussion around rebalancing efforts, and
13 it's encouraging work that ADOT and MAG are doing together to
14 try to use some of that money, at least, to get us in a position
15 where we can prevent some of this development along that
16 corridor. So I think that if I understand things correctly, one
17 of the issues that we're faced with is what do we have to do to
18 get an environmental impact study done for that whole area? And
19 hopefully, some of the rebalancing funds that we're moving
20 forward can to help in some of those efforts.

21 MR. ROEHRICH: And Mr. Chair, Mr. Sellers, that's
22 a very good point. During the federal process, NEPA process,
23 for us to move beyond what's, like, a tier one, so preliminary
24 review, but take it to a full environmental document, we do have
25 to have in there a reasonable expectation of construction

1 funding or funding to move it to implementation. And whether
2 it's, you know, the -- buying the right-of-way or starting a
3 preliminary road, things like that, that all helps that.

4 And our concept is if that's part of what MAG is
5 doing, that could be the foundation of either seed funding or
6 the foundation or the start of the full buildout through a
7 mechanism such as a P3. So it allows us to open that dialogue,
8 and it does allow us, then, to move forward with -- into the
9 study phase, the full study phase, to get environmental
10 documents so we can move forward with the foundation.

11 MR. SELLERS: And it's also nice in those
12 meetings to listen to all the mayors give kudos to ADOT for the
13 reference.

14 CHAIRMAN LA RUE: Any other questions on this
15 particular item?

16 Then we can move on to another one, and I think
17 we had (inaudible). Well, I think we had a question on
18 whether --

19 MR. ROEHRICH: The other topic I had that he
20 wanted to talk about -- I don't know if you wanted to talk about
21 Mexico or Mr. Hammond --

22 CHAIRMAN LA RUE: I'll (inaudible) Mr. Hammond.
23 He had --

24 MR. HAMMOND: By the way, on this subject,
25 Tucson's very supportive of the 202 and the 303, because we'll

1 get our crosstown freeway when Phoenix builds the 808. So we're
2 really supportive of all the activity involving South Mountain.

3 CHAIRMAN LA RUE: I thought you had some excess
4 prop funds you could loan us, so...

5 MR. HAMMOND: I just wanted to mention the
6 Arizona-Mexico Commission had their plenary session in
7 Hermosillo a week-and-a-half ago, and John Halikowski, the
8 director, sits on the Transportation Committee for
9 Arizona-Sonora, Mexico Commission. Very, very involved in those
10 cross-border issues and transportation issues.

11 SR-189 came up in conversation, as did
12 cross-border south side of the Maricopa port of entry. ADOT is
13 thankfully very engaged in all of this cross-border talk, and I
14 really, you know, applaud staff and certainly the Board's
15 support of all of the discussion and funding that's being
16 discussed and sources and how we get all these infrastructure
17 needs implemented. But the director's extremely engaged and
18 very knowledgeable in taking the time to really understand these
19 issues.

20 By the way, there's a golf course at Los Lagos
21 where they had it in Hermosillo, and it's a very nice course. I
22 think we should have a board meeting down there.

23 CHAIRMAN LA RUE: That's on the agenda later.

24 MR. HAMMOND: Yeah.

25 CHAIRMAN LA RUE: Floyd.

1 MR. HAMMOND: Those are my comments.

2 CHAIRMAN LA RUE: Thank you.

3 MR. ROEHRICH: Thank you, Mr. Hammond.

4 The other topic that he wanted to talk about was
5 a request that Board Member Teller had brought up last month
6 about overweight commercial vehicles and its movement through
7 kind of northeastern Arizona, through the Navajo Nation. And
8 through Mr. Teller's assistance, our Enforcement and Compliance
9 Division were able to meet with himself, as well as other
10 representatives from the Navajo Nation, to include their
11 Department of Public Safety and their Department of
12 Transportation folks.

13 And through that, they were able to come to an
14 agreement on establishing a pilot program that will kick off in
15 November of enhanced mobile enforcement through that region.
16 And there's a bunch of conditions in here that I guess I'm not
17 going to kind of go through, but we felt it was a great success,
18 and Mr. Teller really was a great avenue to help us have those
19 discussions, coordinate that discussion.

20 Well, we're going to move forward with the mobile
21 enforcement analysis over about the next six months or so, and
22 then from that, look at establishing, then, a longer range plan
23 of where we may want to use some technology, like we're using in
24 other parts of the state to put out these fixed sites that do
25 weight enforcement, speed checks, things like that as a way to

1 help establish the commercial traffic movement and the
2 overweight, heavier weight movement of goods and services and
3 things through their -- the region.

4 So we felt it was a great success, and I know
5 that they wanted to pass on their thanks to Mr. Teller for not
6 just bringing it to our attention, but help them be a conduit to
7 have those discussions. And so the director wanted to -- the
8 Board to know that we're moving forward with that as part of a
9 really looking at how we can preserve and protect our whole
10 infrastructure.

11 MR. TELLER: Thank you, Mr. Roehrich. This is
12 Arlando Teller. I don't know if you can hear me.

13 VICE CHAIR BEAVER: Yes, we can.

14 CHAIRMAN LA RUE: Yes.

15 MR. ROEHRICH: Yes, sir. I'm trying to use the
16 microphone to catch your comment, so please go ahead.

17 MR. TELLER: Okay. Thank you, sir.

18 Hello, everyone. Hello, Chair, Vice Chair and
19 the rest of the Board members.

20 Again, we had a meeting yesterday with ADOT, and
21 we do appreciate the cooperative effort of -- with the two
22 agencies, the two nations, if you will. And there are three
23 sites that we have found that are still -- that still affect the
24 state inventory as well as some tribal inventory, but we do --
25 we identified three departments that will be assisting the

1 enforcement.

2 We have a project management to ensure that
3 (inaudible) are done and completed and processed. We have a
4 planning section, department, if you will, assist in the
5 inventory of the route and (inaudible) the mapping to
6 enforcement. We have highway safety (inaudible) should be the
7 point person. Her name (inaudible) Bowman, who will be
8 assisting this effort, and so we -- it was (inaudible)
9 successful meeting yesterday, and we look forward to (inaudible)
10 pilot project and ensuring that the users, especially the
11 commercial truck users, (inaudible) their share to the system as
12 far as, you know, the weights on the vehicles and on the
13 roadway. So we're trying to (inaudible) this opportunity, and
14 we appreciate the cooperation from the State.

15 Thank you very much.

16 CHAIRMAN LA RUE: Thank you, Board Member Teller.

17 Any other questions by Board members on the
18 enforcement? Good.

19 Anything else, Floyd?

20 MR. ROEHRICH: Mr. Chair, that's all that -- for
21 the director's report.

22 CHAIRMAN LA RUE: All right. Let's move on to
23 Agenda Item No. 3, which is the consent agenda, which was
24 distributed in your packets.

25 Is there any Board member wishing to pull

1 anything off of the consent agenda for further discussion?

2 Hearing none, I -- the Board would entertain a
3 motion to approve the consent agenda as presented.

4 VICE CHAIR BEAVER: Board Chair, I'd like to make
5 a motion that we approve the consent agenda as presented.

6 CHAIRMAN LA RUE: We have a motion by the Vice
7 Chair, Ms. Beaver. Do I have a second?

8 MR. STRATTON: Second.

9 CHAIRMAN LA RUE: Second by Board Member
10 Stratton. Do I have any -- is there any further discussion?

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

13 BOARD MEMBERS: Aye.

14 CHAIRMAN LA RUE: Any opposed? The ayes have it.
15 Agenda Item No. 4 is the legislative report.

16 Kevin.

17 MR. BIESTY: Good morning, Mr. Chairman, members
18 of the Board.

19 I'll start off with a -- on the federal update.
20 You should have received a brief update during the week from our
21 office. If you haven't, I'll make sure you get it, but if you
22 have any -- if you have read it and you have any questions, I'll
23 be happy to answer it. I won't cover it here right now. We're
24 still monitoring a lot of the efforts of Congress, but as you
25 know, we're in election season right now, so there's not a lot

1 of things going on, but we're still monitoring.

2 On the state level, we're still waiting. We have
3 the election coming up. We'll see new leadership in both the
4 House and the Senate. If the elections go as people are saying
5 they will go on a local level, the Senate will most likely be
6 led by Senator Steve Yarbrough. The majority leader in --
7 interested in being majority leader is Senator Kimberly Lee --
8 Kimberly Yee. And Senator Gail Griffin will probably be the
9 majority whip.

10 There has been a lot of discussions about the
11 Senate possibly getting split 15/15, or even a 16/14 split could
12 throw leadership into -- make it more interesting, I should say.
13 There's been some discussions that, should it go 16/14 or 15/15,
14 that Senator Bob Worsely from Mesa may have a shot at being the
15 president. So, you know, the intrigue of the election and the
16 politics around it, we'll be keeping an eye on.

17 On the Democrat side, it will probably -- they'll
18 probably -- again, unless the Senate splits or gets closer to a
19 split, the Senate minority leader would be Katie Hobbs.
20 Assistant leader, Steve Farley. Minority whip Martin Quezada.

21 In the House, speaker -- current Representative
22 J.D. Mesnard has stated that he's locked down the votes. Should
23 he get elected in November to be the next speaker of the House,
24 and many of the members have backed Representative Mesnard.

25 Majority leader and majority whip, in the lead

1 right now would be -- apparently is John Allen from north
2 Phoenix, and Representative Jill Norgaard. Representative
3 Anthony Kern is looking to be the minority whip. But again, a
4 lot of the -- I mean, I'm sorry, the majority whip. Again, a
5 lot of these are dependent on how the races go.

6 As you've heard, and I'm sure many of you have
7 felt, this is a different election, and even polls and pundits
8 are scratching their head trying to figure out what the tea
9 leaves say. So -- but that's pretty much -- if the Senate
10 remains in Republican control and the House remains in
11 Republican control, that's what we will probably be looking at.

12 On the House minority side, talk is that the
13 current minority whip, Rebecca Rios, is expected to lead the
14 House Democrats. Also, Representative Charlene Fernandez and
15 Representative Randy Fries would join her on -- in the
16 leadership roles.

17 On the topic of ADOT's legislative package, we've
18 met with the governor's office. The governor's office has a new
19 legislative director, Katie Fischer, who came over from the
20 Chamber. We met with her yesterday, kind of went through some
21 of the ideas that we have and how they -- which ones may or may
22 not line up with Governor Ducey's agenda for 2017. Once we have
23 a clear understanding of what, if anything, the department will
24 be running as part of the legislative package, I'll make sure
25 you get that. Most of it is operational, I should say, looking

1 for efficiencies, removing old statutes, looking at -- under the
2 governor's continuous improvement initiative, looking at things
3 that are an impediment to business, to the customers we serve,
4 having an efficient government. So that's what makes up a bulk
5 of it.

6 We are -- one of the things we probably will be
7 pursuing this year is possibly looking at giving the director
8 -- we had this in the bill a year or so ago about giving the
9 director the ability to privatize administrative functions that
10 he sees fit, rather than having to go to the Legislature and
11 have statutory change and stuff like that.

12 Again, these would be more administrative things
13 that regulatory. We cannot -- a state agency cannot give up its
14 authority to a private entity. But as an example, we did it
15 with traffic survival schools a couple years ago. We contracted
16 out the administrative portion of it. So the -- I think it's
17 the National Safety Council, they provide the schools with the
18 material. They make sure the schools are following the
19 material. They make sure all the teachers are certified and all
20 that, and then the State issues the license. So that's worked
21 very effectively. It allows the department to take those
22 resources we were using at that point and reallocate them where
23 there may be a need to the agency.

24 Okay. Now, I understand that there was some
25 questions about the Surface Transportation Funding Task Force.

1 And you wanted kind of a briefing on what they were working on?

2 CHAIRMAN LA RUE: If you're speaking about my
3 inquiry, no. What I'd asked and what happened is distribute out
4 links so the Board members -- you should have received an email
5 with some links. I'd like to keep you -- keep us all updated on
6 what's happening, and if we choose to attend, feel to do so.
7 Distribute the minutes so that we're kind of kept up in real
8 time, and we can do that through the internet.

9 MR. HAMMOND: I do have -- I've heard a couple of
10 the members of that task force speak, and there's, you know,
11 subtle optimism on good results that will come out on
12 infrastructure and how to fund it and some of the options
13 available. And when I hear the name of, like, Steve Farley or
14 Bob Worsely come up in the leadership, both reasonable -- one a
15 D, one an R -- both reasonable individuals that understand
16 transportation issues, I start getting cautiously optimistic
17 that some of these funding issues might come to the forefront.
18 Because I think legislators, even the governor, are going to
19 need a backstop if they go that direction. And if -- I mean, do
20 you have a feel for -- you know, is that more the same, down or
21 up, if some possible scenarios fall into place on how we might
22 -- what we might expect in possible funding sources from the
23 State?

24 CHAIRMAN LA RUE: I think initially it's pretty
25 premature right now, but if you have an inside on that.

1 MR. BIESTY: Mr. Chair, Mr. Hammond, yeah. I
2 would say it's premature at this point.

3 CHAIRMAN LA RUE: Have they gotten past the
4 organizational stuff and all that?

5 MR. BIESTY: Yes. Yes.

6 CHAIRMAN LA RUE: Okay.

7 MR. BIESTY: I had a conversation with a group of
8 citizens up in the Oak Creek Canyon area a week ago with some
9 legislators, and the topic of funding came up. And generally,
10 when I talk with folks outside of the capitol area, you know,
11 the common, everyday folks, you know, what I tell them is it
12 really rests with you, right? We could all look at our elected
13 officials and say, Why don't they do something? Why don't do
14 they do something? But a lot of times when they attempt to do
15 something, what happens? There's pitchforks and torches in the
16 street. There's really not -- it's like with a lot of our
17 projects, right? The silent majority doesn't really speak up
18 and say, Hey, I'm with you. Keep going. I'm with you. I'll
19 support you.

20 So I think as the taxpayer kind of becomes more
21 educated on how important transportation is to their everyday
22 life and how it's not -- it's not a question, really, of well,
23 just stop spending money on -- you know, pick your program that
24 you may not like. You know, I pay enough in taxes. Don't waste
25 it there. Spend it there. Understand how transportation

1 affects your life, understand how transportation's funded, and,
2 you know, be able to support those that are willing to go out on
3 a limb and address the problem.

4 CHAIRMAN LA RUE: But Kevin, back to the
5 committee. So I think I heard here that the -- the report has
6 to be finished by the end of the year. So what I want to do is
7 keep this board wired in that when the real dialogue and the
8 meet starts happening, we're now in the real time, and then we
9 can reach out and provide some input.

10 MR. BIESTY: Correct. Mr. Chairman, do you mean
11 as recommendations and --

12 CHAIRMAN LA RUE: Or just our thoughts.

13 MR. BIESTY: Right.

14 CHAIRMAN LA RUE: From the way we see things.

15 MR. BIESTY: Okay. We'll make sure we do that.

16 CHAIRMAN LA RUE: Any other questions about this
17 committee or task force? That's it?

18 MR. BIESTY: Mr. Chairman, that's all I have.
19 Thank you so much.

20 CHAIRMAN LA RUE: Perfect. Thank you.

21 Next item, Agenda Item No. 5 is the financial
22 report, and...

23 MR. ROEHRICH: Mr. Chair, I'm not Kristine Ward.

24 CHAIRMAN LA RUE: Shew, you had me worried there
25 for a second.

1 MR. ROEHRICH: For the record.

2 UNIDENTIFIED SPEAKER: You look terrible,
3 Kristine.

4 CHAIRMAN LA RUE: I thought you'd been running or
5 something.

6 MR. ROEHRICH: Okay. I don't have an excuse
7 this month why she's not here, so -- she just could not make it.
8 Actually, I do have an excuse. With the end of the federal
9 fiscal year, the start of the new fiscal year, and with wrapping
10 up the budget to get ready for -- to respond to the governor's
11 office, she is just swamped. And unfortunately, all I'm going
12 to do is hit on a couple of notes that she wanted to point out.

13 One of them is we were hoping for --

14 CHAIRMAN LA RUE: I think I know why she's not
15 here. She -- you know, the department and the finance group
16 really knocked it out of the park on that bond refinancing.

17 MR. ROEHRICH: Absolutely.

18 CHAIRMAN LA RUE: It was phenomenal. And I heard
19 her after it closed. She said, I'm going to Disneyland.

20 MR. ROEHRICH: She hasn't stopped celebrating,
21 probably. Yeah.

22 CHAIRMAN LA RUE: I think that's the story.

23 MR. ROEHRICH: Yeah. That was an unexpected
24 result. They were extremely pleased about how that turned out.

25 CHAIRMAN LA RUE: So good for us, for the Board.

1 We'll figure it out as we go through this next cycle what all
2 that means, but it was a phenomenal result.

3 MR. ROEHRICH: Absolutely.

4 CHAIRMAN LA RUE: Thank you.

5 MR. ROEHRICH: Just real quick, you can see that
6 the HURF revenues are a little bit higher than last year when
7 you look at the percentages, but they're below her forecast.
8 She'd forecasted about a 4 percent growth thinking that we were
9 really starting to see some great turnaround in that -- in the
10 HURF revenues, but it hasn't quite happened.

11 The one -- I want to say there was one thing she
12 pointed out. Okay. During the last period, the number of new
13 cars sold almost matched the number of new cars registered from
14 out of state. So we are starting to see some growth of people
15 coming back into the state, and it seems to be kind of
16 consistent. She does expect her forecast is still good. She's
17 not revised anything at this point. But we are a little bit
18 behind what she had forecasted, although we're a little bit
19 ahead next year. There's some indicators there.

20 On the RARF funds, the RARF funds are tracking
21 pretty close to her -- her forecast is slightly under. And
22 again, we're seeing growth over last year. So she seems pretty
23 pleased with that. Hoping after the continuation of either bid
24 savings and continuing to see some growth in this fund, we'll
25 probably bring in maybe -- hopefully additional more funds that

1 can go back into the RARF system. As was identified earlier,
2 they've already identified a little more than 700 million for
3 rebalancing. MAG and -- is hopeful that that number may grow,
4 and she's been tracking that and working closely with them,
5 hoping over the course of the next year, some additional funds
6 may come out that will help that to grow. So she's -- she was
7 positive about RARF funds and positive about what's been
8 happening in the HURF funds.

9 Right now, though, she's a little less positive
10 what's happening in the federal aid program. If you remember,
11 Congress passed a budget bill that extended government funding
12 until, basically, December 9th. It was a continuing resolution.
13 But in that, it established certain limits of funding, and
14 although if you remember, MAP-21, when it passed, in the most
15 recent five-year transportation bill that passed, increased
16 funding a little bit into transportation. When the continuing
17 resolution was extended, it included some precision. So what
18 we're able to spend through this first part of the federal
19 fiscal year is actually a little bit lower than what she had
20 forecasted or projected based upon what was passed in the
21 highway bill.

22 So as we continue to see how Congress addresses
23 the rest of the budget or the rest of the fiscal year, we'll see
24 what impact that may have on any future funding through the
25 federal aid program. Again, this being the first month,

1 starting October 1st, of the federal fiscal year, there's still
2 a lot to see what happens, once Congress reacts and once we're
3 able to work with our federal partners on how to address
4 whatever their final actions are.

5 So she really didn't have much to say on the
6 federal aid other than a little cautiously optimistic that we
7 will see the increased funding, as long as Congress continues
8 that as they pass the -- their budget bills and extend funding
9 for government.

10 That's all she -- that I had for the financial
11 report, Mr. La Rue. She expects to be here next month, and
12 she'll be able to give you a much more comprehensive discussion.

13 CHAIRMAN LA RUE: All right. Thank you.
14 Questions by Board members?

15 Okay. Thank you, Floyd.

16 Let's move on to Agenda Item No. 6, which is
17 Multimodal Planning. Michael Kies.

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

19 CHAIRMAN LA RUE: Are you going to go through all
20 the slides?

21 MR. KIES: Yes. I hope you made some
22 reservations for tonight.

23 I don't have any special items for Item 6, which
24 is the Multimodal report. I caught you up on all of the major
25 items at the study session recently.

1 CHAIRMAN LA RUE: Any questions for Mike -- Board
2 Member Teller, any questions on Item No. 6?

3 MR. ROEHRICH: Mr. Teller, do you have any
4 questions so far on any items?

5 CHAIRMAN LA RUE: While he's --

6 MR. TELLER: No, I do not. No. Thank you,
7 though.

8 CHAIRMAN LA RUE: Thank you.

9 So Michael, not that we need a (inaudible)
10 question in this area is we heard earlier about Many Farms and
11 191, and I think you were on that visit up there. We spotted a
12 lot of things that ADOT could work with the locals up there on
13 that. So maybe -- and maybe you've provided it to Board Member
14 Teller. If you did to me, I'm not certain I remember, but I
15 know there's a lot of things that we were suggesting. So maybe
16 a refresh on that at some point. Maybe not necessarily in a
17 board meeting, as well as maybe a one-page memo or something, or
18 make sure that Board Member Teller is updated on that.

19 MR. KIES: So -- thank you, Mr. Chair. So you'd
20 like us to prepare, like, a one-page summary of what's the --
21 because there was a -- what we call a PARA study, a planning
22 study for the rural areas that was completed in that area, and
23 then there's some follow-up activities that we've been moving
24 forward with the district. Would you like a one-page report on
25 that?

1 CHAIRMAN LA RUE: Yeah, and I think we've seen
2 that. What I was more interested in is when we were up there,
3 there were a number of things that were spotted out, and I think
4 somebody summarized that and sent it out and said these are
5 activities that we're going to engage with the Navajo Nation in
6 this area. I just don't know if I've heard an update from that.

7 MR. KIES: Okay.

8 CHAIRMAN LA RUE: And so I know you guys have
9 been doing some stuff. It would be nice to see, did we follow
10 through. And there were some school crossing issues.

11 MR. KIES: Correct.

12 CHAIRMAN LA RUE: There were some flood issues.
13 I think a lot of the recommendations that I remember was really
14 for the Navajo Nation side to do certain things, because that
15 flood that's coming through there, while we can, you know, fix
16 the roadway, if the flood waters are coming from 10 miles away,
17 you know, there's other things that need to happen. And so I --
18 I just remember those things, and it would just be nice to just
19 make sure that we've executed on what we said we would do --

20 MR. KIES: Great.

21 CHAIRMAN LA RUE: -- type of thing.

22 MR. KIES: Would you like me to prepare an update
23 for next month for the (inaudible) --

24 CHAIRMAN LA RUE: That or just send out a
25 memorandum.

1 MR. KIES: Okay.

2 CHAIRMAN LA RUE: I don't think it's significant
3 to Board time. And I -- more -- make sure that Mr. Teller is in
4 the loop on that, because he was there as well.

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

6 CHAIRMAN LA RUE: So let's move on to -- if there
7 are no other questions -- Agenda Item No. 7.

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

9 Item No. 7 are the PPAC items. Items 7A through
10 7N, N as in Nancy, are project modifications, and there are 14
11 of those projects. If the Board doesn't have any questions or
12 comments, I'd ask the Board to provide a motion to approve Items
13 7A through 7N.

14 CHAIRMAN LA RUE: Does a Board member desire to
15 pull any of those items for further discussion? If not, the
16 Board would entertain a proposed -- the Board would entertain a
17 motion to accept and approve project modifications, Items 7A
18 through 7N as presented.

19 VICE CHAIR BEAVER: Chairman La Rue, I would like
20 to make a motion that we approve Items 7A through 7N as
21 presented.

22 CHAIRMAN LA RUE: We have a motion by the Vice
23 Chair, Ms. Beaver. Do I have a second?

24 MR. HAMMOND: Second.

25 CHAIRMAN LA RUE: Second by Board Member Hammond.

1 Any further discussion?

2 All those in favor, signify by saying aye.

3 BOARD MEMBERS: Aye.

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

5 Thank you.

6 Mr. Kies.

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

8 Items 70 through 7AE are 17 airport projects on
9 the agenda. If I could, I would like to remind the Board that
10 last month there was discussion about that -- the airport
11 program is going through grant reimbursement deferrals, and we
12 are not in a position, because of the balance of the Aviation
13 Fund, to pay deferrals to airports. And we're keeping track of
14 those as the first deferred would be the first paid, as we track
15 through that process.

16 We as staff were sharpening our pencils as early
17 as Wednesday of this -- or as recent as Wednesday of this week,
18 and as we meant -- as a memo went out to the Board last month,
19 the revenue for the Aviation Fund comes in in spikes and
20 valleys, and one of those spikes is property flight tax, which
21 is 40 percent of the revenue to the fund. That's due -- that
22 comes in twice a year. So the bills for those property taxes go
23 out in October, which is now, and we expect the revenue in
24 November. So our thought is that we would like to see those
25 revenue values come in before we approve more commitments for

1 the Board to commitment aviation funds to. Staff's
2 recommendation for Items 70 to 7E (sic) would be ask for a
3 motion to table these items until a later month.

4 MR. TELLER: I motion to table.

5 CHAIRMAN LA RUE: We have a motion by Board
6 Member Teller. Do we have a second?

7 MR. STRATTON: Second.

8 CHAIRMAN LA RUE: We have a second by Board
9 Member Stratton. I think we probably need some discussion --

10 VICE CHAIR BEAVER: Yes.

11 CHAIRMAN LA RUE: -- on this. I'm saying it for
12 Ms. Beaver. So Ms. Beaver, go ahead and give us some
13 discussion, or start us some.

14 VICE CHAIR BEAVER: Well, specifically with the
15 --

16 CHAIRMAN LA RUE: Laughlin.

17 VICE CHAIR BEAVER: -- Laughlin, when we were up
18 in Bullhead City last month, they -- this was a grave concern to
19 them, because it has got them in a real financial situation
20 where they've expended money that they were expecting to get
21 reimbursed to them, and they haven't received it. And I don't
22 know if there are some of these that -- you know, in that
23 priority that you're talking about, if they could maybe be
24 separately -- you know, rather than doing it all as a lump. I
25 just -- this one.

1 CHAIRMAN LA RUE: I think before we -- I think
2 what you're suggesting is can we break out one project from the
3 rest. So I think before we have that discussion, are there any
4 other questions on this?

5 I guess the question, and I know last month we
6 talked about this a lot, but I'm -- so we have projects that
7 we're going to approve, but those projects only get funded
8 depending on the moneys that come in. We're not certain how
9 much money that is. We've already got people expending funds on
10 projects in anticipation of being approved, which now are
11 feeling the heat because the money's not there.

12 I've got to tell you, I'm -- my brain is not
13 getting around this to -- you know, to make sure that we're not
14 too far out in front. So my concern on approving all this, are
15 we sending a message to these people, you can gear up, get ready
16 to go, but then we're not sure where the funds are, and now we
17 may be putting more people in harm's way? So I guess maybe
18 clarify how all that fits.

19 MR. ROEHRICH: (Inaudible.)

20 MR. KIES: (Inaudible.)

21 (Speaking simultaneously.)

22 MR. ROEHRICH: So, Mr. Chair, Mrs. Beaver and the
23 Board members, I guess what I was going to talk about is, again,
24 this program is a grant program, and like anything else, we
25 issue the grants, and then we accept the projects based upon

1 what we think are the revenues we're going to have, whether --
2 and again, it's an estimate. Sometimes they go up. Sometimes
3 they go down. And in this case, if you remember, the
4 legislature also swept \$15 million out of that pot, because we
5 let the balance build up, and we probably shouldn't have been
6 putting more projects out.

7 So in balancing that, there are going to be times
8 where we do put projects out that we're deferring payments.
9 That means if we approve the projects, they're getting their
10 money. It does, though, become a question of when do they get
11 their money.

12 CHAIRMAN LA RUE: And then so if they go forward,
13 they're paying for it at risk until we --

14 MR. ROEHRICH: It's a reimbursement program.

15 CHAIRMAN LA RUE: Right.

16 MR. ROEHRICH: They're paying for it at risk.

17 Part of the reason why we wanted to defer this
18 group of projects right now for another month is to get a better
19 handle on what is the revenue coming in? Work with kind of
20 reconciling the balances from finance to our aviation program,
21 who are managing it, to then the accounts payable out so we can
22 get a better handle on how that cash flow is and what's been
23 happening. If you remember, that was kind of the problem last
24 month. We didn't have all of those aligned. We're still
25 working -- we don't have all those aligned. I mean, you could

1 still approve these projects if you want. They're just going to
2 go on the list, and they're going to sit there and wait until we
3 reconcile where these balances are so we can start paying.

4 They're not -- and they're basically going to go in line to all
5 the other ones that are already in there waiting to get paid.

6 So our goal, and the reason why Mike is saying,
7 let's not put more, you know, projects in the pipeline this
8 month. Let us clear out as much as we can. Let us see what the
9 reconciliation comes with the revenues that come in in November,
10 and then let's address these projects at that time and get them
11 in queue.

12 Right now they're not going to lose, if you will,
13 their position in line, because they're not in line. And
14 there's nothing new going ahead of them that's going to get in
15 line. But there's a lot of projects already in there that have
16 been waiting -- I mean, if you remember, the airport manager
17 from the Yuma airport spoke as well at a previous board meeting.

18 We have to clear all those out. All we're saying
19 is let's just not keep building a larger log jamb until we can
20 get that reconciliation done and clean those projects out and
21 really get a better handle on forecasting.

22 What threw the monkey wrench in is when those 15
23 million were taken out, it caused everything to have to be
24 rebalanced, and what we're seeing now is the congestion of
25 trying to clear out those projects with a smaller pot of money

1 to clear them.

2 MR. SELLERS: Mr. Chairman.

3 CHAIRMAN LA RUE: Mr. Sellers.

4 MR. SELLERS: Yeah. I guess my question is do we
5 put any of the FAA funds at risk by not having these projects
6 ready to go?

7 MR. KIES: Well, all of the projects that are on
8 the PPAC agenda are FA- -- do have FAA funds involved, and what
9 we do as the grant program is provide part of the match to the
10 local sponsors. If a local sponsor chooses to go forward with
11 those FAA funds, they can fully provide their full match. What
12 the grant program does is help offset those matching funds. So
13 yes, if these are tabled until next month and we -- to allow us
14 to see the revenue, that would delay the acceptance of federal
15 funds for another month.

16 MR. SELLERS: Okay. Well --

17 MR. KIES: If the local funds --

18 MR. SELLERS: -- if the federal funds, in fact,
19 are the majority of the funding --

20 MR. KIES: Correct.

21 MR. SELLERS: -- and I'm just concerned about
22 whether or not that puts getting these funds at risk.

23 MR. KIES: I did talk with this about -- with
24 Michael Klein just a couple days ago, and he felt that deferring
25 these for a month or two was not going to affect the -- was not

1 going to lose the federal funds or affect the opportunity to get
2 those federal funds.

3 MR. SELLERS: Thank you.

4 VICE CHAIR BEAVER: Chair?

5 CHAIRMAN LA RUE: Let's go to Steve Stratton
6 first. Then I'll come back.

7 MR. STRATTON: Thank you.

8 My intent in seconding this was to delay it one
9 month, not a month or two. I think if we do take a month --

10 CHAIRMAN LA RUE: I think that's the motion
11 pending.

12 MR. STRATTON: -- then I do believe we need to
13 revisit it next month, not wait two or three months.

14 CHAIRMAN LA RUE: Well, let me make sure I'm
15 clear on the motion. The motion was to continue it for a month.

16 MR. KIES: Right.

17 CHAIRMAN LA RUE: For staff to report back, and
18 that was your second.

19 MR. STRATTON: Yes. That's correct.

20 CHAIRMAN LA RUE: That's the correct clarity on
21 the motion? Okay.

22 MR. STRATTON: I just wanted to clarify that one.

23 CHAIRMAN LA RUE: Okay.

24 MR. STRATTON: Mike said "a month or two."

25 MR. KIES: Yes.

1 MR. STRATTON: My intent was one month.

2 MR. KIES: Right. Correct, Mr. Chair. We did
3 want to table it for a month. Michael Klein's comment was that
4 if -- affecting the federal funds, there -- if we delayed it for
5 a -- one month or two wouldn't affect that. So yes.

6 CHAIRMAN LA RUE: Okay.

7 MR. KIES: The motion asked for was a month.

8 CHAIRMAN LA RUE: Vice Chair.

9 VICE CHAIR BEAVER: I'm at a point where I'm
10 wondering if maybe we should see a list to know what grants are
11 -- have already been granted to know how many are in this
12 pipeline. Are we talking about 10? Are we talking about 20?
13 You know, how many are we talking about that are already in the
14 pipeline, and how are they prioritized? That's one question.

15 The other question I have is at the time they
16 applied for the grant, was it understood at that time if they
17 moved forward with the project, there was no guarantee that they
18 would get the grant funds in a timely way?

19 MR. KIES: So, Mr. Chair, Ms. Beaver, essentially
20 what you're asking is the plan that we want to sharpen our
21 pencils on as we see the revenue come in in November is because
22 we have a list of deferred grant requests, plus we have other
23 grants that are currently in the process, because as
24 Mr. Roehrich mentioned, the items that are on the table today
25 for approval are new grants that haven't been committed to yet.

1 Those -- our typical number of days that it takes
2 to process an entire grant and do construction and close out the
3 grant is about a three-year process. So we're looking at these
4 grants that are on the table today in a cash flow that goes out
5 several years. So it's kind of a catch-22. We want to keep the
6 grant program going, because the airports need access to the
7 funding to do those improvements, but we don't want to get too
8 far ahead of ourselves so that we get into this situation again.

9 As far as the list of deferrals, it goes on for
10 several pages, which are already in a queue that we intend to
11 pay first -- first deferred is first paid. And I can -- if
12 you're interested, I can provide this list to Mary if you want
13 it to see that.

14 VICE CHAIR BEAVER: Please.

15 MR. HAMMOND: The total dollar volume on that,
16 Mike, is it totaled in there?

17 MR. KIES: It's \$5.56 million.

18 MR. HAMMOND: Okay. In the queue?

19 MR. KIES: In the queue. Yes.

20 And then the actions that are on the agenda
21 today, the State's commitment would be in excess of
22 one-and-a-half million dollars.

23 CHAIRMAN LA RUE: So we have a motion and a
24 second, and then Mike, I think I've got my brain around it.
25 So pick any one of these projects. If I was this jurisdiction,

1 I wanted this project to go forward, and I say, This just has to
2 happen, I pay this -- you know, the city -- the government
3 entity pays its sponsor amount. Then it can pay the state
4 amount. Just wait, pending for this approval process, moneys to
5 come in, and then be reimbursed, you know, the state committed
6 amount at some point in the future. I mean, that would be their
7 game plan or, I guess, essentially is what their game plan in
8 many respects.

9 MR. KIES: Correct.

10 CHAIRMAN LA RUE: Okay.

11 VICE CHAIR BEAVER: Chairman, based on the fact
12 that these are grants that haven't been approved yet, I agree
13 with the tabling it for a month. But my question, back on those
14 that are deferred, already presently deferred, at the time they
15 applied for those, did they -- were they aware when they applied
16 that there was this possibility that they would not --

17 MR. KIES: Oh, yeah. Mr. Chair and Board Member
18 Beaver -- sorry. I didn't ask -- answer the second part of your
19 question.

20 Yes. The agreement that we have with our project
21 sponsors does say that there's the possibility that deferred
22 payments can happen. This is not unprecedented. When the
23 economy went south and revenues went down, there were a couple
24 periods of time previously when deferments happened. So there's
25 no -- so yes, that's -- I can't speak for the sponsors whether

1 they fully understand that that was part of the risk that they
2 were getting into, but it does state in our agreements that this
3 is a possibility.

4 CHAIRMAN LA RUE: So we have a motion -- oh.

5 MR. HAMMOND: Just one quick question. The -- on
6 the 5 million that are already on the deferral list, does this
7 tax revenue coming in next month usually reach 5 million or is
8 it 1 million?

9 MR. KIES: The estimate for the flight property
10 tax in November is -- is 4 million. And we'd like to see that
11 that comes in at that level, and then there can be a very active
12 re- -- we can start going through the list and getting some of
13 these deferrals paid off and put together a plan forward so that
14 we don't get into this situation again.

15 MR. HAMMOND: Would that 4 million -- would that
16 project that was brought up at the call to the audience be in
17 that 4 million?

18 MR. KIES: No. Actually, the project that was in
19 the call to the audience is one of the new projects that are on
20 the agenda for future grant --

21 MR. HAMMOND: Okay.

22 MR. KIES: -- for reimbursement.

23 MR. HAMMOND: Then if we approve that in
24 November, when would that funding --

25 VICE CHAIR BEAVER: Be available?

1 MR. HAMMOND: -- be available?

2 MR. KIES: Well --

3 MR. HAMMOND: Roughly.

4 MR. KIES: -- if you approve it in November, then
5 our group would write a grant agreement with the project
6 sponsor, which in this case was the City of Bullhead City, and
7 then the project would start development, and then they'd
8 eventually get to construction. And since it's a reimbursement
9 program, they would -- as the project goes forward, they should
10 incur those costs and then ask us for grant reimbursement. So
11 it's into the future.

12 CHAIRMAN LA RUE: Well, it looks like this
13 approval is about a million three, and if we're still a million
14 behind, and if it's 4 million the next cycle, it could be in the
15 next cycle. I mean, somebody will have to do that kind of
16 projection.

17 MR. KIES: That's the work that we'd like to do
18 over the next month as we see the revenue come in in November.

19 CHAIRMAN LA RUE: Right.

20 So we have a motion and a second. Any further
21 discussion?

22 All those in favor --

23 VICE CHAIR BEAVER: I just -- Chairman, I'd like
24 a clarification. This is tabling it for one month?

25 CHAIRMAN LA RUE: Correct. And staff bringing it

1 back in one month, putting it back on the agenda for action and
2 discussion.

3 All right. All those in favor, signify by saying
4 aye.

5 BOARD MEMBERS: Aye.

6 CHAIRMAN LA RUE: Any opposed? It passed.

7 MR. KIES: Thank you.

8 CHAIRMAN LA RUE: I've got to say, you know --
9 and I think you said the number was 15 million is what was
10 swept?

11 MR. KIES: Correct.

12 CHAIRMAN LA RUE: So last month I was so happy
13 that the State gave us the 25 million for, you know, 189. And
14 now this month, it's like, well, now I know where they got most
15 of that 25 million, you know, and put a little hurt on our
16 airports. So -- well, maybe I'm not as happy now.

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

18 CHAIRMAN LA RUE: Thank you.

19 Item No. 8, state engineer's report.

20 MR. HAMMIT: Hello again, Mr. Chairman.

21 The state engineer's report. Currently we have
22 126 projects under construction totaling \$1.74 billion. In
23 September, we finalized 10 projects, totaling 18.7 million. And
24 year to date, we've finalized 26 projects. That completes the
25 state engineer's report.

1 Well, I do have one question. The information
2 given on the projects, was that useful information? Do we
3 need to add any additional information that would help you out?

4 CHAIRMAN LA RUE: Great question. Board members?
5 You guys are getting these project spreadsheets.

6 MR. STRATTON: Mr. Chairman, again, I'd like to
7 thank Dallas. This is exactly what I'd asked for, and it's been
8 very helpful.

9 CHAIRMAN LA RUE: Great. Perfect. Thank you.

10 If no other items, we'll go on to the next agenda
11 item -- or no other questions, we'll go to the next agenda item.

12 MR. HAMMIT: Thank you for approving the four
13 projects on the consent agenda. We have three projects that
14 need a little more explanation. Currently, year to date, we
15 have, on projects that have gone out, the low bid was
16 \$52,495,381, with a State's estimate of 56,978,887, leaving the
17 -- we've been -- the bids have come under the State's estimate
18 by 4,483,498, or 7.9 percent. So we are still seeing good
19 pricing, and that's good news. We can put that money back into
20 the program.

21 The first project that needs some explanation is
22 a local project in the city of Avondale. This was to install
23 fiber optic cable and conduit. The low bid was \$502,807. The
24 State's estimate was \$625,660. The project came in under the
25 estimate by \$122,853, or 19.6 percent.

1 Where we saw the difference was in the conduit.
2 We got much better pricing in conduit and fiber optics. One of
3 the things the fiber optics companies have been doing is you can
4 pay for it up front, and you did that at a premium, and that's
5 what we were seeing. They'd stopped doing that. It's first in,
6 first out. But in this case, when they can get their conduits
7 at better price, so we saw that -- it didn't pay for the risk.
8 So we have reviewed the bids. The department believes the bid
9 is reasonable and responsive, and would recommend award to J.
10 Banicki Construction, Inc.

11 CHAIRMAN LA RUE: The Board would entertain a
12 motion to accept and approve staff's recommendation to award the
13 contract for Item 9A to J. Banicki Construction, Inc. Go ahead.

14 MR. SELLERS: Move for approval.

15 CHAIRMAN LA RUE: We have a motion by Board
16 Member Sellers. A second?

17 MR. CUTHBERTSON: Second.

18 CHAIRMAN LA RUE: A second by Board Member
19 Cuthbertson. Any further discussion?

20 All those in favor, signify by saying aye.

21 BOARD MEMBERS: Aye.

22 CHAIRMAN LA RUE: Any opposed? That item's
23 approved.

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

25 Item 9B, this is a project on Interstate 40, and

1 if you remember last month, we deferred this project. The local
2 bidder at the time, Show Low Construction, came to us and said,
3 we made a clerical error in our bid. We worked with them,
4 reviewed it. We saw where their clerical error is and do
5 recommend that we release them from their bid.

6 With that, the new low bid would be 744,619.13.
7 The State's estimate was \$1,196,498.58, leaving the bid under
8 the State's estimate \$451,879.45, or 37.8 percent under the
9 State's estimate. The low bidder -- this is a rock scaling and
10 rock excavation job. The low bidder actually had property right
11 next to the roadway. So they wouldn't even have to truck the
12 material away. They're going to break it down, and either
13 bringing with loaders or just push it into the property, and
14 could use it for future work. So we saw very good pricing. So
15 the recommendation is to relieve Show Low Construction --
16 release them from their bid, and then go forward and -- let me
17 start that over.

18 The department believes that the bid from Show
19 Low Construction should be released due to a clerical error. We
20 have reviewed the second low bid, and the department believes
21 that it is a reasonable and responsive bid and would recommend
22 award to FNF Construction.

23 CHAIRMAN LA RUE: Thank you.

24 The Chair would entertain a motion to accept and
25 approve staff's recommendation to withdraw the bid of Show Low

1 Construction and award the contract for Item 9B to FNF
2 Construction, Inc.

3 And I think Floyd was -- did I -- was that
4 Mr. Teller making a motion?

5 MR. ROEHRICH: Mr. Teller -- I did not hear
6 anything, but Mr. Teller, did you make a motion to award the
7 project?

8 MR. TELLER: No, I did not.

9 CHAIRMAN LA RUE: Do we have a motion as the
10 Chair put out?

11 MR. STRATTON: So moved.

12 CHAIRMAN LA RUE: I have a motion by Board Member
13 Stratton. Second by Board Member Hammond?

14 MR. TELLER: Second.

15 CHAIRMAN LA RUE: Hammond? Oh, I think I heard a
16 second by Board Member Teller.

17 MR. ROEHRICH: Second by Mr. Teller.

18 CHAIRMAN LA RUE: There we go.

19 MR. TELLER: Thank you.

20 CHAIRMAN LA RUE: Thank you.

21 All those in favor, signify by saying aye.

22 BOARD MEMBERS: Aye.

23 CHAIRMAN LA RUE: Any opposed? All right. Any
24 opposed? The ayes have it.

25 MR. HAMMIT: The last project, Item 9C is on U.S.

1 70. This is a sidewalk and pedestrian bridge. The low bid was
2 \$855,555. The State's estimate was \$631,761.75. The State's
3 estimate was -- the bid was over the State's estimate by
4 \$223,793.25, so 35.4 percent. In reviewing the bids, we saw
5 that we underestimated the work involved in doing the drilled
6 shafts. There's a possibility of water. We estimated more of a
7 dry hole. We have reviewed the bids and believe that it is a
8 responsive and responsible bid and would recommend award to C S
9 Construction, Inc.

10 CHAIRMAN LA RUE: The Chair would entertain a
11 motion to accept and approve staff's recommendation to award the
12 contract for Item 9C to C S Construction, Inc. Do I have a
13 motion?

14 MR. STRATTON: So moved.

15 CHAIRMAN LA RUE: Motion by Board Member
16 Stratton. Do I have a second?

17 VICE CHAIR BEAVER: Second.

18 CHAIRMAN LA RUE: Second by Board -- the Vice
19 Chair, Ms. Beaver. Do I have any further discussion?

20 The only thing I noted is the first two contracts
21 we saved a lot of money, and Steve, on this one --

22 UNIDENTIFIED SPEAKER: (Inaudible.)

23 CHAIRMAN LA RUE: We'll let that go. No further
24 discussion?

25 Any -- all those in favor, signify by saying aye.

1 BOARD MEMBERS: Aye.

2 CHAIRMAN LA RUE: Any opposed?

3 No opposed. The ayes have it. Thank you.

4 Item No. 10.

5 MR. ROEHRICH: Again, Mr. Chair, members of the
6 Board, Item 10, this is the time of year we start establishing
7 next calendar year's meeting dates and locations so staff can
8 start coordinating specific facilities and any other necessary
9 actions related to that. So what we have presented in front of
10 you is the -- a draft that has been reviewed by Mrs. Beaver. It
11 has been presented by staff. There are some obvious points in
12 there I do want to make out and some further discussions -- or I
13 want to point out. First off, you're going to see, again, a
14 break in August, although at that time -- Mr. Teller, did you
15 have a comment?

16 MR. TELLER: No, I do not.

17 MR. ROEHRICH: At that time, though, if you
18 remember, we will probably do a telephonic award like we did
19 last time of all construction projects so it's a very short
20 meeting.

21 In addition, you'll see the four study sessions
22 again centered around the study session in January to get
23 prepared for the tentative program. The study session in May,
24 that kind of reviews all of the comments from the public here
25 and any final comments from the Board on a tentative program so

1 it could be approved in June. And then a further discussion,
2 study topics that may address any other transportation issues.
3 So we tentatively set meeting -- board -- study sessions in
4 August and October.

5 In addition, you'll see the locations there. We
6 go to all of the Board districts during the course of the year,
7 some of them multiple times.

8 And I do want to point out that you'll see in
9 January the Rural Summit, as Mr. Bridges had talked about.
10 You're also going to see the second Rural Summit in October, and
11 it's the intent of the Rural Summit planners is to start moving
12 -- is not to start -- starting next year to move that summit
13 once a year again, but do it in the fall -- which is why they're
14 doing it twice next year -- but do it in the fall from there on
15 so they can develop a comprehensive legislative package that
16 they can take to the legislature before they're in session, as
17 opposed to trying to do something when they're in session.

18 And as (inaudible) pointed out, by previous board
19 chair Mr. Husted, that does then bring a point of if October is
20 the month where the Board would want to continue having the
21 reunion, the idea is would you do that here, or would you try to
22 do it in conjunction to wherever the Rural Summit is, or do you
23 want to consider moving that to another time?

24 So at this point, Mr. Chair, members of the
25 Board, I'm presenting to you these Board locations and dates.

1 Again, the dates being traditionally the third Friday of the
2 month for our discussion.

3 CHAIRMAN LA RUE: Thank you, Floyd.

4 Deanna, do you want to start us on this?

5 VICE CHAIR BEAVER: Chairman La Rue, there was no
6 slight intended with regard to Wickenburg, even though I
7 competed against them when I was in high school. So that's
8 (inaudible).

9 CHAIRMAN LA RUE: It still carries over, huh?

10 VICE CHAIR BEAVER: There was no slight, because
11 my mother graduated from Wickenburg High School.

12 CHAIRMAN LA RUE: Well, there you go.

13 VICE CHAIR BEAVER: So, you know, they're -- you
14 know, moms are important.

15 But the reason that both Rural Transportation
16 Summits -- Mr. La Rue and I were approached last year at the
17 study session held down in Phoenix. I believe it was August,
18 wasn't it? And they were asking at that time to make the
19 adjustment. Well, because everything was pretty much set, our
20 discussion was that we didn't want to change the schedule for
21 this year. So in order to make this adjustment, the only way
22 that we could see was to go ahead with the Rural Transportation
23 Summit that's going to be held in January, and then make an
24 adjustment for October, where it appears that there -- well,
25 there would be two Rural Transportation Summits held in the same

1 year in order to make that annual adjustment.

2 With regard to the schedule as it is, the two
3 areas that had been committed, Mr. Roehrich and I met up in
4 Kingman, and at that time, the Kingman mayor had made a personal
5 request that we hold one of our meetings in his community, and
6 it has been some time since one was held in Kingman, and I would
7 like to honor that.

8 The other one was Board Member Teller made a
9 similar request at a study session, if we could hold a meeting
10 up in his area, and the only request I made at the time was it
11 not be held in the middle of winter when there's snow deep up
12 there. And so those are the two that I feel strongly about
13 keeping in the schedule. The others, Tucson, Flagstaff,
14 Phoenix, those are pretty much set. We can't do too much
15 variance from that.

16 I'd ask that our December meeting, which is
17 traditionally held at the Board chair's home base, be altered to
18 Phoenix. I just -- it is very difficult for me to ask people in
19 the middle of the holiday season to have to come clear across
20 state. So it seemed logical to have it in Phoenix. And Mr.
21 La Rue and I both have served on the Board at the same time, and
22 so I think it would be appropriate to have that in Phoenix.

23 With that said, the two that there might be some
24 flexibility, I know it will be difficult for the communities,
25 but February 17th in Benson or July 21st in Florence. The

1 others, I don't see that we can have much flexibility on. And
2 now I leave that for the rest of you to discuss.

3 CHAIRMAN LA RUE: Well, so before we open it up
4 for discussion, Ms. Beaver, I mean, this is really your topic
5 and agenda. So, you know, I think if you feel strongly, make a
6 recommendation, or if you want to hear from the other Board
7 members. But as far as the December one in Phoenix, I defer to
8 you. I mean, you know, whether it's Phoenix or whether it's
9 Wickenburg, I actually live halfway in between. So it's pretty
10 close either way for me, but this is really your -- you know,
11 your leadership and your agenda. And while you're thinking
12 about that, I mean, I'll open it up to -- if a Board member has
13 a comment.

14 Steve.

15 MR. STRATTON: I appreciate your explanation and
16 agree with what you're saying with the locations. It's very
17 important that we travel around the state. I do, however, feel
18 very strongly that in some month, not particularly October, in
19 some month, we hold the tradition of Wickenburg and the past
20 Board members' reunion. I've been following these boards around
21 for many years, as you know, Mr. Chairman, and as I saw eight
22 past chairmen last night and broke bread with them and shared
23 drink, many of them -- all of them were my past -- or current
24 friends, past chairmen. I feel strongly that we need to hold
25 the tradition somehow, even if it means adding an additional

1 meeting in August rather than taking a break. I don't know
2 quite how we want to accommodate this, if -- or if you do, but I
3 -- I don't want to slight any other community, but I feel very
4 strongly that we need to hold tradition.

5 CHAIRMAN LA RUE: Let me respond just a second.
6 So Steve, do you think the tradition of having Board -- past
7 Board members gather, which I absolutely agree and have been
8 very supportive, necessarily has to be directly tied to
9 Wickenburg, does that matter, or can it be tied to the Rural
10 Summit? I mean, you know, what's your thoughts?

11 MR. STRATTON: Mr. Chairman, I think that the
12 Rural Summit is exactly what it says it is, and I think our
13 attention needs to be focused with the Rural Summit. I think
14 that what past chairmen have expressed to me, Wickenburg is an
15 important place to continue. As you know, Rusty is a past Board
16 member.

17 CHAIRMAN LA RUE: Yeah.

18 MR. STRATTON: He's a very gracious host to us
19 and allows a tremendous rate so that the Board can keep coming
20 here.

21 CHAIRMAN LA RUE: No. That's a good point. I
22 just wanted your influence on the Rural Summit, because you're
23 right. That's a very important summit. It's one that needs to
24 be focused in all of those things.

25 MR. STRATTON: Absolutely.

1 CHAIRMAN LA RUE: I appreciate that input.

2 MR. STRATTON: I don't think that October is the
3 date for the past chairmen, or the month. I think any
4 particular month would be okay with them. I think -- I know
5 that Wickenburg is a focal point, though.

6 CHAIRMAN LA RUE: And I think the challenge with
7 December, even though I suggested it, is it's the Chair's
8 prerogative to try to have it in their home court, and so, you
9 know, that's problematic, is if we do it this year, the next
10 year or the year after, the Chair is going to have the issue,
11 well, what do I do now, because my home court might be Safford,
12 not Wickenburg. And so I think December, that makes it very
13 problematic.

14 MR. HAMMOND: You know, maybe a suggestion is we
15 defer this agenda item and try to work it out over the next, you
16 know, 30 days, because I -- I mean, I agree with everything you
17 said. This is a wonderful place. But there's also another
18 moving part. If we go to December, it might be peak season for
19 this particular resort, and I don't think -- I think they get
20 more than the ADOT reimbursement rate for these things. So I
21 mean, there's a lot of moving parts here. It doesn't have to be
22 in October. It doesn't have to be in Wickenburg. It sounds
23 like we'd like it to be all here, but there's just -- it seems
24 like we've got a little bit of time to work this out, and not
25 the least of which is accommodations, if we pick a different

1 time than October if we want to do it in Wickenburg.

2 CHAIRMAN LA RUE: Can we hold off a month?
3 Floyd?

4 VICE CHAIR BEAVER: Well, I would just like to
5 make a comment. It's my understanding that, if I'm correct,
6 Mr. Sellers, that the owner of the facility that we stay at has
7 said November would be possible. I don't have a problem with
8 adjusting moving Kingman to one of the other communities and
9 bumping one of the other communities for this calendar, and then
10 would hope graciously that whoever follows, the next would pick
11 up that bump.

12 But possibly if we were to decide to go with the
13 November month as being the month where it was held in
14 Wickenburg, I think part of the problem with the facility is
15 they're closed, and they reopen, and so we don't want to get in
16 their peak season, as well as there's other times of the year
17 when they're closed. So November sounds like there is strong
18 possibility for Wickenburg, and then possibly making an
19 adjustment and bumping Florence in July, and moving Kingman to
20 that month. Florence is important, though.

21 CHAIRMAN LA RUE: And pick up -- pick up Florence
22 (inaudible). And then keep in mind that sometime the Rural
23 Summit will be here in Wickenburg, so that's going to change
24 that year. And so you'll -- somebody will have to deal with
25 that. So is it -- are you --

1 VICE CHAIR BEAVER: So what --

2 CHAIRMAN LA RUE: -- making a motion to accept
3 this --

4 VICE CHAIR BEAVER: -- my proposal would be --

5 CHAIRMAN LA RUE: Okay.

6 VICE CHAIR BEAVER: -- to accept the schedule
7 with these changes. For July, move Kingman to that. For
8 November, replace Kingman with Wickenburg, and keep the
9 remainder the same.

10 CHAIRMAN LA RUE: We have a motion with the
11 schedule, as you've heard. Do I have a second?

12 MR. HAMMOND: I'll second it.

13 CHAIRMAN LA RUE: We have a second by Board
14 Member Hammond.

15 MR. HAMMOND: Curious if staff has any comment on
16 it.

17 CHAIRMAN LA RUE: We'll let Floyd make any
18 discussion if you like.

19 MR. ROEHRICH: Mr. Chair, I just want to go back
20 to your comment: Could this wait a month? Yes, it could wait a
21 month, because I'm expecting you're not going to change the
22 Rural Summit in January. So we can start the coordination at
23 least with the first month. I wouldn't want to wait too long,
24 because we do need to get in there and start locking down with
25 these communities, but I don't see any problem if you wanted

1 more time to discuss this.

2 I also don't see a problem with making the
3 changes you want today and then we adjust later on as we also
4 know more information. This -- even though approved, it is --
5 we can modify. The Board has the right to modify it as the year
6 goes on.

7 CHAIRMAN LA RUE: Any further discussion? I'll
8 defer to the Vice Chair. You want to call for the motion?

9 VICE CHAIR BEAVER: Yes, Mr. Chair.

10 CHAIRMAN LA RUE: So all those in favor, signify
11 by saying aye.

12 BOARD MEMBERS: Aye.

13 CHAIRMAN LA RUE: Any opposed?

14 Mr. Teller, I think I heard him, so it's
15 approved.

16 Next item, Item 11, is suggestions for a future
17 Board meeting.

18 Oh, did you have something?

19 MR. ROEHRICH: Well, Mr. Chair, just starting off
20 the suggestion, I did want to make a couple comments, especially
21 about the study session, if I could.

22 CHAIRMAN LA RUE: Please.

23 MR. ROEHRICH: So in consideration of the next
24 meeting in November, before that we had a study session November
25 1st. We've been tracking that, three items as part of that, and

1 we were struggling with getting together substantial information
2 to really have a discussion at that time to bring all the Board
3 members together. So I talked with both the Board chair and the
4 vice chair of canceling the November study session, but
5 continuing to track the items.

6 The items were the Interstate 17 corridor and
7 CYMPO's presentation and discussion of taking our concept of a
8 reverse lane and looking at a potential toll. We've been
9 studying that from a toll perspective. We've also been studying
10 some other improvements from a toll perspective, but we weren't
11 prepared to really have that discussion.

12 In talking with Mr. Bridges and Mrs. Beaver on
13 that, we've given consideration that that topic would be a good
14 topic to have during the Rural Summit, and then follow on topic
15 during the course of the year as we gather and get our
16 information together on any potential toll viability or any
17 other discussion on its -- exactly what the improvements of I-17
18 would be. And that could be a focus of a discussion as we go
19 into next year's programming cycle, just like last year, State
20 Route 189 dominated a lot of our discussion. This year we could
21 make I-17 part of that, as long as other corridors. But I've
22 given us more time, and jumping off from the Rural Summit allows
23 us to gather more information. So we felt that that topic
24 needed a little bit more time to be developed.

25 The other topic was discussion of the open range

1 law and BLM's land management, and then as well, ADOT's
2 accommodations -- or ADOT's work that they -- that we do in
3 association with that to protect our right-of-way through the
4 fencing and other things. Again, that was an issue that we felt
5 needed more time to discuss. We obviously needed more time to
6 coordinate with BLM if we want to make that a topic. So in
7 talking with Mrs. Beaver, we're going to put together a little
8 informational packet on those activities and ADOT's associated
9 operational activities, send them to the Board members to
10 review, and then pick that up as another item potentially later
11 on early next year or in another time frame.

12 Then the third item was Mr. Teller's request to
13 do -- to look at the Navajo study that they're conducting as a
14 bypass road to State Route 89 north of Flagstaff, through a new
15 TI at Twin Arrows, and then a continuation on north (inaudible)
16 to Cameron. We've been trying to coordinate that, and just this
17 morning, Mr. Teller said that they're preparing to start
18 scheduling a time to discuss that. But I felt that if that was
19 the only topic for a study session on November 1st, I don't see
20 the value of bringing everybody together for that. We can
21 schedule that another time, maybe even at another Board meeting,
22 and just one topic added in related to the activity that had
23 been going on.

24 So with that, we've -- talking with the Board
25 chair and vice chair, going to cancel the November 1st study

1 session, but we are tracking these topics that will bring them
2 in through the course of the next year as we develop agendas and
3 topics and bring those issues forward. So I just wanted to make
4 sure that, Mr. Chair, that we communicated that. And then from
5 there, now, any other topics or additional items that you would
6 want for future Board agendas?

7 CHAIRMAN LA RUE: Thank you. Any Board member --

8 MR. HAMMOND: This is more just a general comment
9 on the study session. You know, it seems like P3s are -- maybe
10 their time has come, and I think we ought to have at the study
11 sessions brief updates on best practices, especially in there --
12 how all these moving parts work together in concert so that at
13 the end, the State gets the best -- you know, kind of the best
14 deal, and the private sector gets their best shot and all of
15 those kinds of things. I think I've attended three P3
16 conferences in the last six months, and this whole process seems
17 to be developing rapidly as relates to the state of Arizona.

18 MR. ROEHRICH: Mr. Chair, Mr. Hammond, we're
19 getting a lot more interest, obviously. There's -- commerce
20 authority's been involved in some things, other industry
21 partners. So we'd be very much prepared to bring in a
22 discussion on that, and we can just find the time in November,
23 December or early next year. But we can update on where our
24 program's at, what we've been focusing on and where we see it
25 going as we look to the future of transportation funding and

1 implementation.

2 CHAIRMAN LA RUE: That might be worthy of the
3 January study session, given we're going to talk about the next
4 cycle, and P3s are important. I think it's been a couple years
5 since we've had some deeper dive into P3s -- I think it was
6 Gail. Gail --

7 VICE CHAIR BEAVER: Uh-huh. Yeah. It was a
8 couple years ago.

9 CHAIRMAN LA RUE: Right.

10 All right. Any other comments or suggestions?
11 Board Member Stratton.

12 MR. STRATTON: I think Board Member Hammond was
13 actually reading my mind. That is one of the things I wanted to
14 discuss.

15 MR. HAMMOND: I have that talent.

16 MR. STRATTON: As the P3s are becoming more
17 prominent in our discussions, I would like to be more educated
18 on our policies on solicited and unsolicited P3s and the time
19 frames associated with those. It does make a difference in some
20 of the decisions we make, if we solicit how long does it take,
21 or unsolicit how long do those take and such. So in addition to
22 Board Member Hammond's request on those, I would like to have
23 that as part of the discussion, also.

24 Another topic, and I don't believe this is so
25 much for a Board meeting, but I would like to bring to staff's

1 attention I've been approached by several cities and towns in
2 Pinal and Gila County about the traffic with the Renaissance and
3 the effect it has on their revenues, and I would like to see if
4 there's anything we can do with that traffic. And it doesn't
5 need to come to the Board. It's just something that multiple
6 jurisdictions have asked me about.

7 CHAIRMAN LA RUE: Can you handle that at a
8 district level? (Inaudible.)

9 MR. STRATTON: Yeah. Just for staff. I just
10 wanted to bring it up (inaudible) --

11 MR. ROEHRICH: Yeah. Mr. Chair, Mr. Stratton, we
12 deal with that every year, and we keep tweaking it, trying to
13 find a better way, because it's more and more popular. And
14 absolutely, we can continue those discussions. And, in fact, I
15 do believe as they get closer to that, our district starts
16 holding a little steering committee meeting. They bring all
17 those people together to figure out what to do, the county, the
18 city, everybody trying to deal with that traffic, because it can
19 get -- on the weekends it can be horrendous.

20 MR. STRATTON: Thank you.

21 CHAIRMAN LA RUE: Any other suggested agenda
22 items?

23 Hearing none, we'll move on.

24 MR. ROEHRICH: I just want to make sure.

25 Mr. Teller, is there any items that you see -- other than as

1 you've -- as we communicated this morning on the Twin Arrows,
2 the Cameron bypass, which we will schedule at a time as soon as
3 we can.

4 MR. TELLER: I appreciate that. I went ahead and
5 shared the recommendation from (inaudible) to postpone the
6 discussion to a later date. We are ready for that discussion,
7 and (inaudible) disclosure of our plans with our partners is
8 really critical to the defense of this project and this
9 consideration. So if we can't have (inaudible) November 1st,
10 then I would recommend that we share with the Board as well as
11 the ADOT and our partners, ACOG, on our plans and our
12 consideration for northern Arizona. Thank you.

13 CHAIRMAN LA RUE: Thank you.


14 (End of excerpt.)

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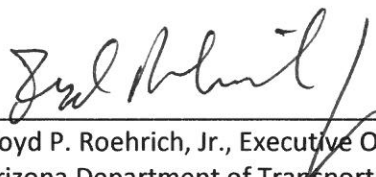
Adjournment

A motion to adjourn the October 21, 2016 Board meeting was made by Steve Stratton and seconded by Deanna Beaver. In a voice vote, the motion carries.

Meeting adjourned at 11:00 a.m. MST.



Joseph E. La Rue, Chairman
State Transportation Board



Floyd P. Roehrich, Jr., Executive Officer
Arizona Department of Transportation