

**STATE TRANSPORTATION BOARD MEETING**  
**9:00 a.m., Friday, October 18, 2019**  
**Town of Sahuarita Council Chambers**  
**315 W Sahuarita Center Way**  
**Sahuarita, AZ 85629**

**Call to Order**

Chairman Sellers called the State Transportation Board Meeting to order at 9:00 a.m.

**Pledge**

The Pledge of Allegiance was led by Vice Chairman Hammond.

**Roll Call by Board Secretary was done during the Public Hearing, prior to Board Meeting**

A quorum of the State Transportation Board was present. **In attendance:** Chairman Sellers, Vice Chairman Hammond, Board Member Stratton, Board Member Thompson and Board Member Knight. Board Member Elters was not present. There were approximately 45 members of the public in the audience.

**Opening Remarks**

Chairman Sellers commented that the Rural Transportation Summit was a great success and noted that there was a record turnout with good legislative participation. Board Member Thompson commended Randy Heiss for his hard work and thanked him for the recognition and involvement of the tribal communities at the summit. He also thanked Director Halikowski for his participation with the Native American communities and stated he is encouraged with how ADOT is collaborating and working together with the tribes, counties, cities and towns, for the betterment of Arizona. Board Member Thompson also recognized and congratulated the Pascua Yaqui Tribe on their 41<sup>st</sup> anniversary. Board Member Knight recognized Representative Campbell for all his hard work and support to increase HURF revenues.

**Title VI of the Civil Rights Act was done during the Public Hearing, prior to the Board Meeting**

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

**Call to the Audience for the Board Meeting**

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. There were nine members of the public that addressed the board.

ARIZONA STATE TRANSPORTATION BOARD  
STATE TRANSPORTATION BOARD MEETING

REPORTER'S TRANSCRIPT OF PROCEEDINGS

Town of Sahuarita Council Chambers  
315 West Sahuarita Center Way  
Sahuarita, Arizona 85629

October 18, 2019  
9:00 a.m.

PREPARED FOR:  
ADOT - STATE TRANSPORTATION BOARD

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CALL TO THE AUDIENCE

SPEAKER:	PAGE:
Tom Murphy, Mayor of Sahuarita.....	5
Randy Heiss, SEAGO.....	6
Bruce Bracker, Santa Cruz County Supervisor.....	7
Cecilia McCollough, Mayor of Wellton.....	9
Roger McCormick, Assistant Public Works Director.....	10
Peggy Judd, Cochise County Supervisor.....	11
Jeff Meilbeck, FMPO Executive Director.....	13
Mike Humphrey, Pima County Resident.....	14
Kara Harris, Cochise County Resident.....	15

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AGENDA ITEMS

Item 1 - Director's Report, John Halikowski,  
ADOT Director.....18

Item 2 - District Engineer's Report, Rod Lane, Southcentral  
District Engineer.....18

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Officer.....24

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Greg Byres.....29

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1 (Beginning of meeting.)

2 CHAIRMAN SELLERS: Next we'll move on to the call  
3 to the audience. This is an opportunity for members of the  
4 public to discuss items of interest to the Board. If you have  
5 not filled out a Request For Public Input form, you can get one  
6 at the back of the room and give it to the Board secretary if  
7 you wish to address us. In the interest of time, there will be  
8 a three-minute time limit imposed.

9 And I'd like to start by inviting the mayor of  
10 Sahuarita, Tom Murphy.

11 MAYOR MURPHY: Thank you, Mr. Chairman.

12 I just wanted to let everybody know it's an honor  
13 to have all of you in our community. We're celebrating our  
14 25th year anniversary. The official date was September 20th,  
15 1994. We started with 1,800 residents, and now we have 30,000.  
16 We were the second fastest growing community from the 2000 to  
17 2010 Census. So my interest in transportation and all the other  
18 things that you have to wrestle with and all the different parts  
19 of the State, but as a rather rural community, we really  
20 appreciate your attendance and how you move around the state.  
21 Obviously things like I-11, Sonoran Corridor, the widening of  
22 I-19 is very important, and we're always watching for those  
23 types of events.

24 So I hope you have a great Sahuarita day, and,  
25 safe travels back to the communities you come from, and just to

1 know, this facility is always here for -- at your disposal, and  
2 we're happy to have you here.

3 Thank you, Mr. Chairman.

4 CHAIRMAN SELLERS: Thank you, Mayor.

5 Next up we have Randy Heiss, in case you haven't  
6 had enough of him in the last couple days.

7 MR. HEISS: Well, good morning, Mr. Chairman,  
8 board members, Director Halikowski and the rest of the ADOT  
9 team. For the record, I am Randy Heiss. I'm the executive  
10 director of the Southeastern Arizona Governments Organization.

11 I'm not going to take much of your time. I just  
12 wanted to thank you for the overwhelming support for the 21st  
13 Arizona Rural Transportation Summit. It would not have been as  
14 successful as it was. As you heard, we shattered all the  
15 records that have been previously set, from attendance to  
16 revenue raised, to legislators, members of the Legislature being  
17 there, and that doesn't just happen by itself. It wouldn't have  
18 happened without the partnership we have with the ADOT team,  
19 from the top to the bottom.

20 Director Halikowski delivered an amazing message  
21 about the bi-national corridor. That was so important for folks  
22 to hear. And all the way to the bottom. The staff level  
23 support that we've had was incredible, for the presentations and  
24 all the different things that they put on for us. FHWA came  
25 through. Another important partner. They brought in David

1 Unkefer from the Atlanta Resources Division, I think it's  
2 called. We had Ed Stillings. We had Carla. We've had just  
3 amazing support from our state and federal DOT partners.

4 So you know, it's great to have a nice venue, and  
5 we had one, but without a meaningful program, you're just not  
6 really going to -- it doesn't really matter, right? So that was  
7 what, for me, was the best part of it was having a great  
8 program, and ADOT and everyone else really helped us deliver.

9 So thank you so much, and we passed the shroud of  
10 (unintelligible). I don't know if you all caught that at the  
11 reception last evening, but we passed the mantle to Andrea  
12 Robles of the Central Arizona Governments and Sun Corridor MPO.  
13 Irene Higgs, I don't see her here today. We want them to raise  
14 the bar even higher next year, and I'm sure they will. So  
15 wishing them all the best. We were here to support them like  
16 they help support us.

17 And so thank you again. Have a safe trip back to  
18 your homes and families. Thanks.

19 CHAIRMAN SELLERS: Thank you.

20 And by the way, next year's Rural Transportation  
21 Summit will be in Maricopa in October.

22 Okay. Next up we have Bruce Bracker, County  
23 Supervisor of Santa Cruz.

24 MR. BRACKER: Good morning, Chairman Sellers.  
25 Thank you very much for the time to address your board and your

1 staff.

2 I'm here representing Santa Cruz County. There  
3 are a couple of projects that you have in the five-year program.  
4 In 2020, we have a bridge rehabilitation at Ruby Road. It's  
5 something that we've been watching carefully. That is the main  
6 entrance into our largest produce industrial park, and so we  
7 hope that ADOT will keep that in mind and coordinate the timing  
8 of when the most disturbance and closures and detours will  
9 happen on that bridge. Produce and maquilas activity account  
10 for 60 percent of the economy in Santa Cruz County.

11 The other thing I came to talk to the Board about  
12 was the Tubac, West Arivaca Road section of I-19. We've been  
13 patiently waiting to have that section of pavement  
14 rehabilitated. We understand your financial constraints and  
15 that you've had to move this back in the budget. I'm noticing  
16 here that it's now in 2022. But I will tell you, amongst the --  
17 my constituents in Tubac, it is the most often asked question,  
18 is when is ADOT going to finish this section? I know it's a  
19 very difficult section of road to drive on when you're -- you  
20 know, of I-19 in Santa Cruz County, it's probably in the worst  
21 condition. I understand your financial constraints, but if we  
22 could get that rehabilitated, it would take one of these big  
23 questions as the county supervisor that I have to keep answering  
24 off the table and I can work on other things.

25 So thank you very much.

1 CHAIRMAN SELLERS: Thank you.

2 MR. BRACKER: Thank you for your support.

3 CHAIRMAN SELLERS: Next up, Cecilia McCollough,  
4 Mayor of Wellton.

5 MAYOR MCCOLLOUGH: Good morning. Thank you,  
6 Chairman Sellers and the Board, ADOT staff.

7 Okay. I'm going off of Paul Ward's notes, so  
8 bear with me.

9 But first, thank you to Randy, SEAGO and the  
10 staff and anybody who helped him, because I know there's a  
11 million people that help get something accomplished. Wow. And  
12 it was a very, very impressive summit.

13 Also noting that the sessions that involve the  
14 Arizona-Mexico relationship and how critical that transportation  
15 infrastructure is to trade, and the sessions on the  
16 Canada-Mexico-Arizona trade relationship, and how critical that  
17 is to our state in its entirety.

18 Okay. I will begin with item one. YMPO -- I'm  
19 representing the board -- is generally thankful for the  
20 commitment of \$28 million during the current ADOT five-year  
21 program for the first portion of US-95.

22 Number 2, we are thankful that ADOT staff has  
23 sparked and submitted a BUILD grant application for the portion  
24 -- for the next portion on our behalf. And we are also -- we'd  
25 like to thank ADOT staff, safety staff -- forgive me -- for

1 their efforts in helping our consultants secure almost \$11  
2 million Federal Highway Safety Improvement Program, HSIP funds,  
3 for fiscal year 2023 and '24, and we look forward to our region  
4 receiving the next segment of US-95 widening program during the  
5 forthcoming program -- session.

6 And on behalf of my town, we are celebrating 50  
7 years of incorporation in 2020.

8 Thank you very much.

9 CHAIRMAN SELLERS: Thank you.

10 Next up we have Roger McCormick, Assistant Public  
11 Works Director.

12 MR. MCCORMICK: Good morning, Chairman and  
13 members of the Board and ADOT staff. Thank you for the time  
14 that I have here to come before you guys today and to just bring  
15 up one item. I'll be quick here.

16 So I am with Yavapai County, the assistant public  
17 works director, and are here today basically for representing  
18 the citizens of Yavapai County, and also the members of the  
19 Board of Supervisors for Yavapai County in regards to a TI that  
20 is off of I-17 called the McGuireville TI.

21 The McGuireville TI has been looked at in the  
22 past by ADOT for improvements for safety reasons back in the  
23 early 2000s, and as part of that improvement that was looked at  
24 then, there was some diversion of funds, about 13 million in the  
25 early/mid 2000s to go to a different project, and the need is

1 still there at the McGuireville TI to increase some safety, on  
2 both the deck that goes across I-17 and also for the ramps that  
3 enter onto the interstate there.

4           We've spoken with the local district, Audra  
5 Merrick there, and we're pleased to hear that the project was  
6 placed on the planning to programming list as a project that  
7 would be available for that. In listening to a good session  
8 yesterday that Dan Gabiou did, we're hoping that, you know,  
9 there's been significant effort and kind of reducing that list  
10 down. I understand that list is quite large. And the efforts  
11 that have gone forth to reduce that list are -- that list are  
12 commendable, and we're hoping that that project will end up  
13 being one of those that are prioritized, and we would encourage  
14 that and would support that as a county. We've always been a  
15 good partner with the local jurisdictions and with ADOT, and we  
16 feel that we could do the same with this project.

17           And so I leave that with you, and thank you for  
18 your time.

19           CHAIRMAN SELLERS: Thank you.

20           Next up we have Peggy Judd, Cochise County  
21 Supervisor.

22           MS. JUDD: Good morning, Chairman Sellers,  
23 members of the Board. Thank you for allowing me a few moments.  
24 I like to come report when I'm here on our county and region in  
25 general.

1           So first I would like to enter a plea to -- and a  
2     pledge for our county to work closely with you and whoever is  
3     necessary to help to get all of our infrastructure needs back on  
4     the agenda. And I realize that is -- there's many constraints  
5     that have -- and many roads that just need the refurbishment and  
6     repairs, but we do have infrastructure that's failing, and I'd  
7     like to see that, a focus on that. And like I said, the pledge  
8     is really sincere when we are working on funding and things like  
9     that. As we've heard over and over with Representative  
10    Campbell, it would be really good if we could work together.

11           And I met with my engineers casually, but also,  
12    you know, throughout the conference as well that we just were  
13    at. The MPO engineer and also -- don't see if either one of  
14    them are here -- our county engineer, and they also were  
15    interested and excited to hear that partnerships are possible.  
16    And we have experienced that on Central Highway with the bridge  
17    crossing there. And so we know that, and we're still willing  
18    and available with funding and partnership-type programs to do  
19    projects in our communities.

20           Two other quick things. One is there's weeds  
21    growing like crazy again. I don't -- I -- that's one of the  
22    things my constituents mentioned. It seems like an easy thing.  
23    If there is a way that we can help with that on the highways, I  
24    would be willing to have that conversation and see if we can't  
25    help get some of the weeds down in critical areas. When the

1 shoulders are very narrow and the weeds are very high, it causes  
2 not only just wildlife issues, but even just pulling off the  
3 road for safety, for using our cell phones, which we can't touch  
4 when we're in the car anymore. So I -- when we're moving.

5 So I appreciate those -- the chance to be here  
6 with you and then speak again today, and thank you very much.  
7 Have a great day.

8 CHAIRMAN SELLERS: Next up, Jeff Meilbeck,  
9 Executive Director of Flagstaff MPO.

10 MR. MEILBECK: Thank you, Mr. Chairman, members  
11 of the Board. Jeff Meilbeck, Executive Director of Flagstaff  
12 MPO.

13 This is really a recognition of effort. I  
14 appreciate the partnership on I-40 bridges and our ability to  
15 work together for safety and economic development and congestion  
16 relief. I recognize the demands for dollars far exceeds supply,  
17 and that's why providing leverage and partnership helps us  
18 stretch these dollars for the good of the state.

19 And while I represent my region, I want to say I  
20 appreciate the scope of the problem and that transportation is  
21 not a project. It's a system. And appreciate your efforts of  
22 ADOT, and frankly, everybody in this room, whether at the dais  
23 or in the chairs to build the best system possible.

24 Thank you.

25 CHAIRMAN SELLERS: Thank you.

1 Next up, Mike Humphrey.

2 MR. HUMPHREY: Hello again.

3 Last month a recent national study found that  
4 I-10 was one of the five most dangerous highways in the United  
5 States during the summer months, with 100 fatalities from 2015  
6 to 2017. During this same time period, I-17 had 49 fatalities,  
7 and I-40 had 51 fatalities during the time period. A total of  
8 200 fatalities. Shouldn't these highway fatalities warrant a  
9 public examination by this Board?

10 We've been told the fatalities alone shouldn't be  
11 the sole indicator of a roadway's safety performance. What  
12 other indicator is more indicative of a roadway's safety than  
13 the number of people who are killed on it? Shouldn't that  
14 discussion include a comprehensive review of serious injury and  
15 fatality data on Arizona's highways?

16 National research has shown that cross-median  
17 crashes, although making a small percentage of total highway  
18 crashes, account for 30 percent of the serious injuries and  
19 fatalities. If reducing cross-median crashes positively impacts  
20 the numbers of serious injuries and fatalities on I-10 and other  
21 Arizona highways, isn't this an issue worthy of examination and  
22 public discussion by this Board?

23 We have been told that driver behavior is a  
24 leading factor in determining highway safety. If that is so,  
25 and if we are all such poor drivers, why the reluctance to

1 provide enhanced safety features like median barrier cables to  
2 better protect us, especially in those sections of the highway  
3 that are crash prone? Isn't this a topic of interest to this  
4 Board? Does it not warrant a public discussion?

5 We are told that I-10 is a safe highway, designed  
6 to meet exacting safety standards. How exactly are exacting  
7 safety standards defined? Shouldn't those standards include  
8 median barrier cables in crash prone areas? Isn't this an issue  
9 serious enough to warrant a public discussion by the Board?

10 I first spoke to this Board about median cable  
11 barriers here in Sahuarita 19 months ago. You are probably  
12 wondering why I continue to come to you about this issue. There  
13 are two reasons. One, I made a promise to my wife and sister  
14 that I would get median cable barriers installed where they and  
15 other people have died. The second reason is that I still  
16 believe that this Board will recognize and address this serious  
17 public safety issue. I am in my eleventh year of trying to keep  
18 my promise to my wife and sister. How long will I keep working  
19 on this issue? As long as it takes.

20 Thank you.

21 CHAIRMAN SELLERS: Thank you.

22 Next up, we have Kara Harris.

23 MS. HARRIS: Board members, staff, nice to see  
24 you all again. Glad you're down at my end of the world. I  
25 really miss coming and talking to you, and I learned a lot in

1 the last year following you and sitting through the meetings,  
2 even though I'm not good at board meetings. I call them  
3 b-o-r-e-d meetings. I've learned what you guys have to deal  
4 with and know it's a challenge to get the dollars where they  
5 need to be.

6 But I brought my helmet, because this is my only  
7 protection against 18-wheelers. Now, I know I'm drumming a  
8 little road down in Cochise County, but what has happened to my  
9 road is since the international border has opened up in Nogales,  
10 is we've become a highway, a huge highway, busy highway for  
11 18-wheel trucks. And as I ride my bicycle with my little helmet  
12 on, from the 50-mile marker to Highway 90, which is Cochise  
13 County, I have to pray for my life, because if I have two  
14 18-wheelers coming, one coming at me, one behind me, I stay on  
15 this side of that little white line, and I have maybe 18 inches.

16 And I understand with all the demands on your  
17 money, and I have sat here, and you know I've sat and listened.  
18 So I know that we're not -- it's not a big a deal, but with the  
19 truck traffic increasing and the stock trucks coming down that  
20 road, I mean, it's likely in that mile and a half I am going to  
21 have a crisis with two trucks. And the trucks are wonderful.  
22 They -- for the most part, they're really respectful of me, and  
23 I don't force it. I don't ride on the left side of that white  
24 line.

25 But at minimum, I asked when I first started

1 coming to talk to you if we could please fix the fissures in the  
2 road on the eastbound lane, because they're horrible, and when  
3 I'm going across it -- Peggy Judd helped me identify the  
4 feeling -- it's like riding on a cattle grate like this,  
5 (indicating), while I'm trying not to get killed because I have  
6 an 18-wheel coming behind me and one coming at me.

7           So at best I'm just asking if you could get those  
8 people in Saint David to repair those fissures, because when I  
9 first started coming here, I got all excited, because I noticed  
10 the signs went up at 90 and 82, and they were going westbound  
11 and they were going eastbound. And I thought they're going to  
12 fix my fissures. I went and talked to ADOT, and they're going  
13 to do it. And then they took down the westbound signs, and they  
14 proceeded to fix the road from 90 to Tombstone where there's  
15 hardly any 18-wheel traffic at all, because you see, all those  
16 big trucks turn north on 90 to reconnect with I-10.

17           So I'm just asking for a little bit of help. Be  
18 best if you could get them out there to fix the fissures on the  
19 road, and it's between the 50-mile marker and Highway 90. And  
20 the eastbound lane is the worst. It is absolutely the worst.

21           So I thank you for your time, and I hope you  
22 continue to do what you're doing, and I do appreciate what you  
23 do. I've learned to really appreciate you guys and all your  
24 staff, and you're my friends.

25           CHAIRMAN SELLERS: Thank you.

1                   Okay. Moving on to Item Number 1, the director's  
2 report for information.

3                   DIRECTOR HALIKOWSKI: Mr. Chairman, I -- excuse  
4 me. I was trying to get (inaudible). I don't have a report  
5 today. We were at the conference, and I think you've heard  
6 quite a bit of what went on there and you were there, so nothing  
7 to add.

8                   CHAIRMAN SELLERS: Okay. Thank you.

9                   We'll now move on to Item Number 2, the district  
10 engineer's report with Rod Lane, and this is for information and  
11 discussion only.

12                  MR. LANE: Good morning, Mr. Chairman, members of  
13 the Board, welcome to Arizona's Southcentral District down here  
14 in southern Arizona. Today I'll just give you a brief -- is it  
15 -- is it up there? Wow.

16                  UNIDENTIFIED SPEAKER: (Inaudible.)

17                  MR. LANE: So it sounds like everybody enjoyed  
18 the conference. I know I did. I have it all on paper. I can  
19 start walking if we get a failure here, but I'll give it a  
20 moment to try and come up.

21                  UNIDENTIFIED SPEAKER: (Inaudible.)

22                  MR. LANE: All right. We're going to punt.

23                  So I usually start off by telling everybody kind  
24 of a little bit about the Southcentral District. You can -- if  
25 you can run the PDF, that will work, too. So I'll tell

1 everybody about the Southcentral District.

2           We're a pretty significant district. We're the  
3 central district in the southern half. So there's seven  
4 districts. There's three in the top, three in the south. We're  
5 the one on the south central. We go from about Milepost 175 on  
6 I-10, which is Casa Blanca, all the way down to the  
7 international border. We've got three interstates I-8, I-10,  
8 I-19. We've got a very significant rural component to our  
9 facility, along with quite a good urban area in Tucson and such.  
10 We've got five councils of governments we have to work with,  
11 several tribal nations and so on. And we're, you know, pretty  
12 significant all the way from the west side, from Ajo, all the  
13 way to Benson on I-10. So we've got a pretty good section.

14           There we go. Do I have a clicker? There we go.  
15 There's my map.

16           Okay. So I've already gone through this. So  
17 we'll go on to the next one. I'll talk about some of the  
18 significant things that we've completed this year. The Ina Road  
19 traffic interchange is one of the major milestones that we  
20 completed this year, with the cooperation of the entire  
21 community, specifically the town of Marana, and it's gone very  
22 well. Opened on time. We're, you know, just wrapping up the  
23 final, final bits of maybe some utility, coordinate connections  
24 and such. So it's a single point urban interchange going over  
25 the railroad, and then tying down on the east side over there.

1                   And then the other section we talked -- or we did  
2 was over the Santa Cruz River. This was the portion that the  
3 Town of Marana participated in, and ADOT did the construction  
4 administration over it. So that was a very successful project,  
5 and we're very pleased that that one went so well.

6                   Another one that's going on that you all probably  
7 drove through to get here was the Ajo I-19 project, which is the  
8 second phase of this job. So if we looked at it in terms of the  
9 grand phasing, we're three quarters of the way through it.  
10 We're about halfway through with this phase. So it's moving  
11 right along.

12                   You can see the TI that was done as part of phase  
13 1. That portion on the left -- excuse me -- on the right is the  
14 pedestrian bridge, the foundation for the pedestrian bridge.  
15 Behind that kind of crane lift, you can see the ramp that's  
16 going to go up there for the pedestrian bridges that are  
17 constructed, and it will all go over I-19 to connect the  
18 neighborhoods on both sides of the interstate. There's a school  
19 on the east side.

20                   And let's see. I thought I had another unique  
21 shot on there. I didn't.

22                   Another unique feature of the project is the  
23 ramp. We've extended the ramp for Irvington. It's going to be  
24 braided ramp that actually starts underneath the Ajo TI. It  
25 goes underneath the on ramp, and that's where kind of the

1 braiding goes in, and it's almost a mile long, so there's quite  
2 a bit of storage that's available on that one.

3 Another project that we are working on wrapping  
4 up right now is kind of a big pavement preservation project on  
5 I-8 done by FNF, from Maricopa to Stanfield, way out there.  
6 That's about 87 percent complete. Very important to us.

7 The big one that's coming up that, in fact, opens  
8 today in the bidding is our Ruthrauff TI. So this is going to  
9 be a full traffic interchange replacement. We're going to be  
10 putting, again, a single point urban interchange. It's very  
11 similar to Ina in the sense that we're going over the railroad.  
12 The -- a couple of differences. The first one is that on Ina,  
13 we were able to touch down before we hit that cross street on  
14 the east side. Unfortunately, that cross street in this  
15 situation is closer. So we're going to have to go over it and  
16 touch down after. So we've got, actually, that bridge and kind  
17 of -- more of a super box culvert than a bridge that's going in  
18 there. And then we're also not going to be going over the Santa  
19 Cruz River on this project. So it will just be the traffic  
20 interchange over I-10, and then over the railroad, then over  
21 Highway Drive on the south, and Davis Drive on the north. It  
22 splits and then come down.

23 The bids open on that today. Actually, that's  
24 the wrong date up there. It should be the 18th. And we're  
25 going to be using an A plus B bidding method on this. So

1 incentivizing time as -- along with price for the contractor.  
2 So our goal, and we'll see how the bids turn out, is to get it  
3 done in less than two years, this year, and we'll see how that  
4 goes. We're all excited about that one.

5           So here's a list of kind of all the construction  
6 projects that we've got going on. I've already talked about the  
7 Ina Road. We just finished up another pavement pres. kind of in  
8 this area, the Canoa Ranch to Duval Mine Road, a little bit  
9 further south. A bunch of signals we're putting in on Wilmot,  
10 Kolb, Rita Road. Kind of a modernization project.

11           Ruins Drive signal is completed. We talked about  
12 the Ajo Way project. The (inaudible) a bridge rehab right in  
13 this vicinity out here, just a deck rehab job. There's a lot --  
14 a good project's just getting off on SR-86. That's the last of  
15 three projects we've done in that area, out in the Tohono  
16 O'odham Nation out there, and that was just getting kicked off  
17 by grant until -- kind of a widening improvement job out there.  
18 We talked about I-8, Maricopa to Stanfield, and then we've got  
19 another TI underpass project at Veil Road and such.

20           Another significant project that is kind of just  
21 getting kicked off, which we've heard about a little bit, is the  
22 SR-189 project down in the city of Nogales. So we've got our  
23 general engineering consultant selected. That's AE Com. And  
24 right now we're kind of navigating through the final process of  
25 the team selection for this design-build project. So we're

1 really expecting the dirt to move February, March-ish, and we'll  
2 see how that one goes. It's a very exciting project down there  
3 with -- it's going to be quite a fun ride.

4 And I think that's all for me. Does anybody have  
5 any questions?

6 CHAIRMAN SELLERS: Okay. Any comments or  
7 questions from the Board for Rod?

8 MR. LANE: Okay. Thank you very much.

9 CHAIRMAN SELLERS: Thank you, Rod.

10 All right. We'll now --

11 MR. LANE: Oh, I'm sorry. I did have one more  
12 thing. I've got pamphlets. I'm brought pamphlets. They're out  
13 by the table out there. Gives you all the information on the  
14 district, contact numbers and such. If you have any questions  
15 or information or you need to reach somebody in the future, feel  
16 free to grab one. It's also available online. Thank you.

17 CHAIRMAN SELLERS: Thank you, Rod.

18 Okay. We'll now move on to the consent agenda.  
19 Does any member want an item removed from consent?

20 Do we have a motion to approve the consent agenda  
21 as presented?

22 MR. THOMPSON: Chairman, I'll make a motion to  
23 approve the agenda -- I mean, the consent agenda as follows.

24 CHAIRMAN SELLERS: We have a motion by Board  
25 Member Thompson.

1 MR. KNIGHT: Second.

2 CHAIRMAN SELLERS: Second by Board Member Knight.

3 Any questions?

4 All in favor say aye.

5 BOARD MEMBERS: Aye.

6 CHAIRMAN SELLERS: Any opposed? The motion  
7 passes.

8 Okay. We'll now move to the financial report.

9 Kristine Ward. This is for information and discussion only.

10 MS. WARD: Well, good morning.

11 CHAIRMAN SELLERS: Good morning.

12 UNIDENTIFIED SPEAKER: Good morning.

13 MS. WARD: It was a beautiful drive down here.

14 It is just gorgeous out there.

15 CHAIRMAN SELLERS: Gosh, it seems like we haven't  
16 see you in a long time.

17 MS. WARD: It does. I mean, August, we missed  
18 August, and then I was out in September. So here we are. So  
19 here we are. And I have a very brief report for you today.

20 So are we up and operating, Lynn?

21 Okay. HURF revenues, the reason you're seeing  
22 that we are out of the target zone -- and I apologize. We must  
23 have gotten -- picked the wrong Crayola color, because that  
24 should not be green. That should be yellow. However, it's not  
25 something I'm concerned about, because the reason you're seeing

1 that variation is that we had a technical correction on a  
2 distribution correction. So you'll see us -- you will see us  
3 come back into forecast range here in the next few months.

4 In terms of the Regional Area Road Fund, well,  
5 you can't get more -- much more on forecast than this forecast.  
6 So we are -- we are doing quite well on Regional Area Road Fund.

7 And lastly, I have some good news. Okay? This  
8 is rare, so I'm glad this is being recorded. In terms of the  
9 bonding program, next month I will be coming to you, and we have  
10 an opportunity to refund about \$500 million worth of our bonds.  
11 And right now, if interest rates stay as they have been, or  
12 within this range, we are looking at approximately \$40 million  
13 worth of savings made -- that will be available to us. So I'll  
14 come before you next month seeking Board approval to refund  
15 those bonds and get a resolution from the Board.

16 The second -- and this is -- this is more for the  
17 finance geeks in the room, you know, some bonding geeks. We've  
18 actually -- yes, Mr. Hammond. No. We won't name names. We  
19 have actually discovered -- come across in some research a  
20 method in which we will actually be able to save, in some cases,  
21 six months' worth of capital costs, because we have found a  
22 method that will give us greater flexibility in terms of timing  
23 of issuing bonds. So the later we can issue them means less  
24 capital costs. So we actually -- you will be seeing in our next  
25 programming cycle a different form coming across that will build

1 into the process, and hopefully save a few dollars.

2 That concludes my report. If you have any  
3 questions, I'd be happy to answer them.

4 CHAIRMAN SELLERS: Any questions for Kristine?  
5 Seeing none, thank you.

6 MS. WARD: Thank you. Have a great day.

7 CHAIRMAN SELLERS: Okay. Now we'll move on to  
8 Agenda Item Number 5 with Greg Byres. This is for information  
9 and discussion only.

10 MR. BYRES: Mr. Chairman, board members, this is  
11 the Multimodal Planning Division report. I only have a few  
12 items. I just wanted to kind of update you on where we're at  
13 with some of our Tier 1 environmental impact statements.

14 On I-11, we're currently going through and  
15 finalizing all of the comments that we got during the comment  
16 period for the draft EIS. That process has taken a little bit  
17 longer than we thought. We had several comments. Almost 2,000  
18 comments that came through. So we're trying to take and make  
19 sure that every single one of those is addressed. So that's  
20 where we're at in the process there.

21 The next one is the North-South Corridor. That  
22 project is currently in -- we put out the draft EIS report, and  
23 it's currently open for comment. We had three public hearings.  
24 The last one being earlier this week that were actually fairly  
25 well attended. The last one in San Tan Valley was very well

1 attended, and we established several comments during those  
2 hearings, and we've received several on our website as well as  
3 other means of collecting comments. So as we collect all of  
4 those together, we'll start addressing those as well.

5           The next one we have is the Sonoran Corridor, the  
6 Tier 1, that we are in the process of putting together the draft  
7 EIS. We've had considerable input from the locals, particularly  
8 through the tribal input on that. We're in the process of  
9 finalizing the recommendations for the draft EIS, and that  
10 should be coming out within the next -- I believe that comes out  
11 in the next six months. So that's where we're at on that.

12           The next thing I'd like to just put forth is our  
13 P2P --

14           DIRECTOR HALIKOWSKI: Excuse me, Mr. Chairman,  
15 may I ask?

16           CHAIRMAN SELLERS: Yes, Director.

17           DIRECTOR HALIKOWSKI: Greg, before you go on, a  
18 lot of people think that I-11, the Sonoran Corridor, North-South  
19 are going to start construction soon because you're in an EIS,  
20 but you're in a Tier 1.

21           MR. BYRES: Correct.

22           DIRECTOR HALIKOWSKI: And for those who might not  
23 be aware of what that means, could you just elaborate a little  
24 bit and explain what Tier 1 is and the steps you have to go  
25 through briefly before you get to construction (inaudible)?

1 MR. BYRES: You bet.

2 So the way -- the process that we're using for  
3 all three that I just mentioned is a tiered process for an  
4 environmental impact statement. What that allows us to do is  
5 it's actually a two-step process. There's two tiers. We are  
6 currently in Tier 1, which is very preliminary. All it does is  
7 take and determine a corridor in which a roadway may be proposed  
8 as it goes through into Tier 2. Tier 1, what it allows -- the  
9 reason that we're utilizing the tiering process is because we  
10 can do the Tier 1 without having full funding for any  
11 improvements. It's -- it is nothing but a planning tool, and it  
12 takes -- it is not a full EIS. It is a tiered EIS, which only  
13 gives us preliminary information.

14 Until we get to a Tier 2, that's basically a  
15 project-level EIS. Then it gets into more detail. It takes --  
16 instead of being in a very wide corridor, it takes and reduces  
17 it down to a roadway section with a defined alignment that we  
18 proceed on. In order to do that Tier 2, there has to be funding  
19 available for -- to proceed with that. At this point in time,  
20 on all of our Tier 1s that we have, there's no funding set up at  
21 this point in time to proceed into the Tier 2s.

22 So I'll go ahead and go on.

23 What I was going to state was our P2P district  
24 workshops are currently scheduled. We have the first one  
25 starting -- I believe they start next week, in which we've asked

1 you all to attend if you get a chance. I know a couple of you  
2 have already responded. Invitation is still open. So we look  
3 forward to your presence there and your participation.

4 So thank you.

5 MR. STRATTON: Mr. Chair.

6 CHAIRMAN SELLERS: Board Member Stratton.

7 MR. STRATTON: Greg, I wanted to tell you I  
8 appreciate the invite and the ability for us to participate. In  
9 looking at that schedule, I'm in parts of four meetings, it  
10 appears, the way my district is cut up. Is there a possibility  
11 to join at least maybe two of those telephonically?

12 MR. BYRES: Yes, you can. We will certainly make  
13 that available.

14 MR. STRATTON: Thank you.

15 MR. BYRES: All right. That's the end of my...

16 CHAIRMAN SELLERS: Okay. Any other comments or  
17 questions for Greg?

18 MR. BYRES: Thank you.

19 CHAIRMAN SELLERS: All right. So then we'll move  
20 on the Agenda Item Number 6. Mr. Byres.

21 MR. ROEHRICH: Unless, Greg, you don't want to do  
22 any PPAC items. We can just move on.

23 MR. BYRES: It will go fast.

24 So we've got PPAC items that are being addressed  
25 at this point in time. The first item we have is Item 6A, and

1 this is the rebalancing of MAG. Basically, what we're doing is  
2 we're taking the section of our program that was approved by the  
3 Board and replacing it with the new, rebalanced section that has  
4 been approved through MAG. So that is Item 6A, and PPAC brings  
5 that forth with a recommendation for approval to the Board.

6 CHAIRMAN SELLERS: Do I have a motion from a  
7 board member?

8 MR. STRATTON: So moved.

9 MR. HAMMOND: Second.

10 CHAIRMAN SELLERS: Motion by Board Member  
11 Stratton, second by Board Member Hammond. Any discussion?

12 All in favor say aye.

13 BOARD MEMBERS: Aye.

14 CHAIRMAN SELLERS: Any opposed? The motion  
15 carries.

16 MR. BYRES: Thank you.

17 Mr. Chairman, the next item I have is actually  
18 Items 6B through 6H. There are seven projects. These are  
19 project modifications, and again, PPAC brings these forward with  
20 a recommendation for approval to the Board.

21 CHAIRMAN SELLERS: Do I have a motion by a board  
22 member?

23 MR. KNIGHT: Chairman, I would like to move.

24 CHAIRMAN SELLERS: I have a motion by Board  
25 Member Knight, and a second by Board Member Thompson.

1 MR. THOMPSON: Second.

2 CHAIRMAN SELLERS: Any discussion?

3 All in favor.

4 BOARD MEMBERS: Aye.

5 CHAIRMAN SELLERS: Any opposed? That motion also  
6 carries.

7 MR. BYRES: Mr. Chairman, the next item I have is  
8 Item 6I. This is a new project that is coming forward with a  
9 recommendation for approval from PPAC.

10 CHAIRMAN SELLERS: Do I have a motion by a board  
11 member?

12 MR. STRATTON: So moved.

13 CHAIRMAN SELLERS: Motion by Board Member  
14 Stratton.

15 MR. KNIGHT: Second.

16 CHAIRMAN SELLERS: Second by Board Member Knight.  
17 Any discussion?

18 All in favor say aye.

19 BOARD MEMBERS: Aye.

20 CHAIRMAN SELLERS: Any opposed? That motion  
21 carries.

22 Board Member Hammond.

23 MR. HAMMOND: Just a general question. I notice  
24 these are over budget corrections. Are we working through the  
25 old estimates now and starting on new estimates soon and

1 hopefully (inaudible) in line to the current realities of  
2 increased pricing?

3 MR. BYRES: Mr. Chairman, Mr. Hammond, right now  
4 the projects that we have, you're absolutely right. These  
5 are -- some of the projects that we had with estimates that  
6 we've -- haven't gotten around to the new price differentials  
7 that we're seeing with the increases in costs for construction.  
8 As we proceed or go through over the next several months, we're  
9 going to weed through all of those and get back into where we're  
10 a little bit closer as to what was -- the difference between  
11 what was originally scoped and what we're looking at for project  
12 costs today.

13 MR. HAMMOND: If I'm correct, it looked like  
14 approximately 15, 20 percent pretty much over budget on all of  
15 those projects, maybe even more than that in some cases.

16 MR. BYRES: Mr. Chair, Mr. Hammond, for costs of  
17 construction, yes, that 15, 20 percent is about right. One of  
18 the other items that we're looking at, though, is we're also  
19 looking at tweaks in the scoping of projects, whether or not  
20 they were properly scoped or if there's additional items that  
21 better refining are necessary in the designs.

22 MR. HAMMOND: Thank you.

23 CHAIRMAN SELLERS: Thank you.

24 MR. BYRES: The last item that I'm bringing  
25 forward is Items 6J through 6T. These are airport projects.

1 One item I'd like to point out is Item 6P. This is Prescott  
2 Airport. It's a \$1 million S/L, or state and local match grant,  
3 and this is part of the legislative action that provided  
4 \$10 million into the Aviation Fund. And with that, with -- from  
5 PPAC, we bring this forward with a recommendation for approval.

6 CHAIRMAN SELLERS: Do I have a motion by a board  
7 member?

8 MR. KNIGHT: So moved.

9 CHAIRMAN SELLERS: Motion by Board Member Knight.

10 MR. STRATTON: Second.

11 CHAIRMAN SELLERS: Second by Board Member  
12 Stratton. Any discussion?

13 All in favor say aye.

14 BOARD MEMBERS: Aye.

15 CHAIRMAN SELLERS: Any opposed? That motion also  
16 carries.

17 Thank you, Greg.

18 MR. BYRES: Thank you.

19 CHAIRMAN SELLERS: All right. Moving on to  
20 Agenda Item Number 7. State engineer's report by Jesse  
21 Gutierrez, Deputy State Engineer.

22 MR. GUTIERREZ: Mr. Chairman, members of the  
23 Board, Mr. Director, good morning. I'm here to provide the  
24 report. Should be pretty brief this morning.

25 We have 96 projects under construction, a total

1 of \$1.945 billion. Thirteen projects have been finalized in  
2 September. Our total of \$18.5 million. And fiscal year to  
3 date, we've closed out 29 projects.

4 And that is all I have for Item Number 7.

5 CHAIRMAN SELLERS: Okay. Well, you're up for  
6 Item Number 8.

7 MR. GUTIERREZ: Construction -- construction  
8 contracts. We don't have any new contracts for award  
9 consideration.

10 CHAIRMAN SELLERS: Okay. Any comments or  
11 questions?

12 Thank you.

13 MR. GUTIERREZ: Thank you.

14 CHAIRMAN SELLERS: Moving on to Agenda Item  
15 Number 9. P2P process with Greg Byres. Welcome back.

16 MR. BYRES: Mr. Chairman, board members, so this  
17 is just kind of a recap of the P2P process that you're all  
18 familiar with. We've been utilizing this for the last several  
19 years in taking and prioritizing our projects, but I wanted to  
20 go through and actually kind of update you on what has changed,  
21 how this process came around -- about, and why we're utilizing  
22 it.

23 So -- oops. So -- here we are. So basically  
24 what it is is I'm going to go through the background, go through  
25 the process, go through several of the resource requirements, as

1 well as continuous improvement for the -- well, here. Hold on a  
2 minute here. So continuous improvement of what we've done in  
3 the past and how we're trying to improve the process.

4           So first off, right off the bat, what is P2P? So  
5 P2P is basically a means of prioritizing projects that take and  
6 come from the recommendations that we have in the long range  
7 transportation plan, and take and process those prioritized  
8 projects through the performance requirements that we have, and  
9 take it all the way into our program, our five-year program.  
10 And again, we do this on an annual basis, taking all of the  
11 projects that we can from -- they either come from our studies,  
12 from the MPOs, from the cities, from different entities all  
13 across the state. We take in all of those and take and start  
14 going through the process.

15           So the performance-based planning and programming  
16 that we go through is actually in both federal law and state  
17 law, and so we have to use that performance-based prioritization  
18 as we take and do all of our projects. So this process that  
19 we've come up with actually fits and conforms to the  
20 requirements of law.

21           The other part of it is this is just responsible  
22 planning. This is being good stewards of our money. Trying to  
23 make sure that what projects are put forth into the program give  
24 us the biggest bang for our buck and meet the needs of the State  
25 at the highest levels.

1                   So how is P2P performance based? There's a set  
2 of criteria that the Federal Highway Administration has put  
3 forth that we have performance targets that we have to hit, and  
4 those targets are based on pavement, based on bridge, freight  
5 and safety. So as we go through it, if the pavement is a  
6 percent of interstate pavements that are in good or poor  
7 condition. The percent of interstate pavements that are  
8 non-interstate pavement that is in good and poor position --  
9 poor condition; bridge, which is the national highway system  
10 bridge deck area, and that is in good and fair -- or good and  
11 poor condition, as well as freight and safety that have their  
12 own characteristics as well.

13                   So the definitions that we have for the types of  
14 work, again, this comes out of our long range transportation  
15 plan. We have preservation for both pavement and bridge,  
16 modernization projects and expansion projects. This kind of  
17 gives you a real quick characterization of what each of those  
18 different categories are. So, you know, the preservation is to  
19 improve or sustain condition of a state of good repair. For  
20 modernization, it's an upgrade or efficiency functionality or --  
21 of safety, and then expansion is adding capacity to any of our  
22 facilities.

23                   So the P2P project types that we go through, one  
24 of the -- there's a whole set of criteria that we go through in  
25 trying to do the prioritization. So in such, there's four

1 categories that we take and assign to each one of the different  
2 investment categories that we're looking at. So that's the  
3 technical scores, the district scores, the safety scores and the  
4 policy scores.

5           The only one that varies from this is bridge  
6 preservation, where we take and combine the technical and safety  
7 together, because as we go through and analyze those bridges,  
8 safety is inherent in the analysis, in the technical analysis of  
9 those structures. So we take and combine those two together.

10           For the pavement preservation scoring, this kind  
11 of gives you an idea of what we're looking at. So the technical  
12 has the pavement condition, which is the IRI, or the  
13 International Roughness Index, cracking, rutting, and truck  
14 volume as well. There's several other items that are tied into  
15 it, but those are the main categories that we take and analyze  
16 in that technical score.

17           For the district score, it's the district  
18 engineer's evaluation, and what it is for that is they're  
19 looking at what the expenses are on maintenance. What are the  
20 localized conditions that they're looking at, and see on an  
21 everyday basis in evaluating each of those different projects.  
22 That's extremely important here, because it's -- there's two  
23 things that are happening. One is it is the true boots on the  
24 ground that are looking at the projects and know the issues of  
25 each one of those projects.

1           The other thing is that -- that we're looking at  
2 is this is also the only part of our process where we've got  
3 some subjectivity that's put into our analysis. So there is --  
4 it's built in, and it's built in on purpose, because it does  
5 take and allow for each one of those projects to have a true  
6 evaluation for items that we cannot take and do strictly data  
7 based.

8           Safety, we utilize our safety analyst tool for  
9 the level of safety for each project, and then for policy  
10 scores, we're looking at percentage of freight. We're looking  
11 at functional classifications. We're looking at external  
12 funding that may be coming in to each one of those projects.

13           Bridge preservation kind of follows along the  
14 same suit. The only thing it changes is the technical and  
15 safety scores where we're looking at the sufficiency rating for  
16 superstructure, substructure conditions and deck conditions.  
17 That's -- that's all inherent in part of the inspections that  
18 are done for each one of the bridges. And then again, we go  
19 through the district engineer's evaluations and those policy  
20 scores.

21           Modernization follows along pretty much those  
22 same kind of lines. We're looking at in -- for modernization,  
23 it's the -- safety inspections is one of the things we're  
24 looking at, whether or not -- how that project rates for  
25 different safety funding, as well as safety criteria that we're

1 looking at, all the way through that. We're also looking at  
2 total traffic control issues, tree removals, wildlife safety.  
3 There's a whole gamut of different things that we're looking at  
4 in that technical safety for the modernization. Then again, the  
5 district safety and policy scores all apply.

6           For expansion projects, we're looking at the same  
7 thing. Here it's a little bit different, because we're looking  
8 at level of service. What we're looking at for system speeds,  
9 system reliabilities, what the effects are going to be on that,  
10 cost effectiveness of projects, as well as creation, the  
11 economic side of the projects as far as job creation goes and so  
12 forth.

13           One of the things here that we're looking at is  
14 we're not necessarily using the safety analyst tool, or if we  
15 are using a safety analyst tool, there's cases where we actually  
16 may be getting negative numbers instead of positive numbers  
17 here, and I'll give you a quick instance of that. If we have a  
18 new TI that's coming onto an interstate, one of the issues that  
19 we have is by putting that TI on that interstate, we now are  
20 introducing new conflict points that were never there before.  
21 So we actually wind up with a negative safety score along the  
22 main line for that interstate. So that's something that we take  
23 into consideration.

24           So the next part we've got here is process. How  
25 does -- what's the true process of our P2P? You all have seen

1 this. This kind of takes you through all of the different steps  
2 that we have in our current process that we have right now. We  
3 are getting ready for district workshops, and if you'll look  
4 along each one of those different items, you'll see a month  
5 that's associated with each one of them. That kind of gives you  
6 an idea what the timeline is that we follow and go through.  
7 It's basically a year-round process, that once we finish one, we  
8 turn around and start the very next year with all of our  
9 processes as we go through.

10           The resource requirements. It takes several  
11 people to take and put this together. Last year we had over  
12 1,800 projects that we analyzed. This year we'll probably have  
13 at least that same amount, possibly even more. So it takes a  
14 lot of resources to take and actually go through and put this  
15 together.

16           This gives you a quick list of what it takes to  
17 put each one of these together. That technical score that's  
18 associated with each one of the projects that we've put together  
19 takes a lot. I mean, it takes our pavement group. It takes our  
20 bridge group. It takes our safety groups. Takes our traffic  
21 groups. Everybody has to take a look at it, because each one of  
22 them's looking at different aspects that we just presented. So  
23 it is truly resource intensive.

24           Continuous improvement is the next item that  
25 we've got. This kind of gives you a cycle. I've come in front

1 of you over several months saying that we're taking a look at  
2 last year's P2P. We're taking lessons learned, trying to  
3 incorporate them in, and that's exactly what we do every year.  
4 We take and look and see how is it that we can make sure that  
5 the prioritization of projects is at its highest level as we go  
6 forth and present recommendations to this Board.

7           So the one person that is actually leading our  
8 P2P is Dan Gabiou. He's one of our lead planners in the  
9 Multimodal Planning Division. That's all of his information if  
10 anybody needs it or wants it, and I can provide that after the  
11 meeting.

12           And if there's any questions from the Board, I  
13 will hear them.

14           CHAIRMAN SELLERS: Comments or questions for  
15 Greg?

16           MR. KNIGHT: Yes, Mr. Chair.

17           CHAIRMAN SELLERS: Board Member Knight.

18           MR. KNIGHT: Greg, in following the procedure, it  
19 seemed like you said every year we start over again. So my  
20 question is we did a five-year plan, and so we've got projects  
21 in each one of the five years, and then if we start over again  
22 for a new five-year plan, then we're re-evaluating all those  
23 programs again that are already in there and already -- and  
24 they're already programmed for a specific year, and we're going  
25 to re-evaluate, and that's how some of them end up dropping out

1 of the plan after we've already put them in there. Let's say  
2 they're in year four, and we go through and -- so it seems -- I  
3 don't know. It just seems like we're kind of a zero-based  
4 budget. You've got -- you start all over again and with no --  
5 and it doesn't seem to make a whole lot of sense.

6 MR. BYRES: So Mr. Chairman, Board Member Knight,  
7 we do do that. We take and -- every year, we take and come  
8 back, not only the projects that are not in the program, but the  
9 projects that are in the program, provided work has not started  
10 on those projects. We do take and check the prioritization of  
11 each one of those projects. The reason being is that five-year  
12 program has to maintain a high -- the highest possible rate of  
13 prioritization that we can possibly provide.

14 So if we have a project that's in that fifth year  
15 or in that fourth year, and as it moves through, say before it  
16 gets to the second year, our needs have changed or roadways have  
17 changed, we have to be able to adjust that. We have a finite  
18 amount of financial ability to be able to do these projects. So  
19 that's one of the reasons why we have to have that adjustment as  
20 we go through from that fifth year, coming into the second year  
21 where the work may actually be starting, sometimes design or so  
22 forth. We want to make sure that we always have the highest  
23 priority projects in the program. So that's why we do that,  
24 because needs do change.

25 MR. ROEHRICH: And Mr. Chair and Mr. Knight, if I

1 could add on, I think it's important to hit on something as well  
2 that you just mentioned, but I don't think you elaborated on it,  
3 and that is the funding, because each year -- and we've been  
4 chasing funding for years, and we've been chasing these  
5 increases, that program has to be fiscally constrained. And if  
6 the funding situation is changed or the costs of projects in  
7 there that still maintain their level of priority to stay in the  
8 program have increased, and we keep that and adjust it, it might  
9 mean something has to move.

10                   So balancing the priority, balancing the  
11 financial, balancing what is the best need for the whole system  
12 in evaluating to bring in new projects, but making sure that the  
13 commitments that we made -- I don't think we'd necessarily move  
14 a project in that first year unless there's really something  
15 that falls out of that project. It's really those later  
16 projects, but it might have to shift, and that has been going on  
17 for as long as we have been trying to deal with chasing the  
18 financial resources that we have available.

19                   DIRECTOR HALIKOWSKI: Well, Mr. Chairman, Board  
20 Member Knight, it's not just ADOT that does this. When the  
21 recession hit in 2008, 2009, Board Member Sellers will recall  
22 MAG had to move something like 6 to 8 billion dollars out of its  
23 20-year program. So these things are done by metropolitan  
24 planning agencies and by ADOT. As Floyd said, circumstances are  
25 constantly changing.

1           If Congress were to actually pass and provide  
2 more money to the states, we'd again be re-evaluating. So  
3 sometimes things move out. Sometimes things move forward. It's  
4 a fluid situation each year. We're coming into a legislative  
5 session. There have been many inquiries of the department.  
6 Well, what projects with surplus money could we fund if we chose  
7 to give you one-time funding for those, again, (inaudible).

8           CHAIRMAN SELLERS: Board Member Hammond.

9           MR. HAMMOND: I would -- Director Halikowski  
10 addressed some of what I was going to say. I remember when my  
11 predecessor who was in in 2008 when the Great Recession hit, we  
12 were just starting the expansion of I-10 between Tucson and  
13 Phoenix. And that project could have been canceled, but instead  
14 the two big interchanges at Picacho and -- Coolidge, was it --  
15 were removed, saving about 110 million. My understanding is if  
16 that hadn't been done, there would have been almost no money for  
17 the rest of the state.

18           So as I -- my sense is most of these changes  
19 aren't arbitrary. I don't think any of them are, but they are  
20 certainly more economically driven by the economy as much as  
21 anything, and now we're seeing it in rising prices maybe more  
22 than recession. But, you know, I would think it's a tough  
23 balancing act, but to -- I would think how much the State would  
24 have suffered if we would just bowled ahead with I-10 at that  
25 time and not taken that 100 million plus over those years to put

1 into other projects how -- you know, where's the balancing?  
2 Where's the middle ground? Which is why I think your process  
3 needs to be as objective as possible, and that's what I like  
4 about it. I do think you try to do what's best for the State.

5 CHAIRMAN SELLERS: Board Member Stratton.

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

7 Greg, you mentioned considering they have not  
8 began work on a project. Would that include design?

9 MR. BYRES: That's exactly correct. In several  
10 cases we take and put design for a project out -- we try and  
11 keep it out two years out in front of construction. So if we  
12 have construction for a project sitting in that third year, we  
13 probably have design in that first year. So we don't want to --  
14 we don't want to throw good money after bad. So we want to make  
15 sure that those projects stay prioritized, especially if we're  
16 already spending money on them.

17 MR. STRATTON: Thank you.

18 CHAIRMAN SELLERS: Thank you.

19 MR. KNIGHT: Mr. Chair, I'd just -- that would be  
20 great. I basically wanted to get it out there, because we get  
21 questions all the time about, well, my project was in the five-  
22 year plan. It was in the fifth year or the fourth year, and the  
23 next five-year plan, it disappeared. So I wanted to get that  
24 out to the public so that they know why things appear and  
25 disappear in the five-year plan. Even though we've put them

1 there, they don't always stay there. So thank you.

2 CHAIRMAN SELLERS: Thank you.

3 Any other questions, comments?

4 Board Member Thompson.

5 MR. THOMPSON: Chairman. Chairman, thank you.

6 Greg, very recently there was a report that came  
7 out by the federal government accountability office, and that  
8 studied how safety in the transportation system impacted the  
9 academic performance of school children, and it determined that  
10 kids missing 15 days of school because of washout, bad roads,  
11 that has a really negative impact on the academic performance of  
12 these children. And a lot of these roads, the State of Arizona  
13 has an interest in it. There's public schools. Just looking at  
14 Navajo County (inaudible) public schools, kids have to be picked  
15 up, be taken to school and back from that to home every day.

16 So I'm wondering -- and you know that most of  
17 what we're primarily talking about, these poorly paved roads.  
18 So most of these roads I'm referring to are gravel or dirt  
19 roads, and has there been any time that this applications, P2P,  
20 has been applied to these roads that I'm referring to?

21 MR. BYRES: So Mr. Chairman, Board Member  
22 Thompson, what we're looking at is also what's on the national  
23 highway system or what's within our state purview.

24 MR. THOMPSON: Uh-huh.

25 MR. BYRES: Which are 100 -- pretty much 100

1 percent paved roadways, with the exception of very few. So  
2 that's where we're looking at. So that's -- that is basically  
3 the limits of which we're looking at our P2P process. So if  
4 it's a county road, if it's a tribal road or so forth, within  
5 the process that we're utilizing, we don't necessarily look at  
6 that, because we don't have a means of being able to put forth  
7 money on those roads. It's the system -- our system in which  
8 we're taking our finances and being able to put forth as a  
9 priority.

10 MR. THOMPSON: I guess a lot of the concerns that  
11 come to me, we have to kind of think outside the box, and how do  
12 we address these -- provide some help to improve these systems?  
13 So that's what I'm looking at. And we have done that as far as  
14 helping in the communities, like grants. So there may be other  
15 ways, you know, that if we dig a little bit deeper, maybe we can  
16 find ways, and that way that will justify the need for  
17 resources.

18 MR. BYRES: So Mr. Chairman, Board Member  
19 Thompson, just because it's not in our P2P system doesn't mean  
20 that we're not looking at that. In fact, we have several  
21 studies that we do incorporate that. We look at those, because  
22 it is part of -- it's still part of the system. Those are still  
23 access roads that are coming into the NHS. It's still coming  
24 into the state system. So we do take and look at those, and  
25 information that comes from the tribes is one of the biggest

1 contributors to those type of roads.

2 MR. ROEHRICH: Greg, if I could add, Mr. Chair,  
3 Mr. Thompson, I could add to that.

4 Your COG and MPO has a lot of the regional  
5 planning area that covers outside of just the state system as  
6 well. That is a good organization to get involved with and work  
7 out with them. They can assist in either going after grants  
8 using matching money that they get. These additional funds that  
9 their members can bring. Collaborate with all the members  
10 within their region to look at those opportunities. But as,  
11 Mr. Thompson, you said, we've got to dig deeper into the box.  
12 We've got to get a lot of people engaged.

13 COGs and MPOs are a really great organization,  
14 and as you see if you attended the Rural Summit every year, it  
15 just keeps getting better and better. This group of  
16 professionals has a lot of experience and knowledge to work  
17 with, so we encourage, whether it's a tribal member or anybody  
18 within that regional to stay involved and engaged with them. As  
19 well, they're going to have funding limitations. So you can't  
20 expect to come in and say just, you know, take care of my  
21 problem. You're going to have to work with them through that  
22 process as well. But that's an area and a group of people that  
23 are another resource to stay involved with as well, and they  
24 have more responsibilities outside of our state system that that  
25 could be the -- a possibility to assist with.

1 MR. THOMPSON: Thank you very much.

2 CHAIRMAN SELLERS: Thank you. Thank you, Greg.

3 DIRECTOR HALIKOWSKI: Mr. Chair, before we leave  
4 this discussion, I just want to make one final point. The plan  
5 changes in the five-year plan, you know are discussed here at  
6 the Board over several sessions and several hearings, and we  
7 take in public comments regarding any changes. So I don't want  
8 to leave the impression that somehow this is done, you know  
9 secretly and that it's (inaudible) at the last minute. There's  
10 plenty of opportunities for folks for comment on it, and if they  
11 can't make it to a board meeting, there are ways and methods  
12 using the internet and our email addresses, they can send those  
13 comments in on any of the proposed changes, and we take those  
14 into account, and we share them with the Board.

15 CHAIRMAN SELLERS: Okay. Thank you.

16 Okay. Agenda Item Number 10. After discussion  
17 with our attorney this morning, I think we may want to consider  
18 continuing this item until next month.

19 MR. ROEHRICH: Mr. Chair, what I would recommend  
20 is we have the discussion, but we will continue any action.

21 CHAIRMAN SELLERS: Okay.

22 MR. ROEHRICH: Because one of the issues that we  
23 need do -- and I'm going to just go right into this topic if I  
24 can to present it. One of the activities the Board needs to do  
25 every two years is either reaffirm their policies or adopt new

1 ones, and in 2017, this board just adopted the policies from  
2 2015 with no changes, just move forward, that at the time they  
3 didn't feel there were any need for changes or edits.

4           So coming this year, since this is the two-year  
5 period, we needed -- the Board needed to action them. Staff was  
6 recommending that the existing policies -- and there's 43 of  
7 them -- came with no recommendations for edits. Those would  
8 continue on as they were, and it would have asked the Board to  
9 adopt them. But there was one edit that we would ask the Board  
10 to add to their policies, which would be Policy Number 44.

11           I don't know, Lynn, if you can pull that up.

12           This policy we're recommending came out from a  
13 discussion that we had with the state auditors after they  
14 audited all the state boards and commissions, and in their final  
15 report made a recommendation that very few boards or commissions  
16 were adopting formal policy around how they are getting  
17 reimbursed their compensation. There is statutory language  
18 around that, but they have not adopted a process, nor how  
19 they're -- reimbursements for their expenses. So they  
20 recommended that each board/commission adopt a policy.

21           So staff, we developed a policy and internally  
22 started to review it. We had sent it over to the AG's office  
23 for review as well, and we're in the process now of -- I'm going  
24 to present it to the Board. We're going to take a few minutes  
25 to read through. But we'd like to ask comments from the Board

1 on this set of policy -- this new policy, as well as anything  
2 else the Board may want. We would then go back and finalize our  
3 process and review it with the AG's office, Attorney General's  
4 office, and then we would bring it back to you for final  
5 acceptance in November, I think, at the next board meeting.

6 So the policy, the way it's written right now, we  
7 did not want to be limited to exactly how it's implemented. So  
8 again, it's more of a guidance policy. It's not an  
9 all-inclusive. But we did feel that pertaining to certain  
10 statutes -- and you'll see the 38-611, it does talk about the  
11 Board getting compensated for their time.

12 So we felt as a minimum, we need to talk about  
13 some real specific issues where it's definitely appropriate for  
14 the Board to get reimbursed. Obviously if you're conducting  
15 board meetings, you're preparing or traveling to a board  
16 meeting, and then if you're attending the board meeting or  
17 you're attending a function on behalf of the Board, where you're  
18 representing your position and your stature as a transportation  
19 board member for the State, and then if you're communicating  
20 with constituents, if you're attending a -- you know, some  
21 people attend homeowners associations or attend local citizens'  
22 meetings, COGs, MPO meetings, or you're a member of a COG or MPO  
23 board. There's a lot of different aspects out there.

24 What we would do is document those as we've been  
25 asking the Board to do now. You submit when you attend those

1 meetings, the dates and what the specific meeting purpose is.  
2 Usually that's done through email so Linda has a record of it,  
3 and then we will compensate you that one hour per diem. Then  
4 you get compensated, I think, at least \$30 or whatever the  
5 statutory limit is, you will get. By continuing to move that  
6 forward and that's kind of what we're documenting here. We will  
7 then use that as a way to do your per diem compensation for the  
8 time that you are giving as a transportation board member for  
9 the purpose of your appointment -- point of duties.

10           And the second item was reimbursement, and here  
11 we felt that our reimbursement is pretty much statute on -- lies  
12 with the statute that is set by the Arizona Department of  
13 Administration. So all we're doing is restating here that you  
14 will be eligible for any reimbursement expenses pursuant to  
15 these policies which govern how ADOT's employees, as well as  
16 most state employees, are reimbursed and how that process is  
17 managed. We're just re-affirming that you follow that same  
18 process.

19           You have no special rules for reimbursement,  
20 because quite frankly, we have to follow the state process. We  
21 couldn't add more to that. I guess you could always say you  
22 don't want any expenses and then, you know, save Linda some  
23 work. That's up to you. You don't have to submit. But we do  
24 feel that you are due expenses in line with what a state  
25 employee is, what your role as the representative of the state

1 through what your board duties are.

2           So in this policy, we view at staff level, it's  
3 kind of going through the process of final review. We wanted  
4 you all to see it to make sure that if you had any comments or  
5 questions, you can respond to it. And then I'd open up if  
6 you've got a policy or something you want to discuss that we  
7 have not started developing, we can work on that.

8           But for this year we're saying affirm Policy 1  
9 through 43, which have already been posted online and  
10 continuing, add Policy 44. We will go back to staff as well as  
11 take in any comments you all have today, and then we will bring  
12 it back in November for adoption of all the board policies, and  
13 that will cover the next two-year period.

14           CHAIRMAN SELLERS: Okay. Questions or comments?

15           Board Member Thompson.

16           MR. THOMPSON: Chairman, there was -- the  
17 (inaudible) meeting, there was a mention of a -- to -- about the  
18 TERO. Would this be part of it or not? Would that be -- the  
19 contract that we agreed about this on the TERO? I forgot what  
20 that (inaudible).

21           MR. ROEHRICH: Mr. Chair, Mr. Thompson, that's  
22 Tribal Employment Regulation or something like that. That's a  
23 totally different thing. These are the policies that govern how  
24 the Transportation Board conducts its business, not how the  
25 contractual relationship is for the use of either federal aid or

1 for other type of funding on a tribal community. That's a whole  
2 another set -- we have a whole set of rules and regulations  
3 governing that that we would address. That's outside of the  
4 purview of the Board.

5 MR. THOMPSON: Yeah. (Inaudible) at this time to  
6 relay that.

7 MR. ROEHRICH: Okay.

8 MR. THOMPSON: That was on my mind. Thank you.

9 CHAIRMAN SELLERS: Board Member Stratton.

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

11 Floyd, I don't know in this is the correct place  
12 to talk about this or not. Excuse me. The policy concerning  
13 how the rural money is spent, I believe a couple years ago we  
14 discussed this. There was not any terminology in there for  
15 expansion. It's all pavement pres. and other things. Is this  
16 the correct venue to discuss that?

17 MR. ROEHRICH: Mr. Chair, Mr. Stratton, again, it  
18 is not. That policy was set through the long range plan that  
19 was developed that was part of a funding strategy, and the  
20 avenue for that would be to look at that process and determine  
21 how that governs the programming evaluation process.

22 Again, these policies are set about how the board  
23 is going to work as a board, not those operational  
24 characteristics of the different programs.

25 MR. STRATTON: I thought that would be the

1 answer, but I just wanted clarification. Thank you.

2 MR. KNIGHT: Mr. Chair.

3 CHAIRMAN SELLERS: Yeah. Board Member Knight.

4 MR. KNIGHT: Well, we already get reimbursed any  
5 time we have a (inaudible) -- I mean, in our district, so how  
6 would this be different? I mean, what --

7 MR. ROEHRICH: Mr. Chairman, Mr. Knight, this  
8 isn't different. What the state auditor report said is because  
9 most boards and commissions don't adopt the policy, it's ripe or  
10 open for abuse. But by adopting a policy, therefore, you're  
11 telling the public as well as you're directing staff, here's how  
12 you're going to govern yourself.

13 We have loosely just been using the state policy,  
14 the one that governs all state employees, the whole agency. All  
15 we're doing here is putting it in writing to formalize it to  
16 basically respond to the auditor's report that says boards and  
17 commissions don't have a formal policy. We're formalizing the  
18 practice we've been doing. We don't expect to change anything.  
19 That's been productive. Linda will still be the primary point  
20 of contact for your time, for your (inaudible) activities and  
21 for your expenses, but this will, in our opinion -- and that's  
22 why we're working with the AG's office as well -- will respond  
23 to the auditor's report that you don't have a policy. We're  
24 saying you will have a policy now, and then you check that box  
25 off, and we can go about doing the same thing you've always been

1 doing.

2 MR. KNIGHT: Okay. Thank you.

3 MR. ROEHRICH: But then I don't have to get  
4 emails every four months asking me, Where's the policy? You  
5 haven't respond to auditor's report.

6 CHAIRMAN SELLERS: Okay. Thank you.

7 Do we need do anything to continue the vote on  
8 this until the next meeting or?

9 MR. ROEHRICH: Mr. Chair, Mr. Sellers, no, you do  
10 not.

11 CHAIRMAN SELLERS: Okay.

12 MR. ROEHRICH: Because this was set for a  
13 discussion and possible action. You're not actioning it. You  
14 did the discussion part. Next month we'll agenda it the same  
15 way. And in the meantime if you have another question, please  
16 give me a call or send any information so I can make sure to  
17 share it with the team and with Michelle Kunzman, the Board's  
18 attorney, as we finalize the staff review, legal review on this.

19 CHAIRMAN SELLERS: Okay. Well, thank you.

20 Then move on to Item Number 11.

21 MR. ROEHRICH: Great. Thank you, Mr. Chair and  
22 board members.

23 So we had a chance to sit down with the incoming  
24 board chair, Mr. Hammond, look at the dates and the locations  
25 for next year's board meetings. These are the dates and

1 locations.

2           We've also preliminarily identified the possible  
3 three study sessions. Obviously the January study session is to  
4 start laying out the framework for the five-year program, and  
5 then the June 2nd study session is to finalize all the input,  
6 all that we've heard from public hearings, final comments from  
7 the Board so we can adopt the five-year program in June. And  
8 then we have tentatively set an October 27 study session if  
9 there are any other technical issues or Board issues we would  
10 want to discuss. In the meantime, you can see the dates and  
11 locations there.

12           We're asking the Board to approve these dates and  
13 locations so staff can start reaching out and formalizing the  
14 specific location, whether it's in a city council chambers, a  
15 county building or something, and then we will use these dates  
16 and locations next year for the board meetings.

17           CHAIRMAN SELLERS: Do I have a motion to approve  
18 the State Transportation Board meeting schedule and public  
19 hearing date and locations?

20           MR. KNIGHT: So moved.

21           CHAIRMAN SELLERS: Moved by Board Member Knight.

22           MR. STRATTON: Second.

23           CHAIRMAN SELLERS: Seconded by Board Member  
24 Stratton. Any discussion?

25           MR. STRATTON: Mr. Chair, on that I'd just like

1 to comment that I really appreciate each year the incoming  
2 chairman, in this case Mike, and the staff selecting communities  
3 we haven't been to for a while and moving the meeting around the  
4 state where the audience has an opportunity not to travel too  
5 far and have a voice with the Board. I just wanted to make the  
6 comment. I think the staff and the Chair's did a great job.

7 CHAIRMAN SELLERS: Board Member Thompson.

8 MR. THOMPSON: Thank you.

9 Mike, we talked about this, and you included  
10 Chinle as a site that we'll be going to next year. So thank you  
11 very much.

12 MR. HAMMOND: I did it purposely so Gary would  
13 have to travel the farthest.

14 MR. KNIGHT: I almost always have to travel the  
15 farthest.

16 MR. ROEHRICH: Mr. Chair, I would like to make  
17 one comment as well and just to point out to everybody the  
18 October dates next year for the Rural Summit, as Randy Heiss had  
19 mentioned, and it's going take place in Maricopa, but it will be  
20 at the -- I think Ak-Chin Casino as well as a venue in order to  
21 host a number of people since it's got to be such a great  
22 turnout. Obviously we're not going to hold the board meeting at  
23 that location, which is why you see Casa Grande. So, again,  
24 you're going to have to travel a little bit down the road, but  
25 it will be in that region. So you'll be able to attend the

1 Rural Summit as well as then hold your board meeting at the  
2 public venue.

3 CHAIRMAN SELLERS: Okay. Thank you. If there's  
4 no more discussion, all in favor say aye.

5 BOARD MEMBERS: Aye.

6 CHAIRMAN SELLERS: Any opposed? Then that motion  
7 carries.

8 Okay. Our final agenda item is suggestions for  
9 future meetings.

10 MR. ROEHRICH: Just a reminder, Mr. Chairman,  
11 everybody, the next board meeting is Friday, November 15th. It  
12 will be in the town of Wickenburg.

13 CHAIRMAN SELLERS: Thank you.

14 Is there a motion to adjourn?

15 MR. STRATTON: So moved.

16 MR. THOMPSON: Second.

17 CHAIRMAN SELLERS: Moved by Board Member  
18 Stratton.

19 MR. THOMPSON: Second.

20 CHAIRMAN SELLERS: Second by Board Member  
21 Thompson. Any discussion?

22 All in favor say aye.

23 BOARD MEMBERS: Aye. Opposed? The meeting's  
24 adjourned.

25 (Meeting adjourned at 10:25 a.m.)

**Adjournment**

***A motion to adjourn the October 18, 2019 State Transportation Board meeting was made by Board Member Stratton and seconded by Board Member Thompson. In a voice vote, the motion carried.***

**Meeting adjourned at 10:25 a.m. MST.**



Jack Sellers, Chairman  
State Transportation Board



John S. Halikowski, ADOT Director  
Arizona Department of Transportation