

STATE TRANSPORTATION BOARD MEETING MINUTES

9:00 a.m., Friday, March 16, 2018

Town of Sahuarita

Council Chambers

375 W. Sahuarita Center Way

Sahuarita, AZ 85629

Roll call taken by Board Secretary Linda Priano during Public Hearing

In attendance: William Cuthbertson, Jack Sellers, Mike Hammond, Jesse Thompson and Sam Elters. Steve Stratton called in and Deanna Beaver was not present. There were approximately 35 people in the audience.

Opening Remarks

Chairman Cuthbertson provided opening remarks during Public Hearing.

Title VI of the Civil Rights Act

Floyd Roehrich reminded all attendees to fill out the optional survey cards to assist our Civil Rights Department during the Public Hearing.

Call to the Audience for Board Meeting:

The following members of the public addressed the Board:

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1. Bruce Bracker, Santa Cruz County Supervisor
2. Miles Begay, Navajo County, Tribal Transportation Manager

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ADOT BOARD MEETING CALL TO THE AUDIENCE

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1 (Beginning of excerpt.)

2

3 CHAIRMAN CUTHBERTSON: Okay. We'll proceed
4 directly into our regular board meeting, and we've completed the
5 formalities of the roll call. I guess maybe on the roll call
6 here, do we need to -- it sounds like maybe Board Member
7 Stratton is not -- no longer with us.

8 MR. ROEHRICH: Mr. Chair, we'll acknowledge that
9 at -- probably at the end of the public hearing. (Inaudible.)

10 Mr. Stratton, were you able --

11 MR. STRATTON: Hello.

12 MR. ROEHRICH: Okay.

13 CHAIRMAN CUTHBERTSON: Okay. Okay. So we're all
14 here again. Okay.

15 MR. ROEHRICH: We've got all present. Yes, sir.
16 (Inaudible.)

17 CHAIRMAN CUTHBERTSON: Okay. Thanks.

18 Okay. So we'll go ahead and we'll proceed with
19 the call to the audience for the regular board meeting portion
20 of the program.

21 I've got Bruce Bracker of the Santa Cruz County
22 Supervisor.

23 BRUCE BRACKER: Good morning, Jesse.

24 Mr. Chairman, members of the Transportation
25 Board, my name is Bruce Bracker. I'm a member of the Board of

1 Supervisors for Santa Cruz County. I also sit on the Board of
2 Directors for the Greater Nogales/Santa Cruz County Port
3 Authority. I'd also like to let you know that Ms. Allison
4 Moore, Director of Legislative and Regulatory Affairs for the
5 Fresh Produce Association of the Americas, and Mr. Guillermo
6 Valencia, Chairman of the Greater Nogales/Santa Cruz County Port
7 Authority, are also here today.

8 The Nogales/Santa Cruz County community have come
9 together for the full -- to support the full build-out of
10 SR-189. That includes having Phase 1 and Phase 2 done at the
11 same time in order to create economies of scale that will save
12 millions of dollars for ADOT.

13 Additionally, the full build-out addresses two
14 critical issues not addressed in Phase 1. An overpass for
15 southbound traffic exiting I-19, emerging on to State Route 189,
16 and grade separation at Frank Reed Road to help eliminate the
17 safety congestion issues associated with traffic that is
18 destined or originates at our local high school.

19 Additionally, from the County and the fresh
20 produce industry's perspective, it is imperative that we advance
21 projects that improve the I-19 interchanges at Ruby Road and Rio
22 Rico Drive, as well as the frontage roads between these two
23 critical industry and neighborhood access points.

24 We recognize that ADOT faces tremendous funding
25 challenges, and that is why our community, including the County,

1 the City of Nogales, the fresh produce industry, the Nogales
2 Customs House Brokers, and the Maquilas industry have come
3 together to support a financial package that would enable ADOT
4 to move forward with both these urgent projects.

5 The City and County have indicated their
6 commitments to contribute 50 percent of their overweight fees,
7 which currently translates to \$800,000 per year, for a period of
8 15 years, which is \$12 million. It is worth mentioning that
9 this fee since its inception has experienced exceptional growth.

10 I also want to congratulate ADOT for securing a
11 \$25 million TIGER grant. That will go a long way towards paying
12 part of the SR -- part of the costs of the SR-189 project. This
13 new money coming into the State of Arizona, this grant
14 application was actively supported by our community and key
15 players of our Congressional delegation, including Congresswoman
16 McSally and Congressman Grijalva.

17 I also want to inform you that the produce
18 industry has been leading the charge at our state capitol to
19 advance SB 1065, a bill that would assess an axle fee on every
20 truck entering Arizona from Mexico. This bill has passed the
21 Senate. It is now up for consideration in the House of
22 Representatives.

23 I do want to make it clear. The acceptance of
24 this axle fee by industry was contingent on the inclusion of the
25 projects that would improve the aforementioned interchanges on

1 I-19 at Ruby Road and Rio Rico Drive.

2 I believe that the package that has been put
3 together for your consideration is a unique one in Arizona
4 history. One that includes federal and state grants, ADOT
5 funding, city and county contributions, and the commitment from
6 industry to participate in this process.

7 We understand that there is still an outstanding
8 balance, and we hope that you will give every consideration to
9 making that balance. I note this is an outstanding (inaudible)
10 balance is a topic for discussion in ADOT staff. We are
11 grateful to the partnership that we have with Director
12 Halikowski and his team in finding ways -- innovative ways to
13 get this project done. The economic well-being of our state is
14 at stake, and the safety of our truckers and traveling public
15 are of paramount importance to you and all of us on the ground
16 in Santa Cruz County.

17 I wanted to lay this out before you so that you
18 would be assured that we have been and remain a vested and
19 contributing participant in this effort. Our community is
20 coming forward with hard cash for many years. Our community has
21 helped secure new money for the state, and our community has
22 worked with ADOT in creating an innovative and tangible
23 financing structures with multiple local, state and federal
24 funding streams. I ask you to give it every consideration
25 advancing this project as a state priority.

1 Thank you very much. And Ms. -- Mr. Valencia,
2 Allison Moore and I are here to answer any questions you have.

3 CHAIRMAN CUTHBERTSON: Thank you.

4 MR. ROEHRICH: Mr. Chair, I would like to
5 acknowledge that Mr. Bracker did give us this in writing. This
6 will be part of the meeting minutes. I think each of you have
7 received a copy as well.

8 CHAIRMAN CUTHBERTSON: Yeah. Thank you.

9 Miles Begay, Transportation Manager for Navajo
10 County.

11 MILES BEGAY: Good morning, Chairman, Board.
12 Just -- I'm here just to support Mr. Kee Allen Begay's 191 road
13 improvement. That was just -- a letter was sent to -- better
14 sent to figure out the request from the community as well, and
15 that's a road between Chinle and Many Farms that in the past, I
16 guess, there's a lot of tourism during the summer and
17 bottleneck, and recently learned that the -- with the NDOT data,
18 that's a hot spot where a lot of accidents have occurred on the
19 reservation there, so...

20 And here attached is a letter requesting
21 information or update on the -- how you guys plan to go about
22 this 191 road, and there's -- I've got four attachments here
23 from NDOT. Back in 2016, they sent this to ADOT in a field
24 visit they requested back in 2016 as well, and so Many Farms
25 Chapter resolutions as well, and then Navajo Nation Council. So

1 just a little update on that.

2 Thank you very much.

3 CHAIRMAN CUTHBERTSON: Thank you.

4 Mr. Stratton, are you with us again? I don't
5 know. I don't know if he fell off or came back on. I guess
6 he's --

7 MR. ROEHRICH: I'm not sure, Mr. Chair.

8 CHAIRMAN CUTHBERTSON: Okay. Okay. Okay.

9 MR. ROEHRICH: But I think we will make sure that
10 the information we get --

11 CHAIRMAN CUTHBERTSON: Gets to him.

12 MR. ROEHRICH: -- here, the handouts and stuff,
13 we'll make sure he gets copies of that, and obviously he'll see
14 the meeting minutes. We'll try to fill in any gaps that he
15 missed.

16 CHAIRMAN CUTHBERTSON: Yeah. Okay. Thank you.

17 MR. SELLERS: And make sure he understands that
18 every time that he's off that his district is losing money.

19 MR. ROEHRICH: It's another \$5 million.
20 Cha-ching. Every time you hear chime, you get \$5 million off
21 (inaudible).

22 CHAIRMAN CUTHBERTSON: (Inaudible.) Okay. All
23 right.

24 MR. HALIKOWSKI: The question is does an angel
25 get its wings?

1 CHAIRMAN CUTHBERTSON: Okay. That concludes the
2 call to the audience.

3 We'll move on to Item 1 on the agenda. Rod Lane,
4 South Central District Engineer will provide the district
5 engineer's report, for information and discussion only.

6 MR. LANE: Good morning, Mr. Chair, members of
7 the Board. It's a pleasure to be here. Welcome to Sahuarita,
8 and welcome to the South Central District.

9 Just my report's going to be very brief. Just
10 going to talk about some of the ongoing construction in the PAG
11 region, both educate you as to the status and also the local
12 community.

13 So one of the major things that has happened here
14 recently is the opening of our latest traffic interchange at the
15 I-19 Ajo. We opened that last week. It's a single point urban
16 interchange with the single point (inaudible) being in place and
17 operating. The interchange is fully operational.

18 We're about to enter and currently advertising
19 Phase 2 of this project. So if you look down at the bottom
20 right photograph, you can kind of see that big void underneath,
21 and that's where the braided ramp is going to go underneath the
22 on -- the off ramp -- excuse me -- the on ramp. That's the on
23 ramp going over the noise wall behind it. And in Phase 2,
24 there's going to be a long ramp going to the Irvington TI that's
25 going to be constructed.

1 That project is currently advertised. We expect
2 the bids to open in the end of April, and that will allow us to
3 move forward with Phase 2, which is the braided ramp, the river
4 -- the bridge over the Santa Cruz River, SR bridge over the
5 Santa Cruz River, a pedestrian ramp over I-19 and over this ramp
6 -- or excuse me -- pedestrian bridge, and also a little widening
7 on the main line through that as all part of Phase 2.

8 So another large project we have going on in the
9 region is the Ina Road traffic interchange. You're going to
10 really see that one coming out of the ground now, if you have
11 the opportunity to drive through there. So we've got no major
12 traffic changes expected until we get this thing completed in
13 about a year from now. We're about 50 percent done. Like I
14 said, it's moving along along very nicely, and you can really
15 see it coming out of the ground.

16 SR-86 is another good size project we have going
17 on out in the -- kind of the west side out here, the west side
18 of Tucson. We expect to have that one done in August. That's
19 an arterial widening from a two-lane section to a four-lane
20 divided highway being done by Ashton. Moving along. We're
21 about probably 85 percent done on that one. So we expect to
22 have that one done at the end of this summer.

23 An interesting one that's going to be happening
24 soon is the I-10 over Wilmot.

25 Oh, and I wanted to also say, I've labeled each

1 of these projects, whether they're modernization, expansion.
2 You can see it up in the upper right.

3 Ajo is an expansion project. Ina Road is an
4 expansion project. SR-86 Kinney is an expansion project.

5 And then I-10 over Wilmot is a modernization
6 project where we're just kind of replacing and updating an
7 existing bridge deck, widening. We're using a temporary bridge
8 structure on this one, so it's actually the second time we've
9 done this. We did it for the TI just up the road. So we'll be
10 launching that bridge this month. The foundations are in for a
11 temporary structure, so we're settling it. We'll be launching
12 it this month. That's being done by Pulice Construction.
13 Moving along. We should have that one done by the end of this
14 year.

15 Another one that you drove through on the way
16 over here is I-19 over the Pima Mine Road. Again, that's a
17 modernization project. Just an upgrading of the bridge deck
18 surface, and the whole bridge deck, putting new shoulders and
19 new barriers and updating it without any capacity increases. So
20 being done by KE&G. We're kind of wrapping that one up a little
21 bit. We expect to have that one done -- it says April, but it's
22 actually May. So we've got about another month, month and a
23 half on that job.

24 Another one we have going down here, which was
25 mentioned by the mayor, is I-19, Canoa Ranch to Duval Mine Road.

1 That's a pavement preservation project. It's just a
2 preservation project. We're also doing some upgrading of the
3 bridge rail and stuff, but the vast majority of it is pavement
4 preservation. It's 10 miles of pavement preservation. Ashton
5 is doing that one. We'll have that one done, again, this year.

6 And then two more major projects that are not
7 necessarily in the region, but certainly on everybody's radar
8 are the I-10 over SR -- excuse me -- I-10 at SR-87 in Picacho,
9 being done by Coffman Specialties. That's, again, an expansion
10 project. That one's not being administered by South Central
11 District. It's being administered out of the Central District.

12 And so is this one as well, which is I-10, I-8 to
13 Early Road. Again, an expansion project, a much-needed project
14 being done on I-10 in those last two sections of widening. That
15 one is -- we just had the partnering meeting yesterday. So that
16 one is just kicking off. It's an A plus B contract being done
17 by Ames and Combs as a joint venture. And again, that one is
18 being administered through the Central District.

19 So the other -- rest of the current construction
20 projects we have going, here's a list of them. I know that one
21 of them in particular was of interest to a board member, and
22 that was SR-77 going through Mammoth, and we finished all the
23 paving for that project. It's currently on hold, and we'll be
24 coming to it when we get into the season so we can put the chip
25 seal on it. But that one, all the work is pretty much done.

1 We've just got that final chip seal to go.

2 So that was the end of my report. Does anybody
3 have any questions?

4 CHAIRMAN CUTHBERTSON: Questions from board
5 members?

6 MR. LANE: Okay. Thank you.

7 CHAIRMAN CUTHBERTSON: Thank you, Rod.

8 Okay. For Item 2, ADOT Director John Halikowski
9 will provide the director's report, for information and
10 discussion.

11 MR. HALIKOWSKI: Thank you, Mr. Chairman.

12 Board members, what I wanted to talk to you about
13 today is SR-189. We heard from Supervisor Bracker, and the
14 reason I want to discuss it is that we are getting closer and
15 closer to getting this project launched.

16 If you remember a couple of years ago, we got a
17 lot of resolutions here to the Board from MAG and PAG, from
18 other MPOs, councils and government saying that SR-189 was one
19 of the most important projects in the state for economic reasons
20 and for safety. And at that time, the Board approved what we
21 call Phase 1, which is the northbound lanes, you know, roughly
22 connecting the international border to I-19.

23 The Board, though, based on the resolutions, also
24 charged ADOT with looking into whether or not we wanted to
25 (inaudible), which was the southbound lanes, because there's a

1 great desire to have the project completed at all once. And as
2 Chairman Bracker said, there's -- we can calculate roughly a \$12
3 million savings by combining those two and getting them done.

4 And so following that instruction, we've had a
5 lot of intense meetings, intense conversations about trying to
6 figure out how we deliver both Phase 1 and Phase 2, the north
7 and southbound lanes.

8 As you recall, the Legislature appropriated \$25
9 million of General Fund money so that we could accelerate that
10 project from 2021 to 2019. The Board asked for some things at
11 that time, including local participation in order to complete
12 both of those, and I will say that over the past couple of
13 years, our partners at Cochise County and in Nogales and the
14 Fresh Produce Association, some of the other -- or in Santa Cruz
15 County, some of the other associations that were mentioned have
16 really stepped up. They're contributing 50 percent of their
17 overweight permit fees both from Santa Cruz County and the City
18 of Nogales into this project. And we've gotten the TIGER grant,
19 and also the fresh produce industry is pushing very hard for an
20 axle fee at the Legislature.

21 They've run into some headwinds there on the axle
22 fee. There is opposition by the Arizona Trucking Association,
23 but they're working through that, as the supervisor said.
24 They've gotten that bill out of the Senate. They're into the
25 House, and they're getting ready to go to committee with it.

1 We discussed with you at the time when you asked
2 us to look at this that even with local participation, we
3 probably would be returning back to you to fill a gap, and that
4 gap, roughly, we estimated at the time, was about 25 to 30
5 million dollars. And so as we're looking at the tentative five-
6 year program, we want to begin those discussions again, because
7 we do believe that there's a strong reason to do both the north
8 and the southbound lanes at this point.

9 So as we discussed, you know, the commitment is
10 there from the local government. The commitment has come from
11 the feds via the TIGER grant. And if you look back a couple of
12 years -- and the reason I bring this up is not all board members
13 were there -- but there was a lot of interest and
14 recommendations from various organizations around the state to
15 get the north and southbound done.

16 As the supervisor pointed out, there is also
17 grading at Ruby Road TI and Rio Rico. And the axle fee would go
18 a long way into helping fund those projects, which is why we
19 believe that the local participation will be there. You'll see
20 that Ruby Road, I believe, in the development plan, it's in the
21 seventh or eighth year of the development plan, and we're still
22 planning to do some studies on the Rio Rico piece.

23 So at this point, Mr. Chairman, what I'd be
24 asking for is that at a study session, we'd like to come in and
25 show you the finances, because as the supervisor said, we've got

1 federal money. We've got state money. We've got local money.
2 We've got a number of different funding sources that we have
3 cobbled together to make this very important project come
4 through. So we'd like to bring it into a study session and have
5 your consideration and discuss filling that gap to get
6 southbound and northbound lanes done in one go.

7 CHAIRMAN CUTHBERTSON: Yes. I think that would
8 be appropriate. So maybe -- we've got a study session coming up
9 in -- first of June or -- May or June? I don't know when it's
10 scheduled, but --

11 MR. ROEHRICH: Yeah. Mr. Chair, it is that first
12 week in June.

13 CHAIRMAN CUTHBERTSON: June. Yeah.

14 MR. ROEHRICH: It's usually the study session
15 after the public hearing is where we work with the Board to make
16 some finalized adjustments to the tentative so at the June board
17 meeting we can complete -- the Board can approve it, and we can
18 move forward with development for the future.

19 CHAIRMAN CUTHBERTSON: Okay. Would that be --
20 would that be an appropriate time to do -- take a look at this?

21 MR. ROEHRICH: Mr. Chair, that absolutely is the
22 appropriate time.

23 CHAIRMAN CUTHBERTSON: Okay.

24 MR. ROEHRICH: That is when we'll have our
25 options that we can bring to the Board, as the director had

1 said, and discuss how that would fit in, realizing I will need
2 to preserve the program as much as possible, but still move
3 forward with options considering all the other additional
4 funding sources that is coming in that allows us to achieve the
5 project results that we want.

6 CHAIRMAN CUTHBERTSON: Okay. All right.

7 MR. HALIKOWSKI: So Mr. Chair, we think the
8 commitments have been met, but I would like to just thank
9 Supervisor Bracker and Guillermo Valencia and Allison Moore from
10 the Fresh Produce Association. They, along with Jaime
11 Chamberlain, have just been incredible partners to work through
12 what is many very complicated financial projects. So thank you.

13 CHAIRMAN CUTHBERTSON: Board Member Hammond.

14 MR. HAMMOND: Yes. I too would like to thank the
15 Board for their support of this project. It's very, very
16 important to our area.

17 I do have a question, John, Director Halikowski.
18 The -- does the axle fee work (inaudible) close the entire gap
19 that you're referring to? And like you asked one of the
20 speakers, what's your odds on that passing?

21 MR. HALIKOWSKI: So Mr. Chairman, Board Member,
22 the axle -- as this thing has come about, as you know, we
23 started with the northbound lane, and the Board and the
24 resolution show great interest in getting the southbound lane
25 done, also, not just because of the cost savings, but there's a

1 significant safety problem at Frank Reed Road along 189 where
2 the high school empties out every afternoon, and you've got
3 local kids and traffic mixing with lots of heavy trucks.

4 So as this has grown and we've been discussing
5 it, it's like, well, north and southbound aren't the only
6 issues. You've got some significant turning problems at Ruby
7 Road with the way that that is currently constructed, and then
8 there's issues with the frontage road and the warehouses and TI.

9 So as we've been looking at this, the core of the
10 project has been north and southbound, but we've also looked at
11 can we add on to these issues and try to resolve them all at
12 once. You know, that probably isn't going to happen to do all
13 of them at once. You can get an economy of scale with the north
14 and southbound. So it's been a goal as to how we get to those
15 others, and the industry stepped up and said, well, what if we
16 (inaudible) to do as the industry axle fee? Because they're
17 very interested in that Ruby Road and Rio Rico issue, whereas I
18 think the City and County are more interested in the SR-189
19 improvements.

20 So the axle fee currently exists in
21 administrative rule. I have the authority to set it, but what
22 we're asking the Legislature is to shift that axle fee from a
23 fund that is not directly going into the State Highway Fund,
24 because we need to be able to have that money going into the
25 State Highway Fund not subject to legislative appropriation as

1 it was structured 15 years ago so that we can use it directly on
2 the project. So that's the ask of the Legislature.

3 What's happened is the trucking association has
4 registered objections very strongly with the axle fee, because
5 they believe it's akin to a toll, and they do not want tolls in
6 Arizona, as they've made very clear.

7 So it's difficult for me, because I'm not
8 directly involved with what's happening with the committees. I
9 think there's a good chance that bill will come out of
10 committee. I don't know what will happen to it when it gets to
11 the floor and consideration of the committee as a whole, because
12 there are people who are strongly talking about the benefits,
13 why this is a good thing, and the trucking association's saying
14 we do not want this form of financial participation in by the
15 state.

16 MR. HAMMOND: Will it close the gap were it to...

17 MR. HALIKOWSKI: So Mr. Chairman, Board Member
18 Hammond, I will say that it won't completely close the gap on
19 the TIs. What I'm asking the Board to consider is closing the
20 gap on the north and southbound, which is where we originally
21 started with this. The TIs were add-ons to this as we were --
22 entered discussions.

23 And so I think the axle fee will go a long way
24 towards getting those interchanges done, not completely. But
25 the gap I'm looking at, if you recall, is that at the time, we

1 had the 25 million in acceleration funds from the Legislature,
2 and we put those to work on other projects. And we need to come
3 back and readdress bringing that money back in, because we're
4 ready to go with it exactly at that time.

5 This is why I want to bring it to a study
6 session, because we really need our CFO to come in so we can
7 trace the funding and how it's all working together.

8 CHAIRMAN CUTHBERTSON: Thank you.

9 MR. ELTERS: Mr. Chairman.

10 CHAIRMAN CUTHBERTSON: Yeah. Board Member
11 Elters.

12 MR. ELTERS: Director Halikowski, a couple
13 questions. And understanding that we're going to discuss this
14 at the study session. Is the scope of the improvements set --
15 so is it -- has the studies advanced far enough that you have a
16 frame of work for what is -- for what the improvements are? And
17 as we talked about gaps with Mr. Hammond, what is the total
18 estimated cost today? And if you include the commitments that
19 have been discussed here today, how much funding do we have? So
20 what -- I guess I'm trying to get a handle on --

21 MR. HALIKOWSKI: Sure. Understood.

22 MR. ELTERS: -- what the gap is.

23 MR. HALIKOWSKI: So the north and southbound
24 lanes are roughly \$134 million to do both north and southbound,
25 and the Board had approved 69 million for the southbound with

1 the legislative contribution of the 25. So as I recall, there
2 was 44 million of state and federal funds for the center or the
3 northbound lane.

4 The addition of the southbound -- or I'm sorry.
5 Yeah. The addition of the southbound lane brings us up to \$134
6 million. So in order to accomplish that, we need to probably
7 fill in a total of about 40 million, and we feel that -- and I
8 don't have the final numbers in yet. We're going back to meet
9 with our CFO today. But we think the total shift the Board
10 would be looking at is roughly 40 million, with 11 million of
11 that coming out from some other sources that are not being
12 directly related to projects in rural Arizona.

13 And Floyd, you have also -- I know you're eager
14 to talk --

15 MR. ROEHRICH: I am.

16 MR. HALIKOWSKI: -- because he's been into these
17 numbers, you know, with a fine tooth comb. So if you want to go
18 ahead.

19 MR. ROEHRICH: Thank you, Mr. Director.

20 Mr. Chair, Mr. Elters, a couple of things. Let's
21 first start with the projects. The 189, the full build-out of
22 the northbound and southbound, that has -- the study's done, and
23 the environmental work is complete. We're ready to go on that.
24 Those questions of getting the construction funding together,
25 (inaudible) is outlining and getting all of the final estimates

1 from the -- our finance group, from the CFO. So that's ready to
2 go.

3 Ruby Road and the frontage road improvements, we
4 started that initial study last year, which is tentative to
5 probably finish that this year, but the additional improvements
6 at Rio Rico TI were not included in that. We intend to add that
7 to that study, which will probably take a little bit longer, and
8 then we're also going to have to cost those out.

9 So the 134 million for the complete built-out of
10 State Route 189 is the estimate that came out of the study, and
11 that's a good estimate that we're using to plan on.

12 The estimate for Ruby Road and now the Rio Rico
13 TI with the frontage road between them originally started out as
14 an estimate of about 25 million, but with the additional TI
15 added at Rio Rico now, we're going to have to obviously
16 re-estimate that, and it's going to go up. And I really don't
17 know what that is at this point, what that additional gap is.

18 MR. HALIKOWSKI: But we're not coming back to the
19 Board for that at this point. Only looking at north and
20 southbound direction.

21 MR. ROEHRICH: Correct. That's how the plan is,
22 as we work with the locals and see if the axle fee and where the
23 other financing is coming together at a future time.

24 So Ruby Road, Rio Rico would not be ready at this
25 time, because we still have to finish the study. With the added

1 scope, we're probably going to have to add more time to it. Our
2 goal would be to get State Route 189 ready in FY '19, move that
3 forward, finish the studies, finish the financial work on Ruby
4 Road/Rio Rico, and have that ready to go probably within a year
5 or two after we start 189, where if we couldn't get it all in
6 one project, at least it can follow as a separate project so it
7 will be continuous. Those improvements will all be done in
8 consecutive order.

9 CHAIRMAN CUTHBERTSON: Thank you.

10 MR. HAMMOND: Okay. Thank you.

11 MR. HALIKOWSKI: Thank you. Thank you, Floyd.

12 CHAIRMAN CUTHBERTSON: Okay. Thank you,

13 Mr. Chairman -- Mr. Director.

14 Okay. Moving on to Item 3 on the agenda, the
15 Board will consider items included in the consent agent for
16 information and possible action.

17 Any items the board members would like to pull on
18 the consent agenda for individual discussion?

19 Okay. Hearing none, all in favor -- let me stop.
20 Is there a motion to approve the consent agenda as presented?

21 MR. SELLERS: Mr. Chairman, I move for approval
22 of the consent agenda as submitted.

23 MR. KNIGHT: Second.

24 CHAIRMAN CUTHBERTSON: Okay. Board Member
25 Sellers moves, and seconded by Board Member Knight. Is there

1 any discussion?

2 Okay. Hearing none, all in favor signify by
3 saying aye.

4 BOARD MEMBERS: Aye.

5 CHAIRMAN CUTHBERTSON: Okay. The motion passes.

6 Item 4 on the agenda, Floyd Roehrlich will provide
7 the legislative report for information and discussion only.

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

9 I decided to come over here for the next two
10 reports since they're staff reports. Plus it gives me some
11 steps on my Fitbit, so when I get home, I can show my wife I got
12 a little exercise. Maybe I can go out for steak tonight instead
13 of salad. That will be my goal.

14 So anyway, let's start with the legislative
15 report. Locally, there are two bills that the Department is
16 working through. These are two agency bills. SB 1200 and SB
17 1287. They've been working their way through the process. We
18 anticipate both being sent to the governor in the coming weeks.

19 SB 1200 eliminates roughly 20 percent of ADOT's
20 statutory rule making authority and further streamlines Title
21 28, allowing us to use those efficiencies as an agency to move
22 forward and better perform our mission for the -- for our
23 stakeholders. It also conforms state law to the interstate Fuel
24 Tax Agreement is one of the components of that.

25 And another component of that is actually the

1 elimination of the Parkways, Historic and Scenic Roadways
2 Advisory Committee, PHSRAC, which has been part of the
3 department that -- and while -- and taking on that committee.
4 But although it eliminates it as a committee, it does move all
5 the duties that the PHSRAC did over to the State Board of
6 Geographic and Historical Naming, which would start in July of
7 this year. So that would mean any historic or scenic route
8 designations would now go through the state historical naming,
9 the geographical naming board as opposed to coming back through
10 this PHSRAC committee that was created. Again, eliminate the
11 need for a redundant committee where those services could be
12 conducted by another group.

13 Let's see. SB 1287 coincides with the
14 development of our motor vehicle division's modernization
15 project. As we out -- as we replace our outdated system, this
16 system will give ADOT the authority to start bringing other
17 technologies in. It will include the use of electronic
18 correspondence for corrective action notices and other
19 communications. This will save us money and obviously ensure a
20 speed up of time in communication from the Department. We will
21 not have to do redundant mailings and additional communication
22 efforts.

23 We're going to move towards digital licensing and
24 other credentials as that technology advances and becomes
25 available. And we'll allow customers to set up secure online

1 financial accounting into which unused vehicle license tax
2 moneys and other moneys owed to them could be deposited and
3 applied towards future motor vehicle division transactions or
4 would also give us an easier mechanism to refund those moneys
5 back to the -- back to the customer.

6 The Legislature continues to discuss broader
7 transportation funding issues, including a new funding source
8 for the Department of Public Safety Highway Patrol, separation
9 of the HURF funds. It would also provide a means to ensure
10 alternative fuel vehicles pay more equivalent vehicle fee that
11 it would use for maintaining infrastructure, and it would allow
12 the counties to send potential tax increases or fee increases to
13 their voters in order to raise additional revenues for
14 transportation infrastructure within that region.

15 So there's a number of the transportation issues
16 being discussed and moved forward, and as always, we encourage
17 the people who support these or whatever your opinion is on
18 these to make sure to reach out to your Legislature at this time
19 -- legislators at this time as they're debating those issues.

20 Mr. Chair, that's the end of the state federal --
21 the federal report. I would like to update some of the federal
22 issues as well.

23 As has already been noted multiple times, the US
24 Department of Transportation has awarded ADOT a 25 million TIGER
25 grant for the State Route 189 project in Nogales. It's

1 important to note that that TIGER grant, what was -- when we
2 applied for it, was for the full build-out of that
3 northbound/southbound lanes that's been identified, which is why
4 given -- as the director said, the previous guidance from the
5 Transportation Board as well, as working with Dallas's team, why
6 we're developing a strategy to get the whole project funded of
7 189, because it was part of the TIGER grant commitment.

8 President Trump has submitted his infrastructure
9 plan principles, as I'm sure a lot of you have seen and heard
10 talk about. And so the issue, though, has been it has received
11 a pretty cool reception on Capitol Hill. Congressional leaders
12 have been raising doubts about the plan from the moment of its
13 release. Wow, that's a little -- this came from Kevin Biesty,
14 by the way, just to make sure. This is on record. I'm giving
15 his report. I should have probably struck his personal comment
16 out of there.

17 MR. HALIKOWSKI: Chairman, I think the biggest
18 thing about the principles of the President's plan is it
19 requires the states to do an 80 percent match of 20 percent of
20 the money, and you know, in talking to other DOT directors
21 around the country, that's just really --

22 MR. SELLERS: It's not a plan.

23 CHAIRMAN CUTHBERTSON: Yeah. Too little too
24 late. Yeah.

25 MR. HALIKOWSKI: -- impossible in a lot of cases.

1 MR. ROEHRICH: In addition, there's still the
2 funding plan. Part of it was to create \$200 billion of direct
3 federal funding and use that to leverage either local
4 government's fund or through public-private partnership, private
5 investment to create as much as a trillion and a half dollars.
6 There's still an issue of where they're going to create the \$200
7 billion in the budget.

8 So that plan, obviously, is going to be strongly
9 debated. There's no anticipation that it will be finalized this
10 year, but it will probably be debated, and there will be a lot
11 of discussion on that throughout the year as that goes on.

12 MR. HALIKOWSKI: One other addition,
13 Mr. Chairman, is Speaker Ryan in the House of Representatives
14 says that he will not even consider a gas tax increase, that it
15 would undo all the tax benefits that they had recently passed
16 for the public and that a gas tax will not be considered in the
17 House.

18 MR. ROEHRICH: So I want to move on from the
19 infrastructure bill. There's obviously a lot we're going to
20 hear about over the course of the next -- rest of this year.

21 There's a -- Congress is facing another funding
22 deadline. Authority for the federal government to spend money
23 will expire on March 23rd. At that time, Congress will have to
24 either pass another appropriation bill or they'll have to do a
25 continuing resolution to continue to fund the federal

1 government. So we'll see how those issues have continued to
2 move forward with all of the other strong issues that are being
3 debated at the federal level. And at that time -- or at that
4 point, Mr. Chair, ending our legislative report.

5 CHAIRMAN CUTHBERTSON: Okay. Questions from
6 board members?

7 Board Member Elters.

8 MR. ELTERS: Mr. Roehrich, a lot was packed in
9 that Senate Bill 1200, but related to that -- the other bills
10 that are being debated on the state level, are any of those
11 bills promising as far as funding to transportation?

12 MR. ROEHRICH: Mr. Chair, Mr. Elters, I think
13 there are some promising bills. I kind of put those in the
14 broader context of the DPS Highway Patrol Funding fee and
15 revenues, the separation of the HURF from that, the alternative
16 fuel vehicle license fee increase to give it more of a fair
17 share. So there are a number of those that are being
18 considered, and they're at various stages within the process.
19 So yes, I think there's still possibility we could get some of
20 those.

21 What hasn't been brought forward yet, though, is
22 a fix to the revenue situation, and I got a little bit -- where
23 I was going to talk about financial -- there's no long-term fix,
24 either at the local level, state level or national level for
25 transportation funding at this time.

1 MR. HALIKOWSKI: Yeah. Mr. Chairman, I think all
2 those bills have a lot of discussion they're still going to need
3 to go through. The HURF fix Floyd refers to would require the
4 director of the Department of Transportation to add \$18 to \$20
5 each vehicle registration fee. This would provide roughly \$140
6 million for the DPS Highway Patrol per year, thereby freeing up
7 the HURF money that's currently transferred for the Highway
8 Patrol.

9 There's a lot of debate in the Legislature
10 whether they want to give me that kind of power, and I've been
11 in the back going, ooh, today we have the state, tomorrow the
12 world. But I don't know that that's going to survive, because
13 there are many members (inaudible) pretty big tax increase on
14 people.

15 The issue with VLT for alternative fuel vehicles,
16 again, some of the rumblings I'm hearing is that's a pretty
17 steep lift on people who aren't paying much VLT right now. I
18 think it's 1 percent or 5 percent of the total cost of the
19 vehicle, that suddenly they get slapped with these big VLT
20 bills.

21 So a lot of these are very difficult to figure
22 out where they're going to go, if anywhere, because you have
23 people that have taken very strong pledges that they will not
24 vote for any new taxes, and if it looks like a fee, smells like
25 a fee, walks like a fee, they're going to be opposed to it.

1 The other thing I'd say is the governor's staff
2 is working on a plan for next year, and they will be bringing
3 that forward, I believe, as far as transportation funding. I
4 don't have a lot of the details on that yet. So I'm not quite
5 sure how that's going to enter into the chipping away at
6 specific problems versus a comprehensive plan for the future.

7 The last one is giving counties the option for
8 local gasoline tax, which I worry about somewhat, because you
9 have counties that can obviously carry that weight if they want
10 to increase it, but you've also got some counties in the state
11 where they're already paying 13 cents on the dollar for sales
12 tax, and I don't know that they have the economic base to
13 increase gas tax in their counties. We have to look at it as
14 (inaudible) and when you start doing things this way (inaudible)
15 and the haves and have not. In my mind, we can't just move
16 things around (inaudible). Have to connect us to world markets
17 through the (inaudible) system.

18 So some of these things, while they sound good on
19 the surface, have deeper implications that we just need to be
20 careful of, because we're all in this together. I can't just
21 fix one part of the state because they have more money. We
22 really need to keep it connected. So there's still a good
23 amount of the session to go through before we get done. These
24 are just preliminary bills that have passed one house or the
25 other, but we'll keep you informed as things move forward.

1 CHAIRMAN CUTHBERTSON: Yes. Board Member Elters.

2 MR. ELTERS: Director Halikowski, as you noted,
3 the study session of the -- legislative session is still ongoing
4 and it's early. If none of these bills go forward and become
5 law, is it your understanding that the governor's approach to it
6 next year would be comprehensive and would pick up where some of
7 these bills may go but not get to a final resolution?

8 MR. HALIKOWSKI: So again, I don't have the
9 details, and I don't want to predict what that will look like,
10 but there's strong recognition, I think, in that plan that VLT,
11 for instance, vehicle license tax, is not Constitutionally
12 protected for transportation. And in your experience, I know
13 Board Member Elters, it's been siphoned off by prior
14 administrations to go into the General Fund.

15 So I think there's some basic principles like
16 that that are going to be considered, along with what do you do
17 with alternative fuel vehicles? And it's not just those
18 vehicles that are non-commercial. It's very evident among the
19 industry that they're building what we call a CNG highway across
20 the country. They're going to compress natural gas, whether
21 it's U-Haul, Yellow Freight, some of the other big companies out
22 there. Because it's fairly easy drop-in technology. Arizona
23 does not tax that as a propulsion fuel, and of course, electric
24 vehicles are not taxed. But you still have all of these
25 vehicles using the road, and before someone says, well,

1 commercial vehicles aren't electric, I would beg to differ.
2 Mercedes and a few other manufacturers like Volvo are looking at
3 electric 18-wheelers as the next generation.

4 So as these changes are getting made, we need to
5 start looking at laying the foundations, and I think that's
6 where a lot of the governor's staff is looking at. What are the
7 foundations we need to lay for the future in order to ensure
8 that at least with (inaudible) some of these issues.

9 MR. ELTERS: Thank you.

10 CHAIRMAN CUTHBERTSON: Okay. Thank you.

11 Okay. And we'll move on to the financial report.
12 I don't see Ms. Ward here. Floyd, I --

13 MR. ROEHRICH: Mr. Chair, members of the Board,
14 Ms. Ward is not here. So she had asked me, obviously, to try to
15 summarize her report, and I will do that. We're not going to be
16 able to do it as extensively as she did. What I'd like to do is
17 at least highlight a few things that she had noted.

18 Go back to the HURF status, and although we had a
19 strong month, with 4.4 percent growth, as you can see and if you
20 look at the trend, we've been under the forecast, basically
21 leading up to this month, and we're still basically right on her
22 forecast, which means that there's not going to be any growth in
23 funds that would allow to either expanding the program at this
24 point or allowing us to make a number of adjustments to the
25 transportation funding.

1 That's the same for the diesel tax. If you add
2 both of those together, that's what -- along with the VLT,
3 identifies the HURF funds. So for the past month, in this case
4 it was the month of February, we saw some growth in all three of
5 those areas, but you can see the trend, though, has been -- it
6 has been under her forecast. So we're basically just
7 maintaining, again, where we are at, which has been the funding
8 situation for the past number of years as we've been working
9 through the economic issues.

10 The Regional Area Road Fund in the MAG region is
11 a little bit better, but it is still within her forecast, a
12 slight amount of growth above forecast. And again, as we work
13 with MAG and Dallas's team on funds in the programming, we're
14 identifying any opportunities to bring additional funds in and
15 move their program forward, but it is barely keeping up with
16 forecast.

17 The federal program at this time, as she said, is
18 basically no -- no additional growth seen in there. Waiting for
19 an infrastructure plan out of Congress, and it has been
20 successful to get some of these TIGER grants. Hopefully we get
21 another FASTLANE grant. The State of Arizona's been pretty
22 successful with the grant process. That does bring in revenues
23 that allows her to obviously help fund some of these
24 improvements, but absent of that, as you saw in Mr. Byres's
25 update on to the five-year program, we're basically maintaining

1 exactly where we're at.

2 With that, Mr. Chair, I have no further financial
3 update.

4 CHAIRMAN CUTHBERTSON: Okay. Questions from the
5 Board?

6 Okay. Thank you.

7 Item 6 on the agenda, Greg Byres will present an
8 update on the current planning activities pursuant to ARS
9 §28-506 for information and discussion.

10 MR. BYRES: Mr. Chairman, board members, I just
11 have a couple things real short.

12 Even though we're -- we discussed the tentative
13 plan earlier, I just want the Board to know we're already
14 starting on next year's plan as well. So that's getting going.

15 One of the things that we're doing is we're
16 actually going through and looking at lessons learned, trying to
17 make improvements to our P2P process coming through, as well as
18 trying to get our Decision Lens up and going so that it is
19 functional for our future plans that are coming up or future
20 programs that are coming up. So this is a never-ending ordeal,
21 but we're working on it. I just wanted to let you know that.

22 One of the other things that I had was the Board
23 had received a letter from the Navajo DOT, and they wanted us to
24 specifically look at three different areas. I have my staff
25 looking at those, trying to go through the past studies that

1 we've done. We have a current study that is actually due today
2 to go through -- I believe it's the final draft on 191 that runs
3 from Chinle to Many Farms. So with that, there will be
4 recommendations for projects coming through. So just wanted to
5 make sure that the Board understood that we were working forward
6 on that. Thank you.

7 CHAIRMAN CUTHBERTSON: Okay. Questions from the
8 Board?

9 MR. THOMPSON: Mr. Chairman.

10 CHAIRMAN CUTHBERTSON: Yes. Mr. Thompson.

11 MR. THOMPSON: I do certainly appreciate that,
12 and I talked to Kee Allen Begay that I will relay this message
13 to him (inaudible) another meeting (inaudible). So thank you
14 very much.

15 MR. BYRES: Uh-huh. Thank you.

16 CHAIRMAN CUTHBERTSON: Okay. State engineer's
17 report. Dallas Hammit, Deputy Director of Transportation, will
18 provide an update on the scoping study of US-95 in Bullhead City
19 and Mohave Valley, and also presenting a report showing the
20 status of highway projects under construction, for information
21 and discussion only.

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

23 On the -- the 190 -- excuse me -- the SR-95 in
24 Mohave, I want to give you a little background on how we got to
25 where we're at and then how we're moving forward.

1 MR. ROEHRICH: Mr. Chair.

2 CHAIRMAN CUTHBERTSON: Yes.

3 MR. ROEHRICH: I apologize for interrupting, but
4 Mr. Byres, were you going to do your PPAC items? I mean, if you
5 want to do them, that's all up to you. We'll just take them to
6 another --

7 MR. BYRES: (Inaudible.)

8 CHAIRMAN CUTHBERTSON: Did I miss something? Did
9 I miss that on the agenda? Sorry. Sorry.

10 MR. BYRES: I can do that. I thought I got away
11 with that.

12 CHAIRMAN CUTHBERTSON: Sorry Dallas. Went right
13 past me. Item 7, PPAC.

14 MR. BYRES: Mr. Chairman, board members, the
15 Priority Planning Advisory Committee brings forth several items
16 here with recommendations for approval. The first ones we have
17 are Items 7A through 7O. These are projects for project
18 modifications. I do have a couple of notes on these.

19 On Item 7M, we need to change the type of work
20 from pavement rehab to pavement preservation. I think it's --
21 there's some -- a mix-up in language on that.

22 We also have on Item 7A, I just want to make sure
23 that it's noted that it's contingent on approval on the PAG
24 regional council.

25 CHAIRMAN CUTHBERTSON: Okay. Questions from

1 board members on the project modifications?

2 Okay. Do I have a motion to accept and approve
3 project modification Items A7 through AO as -- Items 7A through
4 70 as presented?

5 MR. THOMPSON: Chairman, I would move for
6 approval.

7 MR. HAMMOND: Second.

8 CHAIRMAN CUTHBERTSON: Okay. Motion by Board
9 Member Thompson, second by Board Member Hammond. Discussion?

10 All in favor say aye?

11 BOARD MEMBERS: Aye.

12 CHAIRMAN CUTHBERTSON: Okay. Project
13 modifications passes.

14 MR. BYRES: Mr. Chairman --

15 CHAIRMAN CUTHBERTSON: Yes.

16 MR. BYRES: -- board members, Items 7P through 7Z
17 are new projects. Again, with a recommendation from PPAC for
18 approval. I don't have any changes to any of those, so that's
19 as presented.

20 CHAIRMAN CUTHBERTSON: Okay. Board members get a
21 chance to look at 7Z? I think that was presented a little late.
22 Okay.

23 MR. ROEHRICH: Mr. Chair, a reminder. 7Z was the
24 addendum that came out after the original addendum.

25 CHAIRMAN CUTHBERTSON: Yeah, the addendum.

1 Right. Everyone had a chance to look at -- any questions on any
2 of those?

3 Okay. Do I have a motion to accept and approve
4 new projects Items 7P through 7Z as presented?

5 MR. SELLERS: So moved.

6 MR. ELTERS: I so move.

7 CHAIRMAN CUTHBERTSON: Okay. I've got a motion
8 by Board Member Sellers, second by Board Member Elters.
9 Discussion?

10 All in favor?

11 BOARD MEMBERS: Aye.

12 CHAIRMAN CUTHBERTSON: Okay. The motion passes.
13 Moving on to Item 8 now, Dallas will present the
14 state engineer's report.

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

16 And as I -- as I had started, on State Route 95
17 in Bullhead City in Mohave County, you've heard a couple of --
18 in the comments, there's some concerns on roundabouts in the
19 area. So I'm going to let you know how did we get to that point
20 and where we go on now to the future.

21 The district had -- the Northwest District had
22 recognized that there were a number of crashes, some of them
23 fatal, at two intersections, Camp Mohave and Aztec. They
24 requested a safety study to be performed. During that study,
25 recommendations came back and said the best way to address these

1 types of crashes would be to first control the access, and that
2 could be done with a raised median through the area, and the
3 second, because of the type of crashes, to install roundabouts
4 at both intersections. Today, each intersection is controlled
5 by a traffic signal.

6 We heard from the community. Not only at this
7 meeting, but others. The team went out and met with business
8 leaders. They held six business meetings in the area and went
9 back and looked at it. And we believe we can start with -- at
10 least at Camp Mohave, that the signal can remain in place if we
11 control the access and put in the raised medians. In the
12 business meetings, we seem to have support in that area.

13 There is still concern at Aztec. The types of
14 crashes, there is a signal there today, and they're still having
15 some severe crashes. What the district is moving forward with
16 is a public meeting in April to hear from the community. So
17 we've met with business leaders, but we haven't brought the
18 whole community in in a public meeting. We are going to be
19 doing that in April. We will hear the concerns. We will
20 present an option and then take recommendations back. No final
21 decision has been made on this area. We are still studying it.

22 I do want to point out in those areas, the study
23 recommended those approvals and safety funds were identified,
24 2.6 million at Aztec to put in the roundabout, 3 million at Camp
25 Mohave, and approximately a little over \$3 million for raised

1 medians in those areas. So once we have the public meeting,
2 staff will make recommendations for future projects in that
3 area.

4 Are there any questions on SR-95?

5 MR. CUTHBERTSON: So right now those are
6 programmed in the tentative five-year construction program?

7 MR. HAMMIT: Mr. Chairman, yes. Through the
8 safety fund, when they were identified, we programmed them at
9 that point. So if we do change, we would come back to the Board
10 and recommend a change.

11 CHAIRMAN CUTHBERTSON: With a recommended change.
12 Okay. Thank you.

13 Questions from board members?

14 MR. ELTERS: Mr. Chairman, no question. Just a
15 comment. I do want to say that from what I've heard, the
16 Department has done a remarkable job in being -- in listening,
17 being responsive, making the effort to figure out what the
18 concerns are and to accommodate them, and to that end, I think
19 you deserve a tremendous amount of respect and appreciation. As
20 a board member, I think that really does stand out, and I just
21 want to compliment you and the rest of the staff and the
22 district for that effort.

23 MR. HAMMIT: Mr. Chairman, Mr. Elters, thank you.
24 And I'll take that on to Alvin Stump, our district engineer, and
25 relay that to him.

1 MR. HALIKOWSKI: Mr. Chairman, when's the next
2 board meeting in that area?

3 CHAIRMAN CUTHBERTSON: Let's see. I'm not sure.
4 I guess...

5 MR. HALIKOWSKI: Thank you for going through
6 (inaudible) and thank you, Board Member Elters. (Inaudible.)

7 MR. SELLERS: Rural Transportation Summit.

8 CHAIRMAN CUTHBERTSON: Right. Right. Right.
9 Okay.

10 MR. HAMMIT: Mr. Chairman, to complete the state
11 engineer's report, currently we have 92 projects under
12 construction totaling approximately \$1.5 billion. In February
13 we closed 16 projects totaling \$80.49 million, and year to date,
14 we have finalized 78 projects.

15 Any questions on the state engineer's report?

16 CHAIRMAN CUTHBERTSON: Okay. Thank you,
17 Mr. Hammit.

18 Moving on to Item 9 on the agenda. Mr. Hammit
19 will present the recommended construction project awards that
20 are not on the consent agenda, for discussion and possible
21 action.

22 MR. HAMMIT: Mr. Chairman, thank you, and thank
23 you, Board, for approving the items on the consent agenda.

24 There are four construction projects that need more discussion.

25 The first one is Item 9A. This is a local

1 project in the city of Yuma. This project is to install a
2 pedestrian safety hybrid beacon. The low bid was \$177,616.40.
3 The State's estimate was \$151,721.60. It was over the State's
4 estimate by \$25,894.80, or 17.1 percent. We went through the
5 bids. We saw higher-than-expected pricing in our electrical
6 items. We had estimated that our contractor would trench and
7 install the conduit and do the electrical work. Because of
8 different requirements, they felt it needed to be -- use a jack
9 and bore, and that brought in higher prices. We have reviewed
10 the bid and believe it is a reasonable and responsive bid, and
11 would recommend award to AJP Electric, Inc.

12 CHAIRMAN CUTHBERTSON: Okay. Board Member
13 Hammond, do you have a question?

14 MR. HAMMOND: Dallas, I notice you've only got
15 one bidder on this project. Have we -- I understand when you're
16 out kind of in the middle of nowhere, but this is Yuma. Is
17 there any particular reason why you only had one company bid?

18 MR. HAMMIT: Mr. Chairman, Mr. Hammond, I don't.
19 I did put that in my notes, too, that we only had one bidder. I
20 don't know if it was because it was electrical and the hybrid
21 beacon, if that pulled some bidders out, but we did recognize
22 that, but I don't have an answer to that.

23 CHAIRMAN CUTHBERTSON: Okay. I've got a motion
24 accept and approve staff's recommendation to award contract for
25 Item 9A to AJP Electric, Inc., as presented.

1 MR. KNIGHT: So moved.

2 MR. THOMPSON: Second.

3 CHAIRMAN CUTHBERTSON: Okay. Moved by Board
4 Member Knight, seconded by Board Member Thompson. Any
5 discussion?

6 Hearing none, all in favor say aye?

7 BOARD MEMBERS: Aye.

8 CHAIRMAN CUTHBERTSON: Okay. The motion passes.

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

10 The next project is on Interstate 40, south of
11 Kingman. This is a rest area improvement project. The low bid
12 was \$3,623,173.50. The State's estimate was \$3,149,936.80. It
13 was over the State's estimate by \$473,236.70, or 15 percent. As
14 we looked at the bids, we underestimated the specialty work that
15 was out there, mainly in the restroom renovations,. We saw --
16 also saw higher-than-expected in the granite mulch. We did
17 review the bids. In this case, there were two bids. Again,
18 less than we had thought, but it -- rest areas don't get a lot
19 of highway contractors. You have to be prequalified as a
20 highway through ours. So rest areas sometimes are limited. We
21 have reviewed the bids and believe they are reasonable and
22 responsive, and recommend award to Technology Construction, Inc.
23 CHAIRMAN CUTHBERTSON: Okay. I have a motion to
24 accept and approve staff's recommendation to award the contract
25 for Item 9B to Technology Construction, Inc., as presented.

1 MR. KNIGHT: So moved.

2 MR. ELTERS: I second.

3 CHAIRMAN CUTHBERTSON: Okay. Motion by Board
4 Member Knight, seconded by Board Member Elters. Any discussion?
5 Hearing none, all in favor?

6 BOARD MEMBERS: Aye.

7 CHAIRMAN CUTHBERTSON: The motion passes.

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

9 Item 9C, this is on State Route 64. It is to
10 remove and replace about 14 miles of fencing. The low bid was
11 \$608,911.80. The State's estimate was \$952,484.85. The
12 estimate -- or the bid was under the State's estimate by
13 \$343,573.05, or 36.1 percent. We saw much better pricing in
14 just some materials of the fencing, labor, and also the removal.
15 We have reviewed the bid and believe it is a reasonable and
16 responsive bid and would recommend award to Show Low
17 Construction, Inc.

18 CHAIRMAN CUTHBERTSON: Okay. Motion to accept
19 and approve staff's recommendation to award the contract for
20 Item 9C to Show Low Construction, Inc., as presented.

21 MR. THOMPSON: Mr. Chairman, I would move for
22 approval.

23 MR. KNIGHT: Second.

24 CHAIRMAN CUTHBERTSON: Motion by Board Member
25 Thompson, seconded by Board Member Knight. Any discussion?

1 All in favor?

2 BOARD MEMBERS: Aye.

3 CHAIRMAN CUTHBERTSON: The motion passes.

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

5 The last one on -- in this area is a bridge
6 replacement project on US-160 in the northeast part of the
7 state. The low bid was \$6,065,102.90. The State's estimate was
8 \$4,292,085.80. It was over the State's estimate by
9 \$1,773,017.10, or 41.3 percent. This is a pretty big
10 difference. I did go through the bids quite a bit. In this
11 case there were four bids, and the top four were within 10
12 percent. So they saw something we did not. As we reviewed it,
13 this is a remote and isolated area. So not only did we
14 underestimate what it would cost to get the materials to that.
15 There is tremendous cost in just housing your crews in that
16 area. We have reviewed the bids and believe the low bid is a
17 reasonable and responsive bid and would recommend award to FNF
18 Construction, Inc.

19 CHAIRMAN CUTHBERTSON: Motion to accept and
20 approve staff's recommendation to award the contract for Item 9D
21 to FNF construction, Inc., as presented.

22 MR. THOMPSON: Chairman, I am familiar with this
23 road. It's way up in the northern portion of the state of
24 Arizona, and I would move for approval.

25 CHAIRMAN CUTHBERTSON: Okay.

1 MR. KNIGHT: Second.

2 CHAIRMAN CUTHBERTSON: Okay. Got a motion by
3 Board Member Thompson, seconded by Board Member Knight. Any
4 discussion?

5 Hearing none, all in favor?

6 BOARD MEMBERS: Aye.

7 CHAIRMAN CUTHBERTSON: The motion passes.

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

9 CHAIRMAN CUTHBERTSON: Thank you, Mr. Hammit.
10 Okay. Item 10 on the agenda, Mr. Roehrich will
11 present an update regarding designation status of portions of
12 former US Route 80, for information and discussion only.

13 MR. ROEHRICH: Thank you, Mr. Chair. I'm going
14 to do it from here if you don't mind. I got my exercise in for
15 today.

16 So this is a reoccurring item, obviously, as we
17 are giving an update to the Board each month as we move this
18 process forward. We're in the final stages of reviewing the
19 draft report that Mr. Clinco and his group had presented.

20 We have been reaching out to the state library,
21 because the next step is to submit the resource plan to them.
22 There's a committee over there that has to review it and then
23 provide comment back to us. We're hoping to get that scheduled
24 either in April or May so we can have that completed.

25 We're -- and then once we finish with that, then

1 that will complete our process for those sections of former US
2 Route 80 that are on the state highway system. And then once
3 that is done, we can come back to the Board later this summer,
4 and then we can look at which of those segments meet the
5 criteria to be designated as historic, and then that's what we
6 would bring back to the Board.

7 So we're in the final stages of finishing our
8 analysis. I think you can remember last month I identified this
9 report wasn't complete enough. There's a few things that we
10 have been doing, and then now our next step is to submit the
11 resource plan, natural resource plan, to the Arizona state
12 library so they can finish their part of it, which is required,
13 again, within our statute of scenic routes, and then we'll bring
14 that back to the board this summer.

15 The second step that has been going on, if you
16 remember, is the routes that are off the state highway system,
17 that would be the local routes. Former Route US-80 that is now
18 part of either it's a county road or a local city or town road,
19 those sections can be deemed historic once the local government
20 completes an IGA with the Department that establishes the
21 criteria for them to maintain its historic status. Those
22 intergovernmental agreements, IGAs, have been drafted.
23 Mr. Clinco and his team helped us with the language so we could
24 get it completed quicker, and we have now started reaching out
25 to the local governments.

1 His team, Mr. Clinco's team in the Tucson
2 historical society, had helped us start to coordinate the
3 discussions. We've got the first meeting coming up. It's
4 actually taking place here in Tucson. I shouldn't say "here,"
5 but in this region, within the Tucson area. And then from
6 there, we'll continue to reach out to the other jurisdictions
7 and start the process so we can complete the IGAs, and then we
8 can start -- and they can start signing their segments as a
9 historic route -- former route US-80.

10 So the process is continuing on, and we're making
11 progress. We're still probably a couple months away from
12 bringing the state highway system segment to this board, but we
13 anticipate doing that this summer.

14 But with that, Mr. Chair, I'll try to answer any
15 questions.

16 MR. HALIKOWSKI: Mr. Chair, before the questions,
17 I just want to add that Floyd had mentioned there's legislation
18 to eliminate the PHSRAC. Just want to be clear, though, that
19 since this started -- if that bill were to pass, since this
20 process started, we would finish out the US-80. But in the
21 future, these would be going over to the state geographic board
22 of historical naming.

23 CHAIRMAN CUTHBERTSON: Questions by board
24 members?

25 Okay. Thank you, Floyd.

1 Suggestions by board members for items to be
2 placed on future board meeting agendas.

3 MR. ROEHRICH: Mr. Chair, just a reminder. The
4 next board meeting is Friday, April 20th. It will be in
5 Flagstaff. And again, it will be the two-part meeting. We will
6 have the public hearing process for the tentative program
7 followed by the normal board activities and any others that we
8 work with you, Mr. Chair, to add. So that is the next scheduled
9 board meeting.

10 CHAIRMAN CUTHBERTSON: Okay. And we identified
11 earlier maybe in the June study session to talk about the
12 financing on State Route 189. So that's -- we've already --
13 anything else?

14 (End of excerpt.)

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Adjournment

A motion to adjourn the March 16, 2018 State Transportation Board meeting was made by Board Member Thompson and seconded by Board Member Hammond. In a voice vote, the motion carried.

Meeting adjourned at 10:49 a.m. MST.

A handwritten signature in black ink, appearing to read "William F. Cuthbertson", written over a horizontal line.

William F. Cuthbertson, Chairman
State Transportation Board

A handwritten signature in blue ink, appearing to read "Floyd Roehrich, Jr.", written over a horizontal line.

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