

MINUTES
STATE TRANSPORTATION BOARD MEETING
9:00 a.m., Friday, December 16, 2016
City of Surprise
Council Chambers
16000 N. Civic Center Plaza
Surprise, AZ 85374

Pledge

The Pledge of Allegiance was led by Board Chairman Joe La Rue.

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 (arrived at 9:10am)

Absent: None.

There were approximately 50 people in the audience.

Opening Remarks

Chairman La Rue thanked everyone for attending and acknowledged his last meeting as Chairman.

Call to the Audience:

The following members of the public addressed the Board:

1. Roland Winters, Jr., Surprise Councilman, re: welcomed board to Surprise; congratulated ADOT on the Bell Road/Grand bridge, great job on a good project, under budget and on time.
2. Christian Price, Maricopa Mayor, re: update board on process moving forward with RTA to raise money, working closely with AZ League of Cities and Town and GPEC ambassadors to educate legislators on transportation issues; hopes for successful RTA on ballot in the next 6-8 months; congratulated ADOT on Surprise bridge; requested ADOT to inform public and businesses on Maricopa overpass project/disruptions just as they worked with the Surprise community.
3. Glen Kephart, Navajo County Public Works Director, re: support of US 60 and Penrod Road project on consent agenda, important for County to increase traffic capacity and safety and opportunity for development, thank board and department to move project forward; requested one modification to request final design to accommodate bicycles in the intersection; thanked Board member Teller for service to state and Navajo County, Navajo Nation, Hope tribe, White Mountain Apache tribe appreciates his efforts.
4. Scott Sinclair, resident in area, asked that his comments be summarized into the record by Floyd Roehrich; comments attached in minutes on next page, re: closure of Post Ranch Road by private land developer.
5. Brad Hagen, AZ Airports Association President, re: appreciation to board for support of state aviation fund and working through the recent grant deferral process for airports; thank Mike Kies and Mike Klein on great job communicating and coordinating with all airports on this difficult issue; significant outreach; Gladys Wiggins, Yuma airport director, asked to express Yuma's appreciation/thrilled working through their deferral process and that's been resolved; events coming up Aviation Day at the Capitol on Jan 17 and spring conference May 20, welcomed board to attend these events.

Comments on 12/16/16 by Scott Sinclair summarized into record by Floyd Roehrich, ADOT Executive Officer:

Hon Board members and staff, my name is Scott Sinclair and I am a Cochise County resident in Saint David, AZ. at 1275 S Lee St (Hwy 80). I am here to ask for your help and assistance to address the illegal August 2016 gating and closure of Post Ranch Road inside the Benson City limits by a private land developer. It is a Common Law Public road which is established at law by State Statute ARS 28-7041 sec (C) and used by the public in an unrestricted manner for well over 65 years (County Hwy Dept Central Files Map B21-8 Sheet 4, General Hwy Map). The City of Benson, in Council Resolution 23-94 identifies the road as being used as a "public roadway" and also indemnifies the City for use thereof. This Resolution has never been amended, changed or rescinded per recent City of Benson certification. There are also many examples of AZ case law that support the reopening of this road, the most notable is at the AZ Supreme Court level in Pleak vs. Entrada. This historic, public roadway runs a length of approx 4.4 miles and connects State Hwy 80 to State Hwy 90. It is a "primitive" road that has seen County/City maintenance, agency signing and ADOT paved aprons, cattle guards and even a dedicated turnout off of Hwy 90, all at tax payers' expense. It also provides public access to 2000 acres of AZ State Trust Land (via State Rec permit or hunting license). This vital road is identified and mapped (see poster board) for improvement and paving as a medium priority project in the 2007 Benson Small Area Transportation Plan, partially funded by ADOT. It is also mapped and discussed in the 2014/2015 Update to the Benson General Plan. Furthermore it is identified as a connector road in the Cochise County General Development Plan as well as being mapped in the 1966 ADOT Cochise County Road Atlas. It is also identified in the Cochise County Hazard Mitigation Plan by map. Emergency routes and connectors are a public concern and a recent SV Herald opinion piece states just why this would tie in to having this vital connector returned and reopened to the public as a traversable roadway.

Because of the very limited number of routes in this local area transportation network (I-10, Hwy 80, Hwy 90 and Post Ranch Road) that tie the area together, we feel that it is time for the public to address the Transportation Board for support in the efforts to get the City of Benson to have the gates taken down. We have reached out to the developer, Mr. Reinbold of El Dorado Benson LLC, the Benson City Council and City Eng, Mr. Brad Hamilton as well as multiple County and State agencies (Cochise County Board of Supervisor, planning and transportation, SEAGO, Game and Fish, State Lands Dept, State Senator Gail Griffin, the State AG office and now the Transportation Board). This issue has been in at least 8 issues of the SV Herald and the San Pedro Valley Sun. We have collected over 1000 signatures from the public demanding that the gates be removed. **THE GATES ARE STILL UP AND LOCKED.** Who in AZ has the PUBLIC DUTY to respond when tax payer dollars are used for studies, plans and signing/maintenance of a public road that the public now cannot access. Thank you for your time and we, the public, look forward to your assistance.

Scott and Cyndi Sinclair

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1 (Beginning of excerpt.)

2 CHAIRMAN LA RUE: Move on to Item 1, which is the
3 district engineer's report, and then we have Julie -- Julie here
4 this morning.

5 Julie, give us an update. Tell us what's going
6 on. Fill us in.

7 MS. GADSBY: That's what I plan to do.

8 Okay. Good morning, Mr. Chairman, members of the
9 Board. Julie Gadsby. I'm the assistant district engineer for
10 Central Construction, and we're just going to do a brief
11 overview of the projects.

12 (Inaudible.)

13 Okay. So first we want to thank Surprise for
14 inviting us down here. As you can see from the banner, we
15 recently just opened Bell Road, and I'll touch on that later in
16 my overview.

17 So currently, Central Construction has 27
18 projects under construction, 22 federally funded and five State
19 funded. As you know, we have the Loop 202 South Mountain
20 Freeway. Between overall construction cost this year
21 (inaudible) 1.19 billion.

22 This is just a tracking of our monthly estimates.
23 We separate South Mountain from the rest of the district,
24 because the estimates are so large, it skews our averages.

25 So milestones that we reached this last year, we

1 had the SR-51, the Black Mountain Boulevard that we administered
2 for City of Phoenix. Our first local government CMR went very
3 well. The Loop 303 El Mirage TI. The U.S. 60, Loop 303 TI just
4 down the road. Currently we're in the progress of completing
5 the Loop 303 landscaping project.

6 We've had numerous FMS installation jobs on I-17
7 and I-10. We just completed eight miles of paving on the Red
8 Mountain from Gilbert to Broadway. The I-10, we just completed
9 paving from Loop 303 to SR-85. The 101 general purpose lanes,
10 we just added a general purpose lane, ten miles, from the 202 to
11 Shea. Completed that this summer. And then the US-60 Bell Road
12 TI.

13 So Bell Road, even though we just made the
14 interim opening, it's still ongoing. We're about 87 percent
15 complete, and then there's just -- we've got a little bit of
16 ramp construction left, asphalt paving, sidewalk, and this lane
17 is concrete, and then to finish up with the landscaping and
18 paving.

19 US-60 Thunderbird, 64 percent complete. Mostly
20 just miscellaneous. A lot of the asphalt work has been done.
21 We just have minor asphalt paving, all the electrical, lighting,
22 traffic signals, and then wrap it up with the landscaping.

23 The Loop 303 I-10 Phase 2, about 54 percent
24 complete. If you drove here today on I-10, you'd see the
25 structure's ongoing. We're working on the Van Buren structure.

1 We're in the middle of the 303 doing our (inaudible), working on
2 (inaudible) lane and the frontage lane construction. Then we'll
3 wrap it up with the electrical FMS siding and the landscaping.

4 And then my baby is the South Mountain Freeway.
5 So I-10, you've recently seen us out there. We've started
6 stipend construction. Three of the stipends are in the way of
7 the TI, so we're going to get those out of the way and then
8 start working on the TI there.

9 We're also in the East Valley working on the HOV
10 construction between the San Tan TI and 48th Street. We'll
11 bring in drill shafts in the Salt River the third week of
12 January. Off site, we're actually making all girders and the
13 MSU panels fabrication, so we're also starting that mid-January.
14 And then after the first of the year, you'll see a push on Pecos
15 Road to start constructing the detour to allow us to build a
16 freeway offline.

17 So this next year, upcoming year, we've got
18 several projects. I-17, 19th Ave. to Dunlap pavement
19 preservation, and then all the ADA improvements that go along
20 with that project. I-10, I-17 to Dysart. It actually will
21 surround -- it will be a coordination between the work that
22 South Mountain will do. So you'll see portions of road are
23 completed until South Mountain is done in 2019. The 347 UPR
24 crossing will get underway. SR-88, the Apache Junction, so
25 we'll be out there (inaudible). And then several landscape

1 restoration projects. FMS projects, and about 30 local agency
2 projects.

3 CHAIRMAN LA RUE: Very nice. Questions of Board
4 members?

5 Julie, I want to say thank you on behalf of the
6 Board, and really on behalf -- this is my district in the West
7 Valley. These projects here that you've mentioned are very
8 important to us, very important to the region, very important to
9 the State, and I -- you know, a lot of people think I'm kind of
10 strange, but you know, on weekends I actually go out and drive
11 some of these projects, and some of that pavement preservation
12 things you've been doing, the roadway is driving really, really
13 nice, so... I don't do it during the week because it's pretty
14 congested, but on the weekend it's a little bit nicer. So, you
15 know, thank you.

16 And the Bell Road one is one that -- you know,
17 promises were made to get it underway in the off season from
18 spring training and the shopping, to get Bell Road open before
19 the shopping season, which ADOT did and fulfilled that promise,
20 which was huge here in the West Valley. And then the other one
21 was really to get out of the way of spring training, which
22 starts here in a couple months. Looks like you're well on track
23 for that.

24 So, you know, give our thanks to everybody, you
25 know, in the field and the crews and everybody in the district,

1 because it's -- that's a lot of work that's going on and, you
2 know, I don't think a lot of our motoring public realize the
3 amount of work that's happening right in this busy time and, you
4 know, it's pretty seamless. I mean, I'm out here a lot, and
5 it's -- you know, there's a little disruption now and then, but
6 for the most part, we're not inconvenienced. So I appreciate
7 that.

8 MS. GADSBY: Thanks. We try our best.

9 CHAIRMAN LA RUE: Steve.

10 MR. STRATTON: Mr. Chairman, I just wanted to --
11 I couldn't help but notice that you're showing the projects
12 that -- you're proving safety for the motoring public, but
13 they're also very aesthetically pleasing. I wanted to commend
14 the designers in the end product. It's very pleasing to the eye
15 as well as safe. Thank you.

16 MS. GADSBY: Thank you.

17 CHAIRMAN LA RUE: Thank you, Julie.

18 Let's go on to -- we have a guest in the
19 audience, so we'll go on to the next item. That's Director
20 Halikowski. Welcome. Yeah.

21 MR. HALIKOWSKI: You know, Mr. Chairman, this
22 time of the year is always a little bittersweet for me. I just
23 get used to working with the chairman, and now it's time for you
24 to go.

25 CHAIRMAN LA RUE: So it's more sweet than bitter?

1 MR. HALIKOWSKI: That last remark (inaudible).

2 Really I just wanted to give you a few remarks,
3 Mr. Chairman, because I think that it's a good time of year to
4 assess what we've done and where we're going and, you know, I
5 wanted to just thank you for your service. You were appointed
6 to represent Maricopa County in March 2012, but you haven't been
7 just focused solely on the Maricopa County region. You've put
8 emphasis really on the statewide transportation system, and
9 you've been dedicated to building and maintaining that system
10 for the future. And this is very personal, I believe, to all
11 Arizonans, but especially to folks like me in the department who
12 have dedicated our lives to furthering transportation and
13 transportation safety. So you've been a steady hand at the
14 helm, Mr. Chairman.

15 CHAIRMAN LA RUE: Thank you.

16 MR. HALIKOWSKI: And you've encouraged consensus
17 and collaboration, worked to acknowledge the plans and goals of
18 Arizona's local planning organizations and community leaders.
19 And under your leadership, the Board has committed to preserving
20 the existing state highway system with \$260 million per year
21 dedicated to preservation.

22 You focused on driving projects to improve the
23 key commerce corridors that connect Arizona to Mexico and other
24 international markets and national markets, and those are
25 trillion dollar markets that you're connecting us to. Several

1 notable accomplishments by the Board this year.

2 State Route 189 improvements in Nogales. I was
3 just there with the governor this week at a Fresh Produce
4 Association luncheon, and we met with four different groups
5 throughout the day. And the enthusiasm and interest by the
6 folks in Nogales for our commitment to trade with not only the
7 State of Sonora, but the rest of Mexico, was felt very keenly by
8 the governor. And they are very appreciative of the Board's
9 attention to the area, and especially SR-189.

10 So the improvements will be two years ahead of
11 schedule because of this board. Starting in 2019, the roadway
12 and interchange improvements to move this ever-increasing
13 international commerce through Nogales between Mariposa port of
14 entry and State Route 19.

15 The mayor of Maricopa was just up here. The
16 State Route 347 overpass. Long sought after Ray Road overpass
17 on State Route 347 in Maricopa. It's going to move forward
18 thanks to a 15 million federal TIGER grant and 15 million local
19 contribution, in addition to this Board and ADOT's \$19 million
20 commitment.

21 Quicker time line on our key commerce corridor
22 projects. Two stretches of US-93 between Wickenburg and
23 Interstate 40. Widening Interstate 10 in Pinal County from
24 State Route 87 from Picacho and from Earley Road to Interstate
25 8. And once the I-10 projects are completed, ADOT will have

1 reached its goal of widening the entire stretch of I-10 between
2 Casa Grande and Tucson to a six-lane divided highway. As you
3 know, there will still be challenges in the future as we look to
4 working with our partners on the Gila River Indian Community to
5 widen I-10 to its ultimate through that area.

6 Five I-10 interchanges, interchange projects in
7 Tucson. Projects continue to improve the flow of traffic
8 through the I-10 corridor in Tucson, including safe separation
9 of vehicles and trains. In the Phoenix region, Loop 202, South
10 Mountain Freeway, as Julie just mentioned. Preliminary work has
11 started, with \$973 million allocated in fiscal -- from fiscal
12 year 2017 to fiscal year 2019. On Interstate 10, 324 million
13 allocated from fiscal '19 to '21 for widening and other
14 improvements from near Phoenix Sky Harbor Airport to the Loop
15 202 San Tan in Chandler, including the congested Broadway Curve.
16 And Interstate 10 just south of Phoenix, 74 million allocated
17 for FY 2019 to FY 2021 for the construction of a general purpose
18 lane and HOV lane in each direction.

19 So I just want to say thank you, Mr. Chairman.
20 You have served this board with distinction. We look forward to
21 your service as a board member for another year, but I'd like to
22 thank all of the Board for your commitment and dedication. I
23 think that as you look at the magnitude of what you're moving,
24 in especially fiscally constrained times, we really are a model
25 for the nation in many ways in the way that we work together to

1 keep moving Arizona forward. There's still lots of work to be
2 done, so I look forward to working with all of you as we
3 continue to make Arizona the place to work, play and do business
4 in the future. So thank you, Mr. Chairman, for your year with
5 us.

6 CHAIRMAN LA RUE: Thank you. Thank you, John.
7 And, you know, I think I said a little bit last night, but it's
8 amazing this board transforms each and every one of us, because
9 you know, I kind of call myself -- you know, I'm from the cotton
10 patch, and if -- and I've been out here forever, and this was
11 all cotton, you know, many years ago. And you know, once you
12 get on this board, you actually travel around the state, and you
13 really get a full statewide perspective, and so it's truly
14 amazing. And so not only are we helping to transform the state.
15 We're really transforming each and every one of us to be broader
16 thinkers. And so I'm very appreciative of that opportunity
17 that's been provided to me.

18 So Board Member Hammond.

19 MR. HAMMOND: Just a comment. As one of the
20 newer Board members -- by the way, that event was fabulous last
21 night, Joe -- the cooperation among all components of -- from
22 the Board, through the senior staff to the ADOT staff and
23 (inaudible), I -- just in two years of seeing the cooperative
24 engagement that ADOT does when they put a project together. I'm
25 still waiting -- and it will happen, I'm sure -- for someone to

1 come up in a call to the audience to really beat us up on what
2 we've done, but in two years, I haven't seen it. Not that
3 everybody's happy with it, but they appreciate the effort to
4 accommodate, and when -- when not accommodated, they understand
5 the result that may not have been their particularly desired
6 result.

7 And I -- Mr. Halikowski, you are so spot on when
8 it talks about how the leadership through Joe has -- and from
9 the Board level -- continued that process of cooperation,
10 engagement, listening and respect for the process. I'm a person
11 that has very little process bones in me, but it's so important
12 in this endeavor. And the district engineers, everyone seems to
13 work overtime to make sure that everybody's listened to, and
14 it's a very, very functional organization, which in this era of
15 dysfunction is very refreshing. It's -- I really enjoy this
16 board, and it's for reasons because of Mr. Halikowski, Mr. La
17 Rue and the rest of the Board and your staff. So this is the
18 time of year to say that.

19 MR. HAMMOND: Thank you.

20 CHAIRMAN LA RUE: Thank you.

21 Any other comments from Board members? Director,
22 wraps up your report?

23 MR. HALIKOWSKI: That's it, Mr. Chair.

24 CHAIRMAN LA RUE: Thank you. Let's move on to
25 the consent agenda. That's been distributed in your packet.

1 Does any member wish to pull any item from the consent agenda?

2 While you're thinking about it, we did hear a
3 little bit about 3A, I think, in the call to the public and
4 about cooperation there. I don't necessarily think we need to
5 pull it, but I'm assuming staff took note of that and will
6 extend that cooperation to -- I believe it was Navajo County.

7 Having said that, the Board would entertain a
8 motion for approval of the consent agenda as presented.

9 MR. HAMMOND: I make a motion.

10 MR. SELLERS: Motion for approval.

11 CHAIRMAN LA RUE: We have a motion from Board
12 Member Hammond, a second by Board Member Sellers. Any further
13 discussion?

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

16 BOARD MEMBERS: Aye.

17 CHAIRMAN LA RUE: Any opposed? The ayes have it.
18 Consent agenda is approved.

19 We will move on to Item No. 4, the legislative
20 report, and Mr. Fathauer.

21 Floyd, you looked like you wanted to jump up and
22 say something.

23 MR. ROEHRICH: Well, I didn't see -- oh, there he
24 is. He didn't say anything. I was ready to start, Mr. Chair.

25 CHAIRMAN LA RUE: Yeah. I didn't want to say,

1 but Bill kind of strolled in a little late, so I -- I think it
2 was the rain. There's was the slick highways. He was driving a
3 lot slower.

4 MR. ROEHRICH: Thank you. His evaluation is
5 coming up.

6 CHAIRMAN LA RUE: Well, I think he was checking
7 his -- checking his iPhone on any last-minute legislative
8 updates.

9 MR. FATHAUER: Exactly.

10 MR. ROEHRICH: You don't know what's coming out
11 of Washington at any time of the day.

12 CHAIRMAN LA RUE: That's right.

13 MR. ROEHRICH: (Inaudible.)

14 CHAIRMAN LA RUE: He was checking Trump's tweets.

15 MR. FATHAUER: Chairman La Rue, members of the
16 Board, my name's Bill Fathauer. I'm the legislative liaison for
17 the Department of Transportation. I appreciate you -- I
18 appreciate you allowing me to speak today. But I just want to
19 give you a quick update on federal issues concerning our State
20 Department of Transportation.

21 Since our last -- since the last meeting in
22 Safford, we found out who the new -- who the new Secretary of
23 Transportation in the Trump administration is going to be. It's
24 going to be former Secretary of Labor Elaine Chao, who served as
25 Deputy Secretary of Transportation under the first Bush

1 administration from 1989 to 1991. Her appointment was generally
2 viewed positively bipartisanly in Washington and in Arizona as
3 well.

4 As I mentioned last time, the Trump
5 administration continue -- or the incoming Trump administration
6 continues to express interest in investing over a trillion
7 dollars into overall infrastructure spending during his term in
8 office. Lawmakers on both sides of the aisle in Washington, I
9 think, want to see more detail as to what that will look like.
10 I think there's elements of Washington that want to see that be
11 public investment through federal spending, and others who would
12 like to see it be more private sector oriented through
13 public/private partnerships or tax incentives to spur
14 investment.

15 In addition, he's proposed a tax reform policy.
16 It's going to give transportation advocates an opportunity to
17 address funding issues concerning the Highway Trust Fund, either
18 through a change in the current revenue sources or be it some
19 type of repatriation tax. Those are both the options.

20 The American Trucking Association has recently
21 named 11 logistic executives to a committee which will
22 brainstorm different potential sources of new funding for
23 highway and other infrastructure projects nationwide, and
24 they're expected to help the incoming administration come up
25 with sustainable future options for infrastructure project

1 funding going forward.

2 Just before the -- before their adjournment for
3 the year, the House and Senate approved a continuing resolution
4 to continue to fund federal obligations, including
5 transportation programs, at the fiscal year 2016 levels until
6 April 28th of next year, which -- upon which time they will have
7 to either continue it again or figure out a more permanent
8 funding solution.

9 Additionally, the NHTSA recently, I believe on
10 the 12th, earlier this week, held their second public meeting on
11 guidances for autonomous vehicle technology or for the
12 autonomous vehicle technology guidelines that it issued in
13 September that I mentioned at our last meeting. The first
14 meeting was held on November 10th and dealt with their 15-point
15 safety assessment, and the meeting this week covered the model
16 state policy and advanced -- discussed available regulatory
17 tools to allow that technology to be used on highways and roads
18 safely and effectively.

19 I wanted to give you a quick update as well on
20 state legislation. We have had our legislative (inaudible)
21 group by the governor, and I'll be passing copies of the draft
22 Omnibus bill that we'll be running this year. It has four
23 individual sections.

24 The first one is an element of a bill that we ran
25 two years ago that did not make it through the process, but it

1 effectively would allow the director broader authority to
2 privatize certain administrative and delivery of program
3 functions that the department does. We've done that in the past
4 with traffic survival schools, and hopefully by the next board
5 meeting, we'll have some specific examples of how the department
6 would use that broader authority in the future. It will make
7 for an -- a more effective partnership with the private sector
8 in delivering ADOT programs.

9 The second section deals with -- currently in
10 statute, when a person's license is suspended for whatever
11 reason, and they go to the court and make themselves right under
12 the law with the courts, their license is actually still
13 indefinitely suspended until they actually come in to an MVD
14 office and pay the \$10 re-instatement fee. That was a change in
15 the law in the early '90s to encourage greater compliance with
16 the reinstatement fee. It wasn't getting paid. But the problem
17 that changed the law created was that it effectively made it
18 more likely that people were going to be driving around on a
19 suspended license, because once they get done with their court
20 obligations, then most people naturally think that they're good
21 to go.

22 And now that that -- that driving on a suspended
23 license is class one misdemeanor, they're actually at risk of
24 substantial penalties, and in certain situations, could even
25 have their car impounded if they have other mitigating factors.

1 So given that we can, as we did in the past, collect that fee at
2 a -- at the time of registration or whenever they come in for
3 their next transaction at an MVD office, we felt like going back
4 to the way it was before the rule change -- or the law change in
5 the early '90s would prevent people from being put in that
6 precarious situation.

7 The third section deals with a section of statute
8 called HURF Maintenance of Effort. When the Highway User
9 Revenue Fund was created, one of the things that I think the
10 department noticed was that municipalities were taking that new
11 influx of State funding that they got from the drawdown from
12 HURF and were moving their own municipal revenue that they
13 normally spent on transportation purposes to General Fund
14 revenue or other purposes, and the state legislature did not
15 want them to use the new influx of state funding as an excuse to
16 not spend their own money on transportation purposes.

17 So a law was put into effect that effectively
18 would require them to maintain a certain level of effort, and
19 that level of effort was the average amount of spending from
20 about five -- a five-year period in the early to mid 1980s. And
21 as a lot of our cities and towns are increasing in population
22 and becoming -- meeting the requirements for having to report to
23 ADOT about their maintenance of effort, you're seeing a lot of
24 cities that weren't even -- some of them weren't even
25 incorporated when the -- in the early '80s when that span of

1 time they're required to maintain an effort, an average effort.
2 So you're seeing a lot of people having to report effectively
3 for spending more than zero dollars or spending more than this
4 infinitesimal amount of money. It's just a burden on cities and
5 counties to report something that's really an archaic
6 requirement.

7 And I'll wrap up real quick. I'll give you a
8 copy of the legislation.

9 Also, I'll give you a kind of brief overview of
10 what was presented to the State -- Surface Transportation
11 Funding Task Force. They were -- the department was asked to
12 provide different scenarios for different increases in
13 transportation funding sources. 50 percent increases of various
14 sources, and this will kind of give you a breakdown of what that
15 would mean in a year, a one-year increase in transportation
16 funding, as well as what it would mean over a 20-year estimate
17 for some, like, key commerce corridors purpose. And since I'll
18 provide you with copies of that, I won't take up any more of
19 your time, but I'm happy to answer any questions that you have.

20 CHAIRMAN LA RUE: Any questions?

21 VICE CHAIR BEAVER: Yes.

22 CHAIRMAN LA RUE: Vice Chair.

23 VICE CHAIR BEAVER: Chairman La Rue,
24 Mr. Fathauer, I had a question with regard to you talking about
25 legislation, and I know you were talking more state related as

1 opposed to federal related, but I'm getting back to the
2 privatization of rest areas. And I know we've talked about this
3 before, and there's federal law that says the eastern part of
4 the United States, evidently they were grandfathered in, but the
5 western side of the United States -- not necessarily that we
6 would do it, but for me, I would like it to be optional for us
7 to do it, and I don't know what the process is to get it --
8 evidently it's a Congressional-type action that's going to need
9 to be taken place in order to make that a reality, but I just
10 want to put that out there on the table that, you know, I
11 haven't totally given up on that idea, privatizing or at least
12 making it an option for us to consider at some point in time.
13 Thank you.

14 MR. HALIKOWSKI: Thank you. And if I could,
15 Mr. Chairman.

16 CHAIRMAN LA RUE: Yes.

17 MR. HALIKOWSKI: Thank you, Board Member Beaver.

18 This is something we've been, as you know, at the
19 forefront of for some years now. We tried to work with Chairman
20 Mica when they were talking about a transportation
21 re-authorization about privatizing rest areas, and they chose at
22 the time not to put that into the re-authorization. It's a
23 contentious issue with our truck stop operators. But the
24 governor has asked us to put a list of things together to share
25 with our delegation and the new administration of changes that

1 we would like to see. So this is one thing that we will
2 include, is this privatization of rest areas, because we felt
3 it's -- it's an unfair playing field when the east is allowed or
4 has been allowed to privatize and we have not. So it's
5 something we're going to be looking more into.

6 CHAIRMAN LA RUE: Any other questions of Board
7 members?

8 Thank you, Mr. Fathauer.

9 And I would -- remind Board members if there's
10 some legislative issues that you want deeper depth, reach out to
11 Floyd and things, because there's a lot going on there, and
12 we're covering it pretty briefly here. So feel free to reach
13 out to Floyd, and he can direct the appropriate staff member to
14 get the information.

15 One of the things you heard Mr. Fathauer mention
16 is the committee that's out there that's reporting this month,
17 I've asked Floyd and then when they do so to update us on that.
18 From what I'm picking up on in some of the articles, it's come
19 down to saying, "Wow, there's a lot of need out there. Big
20 mess, not enough funds." You know, kind of like we're not
21 certain what to do. So it's -- will be interesting to see what
22 actually comes out of that committee.

23 MR. ROEHRICH: Mr. Chairman, members of the
24 Board, absolutely. As soon as the Board -- as soon as that task
25 force comes out with the final report, we'll make sure to get

1 copies distributed to everybody. So you'll be able to see
2 what -- again, what the recommendation is. And then as it rolls
3 into the legislative session, as Mr. Fathauer had said, I'm sure
4 there will be some discussion going on, and whether the Board
5 chooses to participate or not, that will be up to your
6 discretion.

7 CHAIRMAN LA RUE: Thank you.

8 Anything else on that agenda item? If not, next
9 Agenda Item No. 5, financial report, Kristine Ward.

10 MS. WARD: Good morning.

11 CHAIRMAN LA RUE: Good morning.

12 MS. WARD: Mr. Chair, Board members.

13 So HURF, we are right on forecast. I am happy to
14 report that when this year is completed, we remain on forecast,
15 we will finally exceed 2007's revenues. Not everyone get happy
16 at once. So overall, we expect about 1.4 billion, a little over
17 1.4 billion for the year when all is said and done.

18 Gas and diesel were a little below forecast, and
19 diesel actually had negative growth in November. We're going to
20 check into that. We haven't got our port numbers yet for the --
21 you know, for the port activity, but that's something we're
22 going to be looking into.

23 November was a strong month for VLT. We had 11
24 percent growth in VLT in November.

25 Moving on to RARF, a little above forecast, but

1 within target. Moderate growth pretty much in all of our
2 primary revenue categories.

3 With regards to the federal legislation, we're
4 very happy to see that Congress chose to continue funding
5 through April 2017 and took us right up to the last minute
6 there. It expired on the 4th, and I think we got it a couple of
7 days -- got signed a couple of days later; however, they did
8 delay the funding increases that were built into FAST, but we
9 expect those increases to be -- to come in when they deal with
10 it before the April expiration. That's about \$15 million worth
11 of federal funds that are -- that we are not going to have
12 access to until towards the end of the year.

13 And my final comments, the Aviation Fund, with
14 regards to the Aviation Fund and those deferred payments, we are
15 estimating that we will have all the deferrals caught up, those
16 payments caught up by about mid-March.

17 CHAIRMAN LA RUE: Very nice.

18 MS. WARD: So we should get back on track.

19 CHAIRMAN LA RUE: Very nice.

20 MS. WARD: That concludes my presentation. I'll
21 be happy to take any questions.

22 CHAIRMAN LA RUE: Questions of Board members?

23 MR. HALIKOWSKI: Mr. Chairman, if I could.

24 CHAIRMAN LA RUE: Yeah.

25 MR. HALIKOWSKI: Sorry to spring this on you, but

1 we've gotten a few letters from some of our transportation
2 partners about HURF swap.

3 MS. WARD: Uh-huh.

4 MR. HALIKOWSKI: Could you just briefly mention
5 our efforts there?

6 MS. WARD: Yeah. Yes. We are in the midst of
7 reconstructing that program and developing the policies
8 associated with it. We've been meeting with -- internally quite
9 a bit to vet that policy out. And so what we are estimating now
10 and what we discussed at our most recent resource allocation
11 meeting is implementing that starting in the next fiscal year.
12 Assuming all the revenues stay on track, we would estimate the
13 first projects in this next federal fiscal year. So that would
14 be October 1 of 2017.

15 MR. HALIKOWSKI: So we're working with the
16 governor's budget staff, Mr. Chairman, to ensure that we've got
17 stability of funds to make sure we can bring this program back
18 successfully and sustainability.

19 CHAIRMAN LA RUE: Excellent. Very nice.

20 Board Member Teller.

21 MR. TELLER: Thank you, Chairman La Rue.

22 On the Aviation Fund payments made -- will be
23 made by mid-March, how many payments will that be, and how many
24 airports will be receiving their reimbursements?

25 MS. WARD: Mr. Chair, Board Member Teller, I do

1 not have the specific numbers of how many payments that is, but
2 I will get that for you promptly.

3 MR. TELLER: Okay. Thank you. I appreciate it.

4 MS. WARD: And the amounts. I believe we're
5 talking about -- in terms of dollar figures, we're talking
6 another couple of million dollars of deferred.

7 MR. HALIKOWSKI: We could bring either Mr. Kies
8 or Mr. --

9 MR. KIES: Mr. Klein.

10 MR. HALIKOWSKI: -- Mike Klein up.

11 CHAIRMAN LA RUE: Your choice.

12 MS. WARD: (Inaudible.)

13 MR. KIES: The total aviation grant deferrals was
14 added up to 5.7 million. So what Kristine is reporting is that
15 we anticipate that all of those payments will be made by the end
16 of March.

17 MR. TELLER: I have a follow-up question.

18 CHAIRMAN LA RUE: Yes.

19 MR. TELLER: Thank you, Chairman.

20 Are those processed by first come, first served
21 or --

22 MR. KIES: Yes. We've been -- do you want to
23 take that one?

24 MS. WARD: Yeah. Excuse me. All of the
25 payments, the very first ones that we've received requests for

1 reimbursements are the very first ones that are being mailed
2 out. So we are taking them in a first in, first out. The Yuma
3 payment that is the one that was referenced earlier, that is
4 actually going out today, and I believe that was in the
5 one-and-a-half million dollar range.

6 MR. TELLER: Thank you very much.

7 CHAIRMAN LA RUE: I think that's good news. I do
8 remember some discussion before on the first in, first out. Do
9 we try to do a percentage? But I think staff said, "We're going
10 to catch this up fairly quickly, and with this next cycle of
11 revenue coming. Let's just do it under what we've been doing
12 and get it cleaned up." So I view all that as very positive.
13 So thank you.

14 MS. WARD: Thank you.

15 CHAIRMAN LA RUE: Excellent. Any other questions
16 on the financial report?

17 If not, let's move on to the Multi-Planning
18 Division report, Item 6. Michael Kies.

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

20 I do have one item to report to you on the
21 Multi-Modal report. As you recall, last year we took the effort
22 to submit a FASTLANE grant submittal to the federal government
23 looking to request additional federal funds, and were awarded
24 that grant for \$54 million that this board worked to look to
25 accelerate it to widening projects on Interstate 10.

1 The federal government has opened up applications
2 yet again for another FASTLANE grant submittal. Yesterday we
3 did submit a second request for FASTLANE grant. This time it's
4 an ask for \$40 million of additional federal aid. That would
5 support widening Interstate 10 between Verrado Way and State
6 Route 85, west of the Phoenix metro area.

7 And also I couple that with what we're calling
8 "smart truck parking," which is from California to New Mexico,
9 we would implement a ITS, or intelligence transportation system,
10 that notifies truckers as they're traveling across our state how
11 many parking spaces are currently available in our rest areas
12 and what the approximate travel time would be to get to that
13 rest area, so they can plan their trip according to federal time
14 constraints.

15 So with that, I would ask for any other -- any
16 questions on my report.

17 CHAIRMAN LA RUE: Very nice. Any questions on
18 the Multi-Modal?

19 VICE CHAIR BEAVER: Chairman La Rue, I would just
20 like to ask, with regard to this, it sounds interesting. Are
21 they going to be adapting it to where there's an app on the, you
22 know, individual truck driver's phones and, you know, where
23 anyone can download an app and --

24 MR. KIES: Yes. Yes.

25 MR. HALIKOWSKI: Let me -- because I've had some

1 communication Mike may not be aware of.

2 As we're looking at this, there are other states
3 that already put up digital signs, if you will, to estimate time
4 to travel to the next rest area. Some will go so far as to
5 report spaces available. But in communication I've had with our
6 Arizona Trucking Association, there is concern that actually
7 what we need, perhaps before the technology, is additional
8 parking spaces. So we're looking at that. However, as you
9 know, Board members, there is a cost to purchase the land and
10 construct those. So we need to see if that is something we'll
11 bring back to you in the future.

12 The other thing is that they stated pretty
13 clearly that their policy is they don't want their drivers
14 looking at cell phones while they're operating the vehicle. So
15 there may be other technologies that we would employ in order to
16 be able to do that, but whether or not we do an app at this
17 point, we'd have to take those safety considerations into
18 account as to whether we put it on the cell phone.

19 CHAIRMAN LA RUE: Board Member Hammond.

20 MR. HAMMOND: Just a question. I know the
21 discussion of autonomous vehicles is out there. But they say
22 this industry, the trucking industry, may be the first affected,
23 which would affect truck stops, you know, freeway services, on
24 so many things. And how do we input that in so we don't put
25 infrastructure out there that becomes somewhat obsolete in four

1 or five years.

2 MR. HALIKOWSKI: So Mr. Chairman, Board Member,
3 what you'll, I think, see is more of an evolution of assist
4 devices, whether those are lane changing warning devices,
5 braking assist, tire inflation devices, brake devices that tell
6 you whether your brakes are working or not. And we've done
7 surveys in the past with various private companies, and what
8 we've found is that probably 90 to 95 percent of the trucking
9 companies out there own five trucks or less. So there's a real
10 cost break point as to what technology they'll want to put onto,
11 say, small fleets versus very large ones. So I think your early
12 adopters will probably be larger fleets.

13 But as we look at technology, we need to work
14 closely with the industry, because we want this to be, I would
15 think, somewhat seamless from state to state so that you are
16 using the same things between states that are familiar to the
17 industry. And to that end, we formed what we call the I-10
18 Corridor Coalition with Texas, New Mexico and California. And
19 our goal is to look at the I-10 corridor -- we've got our
20 charter done already with the four states -- and work together
21 to determine what technology we put in on the I-10 corridor with
22 the states working together.

23 So these are issues we're facing as to what will
24 the industry purchase first based on its cost. Will they be
25 more self-assist devices? What will they want us to put on

1 electrically, whether that's in the form of an transponder or an
2 app, and those are things we continue to work out.

3 So the purpose of having the four states together
4 is to ensure that we're not shooting off in one direction, and
5 maybe California and Texas are adopting different technologies.
6 In the future, we've had interest and hope to expand that to the
7 states of Mississippi, Alabama and Florida. We want to mimic
8 the I-95 Corridor Coalition in the east, and basically provide a
9 seamless ride, if we can, for our trucking industry.

10 CHAIRMAN LA RUE: Any other -- Board Member
11 Teller.

12 MR. TELLER: So is this smart truck and ITS going
13 to be I-10 or I-40?

14 MR. HALIKOWSKI: I believe you have I-10 and
15 I-40.

16 MR. KIES: This FAST grant submittal is only for
17 I-10.

18 MR. HALIKOWSKI: I thought I saw I-40.

19 MR. KIES: But it is a concept that's catching on
20 nationwide, and there could be that day that, you know, all the
21 corridors have -- as the director said, have a similar system
22 that truckers can get information uniformly on all the
23 interstate routes.

24 MR. TELLER: So for our corridor in northern
25 Arizona, I-40, is there a schedule on an anticipation for a

1 testing up there to include into this I-10 corridor ITS?

2 MR. KIES: Not at this time. We're taking
3 advantage of this opportunity to submit for a FASTLANE grant.
4 The primary project is the widening of I-10, and we felt it was
5 -- it coupled well together to put the truck parking scheme with
6 the I-10 project so that the federal government would see that
7 we're focusing some attention on one key freight corridor. But,
8 you know, if this is successful, then it would be a model to
9 expand to other corridors.

10 MR. TELLER: As a common user of I-40 as of late,
11 from Window Rock to Flagstaff for this morning, I find that the
12 billboard's very helpful. It is informative. So I anticipate
13 the warning signs and the -- issues up ahead. So, you know, it
14 is -- it is helpful for a traveler on that corridor, like myself
15 (inaudible).

16 MR. KIES: Right.

17 MR. TELLER: So yeah, it is useful. Thank you.
18 Appreciate it. Appreciate it.

19 CHAIRMAN LA RUE: Any other final questions?
20 Hearing none, Mike, take us on into PPAC.

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

22 There are seven project modifications today on
23 the PPAC agenda. They're Items 7A through 7F, and unless the
24 Board has questions or comments on these six items, I'd ask the
25 Board for a motion to approve Items 7A through 7F.

1 CHAIRMAN LA RUE: These PPAC items were
2 distributed to you. Are there any Board members wishing to pull
3 any particular item? Seeing none, I would -- the Board would
4 entertain a motion to accept and approve project modification
5 Items 7A through 7F as presented.

6 MR. STRATTON: So moved.

7 CHAIRMAN LA RUE: I have a motion by Board Member
8 Stratton, a second by Board Member Teller. Any further
9 discussion?

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

12 BOARD MEMBERS: Aye.

13 CHAIRMAN LA RUE: Any opposed? Hearing none, the
14 ayes have it.

15 Next item.

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

17 The -- there are four new projects on the PPAC
18 agenda. They're Items 7G through 7J. Unless there are any
19 questions or comments from the Board, I'd ask the Board to
20 approve the motion for Items 7G to 7J.

21 CHAIRMAN LA RUE: So these items were previously
22 distributed to you in your packet. Does any Board member wish
23 to pull any particular item? Hearing none, the Board would
24 entertain a motion to accept and approve new project Items 7G
25 through 7I as presented.

1 MR. KIES: G through J.

2 CHAIRMAN LA RUE: Oh, did I misspeak? I'm sorry.
3 7G through 7J. Yes.

4 VICE CHAIR BEAVER: I make --

5 CHAIRMAN LA RUE: We have a motion by the vice
6 chair.

7 VICE CHAIR BEAVER: Yes, for Items 7G through 7J.

8 CHAIRMAN LA RUE: A second by Board Member
9 Teller. Any further discussion?

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

12 BOARD MEMBERS: Aye.

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

14 MR. KIES: Mr. Chair, Item 7K relates to the
15 Aviation Fund. There is a memo on page 111 of the Board agenda
16 that highlights 17 grants that staff proposes to be rescinded
17 regarding the aviation grant program. These actions are part of
18 mitigation to affect the low balances in the State Aviation
19 Fund. These 17 projects were approved by this board in June of
20 '16; however, since that time, six grants were issued with -- no
21 progress has occurred since that time. And 11 of the 17
22 projects have not currently been issued a grant, and it is an
23 opportune time to rescind those grants.

24 All airport sponsors have been contacted and
25 agree that these projects can be rescinded. They understand the

1 circumstances regarding the rescinding -- of rescinding of the
2 projects.

3 These projects add up to \$5.5 million of
4 commitments that would be -- the Aviation Fund would be relieved
5 of, which helps the cash flow of the fund.

6 With that said, I do have some other additional
7 statistics on the progress that we've been making with the
8 Aviation Fund and the grant deferrals. We did receive 2.6 --
9 approximately \$2.6 million of new revenue in the Aviation Fund
10 during the month of December. And as Kristine highlighted, we
11 have aggressively started paying those deferral payments. And
12 since the last board meeting in Safford, 51 grant payments are
13 in process to the airport sponsors, including that large one of
14 concern to the Yuma Airport Authority. And that -- those grant
15 deferrals payments are adding up to approximately \$2.7 million
16 worth of referrals. So the rescinding of these 17 grants is
17 part of that plan to get us out of the hole that we are with the
18 Aviation Fund.

19 So with that, Mr. Chair, if there aren't any
20 questions or concerns, I would ask the Board to approve Item 7K.

21 CHAIRMAN LA RUE: All right. Does -- Board
22 Member Stratton.

23 MR. STRATTON: Mr. Chairman, Mike, since all of
24 these sponsors have agreed to rescind the grants and help
25 alleviate our problem, will they be given any priority when

1 moneys become available to re-apply?

2 MR. KIES: I don't know if that has been
3 discussed yet. I know that Mike Klein, our aviation grant
4 manager, is organizing a meeting this spring to talk about how
5 to maybe better improve the process of the grant program,
6 selection of grants, management of the cash flow of the Aviation
7 Fund.

8 I'm sure that that would be something that could
9 come up in that meeting. And if -- and then I would ask Mike if
10 there's any other conversation that's happened to the sponsors
11 about what happens after the rescind -- their grants are
12 rescinded.

13 MR. KLEIN: In the normal course of our policy,
14 this would not happen. They would re-compete each year. The
15 way our policy is written right now is that each year, all
16 airports re-apply if they didn't get funding in the prior year.
17 We don't always fund every project. There's not always enough
18 money.

19 So under the current policy, that would not
20 happen. But we are having discussions with the Arizona Airports
21 Association. We're going to do a nationwide/statewide forum at
22 the AZA (phonetic) conference in May to discuss some of these
23 policies. So it's possible, but it does rise to a lot of
24 complications about fairness, because there are other people who
25 were all set up for '18 and '19, and we're not doing anything in

1 '18. So it's a complicated structure. We're talking about it,
2 and we can bring that back to you, probably, when we finish the
3 May conference.

4 MR. STRATTON: Mr. Chairman, I would appreciate
5 at least the conversation about that since these sponsors are
6 cooperating with us and helping us through this particular
7 (inaudible). I think it's worthy of a conversation
8 (inaudible) --

9 MR. KLEIN: I think it's a little more formal
10 than that, because we are going to formally ask for these
11 suggestions. We're not going to just have a conversation. We
12 are going to formally examine our policies and bring those back
13 to the Board for their consideration.

14 CHAIRMAN LA RUE: All right. Good question.
15 Board Member Teller.

16 MR. TELLER: Thank you very much.

17 I understand the situation. Actually, Mr. Klein
18 has been reporting to the Arizona Airport Association at the
19 most recent conference in Phoenix, and also at the fall
20 conference, sharing with the members of the state organization
21 that we're in dire straits. We need to work together to
22 cooperate, which I really do appreciate the message. So the
23 message has been clear to these sponsors, including myself,
24 understanding that we have to approach this fiscally-constrained
25 atmosphere.

1 And I support this effort to look at which of the
2 airports that are -- that we can rescind, you know, the grants
3 to pay -- you know, to continue keeping this program afloat.

4 So at the same time, I also concur with Board
5 Stratton's concern on, you know, a formal -- a formal
6 conversation with the sponsors. Though he's been -- Mr. Klein's
7 been at the, you know, AZA and also meeting with individual
8 sponsors, because your door is always open, letting them know
9 that this is what's going on. This is a potential effect of the
10 situation at hand. We understand that.

11 So I appreciate Mr. Klein's efforts in
12 communicating individually to the sponsors of the current
13 situation. At the same time, I see and hear an item, 70, you
14 know, Sedona there is an SL grant, and --

15 CHAIRMAN LA RUE: Mr. Teller, we're on Item 7K.

16 MR. TELLER: Yeah. Right.

17 CHAIRMAN LA RUE: So is this tied to Item 7K
18 or --

19 MR. TELLER: Right. It is.

20 CHAIRMAN LA RUE: Okay. All right. Thank you.

21 MR. TELLER: Because from the last meeting, I
22 understand that there are going to be concerns on state, local
23 grants, and they're going to continue with federal, state, local
24 grants, but I see a grant in here that's state and local. So is
25 there a change? Is there -- I mean, I have a concern about, you

1 know, the discussion from previous meetings to this. Again, I
2 support this item, but I just wanted a clarification of that.

3 CHAIRMAN LA RUE: So let me repeat what I think
4 the question back to the full Board is. Does our -- does the
5 action that's being proposed on 7K have impacts on 70 or other
6 grants that -- or other actions that we could take later in the
7 agenda.

8 MR. TELLER: Thank you.

9 CHAIRMAN LA RUE: I think that's your question.

10 MR. TELLER: Yeah. Thank you.

11 MR. KIES: The action of 7K to rescind these
12 grants does relieve the Aviation Fund of these commitments, and
13 then based on cash flow analysis, that allows Item 70 to be
14 funded.

15 CHAIRMAN LA RUE: But I think the question was
16 deeper in that it was something to do with 70 is a mix of a
17 federal and state grant. No?

18 MR. KIES: And I can address that, Mr. Chair, if
19 you want to address 70 at this time. I'm -- I can --

20 CHAIRMAN LA RUE: I think we can only address the
21 linkage.

22 MR. KIES: Yeah.

23 CHAIRMAN LA RUE: Not so much 70. We'll take 70
24 up when it comes up on the agenda.

25 MR. KIES: Okay.

1 CHAIRMAN LA RUE: I think the question was about
2 the linkage.

3 MR. KIES: Yes.

4 CHAIRMAN LA RUE: But you've -- I think you've
5 answered that.

6 MR. TELLER: Yes. Thank you.

7 CHAIRMAN LA RUE: Any other Board questions on
8 this? Then I would -- I think -- Mr. Teller, was that a motion
9 to approve 7K as presented?

10 MR. TELLER: Yes.

11 CHAIRMAN LA RUE: I have a motion from
12 Mr. Teller. I have a second from Mr. Stratton. Any further
13 discussion?

14 All those in favor say aye.

15 BOARD MEMBERS: Aye.

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

17 Now --

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

19 So Items 7L through 7Q are new airport project
20 grants to be approved by the Board, and since there already was
21 discussions about 7O, I'll make some comments before I ask for a
22 motion.

23 So yes, five of these airport projects are
24 federally -- are federally-funded projects, and this action
25 would be providing State funds to partially match those federal

1 funds, which is something we talked about last month as part of
2 the program that we would continue fully funding those matches
3 towards federal funds.

4 As Board Member Teller mentioned, Item 70 is a
5 grant for a project for the Sedona airport, which is a
6 State-only funded project, which is an exception from what we've
7 talked about last month as the plan going forward through fiscal
8 year '18 for the Aviation Fund. However, this project is
9 described to me as an emergency situation. It's a marker of
10 some sort, and I could ask Mike to up come if we need some
11 technical explanation, that there was a recent weather issue or
12 weather storm that washed out part of the area around the
13 airfield, and it disrupted with some of the markers that pilots
14 use to land safely on the airport. And we feel it's important
15 that we fund this project immediately so that that repair work
16 can go on.

17 CHAIRMAN LA RUE: And as an exception to our
18 policy, is that what we're hearing?

19 MR. KIES: An exception to the plan that we
20 described.

21 CHAIRMAN LA RUE: We've described, not a --
22 (Speaking simultaneously).

23 CHAIRMAN LA RUE: An exception to the plan that
24 you presented last month.

25 MR. KIES: Correct.

1 CHAIRMAN LA RUE: Mr. Teller, you're our resident
2 expert on the Board. I think we all look to you to, you know...

3 MR. TELLER: It's actually an excellent
4 exception, because safety is number one for the air users and
5 the airport users. So I see that, and in speaking with the
6 Sedona sponsor, as she mentioned that this was a concern for the
7 community and the airport users. And right across the hill
8 (inaudible) is Embry-Riddle Aeronautical University, and they
9 fly to this airport very, very frequently. So it's an
10 exception.

11 CHAIRMAN LA RUE: Thank you. And I also look to
12 Board Member Stratton, because he understands this stuff. Any
13 thoughts, comments, questions?

14 MR. STRATTON: Mr. Chairman, I do agree with
15 Board Member Teller that it is a good exception. However, I
16 would ask as a Board member, if the rest of the Board agrees,
17 that if there are any further exceptions, that they be presented
18 individually rather than in groups so that we can discuss that
19 (inaudible).

20 MR. KIES: That's a great recommendation.

21 CHAIRMAN LA RUE: That's an excellent
22 recommendation. I would just say just implement that.

23 Any other questions by Board members on 7L
24 through 7Q? And if not, anything else from staff on those
25 items?

1 MR. KIES: No. With that, I would ask the Board
2 to approve a motion to approve Items 7L through 7Q.

3 CHAIRMAN LA RUE: All right. I have a motion by
4 Board Member Teller. I have a second by Board Member
5 Cuthbertson. He's been, you know, trying to chime in here. So
6 this time I'm just going to go ahead and say he chimed in.

7 VICE CHAIR BEAVER: Okay.

8 CHAIRMAN LA RUE: I'm sorry.

9 VICE CHAIR BEAVER: Mr. Chairman, I just have one
10 question. This does include 7O, right?

11 CHAIRMAN LA RUE: Yes.

12 MR. KIES: Correct.

13 VICE CHAIR BEAVER: Okay.

14 CHAIRMAN LA RUE: Thank you for that
15 clarification.

16 Do we have any further discussion? Hearing none,
17 all those in favor signify by saying aye.

18 BOARD MEMBERS: Aye.

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

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

21 CHAIRMAN LA RUE: Thank you.

22 Item No. 8, State Engineer's report.

23 MR. HAMMIT: Good morning, Mr. Chairman, members
24 of the Board.

25 Currently, ADOT has 124 projects under

1 construction totaling \$1.629 billion. In November we finalized
2 five projects totaling 35.4 million, and year to date, we have
3 finalized 43 projects.

4 Are there any questions under the State
5 Engineer's report?

6 CHAIRMAN LA RUE: Any questions by Board members?
7 Doesn't seem to be, Dallas. Pull us on to Item No. 9.

8 MR. HAMMIT: So on our contracts, thank you for
9 approving the three projects in the consent agenda. We have
10 four to have a little more discussion. Year to date, we have
11 contracted 197 million -- excuse me -- \$197,922,000 worth of
12 projects. The estimate was one-hundred ninety-nine six fifteen
13 [sic]. Basically, we're within eight-tenths of a percent of our
14 estimate to where the contracts are coming in if you average it
15 out. So we're coming in fairly close. There's some outliers
16 here and there, but we're doing fairly well in our estimating
17 overall.

18 CHAIRMAN LA RUE: That's pretty phenomenal when
19 you look at that spread. I mean, that's amazing work, so...

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

21 CHAIRMAN LA RUE: (Inaudible) congratulated for
22 that. And do I recall some discussion about the -- these excess
23 funds here is a discretionary fund for the outgoing board chair?

24 MR. HAMMIT: I think Ms. Ward will address that.

25 CHAIRMAN LA RUE: Address that. And probably a

1 lot of input from Floyd as well.

2 MR. ROEHRICH: That's under item ZZZ.

3 MR. HAMMIT: Mr. Chairman, the first project that
4 needs justification is Item 9A. There's a local project in
5 Mohave County. The low bid was \$434,208.85. The State's
6 estimate was 388,864.52. It was over the State's estimate by
7 \$45,344.33, or 11.7 percent.

8 As we looked at this project, we saw
9 higher-than-expected prices in our asphalt. Basically, these
10 small quantities, it had to be trucked in, and then they were
11 constructing a concrete poured wall, and we had -- we saw a
12 little higher prices on that. We have reviewed the bid, believe
13 it is a reasonable and responsive bid, and would recommend award
14 to Show Low Construction, Inc.

15 CHAIRMAN LA RUE: Do we have any questions by
16 Board members on this item? If not, the Chair would entertain a
17 motion to accept and approve staff's recommendation to award the
18 contract for Item 9A to Show Low Construction, Inc.

19 I have a motion by the Vice Chair.

20 VICE CHAIR BEAVER: So moved.

21 CHAIRMAN LA RUE: So moved. Do I have a second?
22 Second by Board Member Teller. Or I'm sorry. Board Member
23 Stratton. Any further discussion?

24 All those in favor signify by saying aye.

25 BOARD MEMBERS: Aye.

1 CHAIRMAN LA RUE: Any opposed. The ayes have it.

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

3 The next item, 9B, is a bridge project out on
4 I-40. The low bid was \$4,353,978.45. The State's estimate was
5 3,938,514.70. It was over the State's estimate by \$415,463.75,
6 or 10.5 percent.

7 Where we a saw the higher-than-expected prices
8 was in the steel girders, not only in the price of the steel,
9 but also mobilizing it out to the project. We did see some
10 higher-than-expected pricing in the concrete -- or excuse me --
11 the asphalt pavement coming in to the bridge. We have reviewed
12 the bids. We do believe the bids are reasonable and responsive,
13 and would recommend award to Pulice Construction, Inc.

14 CHAIRMAN LA RUE: Are there any questions or
15 further discussion by Board members? Hearing none, the Board
16 would entertain a motion to accept and approve staff's
17 recommendation to award the contract for Item 9B to Pulice
18 Construction, Inc. I have a motion by Board Member -- Vice
19 Chair Beaver?

20 VICE CHAIR BEAVER: So moved.

21 CHAIRMAN LA RUE: And a second by Board Member
22 Cuthbertson. And if --

23 VICE CHAIR BEAVER: I did just have one question.

24 CHAIRMAN LA RUE: Sure.

25 VICE CHAIR BEAVER: I mean, this -- are those

1 expenses, the girders and things that you described as being the
2 overestimate, I mean, is that within reason? It just seems like
3 it's a bit high.

4 MR. HAMMIT: Mr. Chairman, Board Member Beaver,
5 as we estimate the project, we're talking with different vendors
6 on -- at a point in time where steel pricing is. Where we -- at
7 the time, I think it was a little higher, and then we
8 underestimated what it would cost to mobilize those girders out
9 to the project. So we do believe it is a good bid.

10 VICE CHAIR BEAVER: Okay.

11 MR. HAMMIT: And comparing that to the other
12 bidders on the project, it was not out of line.

13 CHAIRMAN LA RUE: Any further questions?

14 So we have a motion and a second to approve and
15 award pursuant -- as presented. Any further discussion?

16 All those in favor signify by saying aye.

17 BOARD MEMBERS: Aye.

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

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

20 The next item, 9C, is a pavement preservation
21 project on State Route 86 in Yuma County. The low bid -- or
22 excuse -- the low bid was \$4,254,452. The State's estimate was
23 \$5,116,831.25. The -- it was under the State's estimate by
24 \$862,379.25, or 16.9 percent.

25 Where we saw the biggest differences was in the

1 asphalt oil and the asphalt mix. The mix is a product of
2 placing it in -- trucking it and manufacturing, putting the
3 aggregates together. Their site was right next to the project
4 the low bid had access to. So we have reviewed the bids and
5 believe it is reasonable and responsive and would recommend
6 award to Granite Construction Company.

7 CHAIRMAN LA RUE: Any questions or discussions by
8 Board members? If not, the Board would entertain a motion to
9 accept and approve staff's recommendation to award the contract
10 for Item 9C to Granite Construction Company. I have a motion by
11 Board Member Hammond. Do we have a second? Second by Board
12 Member Cuthbertson. Any further discussion?

13 All those in favor signify by saying aye.

14 BOARD MEMBERS: Aye.

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

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

17 Item 9D, this project is a project to repair some
18 storm damage from one of our tropical storms that came
19 through --

20 CHAIRMAN LA RUE: Tropical?

21 MR. HAMMIT: -- on a number of the landscape
22 areas on the freeway system here by Maricopa County. The low
23 bid was \$4,041,415. The State's estimate was \$3,007,739. It
24 was over the estimate by \$1,033,676, or 34.7 percent.

25 When we reviewed these bids, we saw one item in

1 particular. It was a discovery item. We labeled it as
2 preconstruction documentation. Basically, we had asked the
3 bidders to give us a price on going through the system, doing a
4 check on the electrical, the boxes. We didn't describe it very
5 well. They did a much more in-depth review that we wanted. We
6 believe -- well, they gave us a different product than we had
7 asked for. Let me take that back. We asked them to give us a
8 different product than we wanted. We need to clarify the bid
9 and put it back out. So with that, I would recommend that the
10 department go back, clarify the specification and rebid it.
11 With that, we'd recommend to reject all bids.

12 CHAIRMAN LA RUE: Any discussions by staff?

13 MR. SELLERS: Mr. Chairman --

14 CHAIRMAN LA RUE: By staff -- by the Board.

15 MR. SELLERS: -- I make a motion to reject all
16 bids.

17 CHAIRMAN LA RUE: We have a motion by Board
18 Member Sellers to accept and approve staff's recommendation to
19 reject all bids in connection with Item 9D. Do we have -- a
20 second by Board Member Teller. Any further discussion?

21 VICE CHAIR BEAVER: Chairman.

22 CHAIRMAN LA RUE: Yes.

23 VICE CHAIR BEAVER: I did have one question. I
24 just wanted to inquire with regard to those that did bid on
25 this, they will have some kind of notification with explanation,

1 right, separate from when it goes out to bid again?

2 MR. HAMMIT: Mr. Chairman, Board Member Beaver,
3 yes. In fact, they are notified by a letter. As soon as we, as
4 staff, we're prepared to make recommendation to the Board, we
5 let them know. There were two bidders on the project. We had
6 phone conversations and written conversations of our actions.
7 They understood what we were doing, and so they know to look for
8 this project, but we can make sure they know when it's coming
9 out again. We do anticipate putting it out, because it is a
10 needed repair within the next month or so.

11 CHAIRMAN LA RUE: And I would just share with the
12 Board, having been in construction a little bit, this is not
13 uncommon where you put out a set of plans and specifications,
14 and get the bids back and say, "Uh-oh, what did we interpret
15 differently?" You work with the bidders. You realize that they
16 interpreted it one way. We intended to write it another way.
17 You rewrite it. You send it out to the same folks in many
18 occasions and end up rebidding it and getting what you're
19 actually going for. So I don't see this -- anything that's not
20 out of the ordinary, unless I'm missing something.

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

22 CHAIRMAN LA RUE: We have a motion and a second
23 pending to reject all bids. Any further discussion? Hearing
24 none, all those in favor signify by saying aye.

25 BOARD MEMBERS: Aye.

1 CHAIRMAN LA RUE: Any opposed? The ayes have it.
2 We are going now to Item No. 10, performance
3 audit. Floyd.

4 MR. ROEHRICH: Thank you, Mr. Chair, members of
5 the Board.

6 When Prop 400 was passed by the voters for the
7 Regional Transportation Plan of Maricopa County, there's a
8 condition in there that it has a performance audit that is
9 reviewed and conducted on that program every five years. This
10 year, in 2016, was the most recent audit that was performed on
11 the program.

12 I know that Mr. Mike Kies does have a
13 presentation that gives you a little bit more in depth about the
14 audit, about some of the conditions of that, and then after he
15 finishes up with his overview, we have a couple more discussion
16 points to make regarding the next steps within the audit itself.

17 The audit was provided to each of you, as well as
18 responses by Maricopa Association of Government, Valley Metro
19 and ADOT, and we'll talk about that after Mike's overview.

20 MR. KIES: Thank you. Thank you, Floyd.

21 Mr. Chair, yes, I have an overview of the
22 performance audit related to the MAG RTP. These -- this slide
23 just shows you a couple of the State revised statutes that are
24 in effect where, as Floyd mentioned, beginning in 2010, every
25 five years, this audit needs to take place. The main revised

1 statute that we're talking about today is the second one there,
2 which says within 45 days after the release of the audit, the
3 Regional Public Transit Authority, the Citizens Transportation
4 Oversight Committee, the State Transportation Board and the
5 Maricopa County Board of Supervisors, by a majority vote of each
6 entity, shall submit written recommendations to the
7 Transportation Policy Committee, and that is the subject that we
8 are talking about today. And Floyd will clarify the action that
9 would be asked for after my presentation.

10 So here are some of the facts that relate to the
11 audit and set that 45-day calendar. You can see the name of the
12 audit firm, but the more important thing is that the audit was
13 -- release date was November 23rd, 2016, which was the day
14 before Thanksgiving. So that 45 days expires on January 7th of
15 2017.

16 The objectives of the audit, you can see here,
17 was to essentially review the effectiveness and the performance
18 of MAG's Regional Transportation Plan, which relates to the MAG
19 Freeway Program that -- it is funded by Prop 400 and the half
20 cent sales tax in Maricopa County.

21 With that, the audit has 12 recommendations to
22 the agencies that are affected by the Regional Transportation
23 Plan, and as you can see here, one of those 12 recommendations
24 applies to MAG only. There's one that applies to Valley Metro
25 only. There -- and then there are seven to ADOT, one to MAG and

1 ADOT, one that applies to MAG and Valley Metro only, and then
2 one for all three agencies.

3 So our recommendation is that the Board consider
4 nine total responses and only provide responses to the nine
5 recommendations that are -- that were directed to ADOT in some
6 way. And I'll go through each of those nine with you, and with
7 the Chair's permission, after each one of those recommendations,
8 I would pause for any questions or comments to get concurrence
9 if the recommendation is to the Board's pleasure.

10 CHAIRMAN LA RUE: I think that's a reasonable way
11 to handle it.

12 MR. KIES: The Joint Legislative Audit Committee
13 made this very simple for us. They're asking us to respond to
14 each recommendation in one of four ways. I guess they realize
15 that planners and engineers tend to go into the weeds, and they
16 just want one -- a one-sentence reply to each recommendation.
17 And you can see them there, that either the agency agrees to the
18 recommendation and it will be implemented, or the agency agrees
19 but a different method will be implemented than what the audit
20 describes, or the agency does not agree with the recommendation
21 but still will implement the recommendation, and then the final
22 one is that the agency does not agree with the recommendation
23 and will not implement the recommendation. And you can see
24 staff recommendations of how many of the responses we feel apply
25 to each of those categories. With that, now I'll go through the

1 nine one at a time.

2 Recommendation No. 1 is that MAG should work with
3 ADOT and the local jurisdictions to enhance freeway and arterial
4 project cards by including baseline budgets and baseline
5 schedules to allow comparisons against actual.

6 As you can see, ADOT staff recommends that we
7 agree and that we implement this. If Board members are not
8 familiar with the project cards, they're a one-page document
9 that's available on the web -- MAG website that describes the
10 project, a conceptual schedule and shows the cost that is
11 predicted for the project. This recommendation then asks that
12 there should be a baseline budget so the public could see if
13 over the course of time that budget for the project has gone up
14 or down based on the original estimate.

15 So with that, I'll ask if there's any questions
16 or comments on this recommendation.

17 CHAIRMAN LA RUE: Question or comments by Board
18 members?

19 I do have a question. So the baseline budget,
20 what time frame is that created that gets then put on to a
21 project card? Is that in the design phase? Is that in the
22 conceptual phase? What phase of the project is that baseline
23 created that actually gets memorialized.

24 MR. KIES: Mr. Chair, I'm not sure that's been
25 completely worked out, but the assumption is that at the time

1 that Prop 400 was passed, there were assumptions to what those
2 project costs would be.

3 CHAIRMAN LA RUE: So you use the Prop 400
4 assumption as the baseline. So that's probably not going to
5 have any reality to what the project actually comes in at, I
6 think, because so much time has transpired. I don't know. I'm
7 just trying to get at the -- the effectiveness of this
8 information that you put it out there may lead to more confusion
9 than assistance. I mean, I get the concept on putting it out
10 there, but we all know with projects, the numbers change from
11 concept to contract, so...

12 MR. HALIKOWSKI: So Mike, I think what we're
13 trying -- or I think what the auditors are trying to get at here
14 is that if this was your baseline in 2003 when you put this
15 together, can you give a walk through to the public on what has
16 changed? Is it the cost of asphalt? The cost of concrete?
17 Steel? You know, have we (inaudible).

18 CHAIRMAN LA RUE: The scope of the project.

19 MR. HALIKOWSKI: Right.

20 CHAIRMAN LA RUE: Okay.

21 MR. HALIKOWSKI: All these different things.
22 They could happen.

23 So at least there's, you know, some sort of way
24 of walking through and say, "Okay. I see what the differences
25 are."

1 CHAIRMAN LA RUE: Okay.

2 MR. HALIKOWSKI: Because you're right, Mr. Chair.
3 It's pretty hard in 2003 to project what something's going to
4 cost you and what it might look like given all the variables in
5 15 years.

6 CHAIRMAN LA RUE: Well, and most of the time when
7 you do that, I don't think we have really -- you've got concepts
8 or ideas. You don't have designs and --

9 MR. HALIKOWSKI: Right.

10 CHAIRMAN LA RUE: -- (inaudible) of the right-of-
11 way, utility infrastructure and all of that. So -- but if
12 that's the purpose of doing this, and there's a lot of narrative
13 that says, "Here's how we got from what was in the prop to
14 what's" -- you know, the asphalt that's in the roadway, then it
15 work's. But somebody's doing a lot of work describing --

16 MR. ROEHRICH: Mr. Chair and members of the
17 Board, and that's what this is, is a comparison, because when
18 they -- voters approved Prop 400 back in 2004, they had an
19 expectation these projects were going to be delivered for this,
20 and as we all know with the revenue dropoff and with everything
21 else, projects have been moved and things have been shifted, and
22 what we've been doing is we have been updating those cards based
23 upon the current.

24 So what they're saying is somebody wants to go
25 back and look at how did it evolve from 2004, when we voted to

1 now, they didn't have that, because they only had what was
2 current. This says to put in what was originally done so people
3 could start seeing some progression over time of what has
4 happened to these projects. So there's a better history --

5 CHAIRMAN LA RUE: Yeah.

6 MR. ROEHRICH: -- documented as opposed to a
7 point in time.

8 CHAIRMAN LA RUE: Yeah. No, I -- so I think the
9 key there is that documentation of that history, not just say
10 here's our start, here's our finish, and people go wow. It's
11 somebody documenting the history that got us through, so...

12 MR. ROEHRICH: Yes, sir.

13 CHAIRMAN LA RUE: All right. That's all I got.
14 So it sounds like unless there's -- I'm not hearing any
15 heartburn. It looks like an acceptable recommendation.

16 MR. KIES: Recommendation No. 4 is that the RTP
17 partners -- and when the recommendations refer to "RTP
18 partners," that's MAG, ADOT and Valley Metro -- should fully
19 employ best practices and established performance targets and
20 key indicators for freeway, arterial streets and transit
21 performance. Again, the recommendation is to agree and
22 implement this recommendation. In fact, on the highway side, a
23 federal law is actually starting to kick in with federal -- with
24 final rule making that does have ADOT establish those
25 performance targets and key indicators.

1 CHAIRMAN LA RUE: Any -- Board Member Hammond.

2 MR. HAMMOND: Just a quick question. It implies
3 that we weren't using best practices. What's the -- what's
4 the -- kind of the root cause of this one?

5 MR. HALIKOWSKI: Well, if I could, since I was at
6 the legislature and wrote some of these sanctions, performance
7 and key indicators, I think, tend to evolve, because back at
8 that point, we had certain things in statute about the regional
9 freeway system, where that were supposed to be met. But let's
10 just say that since 2003, we've learned a lot, and statutes and
11 rules have changed over time.

12 And so I think what you're seeing here is an
13 evolution of saying, "What are we really trying to measure that
14 makes sense on these key performance targets?" Because during
15 that time in '03 when we were putting this together, we
16 struggled to try and figure out what would the key performance
17 indicators be. And to just be quite honest with you, we put
18 together what we thought were the best practices at that time.

19 So experience may be the best teacher. I think
20 it's a good time to sit down with the partners and say, "Okay.
21 Are we measuring the right things that make sense in 2017 and
22 beyond? And what program or practice will we have in place to
23 adjust those as necessary given changing conditions?"

24 So I think this is a good thing, Mr. Chairman,
25 Board Member Hammond, that we -- we really do measure the

1 correct things and that we track whether or not we're hitting
2 those targets, because if we're not, then we should be putting
3 countermeasures or making other adjustments to hit targets.

4 CHAIRMAN LA RUE: Any other -- follow-up? Board
5 Member Hammond or any other comments?

6 It sounds like a good to go there, too, Michael.

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

8 Recommendation No. 5 is that ADOT should work
9 with the Citizens Transportation Oversight Committee, or CTOC,
10 to ensure responsibilities such as annual reporting are
11 fulfilled and methods of committee operations are changed to be
12 more effective in meeting statutory requirements.

13 This is another recommendation that ADOT would
14 agree and implement this recommendation, and there's been a lot
15 of discussion since this recommendation has come out about
16 re-energizing, for a lack of better words, the CTOC committee
17 and getting more regular meetings happening and paying more
18 attention to the statutory requirements of that committee.

19 CHAIRMAN LA RUE: Questions by --

20 MR. SELLERS: Mr. Chair.

21 CHAIRMAN LA RUE: Mr. Sellers.

22 MR. SELLERS: Yeah. And this may be more comment
23 than question, but, you know, I'm know why the CTOC committee
24 was formed originally. I know that it's required by statute, so
25 that's why this is probably more comment than question. But,

1 you know, I've attended some of those meetings, and typically, I
2 was the only person in the audience, and I'm just wondering why
3 we put so much effort into something that really doesn't appear
4 to be doing very much right now.

5 MR. HALIKOWSKI: So if I could, again, answer
6 that question, because we did have a lot of discussion about
7 this. As you know, Board Member Sellers, the CTOC was put in at
8 a time where Prop 300 expenses -- because, again, of an another
9 economic downturn, were not sufficient to build out 300. Had a
10 lot of upset people in paradise, as you recall, and other issues
11 where citizens felt they weren't being heard, and the CTOC was
12 established as a countermeasure, if you will, to that.

13 But again, over time, as Prop 400 and MAG has
14 evolved with the Transportation Policy Committee and other
15 administrative committees in the MAG process, really a lot of
16 the issues that were originally brought up about CTOC are now
17 handled, we believe, through that MAG process. Unfortunately,
18 or fortunately, depending on where you're sitting, we have a
19 statutory responsibility still to fulfill, and as long as we
20 have that responsibility, we've agreed to the audit
21 recommendation that will fulfill that responsibility.

22 We've met with the CTOC chairman. We've talked
23 about the agenda, you know, coming up in January, and we're
24 working with the staff at MAG to ensure that the agenda items
25 we're going to be considering on CTOC also are in line with what

1 the TPC will be seeing since the CTOC chair is to take those
2 issues to the TPC and the Regional Council. So essentially, as
3 long as we have the duty, we feel that we have a responsibility
4 to fulfill it. If something were to change in this coming
5 legislative session, then obviously we'd go with that, too.

6 MR. SELLERS: Well, in fact, I think we had a
7 discussion in the last year at MAG on whether or not the present
8 committee should be continued.

9 MR. ROEHRICH: Right. I think often there's a
10 reluctance to discontinue something with the word "citizen" in
11 it. But as I said, based on my experience, there are lots of --
12 and the life cycle programs MAG has put in, for example, really
13 address a lot of the issues that CTOC was designed to counter.

14 MR. SELLERS: Maybe if we just make Barack a
15 permanent member of TPC (inaudible).

16 MR. ROEHRICH: Leave that up to the folks at TPC.

17 CHAIRMAN LA RUE: Yeah.

18 MR. SELLERS: (Inaudible.)

19 CHAIRMAN LA RUE: Yeah. I think I -- let that
20 one go.

21 Well, I think, you know, there was a lot of
22 discussion for other board members here, a lot of discussion
23 last year that this committee probably should be sunsetted.
24 That did not happen in the Legislature. So I think we have a
25 statutory duty to comply with the statute, and so I think the

1 recommendation is right on. So thank you.

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

3 The next item is that ADOT, as the Citizens
4 Transportation Oversight Committee's administrative support,
5 should encourage the County Board of Supervisors and the
6 governor's office to fulfill vacancies on CTOC and encourage the
7 committee to meet on a regular basis as statutorily required.

8 In this recommendation, ADOT agrees with the
9 recommendation but proposes a different method of dealing with
10 the findings to be implemented, and it's just a very minor
11 change in the method is that -- and it's currently underway
12 where it's -- the governor's office is directly encouraging the
13 County Board of Supervisors to nominate and fill the vacancies
14 on CTOC.

15 CHAIRMAN LA RUE: Questions by Board members? I
16 think you're good there.

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

18 The next item is that ADOT should report freeway,
19 bridge and pavement condition at the Maricopa County or Phoenix
20 Mesa urbanized area level, in addition to current statewide data
21 already available.

22 Staff's recommendation here is not to agree with
23 the recommendation, but implement the recommendation. The
24 background there is that we currently look at our pavement and
25 bridge condition on a statewide level and believe that the most

1 effective way to manage our infrastructure is to look at the
2 entire state and put the resources as appropriate. We don't see
3 a big need to separate out the Maricopa County area or the
4 Phoenix metro area. However, we have the data. It's easy to
5 separate out. We'll -- we're happy to do it.

6 CHAIRMAN LA RUE: Comments? Questions?

7 Objections? I think you're good.

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

9 Recommendation No. 8 is ADOT should track and
10 report internal project delivery performance metrics at the
11 Maricopa County or Phoenix Mesa urbanized area level.

12 Again, ADOT staff's recommendation is not to
13 agree, and the audit recommendation will not be implemented, and
14 on this item, staff's concern is that there is no significant
15 value in separating out Maricopa County from a system
16 performance perspective.

17 CHAIRMAN LA RUE: Comments? Questions?

18 I guess the question I've got, so we're saying we
19 do not agree to the finding, and we're not going to implement.
20 So then what happens? We send that back, report back.

21 MR. ROEHRICH: Mr. Chair, members of the Board,
22 in the past, it really has -- again, the audit being their
23 findings and recommendations. If it's not agreed to and we
24 don't have any issue with the director in regarding that, or
25 with the our local partners regarding that issue, it just --

1 it's not complied with.

2 CHAIRMAN LA RUE: It just dies.

3 MR. ROEHRICH: And then in the next audit, they
4 can review again and decide if that is a continued issue. If
5 somehow something comes up that shows it's important we have
6 this information -- we view that because we work so closely and
7 cooperatively with our COGs and NPOs that these -- we know the
8 status of our projects. Breaking them out separate is just
9 extra administrative work that, that as Mike has said the team
10 looks at, what value does that give to tell the specifics of
11 these -- the continued project issues that are going on. What
12 you really need to know, what's the status of the project, and
13 is it being delivered on time, under budget and within the
14 scope? And those are the things that we measure, so...

15 MR. HALIKOWSKI: I would say, Mr. Chairman, what
16 this does, since this audit is given to the Legislature and the
17 public, if someone felt very strongly, obviously, they could try
18 and work with the Legislature to take action, and perhaps
19 require the agency by statute to do this, but --

20 CHAIRMAN LA RUE: But --

21 (Speaking simultaneously.)

22 CHAIRMAN LA RUE: Okay.

23 MR. HALIKOWSKI: It's a recommendation and we
24 just -- we disagree that it has any value.

25 CHAIRMAN LA RUE: Okay. All right. Next one.

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

2 ADOT should consider using additional project
3 delivery metrics including project administrative costs as a
4 percent of the budget. As similar to the previous ones, ADOT
5 does not agree with this recommendation, but the recommendation
6 will be implemented. Starting in fiscal year '17, ADOT will
7 track project development costs as a percentage of the
8 construction costs. Again, we don't see the burning need to
9 separate that out, but we have the data. It's easy to screen,
10 and so ADOT, in fiscal year '17, will be tracking that.

11 CHAIRMAN LA RUE: Okay. Questions by the Board
12 members?

13 All right. Thank you.

14 MR. KIES: Recommendation No. 10, with many
15 innovative project management practices employed on the South
16 Mountain Freeway Project, ADOT should consider applying
17 techniques and tools from this project to other ADOT freeway
18 projects as appropriate. And this is a recommendation that ADOT
19 agrees to and is happy to implement this recommendation.

20 CHAIRMAN LA RUE: Comments? Questions from the
21 Board?

22 Sounds good.

23 MR. KIES: The last one, ADOT should continue its
24 efforts currently underway to scientifically explore, evaluate
25 and implement active traffic management techniques where

1 practical or feasible, including continued efforts to work with
2 the RTP partners on considering and prioritizing the maintenance
3 of the communication infrastructure to remain functional and
4 current. Again, ADOT agrees with this and is happy to implement
5 this recommendation.

6 CHAIRMAN LA RUE: Was there a corresponding
7 recommendation in the report to say the Legislature should fund
8 this effort? You know --

9 MR. ROEHRICH: Actually (inaudible) the audit was
10 somewhat silent on the funding requirement.

11 CHAIRMAN LA RUE: You know, because I think we
12 all -- this one is like a no brainer, but then, you know, where
13 are the funds to implement the audit recommendation.

14 MR. KIES: Correct. Yeah.

15 CHAIRMAN LA RUE: Question on Recommendation 12
16 or something else?

17 MR. HAMMOND: Just a general comment, because I
18 think your comment on this being a no brainer kind of reflects
19 back on my comment on how we're using best practices. It seems
20 like the common theme is more coordination between these three
21 agencies rather than criticizing, you know, the methods we're
22 currently using, and then maybe some more delivery of
23 information, too, but it's more the coordination of the entities
24 that they saw room for improvement is what I kind of read when I
25 looked at the document when I received it, and I still see it in

1 these recommendations. So I don't know. Is that an accurate
2 statement?

3 MR. KIES: Mr. Chair and Mr. Hammond, I do agree,
4 and I think it reflects back to the director's statements of
5 this is a great time for us to all coordinate on what are the
6 best practices, where is the technology today, what do we each
7 know as different organizations about where technology is going,
8 and it's a great call to action, I think.

9 MR. ROEHRICH: And Mr. Chair -- I'm sorry.

10 CHAIRMAN LA RUE: I was going to say, that was a
11 great, a great question. Thank you, Board Member Hammond.

12 MR. ROEHRICH: So Mr. Chair, members of the
13 Board, I want to wrap up a couple things here.

14 In general, I think it's important to remember
15 the outlook was very positive, and that's what -- in the
16 outbriefing it was the same. You see kind of the issues here
17 seem a little nitpicky and very generalized like use best
18 practices. Well, we know we do that.

19 Where I think it points to is the success that we
20 have had as a region by working cooperatively between the State
21 Transportation Board, the Regional Council, MAG staff, ADOT
22 staff, all the local governments within that area to deliver
23 what is probably one of the most aggressive and well-built
24 transportation systems in that region. And I think the audit
25 did point to a lot of great successes as well.

1 So the general theme of this seems to be
2 relatively getting down to some nuanced items and some very
3 generalized items. Nothing in there was of significant concern
4 or pointed to anything that needed glaring attention or changes.

5 Mike, unless you feel differently, I think the
6 general theme in the outbrief from the audit was you guys are
7 doing good.

8 CHAIRMAN LA RUE: And I think that's an important
9 point, and I see the slide popped up. Any time an auditor says
10 there are no significant findings or changes, it's very
11 positive. And I don't want to offend any auditors in the crowd,
12 but we know auditors have to find something, you know, to report
13 on to justify the amount -- because they spend a lot of energy
14 and a lot of time looking at this stuff. So I'm not surprised
15 that they came up with things, but I think your point's a great
16 one. There is no significant material change or issue or
17 deficiency, so...

18 MR. ROEHRICH: And so then now I want to talk --
19 Mike, I'm ready to go to the next step unless you've got
20 something.

21 MR. KIES: Sure. The last thing was just that
22 you have been provided the link for the -- to the entire audit,
23 and there's a lot more detail in the audit than what I
24 presented.

25 CHAIRMAN LA RUE: Yeah. I thank you for that. I

1 sent the Board members home early last night. I know they all
2 got on the internet, got on the link and read it word by word,
3 so...

4 MR. KIES: With that, I'll turn it back to Floyd.
5 Thank you.

6 MR. ROEHRICH: So a couple more points to move
7 forward. So in the past how we handled this, at least the most
8 recent audit five years ago, after this discussion, if the Board
9 felt there were no further comments that were -- the Board
10 wished to amend, you move that you accepted ADOT's
11 recommendations. I sent a letter to the Auditor General of the
12 State of Arizona expressing that, outlining that the Board has
13 reviewed on their action, and therefore they concur with the
14 previous recommendations, and we will move forward as
15 identified.

16 If you choose to modify any of these
17 recommendations or add, then I would need the Board to tell me
18 that, and then we can craft up a response that would include any
19 additional language. Again, I signed it in the past. If this
20 is something, Board Chair, you'd rather you sign, we're fine
21 with that. We would just need to know, you know, one, do you
22 agree with these recommendations, or do you want to add
23 recommendations, and Floyd, then go ahead and send that response
24 back or prepare something for your signature.

25 CHAIRMAN LA RUE: Yeah. So let's take it kind of

1 one at a time. Board members, are there any changes,
2 adjustments that you would have to the recommendations?

3 Board Member Hammond.

4 MR. HAMMOND: It's just a question. I did go
5 online, because I think the link was sent a week or two ago to
6 this audit and looked at it, and I agree with everything, you
7 know, that's been said. But normally when the final audit, kind
8 of the exit interview where all of these are presented, usually
9 a board member, chair or somebody is invited to be there. Is
10 that -- did that happen or should it happen? And -- that's been
11 my experience, and at some point they actually get staff out of
12 the room and then say -- ask the board are there any questions.

13 MR. ROEHRICH: Mr. Chair, members of the Board,
14 we do not do that. I think that's an excellent suggestion and
15 consideration probably for the next audit, but we did not bring
16 the Transportation Board into this. The auditors hadn't asked
17 for that, and I guess I'll take the hit. I didn't think to say,
18 "Well, we would want to invite our board to this," feeling that
19 we would present it like we've done it in the past where it
20 really came from us without that.

21 I'm more than happy to see will the Auditor
22 General like to have a meeting where we invite the Board so you
23 can maybe hear that, or to ensure that in the future when we
24 have this to make sure to invite the Board to sit through that.
25 I'm very happy either way. It's my failure now to not have

1 addressed that, Mr. Hammond, inviting Board members to our exit
2 audit.

3 CHAIRMAN LA RUE: Board Member Hammond, let me
4 follow up on that. Are you suggesting we do that before we take
5 any action on this one, or as a suggestion to the audit -- and
6 this is done, what, every five years?

7 MR. ROEHRICH: Every five years.

8 MR. HAMMOND: I really don't know. It was more
9 of a comment, and we're a different board than a board that
10 hires and fires the director. So I'm not sure it was even
11 appropriate that we be invited. I'm just saying it is normal
12 and it's part of the transparency that ADOT is so good at. It
13 would seem an easy thing to do, and we could choose not to show
14 up, I guess.

15 MR. ROEHRICH: And then Mr. Chair, Mr. Hammond,
16 and that's -- I don't think there's anything precluding it
17 happening. We just had never really thought to invite the Board
18 or the Board's expressed interest before at previous audits or
19 follow-up from that that says, "Hey, in the future we would like
20 to do that." We're willing to accommodate the Board. I don't
21 see any reason why not.

22 MR. HAMMOND: Well, I mean, if I'm the only one
23 on the Board that feels that way, then that's fine. I just made
24 that comment. Maybe some other Board members needed to chime in
25 real quick, and if you don't think it's a good idea, I have

1 broad shoulders.

2 CHAIRMAN LA RUE: Right. So a couple things.
3 One is we need to take action within 45 days. So if we delay
4 action today and want to sit with the Auditor General, we'll
5 have to do so pretty quickly so that we can take action --

6 (Speaking simultaneously.)

7 MR. HAMMOND: Well, I don't think this would
8 change the -- you know, the recommendation to accept.

9 CHAIRMAN LA RUE: Okay.

10 MR. HAMMOND: Or would it? I mean, I'm not
11 trying to throw a wrench --

12 CHAIRMAN LA RUE: No. I just want to explain to
13 Board members that if that's something --

14 MR. ROEHRICH: (Inaudible.)

15 CHAIRMAN LA RUE: -- we want to do, then we need
16 to hold on this and schedule that right away or take action on
17 this today, but then pass along the recommendation that -- and
18 then there's two prongs to that. One is did we want to meet
19 with the auditor post our action in this audit cycle, or just
20 pass on the recommendation for the next audit?

21 Any -- Board Member Stratton.

22 MR. STRATTON: Mr. Chairman, having been through
23 several of these audits in past positions, it's very common for
24 staff to meet with the Auditor General and the Senate Finance
25 Committee or whatever, and the boards or councils that I've

1 worked for previously can attend if they wish, but it's not
2 mandatory. My only suggestion would be that the invitation to
3 the Board be extended during the next audit, but I don't believe
4 this one should be held up. For the amount of money that has
5 been handled through this audit, if you look at the
6 multi-million dollars, the findings are very minimal, and I
7 commend the staff for what they've done.

8 CHAIRMAN LA RUE: Board Member Beaver, any
9 comments on that?

10 VICE CHAIR BEAVER: Well, my comment would kind
11 of echo what Board Member Stratton had said. I just think
12 especially when you read that final line that you'd commented
13 on, that there was no significant findings, that in itself was
14 saying that the -- you know, the Auditor General didn't find
15 anything of significance. And I do think, though, for future,
16 it might just be noted that the Board could be invited. Whether
17 or not they show up or not is another thing.

18 CHAIRMAN LA RUE: Anybody? Any comments?

19 So I do agree with Mr. Hammond that best practice
20 is to make sure we're invited, but I don't think we need to hold
21 up this vote. But there is a meeting in early January. Is the
22 Auditor General at that meeting, or is that just a public
23 meeting?

24 MR. ROEHRICH: Mr. Chairman and Board members,
25 that's the second part I wanted to talk about.

1 Also in the past, the region has held a public
2 hearing that will allow the public, who's had now time to look
3 at this, because it's been posted through your website, through
4 MAG's website, through the Auditor General's website, through
5 Valley Metro's website, that the public should have a chance to
6 review it.

7 In the past they've held a joint public hearing
8 at MAG's office, between MAG, Board members who have wanted to
9 attend, as well as Valley Metro members who wanted to attend. I
10 do not remember if the Auditor General was there. But what was
11 presented were the findings as well as the draft responses, very
12 similar to kind of how Mike had addressed here that has been
13 presented by ADOT -- MAG, ADOT and Valley Metro staff. And it
14 was presented so the public could see it and then provide any
15 public comment back that these agencies, the Valley Metros or
16 Regional Council and State Transportation Board could hear.
17 That was on your agenda today, so you had a chance to public
18 hear it as well as for your input.

19 So from the perspective, we feel you've held your
20 public meeting or hearing on this. But in the past, Board
21 members -- and usually they've been the ones from Maricopa
22 County -- have attended the joint meeting. All Board members
23 are invited, by the way, but in the past it has probably been
24 more traditionally represented by the Maricopa County regional
25 board members.

1 So that public hearing, the Board doesn't really
2 have a role in that, because you don't have to speak or -- you
3 can ask questions or you can be part of that process. It has
4 been there for the public to respond. Right now, we're
5 tentatively looking at coordinating with MAG and Valley Metro to
6 hold that on the afternoon of January 4th. About 3:00 p.m.
7 would be the start date. A notice will go out once its
8 finalized, all the coordination, as well as a notice to all the
9 Board members. We will post it through the Board site as a
10 hearing, where Board members will -- may be present, but again,
11 no action's required at that, nor is it required to attend. But
12 it is there so the public has a chance to view and express any
13 issues which then would be shared with, as we said, the regional
14 bodies and the State Board and MAG and Valley Metro.

15 VICE CHAIR BEAVER: Chairman.

16 CHAIRMAN LA RUE: Yes.

17 VICE CHAIR BEAVER: I do have one additional
18 question. When our agenda was posted to the website, how many
19 days -- has it been posted more than two days? I mean, has it
20 been on the website for a significant number of days?

21 MR. ROEHRICH: Mr. Chair, Mrs. Beaver, it's been
22 up there for a week.

23 (Speaking simultaneously.)

24 VICE CHAIR BEAVER: Okay. So in that week have
25 we had anyone through any kind of communication indicate that

1 they were concerned about this audit?

2 MR. ROEHRICH: Mr. Chair, Mrs. Beaver, no. We
3 received no comments back on -- specific to the link to the
4 audit.

5 VICE CHAIR BEAVER: Okay. Thank you.

6 CHAIRMAN LA RUE: Move us along, what I would
7 suggest, I would entertain a motion to accept and concur with
8 ADOT's responses to the Maricopa Associated Government's
9 Regional Transportation Plan Performance Audit as presented and
10 discussed, along with a recommendation for the next cycle to
11 build in maybe a board review with the auditing team,
12 independent of executive staff, which is -- in certain circles
13 is a best practice. I would entertain that kind of motion if
14 somebody would so move it.

15 VICE CHAIR BEAVER: So moved.

16 CHAIRMAN LA RUE: We have a motion by Board
17 Member Beaver, a second by Board Member Hammond. Any further
18 discussion?

19 All those in favor signify by saying aye.

20 BOARD MEMBERS: Aye.

21 CHAIRMAN LA RUE: Any opposed?

22 Thank you. The ayes have it.

23 MR. ROEHRICH: Mr. Chair, the finding is agreed
24 to and the finding will be implemented. I'm trying to use
25 Mike's (inaudible) here. I think it's a great suggestion about

1 the Board. Just something we had not really had Board members
2 bring up before, but I think it does speak about the involvement
3 and the interaction between us, so (inaudible).

4 CHAIRMAN LA RUE: Perfect. Thank you.

5 That takes care of that item. We'll move on the
6 Agenda Item No. 11, which is suggestions for feature agendas.
7 Any suggestions?

8 Board Member Stratton.

9 MR. STRATTON: Mr. Chairman, I would like for --
10 at a board session, just for discussion purposes, to discuss the
11 wrong-way driving incidents that are occurring and what we're
12 doing and what we may possibly do in the future to help that.

13 MR. HALIKOWSKI: Certainly. Certainly.

14 CHAIRMAN LA RUE: That's an excellent suggestion,
15 because we're hearing that more and more and more. Yeah. Thank
16 you for that.

17 Any other agenda items? Suggestions?

18 Let's go on to No. 12, for liberation. It's
19 designation of Board Chair and Vice Chair, and I fail to
20 encourage somebody here to make motions and seconds. So I'm
21 just going to throw it out there to let you guys figure this one
22 out on your own.

23 So we've -- now is the time to hold -- or
24 actually nominate, but I would entertain a motion to designate
25 the Vice Chair Deanna Beaver as the State Transportation Board

1 Chairwoman to be effective as soon as I gavel this meeting down.

2 MR. HAMMOND: So moved.

3 CHAIRMAN LA RUE: We have Board Member Hammond
4 moving. Do I have a second?

5 MR. CUTHBERTSON: Second.

6 CHAIRMAN LA RUE: Second by Board Member
7 Cuthbertson. Any further discussion?

8 We sure we don't want to go back and revisit the
9 last agenda? Because we could hold -- you know, have to have
10 another board meeting and keep me on for a week. No? Okay.
11 Great.

12 All those in favor signify by saying aye.

13 BOARD MEMBERS: Aye.

14 CHAIRMAN LA RUE: Any opposed?

15 Congratulations, Deanna.

16 VICE CHAIR BEAVER: Thank you.

17 CHAIRMAN LA RUE: You are the incoming chair.

18 I would entertain a motion to designate William
19 Cuthbertson as the State Transportation Board Vice Chair to be
20 effective immediately following the end of this meeting. Do I
21 have a motion?

22 VICE CHAIR BEAVER: So moved.

23 CHAIRMAN LA RUE: I have a motion by the vice
24 chair, the pending transition chair, and a second by Board
25 Member Stratton. Any further discussion?

1 Hearing none, all those in favor signify by
2 saying aye.

3 BOARD MEMBERS: Aye.

4 CHAIRMAN LA RUE: Any opposed?

5 Congratulations.

6 Let's go on to Item No. 13, which is a little
7 sadness, but -- you know, I've got some remarks, but I think
8 I'll hold those, and I think, Floyd, you guys wanted to...

9 MR. ROEHRICH: Absolutely, Mr. Chair, and members
10 of the Board. I think it's -- it's fair to say that when
11 Mr. Rogers decided to leave the State and resign from the Board,
12 it's the first time that in anybody's memory we had a Board
13 member that resigned in the middle of -- not sure what to
14 expect.

15 So there was a lot of what's going to happen,
16 what's going on, and it took a while to finally -- I guess the
17 governor's office to find the professional they wanted to put on
18 here. And then all of a sudden we hear you're going to get a
19 representative from the northeast, Mr. Arlando Teller.

20 And immediately, you know, wondering, well, he's
21 coming here. He's got basically about a year left. So not sure
22 what's going to happen in that year, how effective it's going to
23 be. I tell you I think we were all surprised to realize the
24 energy he brought, the experience he brought, the intelligence
25 he brought from his experience through the aviation program,

1 through working with Navajo DOT and that.

2 He immediately jumped in, and there was no delay
3 period, and so you're here saying, "Wow, thank you for your
4 year." You probably, you know, don't know how active you've
5 been, but I think he surprised all of us by how active he was,
6 what his contributions were, and what he was able to bring as a
7 balance to the Transportation Board and our coordinations we do
8 with them and staff. So we're very pleased to have had this
9 opportunity. And a couple mixed emotions. What -- where in the
10 hell was he the whole six years?

11 CHAIRMAN LA RUE: Exactly.

12 MR. ROEHRICH: The second thing, why can't we get
13 it extended into the next -- you know, let's give him a full
14 term if we could. Unfortunately, I realize there are statutes
15 or kind of rules about that. So maybe the next time it comes
16 around, Mr. Teller, and back to Apache County's time to bring
17 someone forward, maybe you can get a full term in. I mean, I
18 think it would be great for us.

19 The experience and knowledge really was, I
20 thought, a big benefit to us. The fact -- the questions and the
21 way you interacted with staff were really something that I think
22 furthered our ability to work together between staff and the
23 Board, and I think it really complimented where the Board was
24 going with its approach to this year. And there are a lot of
25 significant issues we had to deal with, as we continued to climb

1 out of the financial downturn that we had.

2 We saw positive results, and because of that, you
3 know, the Board took positive action, and Mr. Teller was a
4 strong component of that. He got a lot done in a year. So his
5 time is very well recognized, very well appreciated, and it
6 really means we're going to miss his time on the Board between
7 staff and individually from Board members. So I'm sure you'll
8 have your own feelings about that.

9 So from us, we want to thank you, Mr. Teller, for
10 your time here, tell you our appreciation for really what you
11 did to help us transition into this, and in the short period of
12 time, your contributions are significant. We feel that from
13 staff, we can't say enough to say our appreciation. We have a
14 few little gifts that we would like to present in recognition of
15 your time here.

16 MR. TELLER: Thank you.

17 MR. ROEHRICH: First we would like to present a
18 certificate signed by all the Board members and our director,
19 again, expressing the sincere appreciation for your contribution
20 and your dedication to public service, your contribution and
21 your labors on this board for -- on behalf of all of Arizona.
22 So thank you so much for that time.

23 VICE CHAIR BEAVER: (Inaudible.)

24 CHAIRMAN LA RUE: (Inaudible.)

25 (Inaudible conversation.)

1 MR. ROEHRICH: There are a couple more
2 personalized gifts, but Mr. Teller, I don't necessarily know
3 that that -- they are gifts you can show the public, by the way.
4 I don't want people to think the wrong thing. But at the same
5 time, these are, again, personal gifts from the department to
6 you, things that we traditionally give to Board members.
7 There's a personalized license plate as well as a gift from the
8 Arizona Highways, MAG and things, things that we hope do
9 acknowledge the great appreciation we have, and we really wish
10 you the best in all your endeavors to move forward.

11 And I know you will not be a stranger to
12 transportation or to the department or to this board. We're
13 looking to continuing to work with you at the DOT of Navajo
14 Nation, as well as our aviation and then the rest of our
15 transportation issues. So thank you so much, sir. It's been a
16 real pleasure.

17 MR. HALIKOWSKI: I'd like to note this is a
18 souvenir license plate. It's a not a real license plate, so...

19 CHAIRMAN LA RUE: I thought it was a lifetime,
20 you know, ADOT.

21 MR. HALIKOWSKI: No. Unfortunately, no, but --

22 CHAIRMAN LA RUE: Gold pass.

23 MR. TELLER: (Inaudible) HOV lane.

24 CHAIRMAN LA RUE: Right.

25 MR. ROEHRICH: Thank you, though, Mr. Teller, for

1 bringing strength and honor to this board. It's much
2 appreciated.

3 CHAIRMAN LA RUE: Comments? Other comments by
4 Board members?

5 VICE CHAIR BEAVER: I would just like to make one
6 comment, that next year we look forward to being up in your
7 neighborhood, and we hope that you make that Board meeting.

8 MR. TELLER: I make that --

9 VICE CHAIR BEAVER: We're going to be up there
10 because you requested it.

11 MR. TELLER: Yes, definitely.

12 VICE CHAIR BEAVER: Hopefully no snow.

13 CHAIRMAN LA RUE: You know, Mr. Teller, I just --
14 you know, Floyd couldn't have said it any better. I mean, all
15 of the thoughts, I think, that the Board has had, and our time
16 that we've spent together has been absolutely, you know,
17 rewarding for all of us, and I can kind of speak from the -- you
18 know, the Board's perspective a little bit.

19 I was here with Hank Rogers for a number of
20 years. He was a, you know, very impactful board member for a
21 few years there, but then you could tell that Hank, you know,
22 was distracted and was -- had other things that he had to go off
23 and do, and then there was just kind of this void left up there
24 in northern Arizona with Hank moving on, and it was quite awhile
25 before, you know, there was somebody selected there. And it

1 would show as we traveled around the state. You could tell that
2 the -- you know, the constituents up there were looking for that
3 leader, and then we ended up having a little misstep there
4 before you joined us.

5 And so actually, when you joined, we were -- you
6 know, at least I was sitting there saying, "Man, I -- how is
7 this going to go?" But, you know, you stepped in here. You
8 have a thirst for knowledge. You know, you represented those
9 constituents up there very well. Not only did you represent
10 them. You've actually mobilized them. You know, they're now
11 coming to the meetings. They're getting engaged. They're
12 speaking. That's just phenomenal. Absolutely phenomenal
13 efforts on your behalf.

14 And so while I know that you're stepping off,
15 what I hope happens is that you continue all of that energy up
16 there. Keep the northeast part of that state engaged with us,
17 because that's a very important piece of the State of Arizona,
18 and I truly am going to miss not having you on this Board, the
19 Board next year.

20 On behalf of the Board we wanted to just, you
21 know, provide you something to -- let me make sure I brought
22 it -- provide you something that you can just, you know, go and
23 have a little time with somebody and enjoy. We've got some --
24 from one of your favorite places, we understand. You can go and
25 just have, you know, time to eat and relax and think about what

1 you're going to do in the future.

2 MR. TELLER: It is, actually. Thank you very
3 much.

4 CHAIRMAN LA RUE: Yeah. But thank you.

5 MR. TELLER: Thank you as well.

6 CHAIRMAN LA RUE: Anything else? Wow.

7 With that, I would accept a motion to adjourn
8 this Transportation meeting December 16th and get on about
9 business.

10 VICE CHAIR BEAVER: Can I have a second?

11 CHAIRMAN LA RUE: I'm sorry. You know what? I
12 wasn't thinking. Thank you.

13 MR. TELLER: Yeah. Thank you very much.

14 (Inaudible) or the support of the Board, as well as for the
15 legislator, the body who suggested me and to the governor who
16 appointed me. I sincerely appreciate this humbling experience
17 to progress Arizona State Transportation systems, and it has
18 been a phenomenal experience working with a wonderful board. It
19 really has been.

20 This is a new experience for me. You've made it
21 easy. You've made it understandable to me to jump right in with
22 both feet. I took this opportunity wholeheartedly, because I
23 feel that there's a lot more to do in the northeast area of
24 Arizona, and that progress is constant, and that we can work
25 together progressing towards improvement for the people of

1 Arizona, and that's what I took to mind.

2 When I was offered this opportunity, I had to go
3 to my counsel. Who's your counsel, Arlando? My mother, my
4 mother's brother and my aunt. My elders. And they sat me down
5 and -- I come from a very traditional Navajo family, and they --
6 first they scolded me. This is how you need to react. This is
7 how you need to respond. This is -- you know, so it was -- as a
8 leader, this is what you need to do. And then they encouraged
9 me. Speak for your people, speak for the people up here, not
10 just Navajo people, but the people in the County, and also fight
11 for the State, because you have other states that are fighting
12 for the same resources that Arizona is going to be fighting for.

13 And with that, I really had in mind that this is
14 something that I need to really wholeheartedly put my heart into
15 it, my effort into it. The first meeting, I was a bit lost,
16 because this was a new meeting for me, but Mr. La Rue,
17 Ms. Beaver, the rest of the team here really made it easy for me
18 to understand the process. That was hard for me to understand
19 the State process on, you know, the meeting.

20 But I sincerely appreciate this opportunity, and
21 appreciate your leadership, Mr. La Rue, Ms. Beaver, all the
22 Board members. (Speaking Navajo.) In Navajo that means "thank
23 you." (Speaking Navajo.) "Thank you from here." Thank you.

24 CHAIRMAN LA RUE: Any final parting words or
25 comments?

1 VICE CHAIR BEAVER: Well, my comment is it's been
2 a pleasure working with you, and I would like us to be able to
3 have a group picture maybe after.

4 MR. TELLER: Absolutely.


5 VICE CHAIR BEAVER: Don't go anywhere.

6 (End of excerpt.)
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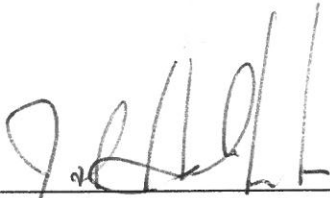
Adjournment

A motion to adjourn the December 16, 2016 Board meeting was made by Arlando Teller and seconded by Deanna Beaver. In a voice vote, the motion carries.

Meeting adjourned at 11:09 a.m. MST.



Joseph E. La Rue, Chairman
State Transportation Board



John S. Halikowski, Director
Arizona Department of Transportation