

**STATE TRANSPORTATION BOARD MEETING**  
**9:00 a.m., Friday, October 26, 2018**  
**Lake Havasu City Police Facility Meeting Room**  
**2360 McCulloch Boulevard North**  
**Lake Havasu City, AZ 86403**

**Call to Order**

Chairman Cuthbertson called the State Transportation Board meeting to order at 9:00 a.m.

**Pledge**

The Pledge of Allegiance was led by Board Member Knight.

**Roll Call by Board Secretary Linda Priano**

A quorum of the State Transportation Board was present. **In attendance:** Bill Cuthbertson, Jack Sellers, Mike Hammond, Jesse Thompson, Sam Elters and Gary Knight. Board Member Steve Stratton and Board Attorney Michelle Kunzman participated by telephone conference. **Absent:** None. There were approximately 90 members of the public in the audience.

**Opening Remarks**

Chairman Cuthbertson thanked Vinny Gallegos, Director of the Lake Havasu MPO, for all the planning and organizing that went into the Rural Transportation Summit and stated there was tremendous participation. He added he was impressed with all the communities and planning organizations that participated in the events. Board Member Sellers stated that the Rural Transportation Summit was well done, there were outstanding presentations and he enjoyed the hospitality. Board Member Thompson added that he was very happy with the contributions that were made by the Native American leadership that attended. Board member Knight echoed the success of the event and commented he was very impressed with the accomplishments in Lake Havasu.

**Title VI of the Civil Rights Act**

Floyd Roehrich, Jr., reminded all attendees to fill out the optional survey cards to assist our Civil Rights Department.

**Call to the Audience**

An opportunity was provided to members of the public to address the State Transportation Board. Members of the public were requested not to exceed a three minute time period for their comments.

ARIZONA STATE TRANSPORTATION BOARD  
STATE TRANSPORTATION BOARD MEETING

REPORTER'S TRANSCRIPT OF PROCEEDINGS

Lake Havasu City Police Facility Meeting Room  
2360 McCulloch Boulevard North  
Lake Havasu City, Arizona 86403

October 26, 2018

PREPARED FOR:  
ADOT - STATE TRANSPORTATION BOARD

(Certified Copy)

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1 (Beginning of excerpt.)

2 CHAIRMAN CUTHBERTSON: We'll now move on to call  
3 to the audience. To address the Board during the call to  
4 audience, we ask that you fill out a Request For Public Input  
5 Form and present it to Secretary Linda Priano. In the interest  
6 of time, in fairness to all, we'll ask that you limit your  
7 remarks to three minutes. I do have a large stack of cards  
8 here, about 30. So if you multiply that by three, you can see  
9 we're going to be here for a while during the call to the  
10 audience.

11 If you would -- if you have a topic that you're  
12 commenting on that has been commented on previously and you want  
13 to just concur and have your name written into the record, I'll  
14 read your name off and you can do that, and that would be  
15 welcome. Of course, you're always welcome to use your three  
16 minutes if you'd like.

17 So at the end of your three minutes, you'll also  
18 hear a little audio single -- signal, and that -- that's your  
19 indicator. That's your queue to wrap it up, because we've got a  
20 lot to do, so... So if you hear that, we'll remind you.

21 And with that, I would like to kick it off with  
22 the first speaker. Cal Sheehy is the Mayor-Elect and Vice Mayor  
23 for Lake Havasu City.

24 MR. SHEEHY: Good morning, Mr. Chair. Again, my  
25 name is Cal Sheehy, and I'm mayor-elect of Lake Havasu City, and

1 on behalf of Lake Havasu City, Mayor Nexsen and the Lake Havasu  
2 City Council, we appreciate the Board coming to Lake Havasu and  
3 participating here in our beautiful community. Thank you, and I  
4 look forward to attending the hearing this after -- this  
5 morning. Thank you.

6 CHAIRMAN CUTHBERTSON: Yeah. Thank you.

7 Next is Hildy Angius, County Supervisor for  
8 Mohave County.

9 MS. ANGIUS: Good morning. My name is Hildy  
10 Angius, and I'm a Mohave County supervisor. I represent  
11 District 2, which is Bullhead City, and I'm also here on behalf  
12 of Lois Wakimoto, who is the supervisor for District 5, which  
13 is -- entails the Mohave Valley and Fort Mohave area.

14 I'm here today to talk about a proposed  
15 roundabout. I've spoken here before, about a year ago. I used  
16 to come to these meetings every -- and sort of try to nag you  
17 guys, but I haven't done it for a while. We are asking that  
18 this roundabout not be built. We're still waiting to hear from  
19 ADOT about the decision to -- whether or not to build it, and  
20 the longer it takes, the more worried we get.

21 The Aztec -- the roundabout is planned on Highway  
22 95 and Aztec Road. Highway 95 is our main thoroughfare, and  
23 it's our lifeline. It runs 25 miles from the Bullhead Laughlin  
24 Parkway to Needles. Most everything is off that highway. There  
25 is no alternative route that parallels Highway 95.

1           We understand ADOT is concerned about the number  
2 of accidents and fatalities, as are we, but we believe there are  
3 other ways to slow down traffic to ensure a safer Highway 95,  
4 and we are anxious to work with ADOT to come up with alternative  
5 ideas to slow down traffic and mitigate the more severe  
6 accidents.

7           But I'm here to talk about my constituents. I've  
8 never in my six years in office seen them so angry and  
9 motivated. They were standing on street corners with petitions.  
10 We had received over 3,000 petitions, which we gave to this  
11 Board and ADOT over the year.

12           The citizens of my town tend to be an older  
13 demographic. It's also a transient community on the Colorado  
14 River, which swells up in the winter to accommodate our  
15 snowbirds. These snowbirds come with large motor homes, fifth  
16 wheels, boats, trailers, with watercraft, jet skis and ATVs.  
17 Now adding commercial trucks, emergency vehicles and  
18 motorcycles, and it's a recipe for disaster.

19           Laughlin hosts the third-largest motorcycle rally  
20 in the country every year when thousands upon thousands of  
21 bikers roar into town and drive up and down Highway 95 for over  
22 four days.

23           In addition, Aztec Road is the only outlet for  
24 people returning from the Avi Casino. People drink in casinos.  
25 Sometimes heavily, I hear. Most of these accidents are not so

1 much speed related as driver error. Perhaps the accidents there  
2 will not be as severe, but introducing a new roadway to navigate  
3 at night will be troublesome.

4           There are multiple businesses, including a  
5 McDonald's, that have grave concerns about the hit that their  
6 businesses will take.

7           We have enjoyed a good relationship with ADOT,  
8 but on this issue, we are miles apart. Every elected official  
9 including our two state representatives and state senator is  
10 against this. The Bullhead City Council is against this. The  
11 Bullhead City Chamber of Commerce is against this. The Mohave  
12 Valley Chamber of Commerce is against this.

13           We do understand the benefits of roundabouts, and  
14 we're not against them, per se. We are against the one planned  
15 for Aztec Road. We thank ADOT. We thank ADOT for their  
16 attention and concern for our safety, but this is our community,  
17 and I hope that our wishes will be respected and truly taken  
18 into consideration. Thank you.

19           CHAIRMAN CUTHBERTSON: Thank you. Next Greg  
20 McFarland, Mayor of the city of Casa Grande.

21           MR. MCFARLAND: Good morning, Mr. Chairman and  
22 board members. Thank you for the opportunity to speak to you  
23 this morning.

24           I wanted to first of all thank you all for coming  
25 to the Rural Transportation Summit and participating. I know I



1 talked to several of you during the summit, and we appreciated  
2 your attendance.

3           And then, also, I wanted to thank ADOT and MAG  
4 publicly for the work that they've done in getting together with  
5 the GRIC, the Gila Indian Community, and starting our I-10  
6 widening study. So thank you to ADOT and also the Board.

7           Also, the I-10 projects that are currently going  
8 on at Picacho and also Jimmy Kerr. So that -- those projects  
9 will be done here hopefully in the next year. So again, thank  
10 you for completing that project.

11           And then I also wanted to give you an update of  
12 Lucid, in which is the electric car company that's coming to  
13 Casa Grande. It is scheduled to break ground in March of 2019.  
14 It will add 2,000 jobs to our community. It's been announced --  
15 we had an emergency council meeting on Monday, the 29th of  
16 October to approve the development agreement with them. So that  
17 is moving forward.

18           In addition, I wanted to also give you an update  
19 on the Nikola project, which is over in Coolidge, which is right  
20 on the same line as Lucid. Another 2,000 jobs. And they  
21 probably will start breaking ground probably in the next 6 to 12  
22 months. So there's a sense of urgency in terms of the traffic  
23 and the amount of pressure that is going to be putting on, like,  
24 Florence exit, at I-10 in Florence. And so I'm back up here to  
25 ask you to make sure that we keep the Kortsen interchange, the

1 TI in your plans.

2           We have -- we have 2,000 -- or \$2 million set  
3 aside from our impact fees. We have the environmental impact  
4 study that's completed, and we also have the design concept  
5 that's going to be paid for, and we're really looking for --  
6 we've got the RTA that's got \$15 million invested in this, and  
7 then we really need about \$7 million from the State. So that's  
8 what we're looking for. That's what I'm here to -- keep it on  
9 your calendar. Keep it on your -- in the back of your mind, and  
10 we appreciate anything that you can do to help us out. Thank  
11 you.

12           CHAIRMAN CUTHBERTSON: Thank you.

13           To kind of move this thing along, I'm going to --  
14 and just to -- just in keeping with the World Series baseball  
15 theme, I'm going to announce a speaker and then an on deck  
16 speaker afterward so that you're not waiting to hear your name  
17 and come up, and you can prepare and get ready. So up next is  
18 Bruce Bracker, Supervisor from Santa Cruz County, and on deck is  
19 Cecilia McCollough.

20           MR. BRACKER: Good morning, Chairman Cuthbertson  
21 and members of the ADOT board. Bruce Bracker, Santa Cruz County  
22 Supervisor. A shout out to all the county supervisors who came  
23 up here this weekend for the Rural Transportation Summit.  
24 Thanks for all your support.

25           I'm here to talk about State Route 189. I want

1 to thank the Board for their support on this critical project  
2 for southern Arizona and also for the rest of Arizona. We've  
3 got a couple other interchanges that we're going to have to be  
4 working on during the STIP, and we'll be working on funding.

5 I'd like to thank Director Halikowski and his  
6 staff for working with us. This has been a very complicated  
7 project pulling funding sources for many areas. The County and  
8 the City have both signed over their commitments for this  
9 project, and just thank you very much for your cooperation.

10 CHAIRMAN CUTHBERTSON: Thank you.

11 Cecilia McCollough is mayor of the town of  
12 Wellton. On deck will be Christian Price.

13 MS. MCCOLLOUGH: Thank you Board of  
14 Transportation. I appreciate the opportunity to be here. Very  
15 quickly, I serve as chair for YMPO currently, and I just want to  
16 go through the list that we've discussed as a board that are  
17 priorities for our region.

18 First, of course, is to widen US-95 from one lane  
19 in each direction to two lanes in each direction from Avenue 8E  
20 through to Aberdeen Road. And of course, in the future we would  
21 love to see that be a four-lane road up to Interstate 10.

22 Second, is you -- State Route 195 goes into the  
23 city of San Luis, but when it gets to the point of Juan Sanchez  
24 Boulevard, it goes to two lanes with lots of stop signs, a  
25 tremendous backup in the city, and we'd like to see that

1 continued -- Arizona 195 all the way through to San Luis up to  
2 the border.

3 Also, the upgrading the rural bridges and the off  
4 system bridge replacement and rehab funds, those are, of course,  
5 a need. They're currently doing two of them right now in the  
6 region that I live in. And that's it. And I'm sure more people  
7 are going to speak on that, so I appreciate your time.

8 CHAIRMAN CUTHBERTSON: Okay.

9 MS. MCCOLLOUGH: Thank you.

10 CHAIRMAN CUTHBERTSON: Thank you.

11 Christian Price is the Mayor of the city of  
12 Maricopa. On deck, I have David Lane.

13 MR. PRICE: Thank you, Board Chairman. So my  
14 name is Mayor Marty McPrice, and I've just returned from 1985,  
15 and I'd like to tell you that the 347 is still in as bad of  
16 shape as it was then. No. I'm just kidding. Thank you very  
17 much. Vinny told me this was a "Back to the Future" theme, so  
18 I'm surprised no one else dressed up. Come on, you guys. You  
19 can't take yourself too seriously in government.

20 Just -- just real briefly, just wanted to say  
21 thank you, just like Mayor McFarland did, on the MAG and ADOT  
22 and GRIC coordination for the 347/I-10 widening projects and  
23 studies. That's really important that we work together on that.

24 Also, the overpass on the 347 is in the middle of  
25 construction. We are seeing it open in phases over the coming

1 year, and we hope that the bridge will be open and running by  
2 spring of 2019, with the substantial completion of the project  
3 by late 2019. So hopefully November of this next year.

4 And then finally, I just wanted to thank ADOT and  
5 the staff. We've recently been meeting with them on a variety  
6 of the simple issues that require -- that have far reaching  
7 consequences. In fact, I won't go into details, but there was  
8 an accident just on the inside of city of Maricopa and the 347,  
9 and while it was cleaned up very quickly and was ready to go, it  
10 caused a six- or seven-hour backup of the 347 on a Thursday  
11 afternoon in August, and it was because of not being able to  
12 coordinate between ADOT and the city of Maricopa. We've met on  
13 that and fixed that, and I just wanted to say -- tell the staff  
14 thank you very much for allowing us kind of a first right of  
15 refusal to be able to clean up those issues and move things  
16 along. So again, thank you very much. I know there's a lot of  
17 people to talk, but I appreciate it. Have a great Halloween.

18 CHAIRMAN CUTHBERTSON: Thank you.

19 David Lane as the -- as a council member for  
20 Havasu City. On deck, Russell McCloud.

21 MR. LANE: Mr. Chair, members of the Board, good  
22 morning and welcome to Lake Havasu City. My name is David Lane.  
23 I'm a member of the Lake Havasu City Council and a board member  
24 of the Lake Havasu MPO.

25 Mohave County supervisor Lois Wakimoto could not

1 be here today and asked that I share a few of her thoughts with  
2 you.

3 I truly regret not being a part of this annual  
4 meeting as transportation issues have been one of my priorities  
5 as supervisor. One of my other priorities has been preserving  
6 Colorado River water for our rural areas as chair of the Mohave  
7 County Water Authority. I've been fortunate to participate as a  
8 steering committee member of the lower basin drought contingency  
9 plan. That duty requires me to be in Phoenix today as we try to  
10 develop a plan to conserve water in a fair way to all entities.  
11 But I am certain that those of you who are here today and are  
12 dedicated to improving roads for vehicles and other means of  
13 transportation in rural Arizona, and I leave this important work  
14 in your hands.

15 I'm grateful to Vinny Gallegos, the MPO, the Lake  
16 Havasu Mayor Mark Nexsen, and the city council for their hard  
17 work and cooperation between the city and Mohave County on  
18 future projects.

19 I would also like to thank Alvin Stump of ADOT  
20 for always being available to me for my many questions and  
21 comments and for being part of the dialogue between the various  
22 government agencies. As we've built bridges to work together,  
23 my hope for the future would be that you all consider those who  
24 are directly affected by your actions in cities and counties.  
25 More than anything, people want to believe that they have a

1 voice.

2 As you move forward making decisions, the general  
3 public should be involved. I wish you a productive meeting and  
4 continued goodwill as you go forward in this important work.

5 Lois Wakimoto, Mohave County Supervisor.

6 Now, I'd like to make a few comments of my own.  
7 Prior to becoming involved in Lake Havasu City government, I  
8 spent 30 years with the California Highway Patrol rising through  
9 the ranks to the command level. Traffic safety has been a big  
10 part of my life for over 30 years. I understand the importance  
11 of the issues which come before you, and thank you for the  
12 difficult job that you do.

13 I would like to talk to you about a situation  
14 here in Lake Havasu where we were denied funds for a project on  
15 State Route 95 north of Kiowa Avenue. The area is zoned for  
16 commercial development, and there's ongoing construction of  
17 retail businesses in the shopping center. This has caused an  
18 increase in traffic turning into and departing the parking lot  
19 onto and from State Route 95.

20 In the past 18 months, there have been numerous  
21 traffic collisions resulting in injury and property damage.  
22 It's the most dangerous stretch of roadway in Lake Havasu City.  
23 Based on my 30-plus years of experience, I believe a fatal  
24 traffic collision is going to occur at this location. If it's  
25 predictable, it's preventable.

1 I respectfully request that you take another look  
2 at this project using some of the funds which were unexpected  
3 due to increased revenues this year and fund this project for a  
4 traffic control device. Together we can prevent someone from  
5 losing their life. Thank you.

6 CHAIRMAN CUTHBERTSON: Okay. Thank you.

7 Our next speaker is Russell McCloud, County  
8 Supervisor for Yuma County. And Randy Heiss is on deck.

9 MR. MCCLOUD: Good morning. Thank you for the  
10 opportunity to speak with you today. I want to start off by  
11 thanking you for the roundabouts on Araby Road. That is nearing  
12 completion, and I'm very much looking forward to that being  
13 done, and it's going to be a lot safer. The traffic signals  
14 there have been a mess forever, and so doing away with those is  
15 going to be a big help to us. So thank you very much.

16 I also want to keep on the forefront of your mind  
17 the widening of Highway 95 from Avenue 8E to Aberdeen Road, and  
18 to bear in mind, please, that 195 connects into Interstate 8 and  
19 Highway 95. The port of entry there in San Luis is the  
20 country's newest and most modern port and most underutilized.  
21 So for the long-term planning, please remember that Highway 95  
22 was once on the map as a CANAMEX corridor. A decade ago, if you  
23 look at the old maps, that's what it was. I'd like to see that  
24 remain.

25 And for the long-range planning, please remember



1 that widening that up Interstate 10 will do a lot for commerce  
2 and for Arizona as a whole.

3           So thank you very much, and appreciate your time  
4 today. Thank you.

5           CHAIRMAN CUTHBERTSON: Yeah. Thank you.

6           Randy Heiss is the Executive Director of SEAGO.  
7 And on deck, I have Chris Bridges.

8           MR. HEISS: Good morning. As you just heard, I'm  
9 Randy Heiss. I'm with the Southeastern Arizona Governments  
10 Organization, and I wanted to echo what Supervisor Bracker just  
11 said about State Route 189. I don't think I've had the  
12 privilege to say how much I appreciate the Board somehow pulling  
13 the rabbit out of the hat and making that full solution happen  
14 in 2019.

15           I also wanted to mention that the 21st Arizona  
16 Rural Transportation Summit is going to be hosted by our  
17 organization. Unfortunately, we don't have a facility adequate  
18 enough to hold the great crowds that show up for this within our  
19 region, so it's going to be at the Casino Del Sol resort in  
20 Tucson, and lots of options for bringing people down and, you  
21 know, visiting the border. We're talking about arrangements for  
22 that.

23           The theme is going to be around transportation  
24 and how it's the key to our -- holding our competitive edge in  
25 the global marketplace. So State 189 is absolutely going to be

1 featured in that some way, shape or form. Who knows? But maybe  
2 we can coordinate the -- I don't know what the timing for  
3 letting the bids and awarding that project. But who knows what  
4 the groundbreaking might be. There might be an opportunity to  
5 have that as a centerpiece for the -- the summit as well.

6 So that's what I'm here to tell you, and thank  
7 you for your service to the State of Arizona. Have a safe trip  
8 back to your homes and families. Thank you.

9 CHAIRMAN CUTHBERTSON: Thank you.

10 Chris Bridges is the CYMPO Administrator.

11 MR. BRIDGES: Good morning, Mr. Chair, members of  
12 the Board. I, too, want to thank you.

13 CHAIRMAN CUTHBERTSON: Oh, I forgot. That  
14 doesn't count against your time. On deck is Lynne Pancrazi,  
15 Yuma.

16 MR. BRIDGES: So I can start over.

17 CHAIRMAN CUTHBERTSON: You can start over.

18 MR. BRIDGES: Okay. Thank you.

19 CHAIRMAN CUTHBERTSON: I'll reset the clock.

20 MR. ROEHRICH: (Inaudible.)

21 MR. BRIDGES: All right. So I get an extra  
22 minute? Thanks, Floyd. So I'm going to go on and on. No I'm  
23 not. Actually, I'm going to be brief.

24 First of all, thank you very much for State Route  
25 69. It looks like the design for that project's going to kick

1 off here in January. I know I've been following you around as  
2 much as Mayor Price has. Had I been given awareness about the  
3 whole outfit, I have a Doc wig that I was going to wear, but I  
4 don't have it with me, because Vinny's wife is still asleep.  
5 But it's great to watch people come up and thank you for the  
6 partnerships. I've seen over the years many, many times, you  
7 have a problem, you need to fix it, come fix my problem, and  
8 seeing the people show up and say, "I have money. I'm willing  
9 to partner. I'll design. I'll work with you." It's  
10 phenomenal. It's great. It's good to see. So thank you  
11 everybody for showing up and doing that.

12                   Secondly, Daniel Harmonick -- put your hand up --  
13 I'm happy to announce as the next executive director at the Lake  
14 Havasu MPO.

15                   MR. HARMONICK: Pardon me?

16                   MR. BRIDGES: Yeah. I didn't want to break it to  
17 you. He just started two weeks ago. He'll be Lake Havasu MPO  
18 director, what, a month, month and a half. Does that sound  
19 right?

20                   MR. HARMONICK: (Inaudible.)

21                   MR. BRIDGES: Okay. Daniel's our new  
22 transportation planner. Hopefully he stays with me and doesn't  
23 move on to Lake Havasu. But anyways, you'll probably be seeing  
24 Daniel around, and -- but I just wanted to thank you for  
25 partnering with us. We look forward to partnering with you in

1 the future. Thank you very much.

2 CHAIRMAN CUTHBERTSON: Thank you.

3 Lynne Pancrazi, Yuma County Board of Supervisors.

4 MS. PANCRAZI: Good morning. Thank you for your  
5 service on this board.

6 CHAIRMAN CUTHBERTSON: I'm sorry. Vinny Gallegos  
7 is on deck.

8 MS. PANCRAZI: Oh, Vinny, you're on deck.

9 CHAIRMAN CUTHBERTSON: Sorry. Sorry.

10 MS. PANCRAZI: Thank you, Vinny.

11 CHAIRMAN CUTHBERTSON: Excuse me.

12 MS. PANCRAZI: I'd like to give you some facts  
13 about the Yuma Proving Grounds. Yuma Proving Ground is the --  
14 an asset to our United States military. Every piece of  
15 equipment -- every piece of equipment used by our military  
16 troops in the Middle East is tested at YPG. The smallest drone  
17 to the largest tank, the smallest gun to the largest vehicles,  
18 IEDs are tested, and mock villages are set up so that those  
19 could be exploded. Parachute training of our military is  
20 conducted at YPG. It also shares GM -- the GM Test Track is  
21 shared, and it's located on the YPG facility.

22 I'm asking on behalf of our military and on  
23 behalf of the independent contractors and all the employees and  
24 people who drive and have to travel from 8E to Aberdeen Road to  
25 please put that widening of that road at the top of your list.

1 We'll take the money from Mohave County that they don't want for  
2 their roundabout. We'll take it for widening of Highway 95.  
3 We'll be happy to take that money.

4                   Please put the expansion of Highway 95 on the top  
5 of your list. I know you have all the facts and information  
6 that you need, but the road to Highway 95 is called the "YPG  
7 500," every morning at 5:30 and every afternoon at five o'clock,  
8 and it also has to share with all of the farming equipment that  
9 also is out on that highway. So it is a very big danger. I  
10 know you have the traffic facts. I know you have all the  
11 accidents that have happened there, and I just want to ask you  
12 to please, please put this at the top of your list. Thank you  
13 so much.

14                   CHAIRMAN CUTHBERTSON: Okay. Thank you.

15                   Vincent Gallegos, Director of Lake Havasu MPO.  
16 Robert Perry is on deck.

17                   MR. GALLEGOS: Well, what is there left to say?  
18 If you've been -- if we've been together the last couple days, I  
19 feel like I've said everything that needs to be said, but I  
20 really don't want to miss the opportunity of three minutes of  
21 gratitude, truly. I don't want that to be taken for granted. I  
22 want to absolutely thank the Arizona State Transportation Board  
23 for your service, for your work, for your participation, for  
24 agreeing several months ago to move your schedule one week later  
25 to accommodate the schedule.

1           I want to -- I know in expressing gratitude, you  
2 always overlook somebody, but my gosh, this is a team effort.  
3 So everybody that you can imagine, elected officials, Senator  
4 Fann, Noel Campbell, Representative Campbell, on behalf of  
5 Governor Ducey, Matt Clark from -- the policy advisor on  
6 transportation, county supervisors, mayors, council members, all  
7 of our transportation decision makers, just truly, truly thank  
8 you.

9           I'm humbled to have been your host. I'm humbled  
10 have hopefully provided the best possible environment really for  
11 a passion, and I'm -- I'm hopeful. You know, this is -- you are  
12 to the passion for transportation for safety, for capacity, for  
13 efficiency, for beauty of our roads. There is a passion.  
14 There's passion in this room. There was passion the last couple  
15 days, and I really do. I had the opportunity to share breakfast  
16 with many of you this morning, and we are hopeful. I know there  
17 are some that are -- that have a few years on me. I've been  
18 doing this a while, and after the last couple days, have that --  
19 that fire re-ignited, that it is possible.

20           Absolutely there are challenges. We hear the  
21 needs are great. This is a room full of needs, and we realize  
22 the resources are limited. I believe the passion's there. I'm  
23 glad that we celebrated the 20th. We're already talking about  
24 the 21st. I'm happy to pass that on to Randy Heiss. I'm  
25 looking forward already to being in SEAGO or in Tucson for the

1 next one. We set goals to hit 300. It was pretty lofty. I  
2 don't have the final numbers, but we're over 300.

3 So I truly thank you again for your support.  
4 Thank you to everyone in the room. Thank you to my MPO board  
5 and city council, the community. Hope you stay the day, enjoy  
6 the London Bridge, enjoy the community. So thank you so much.

7 CHAIRMAN CUTHBERTSON: Yes. Thank you.

8 Robert Perry is the Vice President of Dolan  
9 Springs Community Council. On deck is Chuck Howe.

10 MR. PERRY: Good morning, board members of the  
11 Arizona Transportation Board. This is regarding of Arizona  
12 State Highway 93 and Pierce Ferry Road intersection.

13 Thank you for the opportunity to speak on behalf  
14 of Dolan Springs Community Council, DSCC, a 501(C)(3)  
15 organization celebrating 50 years of volunteering service in our  
16 community.

17 My name is Bob Perry. I'm vice president of  
18 Dolan Springs Community Council.

19 I just want to state Highway 93 from Wickenburg  
20 to the Nevada border has been described as the deadliest highway  
21 in the nation. Those of us living in Dolan Springs can  
22 certainly attest to the intersection of Arizona State Highway 93  
23 and Pierce Ferry Road contributing to that description. This is  
24 the intersection many tourists use making their way through our  
25 town to the Grand Canyon West Skywalk tourist attraction.

1                   Five months ago the Mohave County Sheriffs  
2 installed a traffic counter in our town, and it showed that in a  
3 week, 21,000 vehicles drove through on the way to the Skywalk.  
4 Think about that. 21,000 vehicles. Dolan Springs is a small,  
5 rural, unincorporated community which results in many serious  
6 accidents, and at that intersection, way too often fatal.

7                   Our very small local fire department responds to  
8 these accidents, which results in our citizens being without  
9 fire and medical services that they've paid for. While there's  
10 only two department personnel on duty, attend to the injured,  
11 remain on the scene, transportate injured to Kingman. It's a  
12 tragic involved -- for those who are involved in the accidents,  
13 and it's a tragic to -- our community suffers as a result. Many  
14 tourist drivers from foreign countries that don't understand the  
15 current posted traffic signs and the right-of-ways.

16                   A solution to the accidents would be a flyover  
17 construction as soon as possible. But in the interim, it would  
18 be extremely helpful if a traffic signal was installed, which  
19 would eliminate the confusion drivers experience whether or not  
20 they have the right-of-away, thus dramatically reducing the  
21 number of accidents at the intersection.

22                   And on behalf of the Dolan Springs Community  
23 Council, please consider the needs of our town and the needs of  
24 the tourists, implementing the above suggestions as soon as  
25 possible. Additionally, DSCC has a meeting hall and would like



1 to extend an invitation to the Board for future meeting. Thank  
2 you for your time.

3 CHAIRMAN CUTHBERTSON: Thank you.

4 Chuck Howe is Principal, from Tuba City, speaking  
5 for the San Juan Southern Paiute Tribe.

6 MR. HOWE: And on deck?

7 CHAIRMAN CUTHBERTSON: On deck -- sorry. Thank  
8 you. Thank you for that. Miles Begay is on deck.

9 MR. HOWE: Good morning, board members. I  
10 appreciate the opportunity to address you this morning. I am  
11 representing the southern -- the San Juan Southern Paiute Tribe.

12 The San Juan Southern Paiute Tribe is in the  
13 process of withdrawing its 6,000 acres of land from the Navajo  
14 Nation in the western portion of the Navajo Nation. These lands  
15 are located west of Tuba City and just north of U.S. Highway --  
16 the junction of U.S. Highways 89 and 160 in Coconino County.  
17 These lands will become the federally recognized reservation of  
18 the Southern San Juan Pauite tribe.

19 The tribe is currently receiving planning  
20 assistance from the western region BIA office in the form of a  
21 long-range transportation plan. The primary access to these  
22 lands occurs off US-89 where the existing unimproved road  
23 crosses Hamlin Wash to access home sites, the pow-wow grounds,  
24 in addition to future community farms and commercial  
25 developments.

1           The two primary safety concerns raised by the  
2 tribal council and community members included the unimproved  
3 crossing of Hamlin Wash and the undesignated bus stops on the  
4 shoulders of US-89. The existing access road and bus stops both  
5 occur between curves, creating a blind spot for traffic that  
6 averages speeds in excess of 80 miles an hour.

7           One additional concern raised, again, recently is  
8 the lack of an alternative route during closures of US-89. As  
9 the Board is well aware of how critical US-89 is for all of the  
10 communities north of Flagstaff, the tribe would like to express  
11 its appreciation to ADOT for its quick response, as well as to  
12 the partnering agencies, including Navajo DOT for the recent  
13 washout.

14           The San Juan Southern Paiute Tribe requests  
15 acknowledgement by the Board of this land withdrawal for the  
16 purposes of developing and expanding its housing and commercial  
17 development opportunities. Furthermore, the tribe requests  
18 assistance in the areas of planning and safety assessments  
19 related to the existing unsafe conditions facing our children,  
20 Navajo neighbors, and the hundreds of thousands of tourists and  
21 visitors to our region annually. Thank you.

22           CHAIRMAN CUTHBERTSON: Thank you.

23           Miles Begay is the Tribal Transportation Manager  
24 from Navajo County. Here to talk about flooding issues on State  
25 Route 264.

1 MR. BEGAY: On deck?

2 CHAIRMAN CUTHBERTSON: On deck is -- on deck is  
3 Rob Owen.

4 MR. BEGAY: Good morning, Chairman, board  
5 members. Just here to kind of read a letter off, coming from  
6 Alton J. Shepherd, Apache County Supervisor, to -- addressing  
7 Board Member Thompson.

8 It states: Dear Board Member Thompson:  
9 Yá'át'ééh! I am writing this letter as a follow-up to our  
10 discussion for assistance in addressing flooding issues of  
11 Highway 264 in St. Michaels, Arizona. Due to material clogging  
12 inlet and outlet of culvert, culvert collects water and  
13 material, causing backing up, creating a swamp/wetland  
14 environment. The location of the problem is on Highway 264  
15 between Milepost 472 and 473. As a result we need the Arizona  
16 Department of Transportation Northeast District to send a crew  
17 out to inspect, clean and recommend solutions to the issue.

18 I was approached by these individuals to provide  
19 support, guidance and resolution to these following problems.  
20 Over the last three decades, these families and businesses have  
21 experienced several floods and made several attempts to get this  
22 matter resolved. With this understanding, I am reaching out to  
23 our state agencies and leadership for support in addressing the  
24 matter. My concern is if this matter's not addressed, it could  
25 create environmental -- environmental health concerns and safety

1 issues. So your assistance is needed and appreciated.

2 In closing, Apache County District 2 is eager to  
3 provide assistance to our partnership with the Navajo Nation and  
4 as a government entity under the State of Arizona. Please let  
5 me know if there is anything I can do to help you. Thank you in  
6 advance for your favorable consideration and approval. I look  
7 forward to working with you to help build better roads and  
8 better communities. And there's contact on here. I believe you  
9 have letter as well, sir.

10 CHAIRMAN CUTHBERTSON: Yes. Thank you.

11 MR. BEGAY: Thank you very much.

12 CHAIRMAN CUTHBERTSON: And for the record, we  
13 received a -- an online request for public input from Alton Joe  
14 Shepherd, who is the Supervisor of Apache County who couldn't be  
15 here. So -- and so we'll put the letter also into the record.

16 So next up, Rob Owen is the Kingman Public  
17 Works -- in Kingman Public Works for the City of Kingman. On  
18 deck is Barbara Pape.

19 MR. OWEN: Good morning, Mr. Chairman and members  
20 of the Board. I'm Rob Owen, Public Works Director for the City  
21 of Kingman. Welcome to Mohave County, and thank you for your  
22 attention to the transportation needs that we have up here.

23 I'd like to talk to you about the Rancho Santa Fe  
24 traffic -- Rancho Santa Fe Parkway interchange on I-40. That's  
25 three miles east of Route 66. I believe there are other

1 speakers that will talk about the project benefits. I would  
2 just reiterate that this project was originally initiated by  
3 ADOT, and that ADOT has spent \$2.3 million under on the DCR and  
4 design of this project, and that the City of Kingman would  
5 request that the Board allow the City to help ADOT complete this  
6 job. So thank you.

7 CHAIRMAN CUTHBERTSON: Thank you.

8 Barbara Pape -- Pape. I'm sorry.

9 MS. PAPE: That's okay.

10 CHAIRMAN CUTHBERTSON: BHC Community Member. And  
11 on deck is Jen Miles.

12 MS. PAPE: Sorry. I'm one of those ladies that  
13 was out there getting -- handing out petitions and signatures  
14 against the Mohave roundabout, and I also am one that has been  
15 an advocate for road construction and safety.

16 One thing that I wanted to point out very  
17 carefully to you, that when I read your study, ADOT study, they  
18 found -- I found that Mohave County has an intersection sight  
19 distant problem with Aztec and Interstate 95. I think we need a  
20 solution, and the solution to this is to re- -- have the  
21 engineers design -- remodel the design -- excuse me -- redesign  
22 the outdated and -- I'm nervous. I'm sorry. I want the -- I'd  
23 like to ask the engineers of -- to highway designs increase the  
24 sight issue or take care of this sight issue that we have. I  
25 have it here and -- for the inadequate problems that we have,

1 and to increase -- and to know that we have an increase in  
2 population and that our tourists are flexible for our traffic  
3 conditions. We do have this problem, I think, that should be  
4 resolved. I think this would be the answer instead of a  
5 roundabout. Thank you very much.

6 CHAIRMAN CUTHBERTSON: Thank you.

7 Jen Miles, Vice Mayor and Mayor-Elect for  
8 Kingman. On deck is Bill Lenhart.

9 MS. MILES: Good morning, Mr. Chair, members of  
10 the Board. Thank you for your service. I am Jen Miles. I am  
11 here to represent Kingman, which is a fast forward, moving,  
12 growing community, celebrating our rich heritage and our bright  
13 future.

14 And toward that, I've given each of you the  
15 current publication of *Elevate Arizona*, which has a featured  
16 article on Kingman, and it's called "Find Yourself in Kingman."  
17 And it gives a flavor of our downtown renaissance and our  
18 commitment to growth. And what we hope is that you will find  
19 yourself in Kingman on your January board meeting, where we hope  
20 to host you and also to give you a lot more information  
21 regarding our I-11 East Kingman connection project, some of  
22 which you're going to hear today as introductory comments.

23 The I-11 project is actually one project with two  
24 interchanges, and they are functionally different. The one is  
25 called Kingman Crossing. It's dedicated to commercial growth

1 and public safety access, and it's one in which we are  
2 negotiating a development agreement with our regional medical  
3 center, the major landowner north of it.

4           But the other one, which we are here to talk  
5 about primarily, and we'll be focusing on, is Rancho Santa Fe,  
6 which used to be called Rattlesnake Wash. And this is the one  
7 that is the industrial boulevard between I-11 and our airport  
8 and industrial park. This gateway is -- leads to our industrial  
9 park, which is a major economic development engine for our  
10 region, and it's this interchange that we are going to be asking  
11 ADOT's participation fiscally in its construction. Why?  
12 Because it will break open northwestern Arizona to become -- so  
13 that we will become a multimodal regional hub for industrial,  
14 manufacturing, transportation and logistic industries.

15           We have several stakeholders here today who will  
16 comment on that, but I want to say that this is not a new idea.  
17 As Mr. Owen has already said, this has been on the books for 20  
18 years, and we have a letter from ADOT in 2006 committing to -- a  
19 letter of intent to construct this and even to fund 70 percent  
20 of its cost at that time. What happened? I'm not really sure,  
21 but the City could not move forward at that time. We didn't --  
22 maybe we didn't have our ducks in a row, but we do now. We are  
23 ready, and we are collaborating.

24           Someone mentioned partnerships. We have the  
25 partners at the table. We have the County, the State, the

1 landowners, the developers, and you'll hear from some of them  
2 briefly today. But we have ADOT, too, and I want to thank Alvin  
3 Stump for his participation in our meetings that we've been  
4 having over a year and a half now toward development of this  
5 interchange. This is an opportunity that is great not just for  
6 our region, but for the State, and we look forward to informing  
7 you further about this opportunity and to your participation  
8 with our partnership. So with those comments, I think I'll  
9 conclude so that others can share some of their insights on this  
10 project. Thank you so much for being here, and thank you for  
11 your service.

12 CHAIRMAN CUTHBERTSON: Thank you. Bill Lenhart  
13 is a landowner in Mohave County, and up on deck is Jean Bishop.

14 MR. LENHART: Thank you, Commissioner and  
15 Chairman.

16 Speaking on behalf of the I-11 Kingman connector,  
17 I am a landowner. I own most of the land that adjoins this  
18 project. We've owned our property for over 10 years. We bought  
19 our property with the intent to develop, and that is our intent  
20 still. I do not speak for all of the landowners, but I have  
21 spoken to the majority of the landowners. Nearly 90 percent.

22 In 2005, the landowners signed a development  
23 agreement with the City of Kingman to participate, contribute  
24 right-of-ways and easements as needed for this project. In  
25 2017, most of the same landowners signed a similar letter of



1 commitment to support the project if it was to occur. I have  
2 every reason to believe all those landowners will do the same  
3 today. I've been meeting with them the last 24 months. We've  
4 hosted several meetings, communicated with them, various  
5 methods, and although they couldn't be here, they do support it.

6           So I'm personally committed to this project, and  
7 I've pledged 20 acres to the City of Kingman for a park, and  
8 I've pledged 4 acres to the City of Kingman for a fire station  
9 and a police station. It's not relevant to this project, but I  
10 think it does demonstrate our commitment to Kingman, and that we  
11 want to be a (inaudible) we want to be a partner with the City  
12 of Kingman.

13           I think the I-11 connector is probably the single  
14 greatest barrier to Kingman's growth. It's -- and if we're able  
15 to complete it, we can develop our project and unlock Kingman's  
16 economic potential. And that's it. Thank you very much.

17           CHAIRMAN CUTHBERTSON: Thank you.

18           Jean Bishop is the Mohave County District 4  
19 Supervisor, speaking for the City of Kingman. On deck is Bill  
20 Feldmeier.

21           MS. BISHOP: Thank you, and good morning.

22           Mr. Chairman and board members, I'm here today to  
23 ask this Board to consider a new project of critical importance  
24 in northwest Mohave County. A perfect storm of development  
25 central to the US-93 CANAMEX corridor. Mohave County's economic

1 growth and vitality, as well as demand for Mohave County  
2 recreation, attractions and transportation services has  
3 precipitated a project of critical importance to the state  
4 highway system at US-93 and Pierce Ferry Road.

5 At this time I'd like to introduce the fire chief  
6 from the Dolan Springs/Meadview area, and he's here to concur  
7 with my comments to you today.

8 So as you are aware, Congress designated the I-11  
9 as a future interstate between Phoenix and Las Vegas.  
10 Consistent with the I-11 Corridor Justification Report released  
11 by ADOT and Nevada DOT in 2013, the future I-11 will follow the  
12 present day US-93 through Mohave County. NDOT recently opened a  
13 section of their bypass in Boulder City, Nevada, and Kingman and  
14 ADOT are pursuing important city interchange projects that I  
15 certainly support. And I think you have a letter from our  
16 Chairman Watson from the Board of Supervisors in support of  
17 this.

18 Mohave County brings substantial tourists and  
19 international visits through the intersection of US-93 and  
20 Pierce Ferry Road due to the Grand Canyon West and the Lake Mead  
21 National Recreation Center served by Pierce Ferry Road.  
22 However, a terrible trend has surfaced and persisted in the  
23 servicing of traffic through this crossover intersection, that  
24 being an increase of severe crash occurrences to the extent of  
25 46 total crashes and 8 fatal crashes happening at US-93 and

1 Pierce Ferry Road in a five-year period between 2013 and 2018.

2 Normalizing for traffic control, this  
3 intersection exhibits a staggering 30 fatal intersection crashes  
4 per 100 million entering vehicles. And let me note the Grand  
5 Canyon West has 1 million visitors a year, and it's growing.

6 A careful evaluation on intersection operations  
7 and opportunities to reduce the likelihood of severe crashes  
8 attributed primarily to right-angle vehicle conflicts  
9 necessitates consideration of a grade separation of structure to  
10 eliminate certain high risk conflict points and to effect  
11 long-term intersection safety improvements.

12 Mohave County, therefore, respectfully asks this  
13 Board to give immediate attention and consideration to amend the  
14 Five-Year Transportation Improvement Program, which will  
15 accommodate funding for design and construction of a southbound  
16 flyover intersection. Such flyover ramps offer potential to  
17 reduce intersection crashes and the severity, and most  
18 importantly may further be integrated into a full interchange  
19 buildout consistent with future developments of Interstate 11 to  
20 meet interstate standards.

21 With that I conclude my comments, and once again  
22 want to introduce you to the Lake Mohave Ranchos fire chief,  
23 Mr. Tony DiMaggio.

24 MR. DEMAIO: DeMaio.

25 MS. BISHOP: DeMaio. It's a hard one. So he

1 didn't fill out a request to speak, so I just wanted to --

2 CHAIRMAN CUTHBERTSON: Okay. Thank you.

3 MR. DEMAIIO: I'll just suck some wind out of her  
4 balloon while we're (inaudible).

5 MS. BISHOP: Also, I'd like to speak later in  
6 support of the Kingman interchanges if time permits.

7 CHAIRMAN CUTHBERTSON: Yeah. I believe speakers  
8 are limited to one three-minute session. Otherwise, it's kind  
9 of pointless. It's just turning out -- filling out cards.

10 MS. BISHOP: Absolutely. But you do have our  
11 letter of support.

12 CHAIRMAN CUTHBERTSON: We do have your letter of  
13 support. Thank you.

14 MS. BISHOP: Thank you very much.

15 MR. DEMAIIO: Could it be noted on the record that  
16 I also support the comments from the gentleman from the Dolan  
17 Springs Community Council as well?

18 MR. ROEHRICH: Mr. Chair, what I'd ask, if you  
19 could fill out one of the cards in there with your name, and  
20 just identify on the card that you're there to make that support  
21 so that we can make that as a record.

22 MR. DEMAIIO: Yes, sir. Thank you.

23 MR. ROEHRICH: Thank you.

24 CHAIRMAN CUTHBERTSON: Thank you.

25 MR. ROEHRICH: And Mr. Chair, I got a note from

1 Ms. Kunzman please to remind everybody to use the microphone,  
2 and we'll try to remind the speakers as well to use the  
3 microphone so we can make sure that the -- they can hear it on  
4 the phone, plus we can get it recorded so we have the tape of  
5 the conversation and comments. Thank you.

6 CHAIRMAN CUTHBERTSON: Okay. Bill Feldmeier, ex  
7 -- a former, not ex, a former Transportation Board member, and  
8 here to speak for himself. On deck I have Ron Foggin.

9 MR. FELDMEIER: Thank you, Mr. Chairman and board  
10 members, staff folks. Thank you for the opportunity to visit  
11 with you today and for being here in Lake Havasu City and  
12 participating in the 20th Annual Rural Transportation Summit.

13 I'm here today as a private citizen. Forget all  
14 my past events. Okay. And I'll tell you that I also reside, to  
15 a large degree, in Camp Verde and Yavapai County. And Sundt and  
16 Vastco for the last couple of years has been working on 260,  
17 State Highway 260, from the interstate up to Thousand Trails on  
18 the way to Cottonwood. I want you to know they're very close to  
19 concluding that project. It's been welcome for the Verde Valley  
20 as a whole. I'm not representing anybody but myself. I want to  
21 say that again. But I, as a person who spends a lot of time  
22 there, is very thankful for that project. I think it's the last  
23 major new project, improvement project that you all have money  
24 for within the five-year plan as well. So that -- that's  
25 welcomed as well.

1           I also want to thank you as I conclude my remarks  
2 that in the plans was about a two-and-a-half mile section of a  
3 multi-use path that runs from I-17 over to Cherry Road, over to  
4 where the detention center and jail and county complex is, and  
5 that's kept a lot of people off the shoulder of the highway.  
6 It's welcome for people like me who like to walk and bicycle as  
7 well. Thank you for that. That should conclude in near future,  
8 and hopefully the town will do something to ribbon cut that  
9 project.

10           CHAIRMAN CUTHBERTSON: Thank you.

11           Ron Foggin is a City Manager for Kingman. On  
12 deck is Gregory Henry.

13           MR. FOGGIN: Chairman, Board, it is a pleasure to  
14 be here with you today. First of all, I would like to echo Vice  
15 Mayor Miles' invitation to the Board. Looking forward to  
16 hosting you in January. I think that will be a great  
17 opportunity to have a more extensive conversation with regards  
18 to Rancho Santa Fe, which of course is what I'm here to talk to  
19 you about. I appreciate the support of those stakeholders that  
20 have come to speak on this subject.

21           The piece that I'd like to speak on is the  
22 importance of Rancho Santa Fe to the safety of our community.  
23 We have a large industrial park, which we are absolutely  
24 grateful and lucky to have in our region. That being grateful,  
25 though, comes with some consequences, with a large number of

1 cities on Historic Route 66 through our community. Rancho Santa  
2 Fe will solve that problem almost entirely for us. That  
3 corridor that those trucks have to travel and traverse actually  
4 has an accident rate four times higher than the rest of the  
5 streets in our community, and that safety issue can be easily  
6 eliminated.

7 We've had a partnership in the past with ADOT and  
8 the State on this project, and just looking for an opportunity  
9 to re-up on that partnership. And so with that, I know that  
10 there's others that will speak to the economy and importance to  
11 the region for this project, but for us inside the city,  
12 operations, safety, of course, is one of my big points, and this  
13 would really help us eliminate a lot of safety issues. So thank  
14 you.

15 CHAIRMAN CUTHBERTSON: Yeah. Thank you.

16 Gregory Henry, City Engineer for the City of  
17 Kingman. On deck is Keith Kintner.

18 MR. HENRY: Good morning, Mr. Chairman and board  
19 members. My name is Greg Henry. I'm the city engineer for the  
20 City of Kingman. I wanted to speak on the Rancho Santa Fe  
21 Parkway traffic interchange on Interstate 40.

22 I've been involved with this project when ADOT  
23 first brought it to the table back in 2005. It was on ADOT's  
24 five-year plan from approximately 2005 to 2012. I can attest  
25 that the safety and mobility and operational burdens that exist

1 now on Exit 53, I-40 and State Route 66 to the north, the need  
2 that was identified back then still exists today. It's only, in  
3 fact, gotten worse. You know, in an economy where the  
4 population is growing, and the economy is generally healthy, as  
5 you well know, you don't need an engineer to come tell you that  
6 traffic only increases. So that burden that was identified by  
7 ADOT back then still exists, and what I'm here to ask for, and I  
8 believe the others that were before me and will come after,  
9 we're really just asking that you allow us to continue working  
10 with District Engineer Stump to get this back on the five-year  
11 plan. And with that, I thank you very much.

12 CHAIRMAN CUTHBERTSON: Thank you.

13 Keith Kintner, Resident of Kingman, speaking for  
14 himself. And on deck is John Hansen.

15 MR. KINTNER: Yeah. Mr. Chairman, members of the  
16 Board, I'm Keith Kintner. I'm a two and a half year resident of  
17 Kingman, and I'd like to see further development of our city  
18 with a better access to the industrial park. And we've  
19 talked -- you've heard from several others on this -- and our  
20 north to south access, north and south Interstate 40.

21 And I -- also with the I-11 project needs to be  
22 completed as soon as possible. With -- now with the bypass over  
23 in Nevada completed, it's causing probably further problems.  
24 The sooner we can get that project done, the better.

25 And I want to thank you for supporting these



1 projects, and we look forward to seeing you in January in  
2 Kingman. Thank you.

3 CHAIRMAN CUTHBERTSON: Thank you.

4 John Hansen, he's the spokesman for KAMMA-Laron.

5 MR. HANSEN: Good morning. Welcome to Mohave  
6 County. It's great to have you in my home. I -- thank you for  
7 your work and the opportunity to talk with you. I'm John  
8 Hansen. I'm the president of Kingman and Mohave Manufacturing  
9 Association, which worries about the industrial park, along with  
10 other things in Mohave County. I'm also the chief operating  
11 officer of Laron, which is an industrial company. So I'm a  
12 direct beneficiary both in business and in our industrial park  
13 of the discussion of the Rancho Santa Fe Parkway.

14 According to the Department of Commerce in  
15 Arizona, the industrial park at Kingman is the largest  
16 concentration of manufacturers in the state of Arizona outside  
17 of Maricopa County. So it's a real deal. It's not -- it's been  
18 there for a long time. I already had discussions about how long  
19 this idea of Rancho Santa Fe Parkway has been in consideration.  
20 It's really needed. Remember that transportation is a lifeblood  
21 of a rural manufacturing community. If we don't have good  
22 transportation, we lose all our advantage.

23 So safety first. Safety is a big deal with the  
24 current egress and entrance to the industrial park. We have one  
25 entrance, and there are manufacturers who have come to Kingman

1 to do site selection who have stated that that one entrance by  
2 itself disqualifies us from consideration for their product.  
3 That one entrance, although it's very nice -- it's a good  
4 entrance. It was done several years ago, and it was done well.  
5 Runs under the main line of the BNSF. You may recall it  
6 derailed down in Tucson very recently, closed down a section of  
7 rail there for over a week, and it actually impacted I-10 at the  
8 same time. That same kind of an accident could easily happen in  
9 Kingman. It could shut down the entire park. Employees would  
10 not be able to get back and forth to work, and commerce would  
11 stop in the park.

12           So reliability is a big deal for the industrial  
13 park and for the tenants out there, and getting a new arterial  
14 access to the industrial park, which would -- the other thing  
15 about it is the timeliness of business so that that arterial  
16 route into the industrial park improves the time that it takes  
17 to deliver the products.

18           This doesn't speak about the safety, which other  
19 people have addressed, but I've worked on the industrial park  
20 for 15 years, and I've seen this many accidents on Route 66,  
21 where we have over two dozen egress points onto Route 66 between  
22 the city of Kingman and the industrial park. And when you're  
23 driving an 18-wheeler at 55 miles an hour and somebody pulls out  
24 in front of you, then you pray that God is sitting by your side  
25 and helping you get that thing shut down before you hit someone.

1           So we want to request that you consider this, all  
2 of these things, to put this up on your plan. I really want to  
3 thank you for your time and your work. Thank you very much.

4           CHAIRMAN CUTHBERTSON: Thank you.

5           Mike Hinderich. I'm sorry. I didn't get you on  
6 deck, Mike. Mike's president, CEO of Kingman Chamber.

7           MR. HINDERICH: Thank you so much.

8           Naturally I support the interchanges at Kingman.  
9 The piece that I want to talk about is the economic development  
10 piece of this, because the Rancho Santa Fe piece will open up  
11 5,000 acres of property for development. The result of that, we  
12 will have existing space for our manufacturers to expand. We  
13 have new companies that can be recruited into the region. The  
14 project development area could triple the employment in Kingman.

15           This means more high wage jobs and benefits for  
16 our region in the state. More jobs will improve the commercial  
17 business activity in the community region, and our property and  
18 sales tax would naturally increase.

19           The other thing I would like to do is thank you  
20 for the design that has been done for the bypass for I-11. Not  
21 being an engineer and just a layman, I looked at it and thought,  
22 this really makes common sense. And it's so nice to see things  
23 that you look at and say that makes sense. So thank you so much  
24 for your design on that, and I hope that we can prioritize that,  
25 (inaudible) Keith. The sooner that gets done, the better,

1 because we have a very real bottleneck that happens on Beale.  
2 Thank you so much.

3 CHAIRMAN CUTHBERTSON: Thank you.

4 Down to my last card here. Justin Hembree is the  
5 Transportation Planner for WACOG.

6 MR. HEMBREE: Good morning, Mr. Chairman, members  
7 of the Board. My name is Justin Hembree. I'm the  
8 transportation planner for the Western Arizona Council of  
9 Governments, and I'm here this morning express our support for  
10 the Rancho Santa Fe TI interchange. We don't have much more to  
11 add than the speakers you've already heard. Again, we hope to  
12 see you in January, and we concur and express our support for  
13 the Rancho Santa Fe.

14 CHAIRMAN CUTHBERTSON: Thank you.

15 MR. HEMBREE: Thank you.

16 CHAIRMAN CUTHBERTSON: Thank you.

17 We had a last minute card here, but Minerva  
18 Peters, YPG Chief of Staff. She doesn't -- I should say Yuma  
19 Proving Ground, I guess, chief of staff. She does not wish to  
20 speak today, but she wants to formally concur with  
21 Mrs. Pancrazi's comments about US-95. As a weekly user of the  
22 highway, to concur that the stretch from 8 East to Aberdeen Road  
23 is very dangerous. So we'll write that into the record.

24 And that concludes our call to the audience.

25 How's everybody holding up? Okay? We're okay? We're good?

1 Okay.

2 Okay. Well, we'll move to on Item No. 1 on the  
3 agenda, which is the director's report. I think ADOT Executive  
4 Officer Floyd Roehrich will provide the director's report for  
5 information and discussion only.

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

7 The director got a last minute request to take  
8 care of some business in the Phoenix area, and he could not make  
9 it here. He sends his regrets. He did not have any last minute  
10 items, and again, he just points out if any Board members have  
11 items that they want him to discuss, make sure to get them to  
12 him so he can be prepared for a future meeting, and he will see  
13 you next month.

14 Thank you, sir.

15 CHAIRMAN CUTHBERTSON: Okay. Thank you.

16 Moving on to Item 2 on the agenda, Alvin Stump,  
17 the Northwest District Engineer, will provide an update and  
18 overview of issues of regional significance, for information and  
19 discussion only.

20 MR. STUMP: Good morning, Mr. Chair and Board.  
21 I'm going to run through a quick update on all the projects in  
22 the Lake Havasu, Bullhead and Kingman area.

23 If you could go to the next slide.

24 Currently under construction, we're doing  
25 rehabilitation on the Haviland Rest Area. We administering a

1 project for Lake Havasu City here currently. And we've been  
2 doing a lot of flushing on all of our routes here the last six  
3 weeks or so. I think by the end of next week, we'll have done  
4 about 600 lane miles, so we've been very busy. And then just  
5 starting about 30 miles north of Kingman is the preservation and  
6 shoulder widening project coming up.

7           And then -- and then this is just showing we've  
8 been active with the 25 million allocated statewide for minor  
9 surface maintenance has really helped us. We have roughly 4,200  
10 lane miles in our district, and our goals to -- in order to help  
11 keep them in good condition is to try to get to about a third of  
12 them and crack seal about 20 percent. So this extra funding's  
13 going a long ways to help us meet those goals.

14           Next slide.

15           As far as in the Kingman area, we're in the final  
16 stages of selecting a firm for the enhanced DCR, which this is  
17 going to be a project that we're going to design in house, but  
18 see some opportunities for cost savings and innovation. So  
19 we're going to go through that exercise. Currently it's in the  
20 development program for fiscal year '24. And then in the next  
21 two years, we have two more -- or pavement pres. and shoulder  
22 widening projects on 93 north of Kingman, and then we -- we're  
23 doing a -- administering a project for Mohave County on Pierce  
24 Ferry Road coming up, too.

25           Next slide.

1                   Sorry. I know it's hard to read here, but this  
2 is just the exhibit of the West Kingman interchange, and if  
3 you're not too familiar with it, it's becoming a common  
4 occurrence for traffic to back up from Beale Street all the way  
5 over to SR-68 interchange. And then going westbound on I-40  
6 frequently backs up for traffic getting off there. So  
7 definitely a great need.

8                   Next slide.

9                   In Bullhead City and Fort Mohave, we have a  
10 partnership with the City for improving Corwin and Marina  
11 Boulevard. The City's designing a signalized continuous green  
12 T, and they're funding it, and then our part of it is to  
13 construct a right turn lane at Marina Boulevard.

14                  And then we have several safety median projects  
15 coming up in Fort Mohave and Bullhead City. We've had a lot of  
16 dialogue about optimizing the aesthetics for community  
17 enhancement. We'll continue to do that. No final decision on  
18 Aztec yet. And then we also have a couple little median  
19 projects on 68.

20                  Next slide.

21                  Again, here in Havasu, we have the one project  
22 ongoing. We'll also have another project for the city coming  
23 up. We'll advertise here in the near future. And then we have  
24 the safety project at Kiowa, which will construct right turn  
25 lanes and a raised median. It did have to be rebid, so that

1 should be taking place soon.

2                   And then there's the -- what I kind of call Kiowa  
3 phase 2, where we've had the discussion about an additional  
4 signal north of there to help with traffic, and currently the  
5 MPO has funding for design and construction for that.

6                   If you go to the next slide.

7                   It's a little hard to see, but down at the bottom  
8 is the Kiowa intersection, and the project that's set to  
9 re-advertise will construct right turn lanes that -- at Kiowa  
10 and that first driveway, plus extend the median up through the  
11 second driveway. The problem we got is the third driveway is a  
12 full access intersection, and it has -- the traffic volumes  
13 there do meet signal warrants, and it's going to increase with  
14 the development that's going in that vacant spot there. It's  
15 fast food and retail. So the discussion's been to move it up  
16 further north at a signal, and then that also creates the  
17 opportunity for a future project to construct center median from  
18 Kiowa all the way up to the next intersection at Palo Verde.

19                   So -- and that's it for the presentation. I'll  
20 take any questions.

21                   CHAIRMAN CUTHBERTSON: Great. Questions?

22                   Vice Chair Sellers.

23                   MR. SELLERS: Yeah. Alvin, one of the speakers  
24 earlier to the Rancho Santa Fe Parkway said something about  
25 we've spent \$2.3 million in design work. Can you tell me what



1 that entails?

2 MR. STUMP: Yes. It was designed to 95 percent,  
3 and then it went on the shelf. That was -- I think it was kind  
4 of finished when the economy went down.

5 MR. SELLERS: Okay. So would that have to be  
6 redone now or --

7 MR. STUMP: No. I mean, it's pretty -- there  
8 would be some updating to the environmental and maybe a little  
9 fine tuning on standards, but most of the design's pretty well  
10 done.

11 MR. SELLERS: Okay. Thank you.

12 MR. KNIGHT: Mr. Chair.

13 CHAIRMAN CUTHBERTSON: Yes. Board Member Knight.

14 MR. KNIGHT: Mr. Stump, on the -- you said no  
15 decision on the Aztec. Are you referring to the roundabout?

16 MR. STUMP: That's correct.

17 MR. KNIGHT: Okay. So --

18 MR. STUMP: Yeah. There's two elements in it --  
19 in that project. Part of it's raised center median between  
20 Tiller (phonetic) and Aztec. The other part's the roundabout.  
21 So no decision on the roundabout itself. The median's still a  
22 go.

23 MR. KNIGHT: Are we looking at other alternatives  
24 other than a roundabout? Since it seems to be so widely opposed  
25 by the residents there, are we looking at alternatives?

1 MR. STUMP: Well, the -- this is a safety  
2 project, basically. It was funded based on the benefit cost of  
3 the improvement. So basically, the roundabout's the one  
4 solution. The alternative, essentially, would be protected  
5 phasing, and that would be the -- but how those two compare on  
6 reducing accidents isn't equivalent.

7 MR. KNIGHT: So -- but we are -- you are looking  
8 at possible alternatives?

9 MR. STUMP: Yes. We have considered the  
10 different alternatives throughout the process.

11 MR. KNIGHT: Yeah. I'd just like to see  
12 something that wasn't so widely opposed by the people that live  
13 there and are actually going to have to use the roundabout. I  
14 don't know what the solution might be, but I think it would be  
15 wise to explore all the alternatives before forcing something on  
16 to the community that they were so violently opposed to.

17 MR. STUMP: Understood.

18 CHAIRMAN CUTHBERTSON: Other comments? Board  
19 members?

20 All right. Thank you, Mr. Stump.

21 MR. STUMP: Thanks.

22 CHAIRMAN CUTHBERTSON: Under Item 3 on the  
23 agenda, the Board will consider items included in the consent  
24 agenda, for information and possible action.

25 Board members, you've had a chance to review the

1 consent agenda. Are there any items that you would like pulled  
2 for individual discussion?

3 Hearing none, is there a motion to approve the  
4 consent agenda as presented?

5 MR. THOMPSON: Chairman, I would move for  
6 approval of the consent agenda.

7 CHAIRMAN CUTHBERTSON: Moved by Board Member  
8 Thompson.

9 MR. ELTERS: I second.

10 CHAIRMAN CUTHBERTSON: Seconded by Board Member  
11 Elters.

12 All in favor indicate by saying aye.

13 BOARD MEMBERS: Aye.

14 CHAIRMAN CUTHBERTSON: Opposed, say nay. Ayes  
15 have it. Motion passes.

16 Moving on to Item 4 on the agenda. Floyd  
17 Roehrich will provide the legislative report, for information  
18 and discussion only.

19 MR. ROEHRICH: Thank you, Mr. Chair and board  
20 members.

21 As you can imagine, this is probably kind of the  
22 lull here as we go through the upcoming election cycle and we  
23 get ready for the new legislative session to kick off in  
24 January.

25 Right now at the state level, we are working with

1 the Governor's staff to look at developing what would be a  
2 legislative package that we work in collaboration with the  
3 Governor's office in preparation for the upcoming legislative  
4 session.

5           We haven't finalized what all the proposals are.  
6 We're talking about a number of different things that are  
7 looking at either reducing some of the regulatory burdens,  
8 helping to prevent the risk to public safety, and then insurance  
9 compliance with the different federal regulation requirements  
10 that we have, as well as looking at what can advance the long  
11 range plan and our strategic plan within the confines, and  
12 then -- and the considerations of what we would need to do  
13 legislatively.

14           We expect that that would probably be worked out  
15 sometime after the election. Obviously we need to go through  
16 that in order to continue to work with either this  
17 administration or a new one that's coming in. Probably finalize  
18 that late December, beginning of January right as the session  
19 starts, and then we'll be able to give a more comprehensive  
20 update to the Board on what we see are our priorities for the  
21 next session. So that's the state level.

22           At the federal level, there's still a lot of  
23 debate going on regarding the U.S. budget, the deficit. That  
24 has been having -- and how the legislators at the -- Congress  
25 and administration will address the upcoming deficit, which is

1 projected to be over \$700 billion. Driven by reduced losses to  
2 the gas tax, as well as combined with spending hikes in defense  
3 and non-defense discretionary money, the deficit numbers are on  
4 track to break possibly a trillion dollars, even more than the  
5 700 billion.

6           So a lot of where Congress and the administration  
7 will address any future continuing resolutions or any future  
8 transportation funding issues will depend upon how they're going  
9 to address the deficit and the U.S. budget.

10           White House -- I want to talk now a little bit  
11 about the passing of the autonomous vehicle bill. The House has  
12 passed a roadmap to regulate driverless cars, but the Senate  
13 remains deadlocked and unable to move a companion piece owing  
14 mostly to liability and safety concerns that rose to critical  
15 levels after a series of serious and fatal accidents. They're  
16 not sure exactly what may come out of the Congressional  
17 discussions after the midterms, and so they're not sure exactly  
18 where the autonomous vehicle discussion is going to go.

19           Let's see. The last item that they had here -- I  
20 guess the last two items. One was when the President signed the  
21 current spending for government agencies, transportation --  
22 Department of Transportation were not included within that. So  
23 they basically are -- are still moving forward with the last  
24 continuing resolution, which goes until December 7th. If they  
25 don't do another continuing resolution or come up with a full

1 funding bill for the year, the transportation funding will end  
2 on December 7th, which is not a good thing.

3           The last item they had here is that the National  
4 Highway Traffic Safety Administration reported that even though  
5 there's been an increase of vehicle miles traveled, traffic  
6 deaths have declined nearly 2 percent in 2017. They have  
7 continued to work on this trend, as well as work with the U.S.  
8 DOT and state DOTs on ways that we're going to continue to  
9 address safety along the toll system and the full system and  
10 continue to look for better ways to improve the safe operation  
11 of our highway and interstate system.

12           With that, Mr. Chair, that was the update that  
13 the legislative (inaudible) --

14           CHAIRMAN CUTHBERTSON: Okay.

15           MR. ROEHRICH: -- the legislative committee had.

16           CHAIRMAN CUTHBERTSON: Thank you.

17           Vice Chair Sellers.

18           MR. SELLERS: Yeah. Floyd, just to back up to  
19 our consent agenda. We probably should point out to people that  
20 we showed our meeting schedule for 2019 as a part of the consent  
21 agenda, and the April meeting in Flagstaff conflicts with the  
22 Roads and Streets.

23           MR. ROEHRICH: Mr. Chair, Mr. Sellers, that's  
24 actually Item 10 to be addressed separately.

25           MR. SELLERS: Okay.

1 MR. ROEHRICH: So it is still scheduled to be  
2 addressed separately and not part of the agenda.

3 MR. SELLERS: Okay.

4 MR. ROEHRICH: So we can talk about that item  
5 when we get to Item 10.

6 MR. SELLERS: Okay.

7 MR. ROEHRICH: I would recommend. But if you  
8 want to take it now, that's the Board's pleasure.

9 MR. SELLERS: Okay. I thought that it was in  
10 part of the consent agenda. Sorry.

11 MR. ROEHRICH: No, sir. It's a separate item.

12 CHAIRMAN CUTHBERTSON: Okay. Thanks.

13 Other comments? Questions on the legislative  
14 report?

15 Okay. We'll move on to Item 5, the financial  
16 report. Kristine Ward, Chief Financial Officer, will provide an  
17 update on the financial report, for information and discussion  
18 only.

19 MS. WARD: Well, good morning.

20 CHAIRMAN CUTHBERTSON: Good morning.

21 MS. WARD: I will have to say after attending the  
22 -- the summit yesterday, I'm glad I still have a job, because  
23 that is a very knowledgeable crowd when it comes to funding.  
24 Watching all of the presentations, I was like, oh, well, I'll  
25 never have to do another presentation again. I'm just going to

1 start pulling the slides from -- from all of the presentations  
2 that were given. It is clear that folks understand the nature  
3 of our funding issues. So it was -- it was impressive.

4 So Lynn -- okay. We're up.

5 Okay. So as far as how we're doing on HURF  
6 revenues against our forecast, we've got a projection for HURF  
7 revenues of almost \$1.5 billion for the year. 1 billion, 490  
8 million. We are currently just 1.1 percent above forecast.  
9 September, we got about 127 million, 128 million in revenues,  
10 and year to date, about 370 million.

11 Let's move on to RARF.

12 So for FY '19, we are projecting about  
13 \$466 million of RARF revenues coming in, and understand about  
14 56.2 of those are dedicated for freeways. Right now, we -- our  
15 year-to-date actuals, we've collected about \$75 million, and  
16 we're a little above forecast.

17 Moving on, I wanted to give you an update on --  
18 if you'll recall, I think it was back in July or so that this  
19 board approved us moving forward with a RARF bond issue, a  
20 Regional Area Road Fund bond issue. And if you'll recall, when  
21 we -- when you approved the five-year program, that bond issue  
22 for about \$300 million was built into the Board's approved  
23 program.

24 We actually went to the market in August, August  
25 14th, and we had a very successful issue. We sold about



1 \$262 million worth of bonds, and we sold them at a premium. So  
2 we ended up with total receipts of about \$290 million from that  
3 sale.

4           The -- we had a very successful issue. Of the  
5 issues I have participated in since I've been with ADOT, it  
6 was -- how do I say this -- the tightest issue in terms of you  
7 want to make sure you go to the market with just the right  
8 price. So if you could, you'd have one buyer for one bond, for  
9 each bond. You wouldn't have more buyers than you'd have bonds.  
10 You wouldn't have less buyers than you have bonds. So what you  
11 want to do is one for one. And this one, we actually had  
12 oversubscription of about -- we had \$600 million worth of  
13 requests for \$260 million worth of bonds. So that -- it  
14 actually was a very successful oversubscription. You want to  
15 keep that as tight as possible, those two numbers as close as  
16 possible.

17           The true -- the actual interest costs we'll be  
18 paying on those bonds is about 2.12 percent. Remember the RARF  
19 program's only got seven years left on it, the current Prop 400.  
20 So that interest rate was a very good rate of about 2.12  
21 percent.

22           What was also very successful about this issue is  
23 we worked with Citigroup. They were our senior manager on  
24 the -- on the issue, our underwriters. And we got a -- quite a  
25 few new investors, new investors that -- large investors that

1 participated, new to ADOT. A couple of those were Breckenridge  
2 Capital Advisors, Standish Mellon. And we're always looking to  
3 expand the base of investors that are looking to buy our bonds,  
4 and we had a very successful venture at that, and Citigroup was  
5 the lead on that. We really need to express a thank you to  
6 them.

7                   As well, we also worked with JP Morgan, Goldman  
8 Stack -- Goldman Sachs, Stifel, Morgan Stanley and Baird as  
9 co-managers. And I need to also express sincere thanks to our  
10 financial advisors RBC, Kurt Freund.

11                   With that, I have nothing more on the bonds, but  
12 I -- on that bond issue, but I do need to start making you aware  
13 of some discussions that are going on with regards the bond  
14 program.

15                   Standard & Poor has -- the -- our -- one of the  
16 rating agencies is changing their rating criteria. And one of  
17 the things -- a key focal point in their revised rating criteria  
18 is that they are looking at the risk of the revenues that come  
19 in and pay the debt service, our pledged revenues. They're  
20 looking at pledged revenues the issuers -- of the issuers, and  
21 if those pledged revenues are subject to diversion by general  
22 government. In other words, are the revenues that are going to  
23 pay back the debt service, are those pledged revenues at risk of  
24 being swept by general government.

25                   If the pledged revenues are not protected, then

1 what we understand S & P is leaning towards is downgrading those  
2 -- those issuers that are -- that -- where the pledged revenues  
3 are at slight risk. If they are at a high risk, then they will  
4 downgrade them more. If they are at less of a risk, then they  
5 will downgrade them less, and gradate it accordingly. Does that  
6 -- hopefully that makes sense.

7 Right now, so the general government rating in  
8 this case, Arizona's rating, Arizona state's rating, is a AA by  
9 S & P. Our HURF rating, the issuer, we're AAA. What they're  
10 saying -- and our RARF credit is at a AA plus.

11 We were currently in discussions with S & P, and  
12 we're trying to educate them to the degree that our pledged  
13 revenues are protected, either protected by the Constitution or  
14 they are protected by voter initiative. The -- we are hoping  
15 that in our -- in our communications and in that education  
16 process that we can minimize the degree to which we get a  
17 downgrade, but it is very likely that we will get a slight  
18 downgrade on our HURF credit. We believe we can be quite  
19 successful on the RARF credit, because it is protected by the  
20 voter initiative.

21 So what we're looking at is we think -- we  
22 believe -- we're working towards keeping our RARF credit rating  
23 as it is because of that -- that degree of protection of the  
24 voter initiative. However, we are more concerned on our HURF  
25 credit rating in that it is less protected than the RARF -- than

1 our RARF pledged revenues. We're hoping that we can keep that  
2 limited to a downgrade of what we would call one notch.

3 So the State is currently, like I said, at a  
4 AA. We are currently at a AAA, our HURF credit. And we are  
5 hoping to just limit that downgrade to a AA plus. So one notch  
6 up above the State, because we have some protections in the  
7 Constitution. Remember, we have the VLT portion of the HURF  
8 revenues that is not protected.

9 And so that's what we are -- those are  
10 discussions that are taking place right now. We expect we'll  
11 have an answer, get a revised rating from S & P in the next few  
12 months, and I will keep you in tune and communicate with you on  
13 what the status of those discussions are.

14 With that, I would be happy to take any  
15 questions.

16 MR. ELTERS: Mr. Chairman, I have a question.

17 CHAIRMAN CUTHBERTSON: Yeah. Board Member  
18 Elters.

19 MR. ELTERS: Kristine, timing is everything, and  
20 it sounds like the timing to sell the bonds given the current  
21 interest rate market was probably ideal. I wonder if it would  
22 cost more than 2.12 percent if you to buy it now versus back in  
23 August. That's one question.

24 The other is what does it mean to get downgraded  
25 by one notch? What would that cost the program or the State

1 when it's time to sell another bond?

2 MS. WARD: Mr. -- Chairman Cuthbertson and  
3 Mr. Elters, first question was should we sell sooner? That's  
4 what -- if that's what I heard, should we -- should we sell  
5 sooner while the rates are lower and while our credit rating is  
6 higher? Is that -- am I repeat -- am I getting your question  
7 correctly?

8 MR. ELTERS: Actually, I was trying to compliment  
9 you. I thought you sold at the right time or we sold at the  
10 right time.

11 MS. WARD: Well, okay. Well, I totally missed  
12 that one, and I hope we recorded -- we really got that recorded.

13 All right. So we did have a very successful  
14 sale, and I would love -- I would love to take credit for  
15 timing. However, I really can't. We have -- we have a very,  
16 very knowledgeable team that works on our bond sales.  
17 Everywhere -- everyone from the -- our debt management person,  
18 Lisa Danka, to our financial advisors, to our underwriters, it  
19 is a full team. And quite honestly, all of the FMS team  
20 participates on these bond sales, and they're an impressive team  
21 to work with. So I would love to take it -- credit if I could,  
22 but I really can't.

23 Your second question, sir. What would be the  
24 impact -- if I understood it correctly, what would be the impact  
25 of -- of this downgrade on our sales. Quite honestly, I really

1 don't expect a lot of impact. And this is the reason: The  
2 underlying -- the underlying fundamentals of our -- of the HURF  
3 credit have not changed. The -- the methodology of the  
4 forecasting, the methodology that we employ within the  
5 department to -- those processes that we employ to ensure that  
6 we maintain a fiscally-constrained program, I really don't  
7 anticipate much change.

8                   These fundamentals, these -- the fact that the  
9 legislature is able to go in and have access to utilization of  
10 VLT funds, that has been in place for some time. And the market  
11 has been aware of S & P's changing criteria, and that those  
12 discussions for some time, there's been a large comment period.  
13 So I'm really not anticipating this having a significant impact  
14 on -- on the interest costs that we pay going forward.

15                   I hope that answers your question, sir.

16                   MR. ELTERS: It does indeed. In a positive way,  
17 so I'm glad to hear it. Thank you. I just wanted to ask the  
18 question.

19                   MS. WARD: Okay.

20                   CHAIRMAN CUTHBERTSON: Board Member Hammond.

21                   MR. HAMMOND: Yeah. A comment and a question. A  
22 comment on something you said earlier. This is my third or  
23 fourth -- well, maybe fourth, because it's my fourth year on the  
24 Board, Regional Transportation Summit, and I was struck by the  
25 understanding of the need for additional funding all across the

1 Board, and a recognition that ADOT listens, but they just don't  
2 have the money to do some of the fine projects that have been  
3 proposed today.

4           We need to keep that momentum up. I think 2019  
5 is the one year we can get some action on this. So I really  
6 encourage all who were there to talk to their legislators.  
7 That's -- I think that's the stumbling block. I think most  
8 think Governor Ducey would support this effort to raise revenues  
9 if he knew he had support of his legislators. So that's going  
10 to be the key, and really encourage you to -- to carry your  
11 wishes to the State Legislature.

12           A question. When you said that the bonds had 600  
13 million subscribers for 200 million, it suggests to me that the  
14 interest rate might have been a little high. And I'm just  
15 wondering if you might have saved a few basis points and if  
16 there's -- is it just timing issues and you really have no  
17 control over that? Or there's a way to be a little more nimble  
18 at the time those bonds go to market to get that one and one,  
19 which says you're perfectly aligned with demand? I'm just  
20 asking the question.

21           MS. WARD: Chairman Cuthbertson, Board Member  
22 Hammond, that is a very astute question. We actually did go in  
23 and revise those interest rates. When I quoted to you that 2.12  
24 percent true interest costs, when we get oversubscribed, what we  
25 do is because this is a negotiated sale -- there are two types

1 of sales. You can have a competitive sale or a negotiated sale.  
2 Under a negotiated sale model, what it enables us to do, if we  
3 are oversubscribed, we go in there and we start notching the --  
4 those interest rates back. We start notching those prices up.  
5 So we start selling the bonds for a little bit more. So we  
6 bring that oversubscription down into that sweet spot.

7 MR. HAMMOND: Okay. Thank you.

8 MS. WARD: So we did. We reduced it by about  
9 five to seven basis points across the -- across the maturities.

10 CHAIRMAN CUTHBERTSON: Thank you. Anybody else?  
11 Thank you, Ms. Ward.

12 MS. WARD: Thank you.

13 CHAIRMAN CUTHBERTSON: Item 6 on the agenda.  
14 Greg Byres, Division Director of Multimodal Planning Division  
15 will present an update on the current planning activities  
16 pursuant to ARS §28-506, for information and discussion only.

17 MR. BYRES: Thank you, Mr. Chairman, board  
18 members.

19 I just wanted to give you a quick update on where  
20 we're at with our five-year program in putting it together.  
21 What we've got right now is we're working on our P2P, which is  
22 the planning to programming process. We have already compiled  
23 the entire list of projects that goes into our process.

24 Those projects fully entailed, I think, 1,800  
25 projects is what we were looking at in the entire list. Those



1 projects come from recommendations out of our planning studies.  
2 Also comes from projects recommended by the different districts  
3 across the state. Comes from prior year projects that did not  
4 make it into the program, and it includes technical groups, the  
5 recommendations for projects from them as well.

6           One of the other places it comes from is from  
7 this -- these board meetings. So the projects that are  
8 commented on that are presented to you, we take and notate, and  
9 also take and put projects together that are also considered in  
10 the P2P process. So projects that were brought forth to you  
11 today, if they weren't already in the process, they will  
12 probably get included into our five-year program starting up  
13 next year, because we've already completed our list and are  
14 going through the analysis of this year's P2P process.

15           Just to kind of give you an idea of where we're  
16 at, like I said, there's about 1,800 projects that go forward  
17 into our consideration. Last year we had about that same  
18 number, a little bit less. There's about 20-some projects make  
19 it into our program. So that kind of gives you the ratio of  
20 what we're looking at, just because of the funding that we have  
21 allowed. Those projects normally go into about the third year  
22 of the program. So that gives you an idea of where we're --  
23 where we're at, the number of projects that are considered, and  
24 how many actually make it in.

25           So our prioritization is extremely important, and

1 we take a lot of consideration into those prioritization of  
2 those projects. So I just want to make sure that you all  
3 understand exactly what's going on and how we put that together  
4 and then move it forward into the five-year program.

5 Right now as part of that process, we have  
6 ongoing district workshops. One of the changes that we've had  
7 this year in the P2P program is we've given the districts a lot  
8 more freeway in pulling those projects into the program. So  
9 they have a much higher percentage in their consideration or  
10 coming into the consideration for those projects making a  
11 prioritization, as well as we've changed up and tried to make  
12 the recommendations that come in, and the prioritizations, we've  
13 tried to take as much subjectivity out as we can and are dealing  
14 strictly with data that go into the five-year program to the  
15 recommendations that will later on come forward to this board.

16 So the next thing we have is the -- I just wanted  
17 to kind of go through the aviation programming. Thanks an awful  
18 lot to FMS and Kristine's staff's help. Come 2020 we will have  
19 all of our different aviation programs back up and going again.  
20 So the FSL continued through after the -- the sweeps that we  
21 had. APMS came back on board this year and -- or is coming in  
22 in FY '20 -- or '19, and our SL program comes online in 2020.

23 We are already accepting applications for those  
24 projects. I'm -- and are identifying projects for those grant  
25 programs. So all of that's actually come together really well.

1 The program itself and the Aviation Fund is very sound, and so  
2 it's -- I think we've got some protections in place that will  
3 help keep us from having those sweeps come through. So it's  
4 actually coming together really well.

5 If you have any questions, I'd be more than  
6 willing to answer.

7 CHAIRMAN CUTHBERTSON: Questions?

8 Seeing none, I'll -- we can move on to Item No.  
9 7, the Priority Planning Advisory Committee. Greg will present  
10 the recommended PPAC actions, including considerations of  
11 changes to the 2019-2023 Statewide Transportation Program, for  
12 discussion and possible action.

13 MR. BYRES: Thank you, Mr. Chairman, board  
14 members.

15 Right now we have -- there's a total of four  
16 projects that we're looking at. The first three, Items 7A, 7B  
17 and 7C come forward with a recommendation for approval for these  
18 -- again, these are modifications to existing projects.

19 CHAIRMAN CUTHBERTSON: Questions from board  
20 members?

21 Do I have a motion to accept and approve the  
22 project modifications Items 7A through 7C as presented?

23 MR. ELTERS: I so move.

24 MR. KNIGHT: Second.

25 CHAIRMAN CUTHBERTSON: Moved by Board Member

1 Elters, seconded by Board Member Knight. Any discussion?

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

4 BOARD MEMBERS: Aye.

5 CHAIRMAN CUTHBERTSON: Opposed, nay. Ayes have  
6 it. Motion passes.

7 MR. BYRES: Thank you, Mr. Chairman.

8 Item 7D is a new project. That again comes  
9 forward to you with a recommendation from the PPAC.

10 CHAIRMAN CUTHBERTSON: Questions on Item 7D?  
11 Comments?

12 Do I have a motion to accept and approve new  
13 project Item 7D as presented?

14 MR. SELLERS: So moved.

15 CHAIRMAN CUTHBERTSON: Moved by Vice Chair  
16 Sellers.

17 MR. ELTERS: Second.

18 CHAIRMAN CUTHBERTSON: Seconded by Board Member  
19 Elters. Discussion?

20 All in favor indicate by saying aye.

21 BOARD MEMBERS: Aye.

22 CHAIRMAN CUTHBERTSON: Opposed, nay. Ayes have  
23 it. Motion passes.

24 MR. BYRES: Thank you.

25 CHAIRMAN CUTHBERTSON: We'll move on to Item 8.

1 Dallas Hammit, Deputy Director of Transportation and slash State  
2 Engineer will present the report showing the status of highway  
3 projects under construction, for information and discussion  
4 only.

5 MR. HAMMIT: Good morning, Mr. Chair and members  
6 of the Board.

7 Currently we have 107 projects under construction  
8 totaling \$1.716 billion. A large part of that, as you know, is  
9 the South Mountain project. We finalized 10 projects in  
10 September, totaling \$20.4 million, and year to date we've  
11 finalized 23 projects.

12 And as I go through some of my justifications, I  
13 wanted to lay a little framework, because we're seeing a lot of  
14 volatility in our pricing. Last month you saw some projects  
15 being -- what were rejected bids. We saw higher prices.

16 So after that meeting, the department along with  
17 our partners in industry, our contractors, our engineers met,  
18 and how can we get a better handle on what's going on? How can  
19 we estimate tighter? If you remember last year at the end of  
20 the year, we were within 2 percent. The engineer's estimate was  
21 high, which we want to have a little cushion. We were 2 percent  
22 higher than the low bid.

23 So right now, we are consistently below bid, and  
24 I don't get to build projects, so I don't want to win and be the  
25 low bidder on them every time either. So we're looking how do

1 we get closer? Where are those prices changing? You'll see in  
2 this month's oil is one of the big areas, the prices for asphalt  
3 oil. But in the meeting, what we heard from industry is labor  
4 is increasing quite a bit.

5           There's a big pull on labor. As development  
6 comes back in the metro areas, the competition with land  
7 development is pulling away from our roadway contractors,  
8 because I can do work and stay at home, and I don't travel to  
9 outlying parts of the state. Some big projects around the  
10 country, the stadium in Las Vegas and even L.A. are pulling  
11 people away. And definitely they're pulling our big  
12 contractors, but we've seen shortages in girders from our --  
13 from our precasters and people working, because we're close  
14 enough to those markets that the workforce can go and come back.  
15 So we're seeing a push there.

16           And then the South Mountain project, it is  
17 hitting one of its peak times. They're paving, and a lot of the  
18 available workforce and equipment is going out to that project.  
19 So those shortages are showing up in some of our pricing. So  
20 you'll see that as we go forward.

21           The department is going to continue meeting with  
22 industry. We're going to do our best to get a handle on where  
23 prices are, and if need be, we will make some rebalancing in the  
24 future.

25           Next slide.

1                   And this slide just shows where the work's  
2 happening, and as you can see, one that, you know, jumps out  
3 maybe a little bit in the rural area is North Central. But one  
4 thing to remember, that -- those are pavement preservation  
5 projects on Interstate 17 and Interstate 40, and those are two  
6 real big ones that are reconstructed on an interstate we hadn't  
7 reconstructed, but they were built in the '60s that we -- parts  
8 of it are putting back together for the first time. We've been  
9 doing a mill and replacement in -- but in some of those areas  
10 we're going down to the subgrade and rebuilding those  
11 interstates, and that's a lot of that work.

12                   Any questions for the state engineer's report?

13                   MR. ELTERS: Mr. Chairman.

14                   CHAIRMAN CUTHBERTSON: Board Member Elters.

15                   MR. ELTERS: Dallas, thanks for the update. For  
16 myself, I applaud the effort as far as meeting with the industry  
17 and trying to figure out how to get a handle on this.

18                   Looking at earlier in the year cost escalation  
19 data, it seemed like we were somewhere around 7 to 10 percent  
20 with projections that things were going to taper off and return  
21 to normal toward the end of the year. One would wonder whether  
22 that is happening or not given the quotes -- the bids that we're  
23 seeing.

24                   Additionally, it looks like going into next year,  
25 the expectations are that we're going to start experiencing some

1 higher than average cost escalation, given the environment that  
2 we're working in. And I guess my question, while I applaud the  
3 meetings with the industry, what is being done to try to  
4 position or prepare for or get the arms around what is projected  
5 to come? I guess one can call it a contingency plan. If it  
6 doesn't need to be implemented, that would be great, but clearly  
7 what we've seen to date has had an impact, and if we return to  
8 that -- and I'm not sure we left it to start with -- what is  
9 being done to position for it so we can mitigate it?

10 MR. HAMMIT: Mr. Chairman, Member Elters, one of  
11 the things staff does is in the current year, we know the status  
12 of all our projects and how we're delivering. So if we have to  
13 adjust, one of the first things we'll do is look at, hey, what  
14 are those projects that were on the bubble of being delivered on  
15 time, and we could move back for another year if that happened.

16 And then we're going to look at our priorities.  
17 Using Greg's P2P, that doesn't just happen when we do our five-  
18 year program, but it sets a ranking of priorities when projects  
19 come into the program. Our pavement preservation, we had our  
20 top X number of projects. So what we would look like -- look at  
21 is, okay, we need to deliver the ones that scored the highest  
22 before and start moving those back as our contingency. We will  
23 be rebalancing.

24 Kristine's shop and us, her team was there, as  
25 well as we had an economist in our meeting. If we think we're



1 overprogrammed and prices are going up, we're going to have to  
2 look at how do we rebalance that, and then we would be using the  
3 PPAC and come to the Board if we have to move a project out of  
4 the program -- or not out, but maybe back into a later year.

5 Does that answer your question, Mr. Elters?

6 MR. ELTERS: Yes. It goes a long way. I guess  
7 I'm mindful of the impact of going forward with projects and  
8 having them come in much higher to where several are rejected at  
9 every board -- not every, but at recent board meetings, and  
10 there is an impact on everyone, the department, the industry.  
11 And so steps taken in advance to try to mitigate that or limit  
12 it, I think, would be really helpful, and that's what I -- so  
13 thank you. You answered my question, but that's the point that  
14 I wanted to make.

15 MR. HAMMIT: And Mr. Chair, if I may, one of the  
16 things that you will see as we look at that, as we see prices  
17 going up, we will have to, if that happens, change the program,  
18 and again, that would come to the Board through a PPAC item that  
19 we changed the program if we're out of balance there. So you  
20 would see it at that point as well.

21 CHAIRMAN CUTHBERTSON: Sure.

22 MR. ELTERS: Thank you, Mr. Chair.

23 CHAIRMAN CUTHBERTSON: Yeah. Other questions?

24 Okay. Thank you, Dallas.

25 Continuing on onto Item 9 on the agenda, Dallas

1 will present recommended construction awards that are not --  
2 that were not on the consent agenda, for discussion and possible  
3 action.

4 MR. HAMMIT: And I like it when I have a lot more  
5 projects on the consent agent than the non-consent. We only had  
6 one project on the consent agenda today, and thank you for  
7 approving that.

8 And as we go forward, you will see, just as  
9 Mr. Elters had mentioned, we are looking at some projects  
10 that -- in this case, they're local projects that the community  
11 has asked us to recommend to the Board to reject all bids, and  
12 in some cases they're going to repackage with other projects  
13 hoping to get an economy of scale, and other times they're going  
14 to be reducing those. So with your permission, I will go to the  
15 Item 9A, Mr. Chairman.

16 CHAIRMAN CUTHBERTSON: Yes. Please proceed.

17 MR. HAMMIT: This project is in the Clifton area.  
18 Your part of the country. It was a bridge rehab over the San  
19 Francisco River. The low bid was \$1,277,219. The State's  
20 estimate was 728,726. It was over that estimate by \$548,492, or  
21 75 percent. When we talked to the Town, it's obvious that a  
22 different project will be needed for the budget they have. They  
23 have asked us to recommend that we reject all bids, and they  
24 will rescope and re-advertise a project closer to the budget.

25 CHAIRMAN CUTHBERTSON: Okay. Questions?

1                   Do I have a motion to accept and approve staff's  
2 recommendation to reject all bids for Item 9A as presented?

3                   MR. HAMMOND:    So moved.

4                   MR. KNIGHT:     Second.

5                   CHAIRMAN CUTHBERTSON:  Moved by Board Member  
6 Hammond.  Seconded by Board Member Knight.  Any discussion?

7                   All in favor indicate by saying aye.

8                   BOARD MEMBERS:  Aye.

9                   CHAIRMAN CUTHBERTSON:  Opposed, nay.  Ayes have  
10 it.  The motion passes.

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

12                   Item 9B, this is on the Tohono O'Odham  
13 Reservation, the San Xavier District.  It was to build a multi-  
14 use path.  The low bid was \$1,074,784.  The State's estimate was  
15 \$771,954, or \$302,830 over the estimate, 39.2 percent.  In  
16 talking to the Tohono O'Odham Nation, they would like to rescope  
17 this, but also bid it with another project that they have coming  
18 out and hope that they can get something with an economy of  
19 scale, bridge some more money and build this project.  So with  
20 that, the department recommends to reject all bids to come back  
21 with a later project.

22                   CHAIRMAN CUTHBERTSON:  Questions?

23                   Okay.  Do I have a motion to accept and approve  
24 staff's recommendation to reject all bids for Item 9B as  
25 presented?

1 MR. THOMPSON: So moved.

2 MR. KNIGHT: Second.

3 UNIDENTIFIED SPEAKER: So moved.

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

6 All those in favor indicate by saying aye.

7 BOARD MEMBERS: Aye.

8 CHAIRMAN CUTHBERTSON: Opposed, nay. Ayes have  
9 it. Motion passes.

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

11 Item 9C, this project is in the city of Maricopa.  
12 It is a roadway widening going from two to four lanes. The low  
13 bid was \$4,298,025. The State's estimate was \$3,189,522. It  
14 was under -- over the State's estimate by \$1,108,503, or 34.8  
15 percent. And again, the -- in talking with the City of  
16 Maricopa, they would like us to reject all bids so they can look  
17 to rescope and re-advertise.

18 And if I can add, on these last three projects,  
19 the first one and this one had one bidder, and the other one had  
20 two bidders. The economy, there's projects out there. We're  
21 just not getting people coming to bid the work, and some of  
22 these areas are tighter projects.

23 CHAIRMAN CUTHBERTSON: Questions?

24 Do I have a motion to accept and approve all bids  
25 for Item 9C as presented?

1 MR. STRATTON: So moved.

2 CHAIRMAN CUTHBERTSON: Moved by Board Member  
3 Stratton.

4 MR. SELLERS: Second.

5 CHAIRMAN CUTHBERTSON: Seconded by Vice Chair  
6 Sellers. Any discussion?

7 All in favor indicate by saying aye.

8 BOARD MEMBERS: Aye.

9 CHAIRMAN CUTHBERTSON: Opposed, nay. Ayes have  
10 it. Motion passes.

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

12 Item 9D is a traffic interchange project on  
13 Interstate 10 in the west Phoenix area. On this project, the  
14 department is asking the Board to postpone so that they -- we  
15 can hold a hearing. We've been asked to review our  
16 pre-qualification process, and we've agreed with the contractor  
17 that we will hold the hearing. That hearing is set for next  
18 Thursday, and we will hear one of the contractors make a case on  
19 our pre-qualification process. But the staff would recommend  
20 that we postpone action until a future board meeting.

21 CHAIRMAN CUTHBERTSON: Questions?

22 MR. ELTERS: I will move it first, and then I  
23 have a question.

24 CHAIRMAN CUTHBERTSON: Okay. Okay. So -- so let  
25 me say do I have a motion to accept and approve staff's

1 recommendation to postpone Item 9D as presented?

2 MR. ELTERS: And to that, I so moved, Mr. Chair.

3 CHAIRMAN CUTHBERTSON: Yeah. Moved by Board  
4 Member Elters.

5 MR. SELLERS: Second.

6 CHAIRMAN CUTHBERTSON: Seconded by --

7 MR. STRATTON: Second.

8 CHAIRMAN CUTHBERTSON: -- Vice Chair Elters.

9 MR. ELTERS: Chairman.

10 Discussion? Discussion? Yeah. Thank you.

11 MR. ELTERS: Thank you, Dallas. I applaud your  
12 decision. If you're meeting next week, what is the plan going  
13 forward? And will this delay the project by any time, or do you  
14 expect it to come to the Board at the next monthly meeting or  
15 sometime in between?

16 MR. HAMMIT: Mr. Chairman, Member Elters, we  
17 expect to --

18 MR. ROEHRICH: Mr. Chair and Mr. Elters, I guess  
19 I do need to make a comment on that. I'm concerned that --

20 UNIDENTIFIED SPEAKER: Floyd.

21 MR. ROEHRICH: -- you're asking Dallas to talk  
22 about what's going to be the outcome of the responsibility or  
23 the hearing before he's had it, and that could be considered, in  
24 my opinion, pre-decisional.

25 So Michelle, is there -- would there be an issue

1 regarding the request for -- from Board Member Elters for Dallas  
2 to talk about the possible -- what's going to come out of that  
3 hearing before he's had -- had that hearing?

4 MS. KUNZMAN: Yeah. I would agree. Can you hear  
5 me?

6 UNIDENTIFIED SPEAKER: Yes.

7 MR. ROEHRICH: Yes.

8 MS. KUNZMAN: I would agree that -- with your --  
9 with your analysis that that could be considered  
10 pre-determination, also. I would recommend that perhaps after  
11 the hearing, if the board chair and the board members would like  
12 to perhaps have a telephonic meeting after that hearing, you  
13 know, that could be something that would be possible to discuss  
14 it, but I would not comment on anything that -- that may or may  
15 not happen or set -- you know, said set an expectation of what's  
16 going to happen after the hearing.

17 MR. ELTERS: Mr. Chairman, since I was the one  
18 that asked the question, I guess it's important at least for the  
19 record to clarify what I was asking, and what I was asking is  
20 not pre-decisional. It has nothing pre-decisional about it.

21 What I'm asking is when do you expect to come  
22 back to the Board with a decision? It doesn't imply -- you're  
23 asking to postpone. That implies there's continuation. So does  
24 it come back with a -- it could come back with advancing what --  
25 what we usually do, which is award, reject or cancel.

1 I'm just asking when we -- when as -- we as a  
2 board would we expect to handle it at some point, and does that  
3 have an impact of delaying the project? I'm just -- I wasn't  
4 asking for any specific decision. I was asking when will the  
5 Board -- when do you expect to come back to the Board with some  
6 kind of --

7 MS. KUNZMAN: And again, I -- Mr. Elters, if I  
8 could, I think just the idea of -- and forgive me if I  
9 misunderstood your comments. I'm hearing an -- I'm hearing a  
10 little bit of a back feed, so it's a little bit difficult for me  
11 to hear. But if I understand your comment correctly, what  
12 you're -- what you're wanting the department to provide in terms  
13 of timing, I think it does kind of presuppose what will happen  
14 at the hearing. And so even commenting on the expectations of  
15 when staff may, in fact, be able to bring it back to the Board,  
16 I think, could be interpreted as presupposing what's going to  
17 happen at the hearing.

18 MR. ELTERS: Okay. I understand your comment.  
19 You are the counsel to the Board. I respect that. I disagree  
20 with the fact that my question is leading. So we'll leave it at  
21 that. I do appreciate the response, and I guess I withdraw the  
22 question, Mr. Chairman.

23 CHAIRMAN CUTHBERTSON: Okay. Thank you.

24 MR. ROEHRICH: Mr. Chair, I do have one --

25 CHAIRMAN CUTHBERTSON: Yes.



1 MR. ROEHRICH: -- administrative point I wanted  
2 to make. Originally we had received a request to speak as a  
3 public input form by a gentleman named Mr. Tommy Fisher, who is  
4 a party within this hearing that the -- Mr. Hammit will be  
5 conducting. He has since withdrawn that request. Since we've  
6 got the request officially, I will note on here that he has  
7 withdrawn his request to speak at this time.

8 CHAIRMAN CUTHBERTSON: Okay. And I guess to  
9 Michelle's point, I -- if we felt that the timing was going to  
10 be an issue whenever this was resolved one way or the other, I  
11 guess having a telephonic board meeting would be an option, but  
12 I think it's too early to speculate on whether that happens or  
13 not. But I think that would always -- the Board would always be  
14 open to considering that if that was going to keep from really  
15 negatively impacting the timing of the project.

16 MR. THOMPSON: Chair.

17 CHAIRMAN CUTHBERTSON: Yeah. Board Member  
18 Thompson.

19 MR. THOMPSON: Could we -- I think what we're  
20 looking for, some kind of a feedback. Would it be okay to say  
21 that it will be brought back to the Board at an appropriate  
22 time?

23 MR. ROEHRICH: Mr. Chair, Mr. Thompson, it  
24 absolutely has to come back to the Board --

25 MR. THOMPSON: Right.

1 MR. ROEHRICH: -- because the Board will have to  
2 make a final definitive action. We're only asking to postpone  
3 so the state engineer can hold his hearing, discuss the  
4 administrative issues with all parties so when we make a final  
5 staff recommendation, we have completed all the steps necessary.  
6 It must come back to the Board. And traditionally, these will  
7 come back the very next meeting. But again, not knowing how  
8 that hearing will go or some of the outcomes, requirements of  
9 it, there's no guarantee. But it will come back as soon as we  
10 have completed the process and staff is ready to make a  
11 recommendation.

12 CHAIRMAN CUTHBERTSON: Okay. Thank you for all  
13 that.

14 We have a motion on the table to postpone per  
15 staff's recommendation. If there's no further discussion, all  
16 in favor indicate by saying aye.

17 BOARD MEMBERS: Aye.

18 CHAIRMAN CUTHBERTSON: Opposed, nay. Ayes have  
19 it. Motion passes.

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

21 Item 9E, another project. This one is a scales.  
22 It will help our enforcement folks at the Topock port of entry.  
23 And this is another one that the department is recommending  
24 postponement. This one for a different -- this is a DBE issue.  
25 The way the information came in, it was bid right -- the latest

1 date to make this board meeting, so there wasn't time to have a  
2 hearing with the low bid. In past times when we've had issues,  
3 we've given that opportunity. They asked for that opportunity,  
4 and we felt it was right to give them that. That meeting is  
5 scheduled next Friday. So we can do that. So the staff's  
6 recommendation is to postpone to a future board meeting.

7 CHAIRMAN CUTHBERTSON: Questions?

8 Do I have a motion to accept and approve staff's  
9 recommendation to postpone Item 9E as presented?

10 MR. KNIGHT: So moved.

11 CHAIRMAN CUTHBERTSON: Moved by Board Member  
12 Knight.

13 MR. THOMPSON: Second.

14 CHAIRMAN CUTHBERTSON: Seconded by Board Member  
15 Thompson. Discussion?

16 All in favor indicate by saying aye.

17 BOARD MEMBERS: Aye.

18 CHAIRMAN CUTHBERTSON: Opposed, nay? Ayes have  
19 it. Motion passes.

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

21 The next project, and this one I'm going to  
22 recommend -- I'll throw it out there early -- for award. So  
23 this project is on US-60. It's a pavement preservation project.  
24 The low bid was \$3,925,408. The State's estimate was  
25 \$3,073,146. It was over the State's estimate by \$852,200 -- I

1 mean \$852,262, or 27.7 percent. The biggest areas where we saw  
2 that we underestimated was in the asphalt binder and the asphalt  
3 concrete, which include binder and the aggregates. The  
4 department has reviewed the bid and believes that it is a  
5 responsive and responsible bid and recommends award to FNF  
6 Construction, Inc.

7 CHAIRMAN CUTHBERTSON: Questions?

8 Do I have a motion to accept and approve staff's  
9 recommendation to award the contract for Item 9F to FNF  
10 Construction, Inc., as presented?

11 MR. SELLERS: Move for approval.

12 CHAIRMAN CUTHBERTSON: Moved for approval by Vice  
13 Chair Sellers.

14 MR. KNIGHT: Second.

15 CHAIRMAN CUTHBERTSON: Second by Board Member  
16 Knight. Discussion?

17 Hearing none, all in favor indicate by saying  
18 aye.

19 BOARD MEMBERS: Aye.

20 CHAIRMAN CUTHBERTSON: Opposed, nay? Ayes have  
21 it. Motion passes.

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

23 Item 9G is an intersection improvement project on  
24 US-70 in the Safford area. The low bid on this project was  
25 \$767,472. The State's estimate was \$673,220. It was over the

1 State's estimate by \$94,253, or 14 percent. And again, the  
2 biggest difference on this project was in the asphaltic cement.  
3 The department has reviewed the bid and believes it is a  
4 responsive and responsible bid and recommends award to Granite  
5 Construction Company.

6 CHAIRMAN CUTHBERTSON: Questions?

7 Do I have a motion to accept and approve staff's  
8 recommendation to award the contract to Item --

9 MR. STRATTON: So moved.

10 CHAIRMAN CUTHBERTSON: -- for Item 9G to Granite  
11 Construction Company as presented?

12 Moved by Board Member Sellers.

13 MS. PRIANO: Stratton.

14 MR. ROEHRICH: Stratton.

15 CHAIRMAN CUTHBERTSON: Stratton. I'm sorry.

16 Moved by Board Member Stratton.

17 MR. ELTERS: Second.

18 CHAIRMAN CUTHBERTSON: Seconded by Board Member  
19 Elters. Any discussion?

20 All in favor indicate by saying aye.

21 BOARD MEMBERS: Aye.

22 CHAIRMAN CUTHBERTSON: Opposed, nay? Item --  
23 ayes have it. Motion passes.

24 MR. HAMMIT: Item 9H, this is a chip seal project  
25 on State Route 92. On this project the low bid was \$1,987,382.

1 The State's estimate was \$1,655,767. It was over the State's  
2 estimate by \$331,615, or 20 percent. On this project, looking  
3 where we had the biggest differences were in the asphalt binder  
4 and in mobilization. After talking to the contractor, the  
5 department reviewed the bids and believes it is a responsive and  
6 responsible bid and would recommend award to Cactus Transport,  
7 Inc.

8 CHAIRMAN CUTHBERTSON: Questions?

9 Do I have a motion to accept and approve staff's  
10 recommendation to award the contract for Item 9H to Cactus  
11 Transport, Inc., as presented?

12 MR. HAMMOND: So moved.

13 CHAIRMAN CUTHBERTSON: Moved by Board Member  
14 Hammond.

15 MR. ELTERS: Second.

16 CHAIRMAN CUTHBERTSON: Seconded by Board Member  
17 Elters. Any discussion?

18 All in favor indicate by saying aye.

19 BOARD MEMBERS: Aye.

20 CHAIRMAN CUTHBERTSON: Opposed, nay? Ayes have  
21 it. The motion passes.

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

23 And Item 9I, this is a statewide project. It  
24 touches a number of our interstate port of entries, looking at  
25 rehabilitating some of our weigh-in-motion scales. On the

1 project -- and Mr. Chairman, this was a design build project  
2 where in the project not only were we asking for pricing. We  
3 also asked for they are coming with the design on the project.  
4 On this project, the low bid was \$5,786,319. The State's  
5 estimate was \$7,450,000. It was under the State's estimate by  
6 \$1,663,681, or 22.3 percent.

7 As I said, on this project, the contractor came  
8 with a concept. They were given the opportunity to replace the  
9 scales or to rehab them with certain criteria, and if you review  
10 the bids, you'll see that the low bidder was substantially lower  
11 than the other two. One reason, the other two bidders had bid  
12 to bring in new equipment. The low bid looked at rehabbing.  
13 The project team, we did a little more -- because there was such  
14 a difference, investigation. The project team, the subject  
15 matter expert for us, our enforcement division and the project  
16 manager discussed it with the low bidder. They have reviewed  
17 it, believe it is a responsive and responsible bid and would  
18 recommend award to Roadway Electric, LLC.

19 CHAIRMAN CUTHBERTSON: Questions? Vice Chair  
20 Sellers.

21 MR. STRATTON: Mr. Chairman.

22 CHAIRMAN CUTHBERTSON: Yeah. Just a second,  
23 Board Member Stratton. I got Vice Chair Sellers on the table.

24 MR. SELLERS: Yes. Dallas, looking at the other  
25 two bids, they're very close, and the fact that there's a huge

1 difference in between those two bids and the apparent low  
2 bidder, do we really feel comfortable that this -- that the low  
3 bidder here is, in fact, going to provide what we're asking for?

4 MR. HAMMIT: Mr. Chairman, Board Member Sellers,  
5 in our investigation, we did give the opportunity to build  
6 completely new or to rehab. The low bidder came in with a  
7 rehabilitation. We did consult with our technical expertise,  
8 the people who work with it, who know it better than I do, and  
9 they did feel comfortable that the proposal put forth by the low  
10 bidder was a reasonable proposal and they could meet the  
11 department needs. So the question -- answer to your question  
12 is, yes, we feel that they can do the work.

13 CHAIRMAN CUTHBERTSON: Okay. Thank you.

14 Board Member Stratton, do you have a comment?

15 MR. STRATTON: Thank you, Mr. Chair.

16 Dallas, being that they're rehabbing this rather  
17 than new equipment, does it come with sufficient warranty for  
18 the rehab? That the department is comfortable that they'll --  
19 they will function properly for the same life as a new product?

20 MR. HAMMIT: Mr. Chairman, Member Stratton, one  
21 of the challenges with using our funding sources is we can't  
22 require workmanship warranties, not for our pavements, not for  
23 anything other than manufactured items. So there are some  
24 performance measures, and before it's accepted, it will be  
25 meeting those criterias, but I don't think any of us could



1 predict that it would work as long. It could be longer than a  
2 new one. It could be shorter. I don't have that information to  
3 say that we would guarantee they would function for the same  
4 life.

5 CHAIRMAN CUTHBERTSON: Vice Chair Sellers.

6 MR. SELLERS: So I guess my final question on  
7 this is, though, this bid did meet the criteria that we asked  
8 them to build?

9 MR. HAMMIT: Mr. Chairman, Mr. Sellers, yes, it  
10 did.

11 MR. SELLERS: Okay.

12 CHAIRMAN CUTHBERTSON: Thank you. Good  
13 discussion. Anything else?

14 MR. KNIGHT: Mr. Chairman.

15 CHAIRMAN CUTHBERTSON: Yes. Board Member Knight.

16 MR. KNIGHT: Dallas, I'm going to ask the  
17 question about -- since this covers statewide port of entry. I  
18 know that Yuma's port of entry on Interstate 8, they just did a  
19 weigh-in-motion installation on Interstate 8. Is that similar  
20 to what's -- or are you actually replacing or rehabbing the  
21 scales at the weigh station itself?

22 MR. HAMMIT: Mr. Chairman, Board Member Knight,  
23 these are scales that are as you approach the -- the port of  
24 entries, and what they do is we use them for screening. If you  
25 come across those scales, and if you follow trucks, you'll see

1 that they hit a point, and then there's a light that tells them  
2 you need to come into the port or you can go forward. We use  
3 these for screening so, one, we can keep the port moving very  
4 well. We have transponders where they can pay their fees as  
5 they go through with the transponder if their weight is within  
6 the requirements. These scales are for the weigh-in-motion as  
7 they approach.

8 I would have to go check and see exactly what  
9 they did at the Yuma port, but if I remember right, those were  
10 putting new scales at the port itself. These would be in  
11 advance of the port so they can screen better, but I would have  
12 to check to be sure.

13 MR. KNIGHT: No. They -- it would have to be  
14 something else, because these were put in the pavement right  
15 after the port, so -- but not before. That --

16 MR. HAMMIT: These are in advance of the port of  
17 entry, so...

18 MR. KNIGHT: Yeah. That would bring up my other  
19 question then. With all of the -- with the five ports that are  
20 on here, and Yuma having two ports, one on Interstate 8 and one  
21 on Business 8, as the trucks exit Interstate 8, are there any  
22 plans to include at a later date to update the Yuma scales, or  
23 is there no need or --

24 MR. HAMMIT: Mr. Chairman, Member Knight, I would  
25 need to follow up with our folks to see where we're at with the

1 Business 8 port of entry there. I don't have that information  
2 off the top of my head. I can check and I will follow up.

3 MR. SELLERS: Okay. Thank you.

4 CHAIRMAN CUTHBERTSON: Any other questions?  
5 Comments?

6 Okay. Do I have a motion to accept and approve  
7 staff's recommendation to award the contract for Item 9I to  
8 Roadway Electric, LLC, as presented?

9 MR. KNIGHT: So moved.

10 MR. THOMPSON: Second.

11 CHAIRMAN CUTHBERTSON: Moved by Board Member  
12 Knight, seconded by Board Member Thompson. Discussion?

13 All in favor indicate by saying aye.

14 BOARD MEMBERS: Aye.

15 CHAIRMAN CUTHBERTSON: Opposed, nay. Ayes have  
16 it. Motion passes.

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

18 CHAIRMAN CUTHBERTSON: Yeah. Thank you, Dallas.

19 Okay. Moving on to Item 10. We've got a --  
20 Floyd, I guess, will present a draft schedule for the 2019 State  
21 Transportation Board meetings for discussion and possible  
22 action.

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

24 Working with the vice chair and incoming chair,  
25 we have -- I worked with him to establish these dates with these

1 tentative locations pending the Board approval.

2 For next year, calendar year 2019, as you can see  
3 we've traditionally again followed the third Friday of the  
4 month. We did look at holding a break month in August, although  
5 we would expect there would still be the telephonic meeting to  
6 award the construction contracts.

7 And then there's -- Board Member Sellers had  
8 mentioned earlier, two items that I do want to point out on  
9 here. One of them is the April -- the April meeting.  
10 Originally, we set it the third Friday being April 19th, not  
11 considering -- not considering that Roads and Streets conference  
12 is going on that same week, which is a very highly attended  
13 conference for transportation professionals.

14 And as has been presented, would the Board  
15 consider holding that off a different time, because Roads and  
16 Streets is set, and it's pretty well already been coordinated,  
17 and there's a lot of actions going on around that.

18 In discussing it with staff here, we thought that  
19 if the Board would so choose, we would recommend that moving  
20 that to April 12th, the Friday, April 12th, the week before.  
21 Still hold it in Flagstaff, or the Board could just approve it  
22 now as April 19th as is. We could go back, let members check  
23 things. We could work and then address it and modify it later.

24 The second item would be the -- you see the  
25 October location, October 18th. The location was not specified

1 yet. As Mr. Heiss, the SEAGO executive director had mentioned  
2 earlier in the meeting, the Rural Transportation Summit had  
3 identified dates, but they were working on a location. Since  
4 we've prepared this, they have come back and said they've chosen  
5 the Casino Del Sol location in Tucson, but again, in looking at  
6 trying to find appropriate facilities adjacent to that, we would  
7 have to go back and look at facilities where we could coordinate  
8 -- hold the meeting.

9           So we're still recommending that we show the  
10 location as to be determined, but we're closer into having that  
11 determination, and we'll be able to bring that back pretty  
12 quickly, maybe next month or the month after when we finalize it  
13 on what that location will be now that the rural summit is  
14 targeted in on their location.

15           So with that said, I'll either ask any questions  
16 or ask the Board to adopt these with the possibility of  
17 modifying the April 19th to the April 12th, or leave it and then  
18 modifying it later.

19           CHAIRMAN CUTHBERTSON: Okay. So I'll -- I guess  
20 Vice Chair and board members, would your pleasure be to try and  
21 craft the motion to take into the -- take into account the  
22 changes that we discussed, or would you rather table it and  
23 address it next month?

24           MR. HAMMOND: I'm very comfortable with the  
25 motion (inaudible).

1 CHAIRMAN CUTHBERTSON: Okay.

2 MR. ROEHRICH: And to make sure that -- so you  
3 would approve the locations and the dates as presented, with the  
4 exception of modifying the April board date to the April 12th?  
5 That's all we're asking for today.

6 MR. HAMMOND: Yes.

7 CHAIRMAN CUTHBERTSON: Yes.

8 Okay. So do I have a motion to accept and  
9 approve staff's recommended 2019 meeting location with the  
10 modification that the April 19th board meeting be held to -- on  
11 April 12th? Do I have a motion to accept and approve?

12 MR. THOMPSON: (Inaudible.)

13 MR. ROEHRICH: Mr. Chair, Mr. Thompson, at this  
14 time we've had some preliminary discussions. We would have to  
15 go back and finalize the location, but what we normally do is we  
16 don't have the specific location. Sometimes it may be a city  
17 chambers. Sometimes it may be a county chambers. So the exact  
18 location outside of the city will be determined as we do the  
19 coordination. So we didn't really have specified would it be at  
20 the city or the county there. They both offer up the  
21 facilities, and we try to kind of rotate between them.

22 CHAIRMAN CUTHBERTSON: Okay. So I have a motion  
23 by Board Member Knight and seconded by Board Member Thompson.  
24 Any further discussion?

25 All in favor indicate by saying aye.

1 BOARD MEMBERS: Aye.

2 CHAIRMAN CUTHBERTSON: Opposed, nay. Ayes have  
3 it. Motion passes.

4 Okay. And Item 11, we've got suggestions for  
5 future board meetings.

6 MR. ROEHRICH: Mr. Chair, just for consideration  
7 for the board members, there's a couple of things coming up.  
8 Originally we had scheduled a November 6th study session for the  
9 Board. We've been tracking some different topics for that.  
10 There's a number of issues that we've been working with staff  
11 and administratively that we don't feel will be appropriate for  
12 us to have ourselves prepared to hold the discussion.

13 So what we're recommending is -- and we don't  
14 need the Board to action this, because we can just post a  
15 cancellation -- but we are looking to cancel that, take our  
16 topics which you want to move forward, the transportation  
17 funding discussion, the discussion of our border coordination,  
18 and coordination with the -- Mexico and specifically the state  
19 of Sonora, and a discussion on our call to the audience process  
20 that the Board does. Those were originally our three items. We  
21 will move those to a future either board meeting or board study  
22 session as we start preparing our alignment of those discussions  
23 with what staff will be able to present.

24 So at this time we're looking to cancel the  
25 November 6th study session, and then so the next board meeting

1 will be November 16th, which will take place in the city of  
2 Wickenburg.

3 MR. HAMMIT: Okay. Any questions, comments by  
4 board members? Okay. I think we're all -- sounds like we're  
5 all comfortable with that approach.

6 (End of requested excerpt.)

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**Adjournment**

***A motion to adjourn the October 26, 2018 State Transportation Board meeting was made by Board Member Sellers and seconded by Board Member Elters. In a voice vote, the motion carried.***

**Meeting adjourned at 11:23 a.m. MST.**



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William F. Cuthbertson, Chairman  
State Transportation Board



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