

**STATE TRANSPORTATION BOARD MEETING
TELEPHONIC/VIDEO MEETING
BOARD MEETING
9:00 a.m., February 19, 2021
NO MEMBERS OF THE PUBLIC WILL BE ALLOWED TO ATTEND IN-PERSON**

Call to Order

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

Pledge

The Pledge of Allegiance was led by Floyd Roehrich, Jr., Executive Officer.

Roll Call by Board Secretary Sherry Garcia

A quorum of the State Transportation Board was present. **In attendance:** Chairman Stratton, Vice Chairman Thompson, Board Member Hammond, Board Member Knight, Board Member Searle, and Board Member Daniels by telephone conference. There were approximately 95 members of the public in the audience.

Opening Remarks

Chairman Stratton reminded members of the public, to keep their computer or phone muted during the meeting, unless called to speak during the Call to Audience.

Title VI of the Civil Rights Act

Floyd Roehrich, Jr., read the Title VI of the Civil Rights Act of 1964, as amended. Floyd, also reminded individuals to fill out survey cards, with link shown on the agenda.

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

Webex Videoconference

February 19, 2021
9:00 a.m.

REPORTED BY:

TERESA A. WATSON, RMR
Certified Reporter
Certificate No. 50876

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PREPARED FOR:
ADOT - STATE TRANSPORTATION BOARD

(Certified Copy)

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REPORTER'S TRANSCRIPT OF EXCERPT OF ELECTRONIC
PROCEEDINGS, ADOT - STATE TRANSPORTATION BOARD, was reported
from electronic media by TERESA A. WATSON, Registered Merit
Reporter and a Certified Reporter in and for the State of
Arizona.

PARTICIPANTS:

Board Members:

- Steven E. Stratton, Chairman
- Jesse Thompson, Vice Chairman
- Gary Knight, Board Member
- Richard Searle, Board Member
- Jenn Daniels, Board Member
- Michael S. Hammond, Board Member

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CALL TO THE AUDIENCE

SPEAKER:	PAGE:
Jim McCarthy, Councilmember, City of Flagstaff.....	4
Bill Diak, Mayor, City of Page.....	6
Rui Pereira, Mayor, Town of Wickenburg.....	7
Paul David, Supervisor, Graham County.....	8

AGENDA ITEMS

Item 1 - Director's Report, John Halikowski, ADOT Director.....	10
Legislative Update, Katy Proctor, Director of Government Relations and Rules.....	10
Item 2 - District Engineer's Report (No Report).....	XX
Item 3 - Consent Agenda.....	15
Item 4 - Financial Report, Kristine Ward, Chief Financial Officer.....	16
Item 5 - 2022-2026 Tentative Five-Year Plan, Greg Byers, Division Director, Multimodal Planning Division.....	21
Item 6 - Multimodal Planning Division Report, Greg Byres, Division Director, Multimodal Planning Division.....	35
Item 7 - Priority Planning Advisory Committee (PPAC), Greg Byres, Division Director, Multimodal Planning Division.....	35
Item 8 - State Engineer's Report, Dallas Hammit, State Engineer/Deputy Director of Transportation.....	40
Item 9 - Construction Projects, Dallas Hammit, State Engineer/Deputy Director of Transportation.....	41
Item 10 - Suggestions.....	47

1 (Beginning of excerpt.)

2 CHAIRMAN STRATTON: We'll move on to call to the
3 audience now. Since this is a telephonic Webex conference
4 meeting, everyone will be muted when they call in to the
5 meeting. When your name is called to provide your comments, you
6 will indicate your presence by virtually raising your hand using
7 your telephone keypad or through the Webex application. The
8 Webex host will guide you through the unmuting and muting
9 process following the instruction included on the meeting
10 agenda. I'll remind you there is a three minute time limit.

11 And the first person to speak will be Jim
12 McCarthy, Councilmember, City of Flagstaff.

13 MS. ESTELLE: Great. Thank you so much.
14 Mr. McCarthy, I see that you have your hand raised. I'm going
15 to go ahead and unmute your line. When I do that, you'll be
16 live. I'm unmuting you now.

17 MR. MCCARTHY: Well, thank you for unmuting me.
18 That will make it easier for you to hear me.

19 I just want to say as a Flagstaff City Council
20 member and chair of the Flagstaff Metropolitan Planning
21 Organization, which we affectionately call MetroPlan, I
22 appreciate the work that ADOT and the State Transportation Board
23 has been doing. As you may know, Supervisor Thompson also
24 serves on the MetroPlan board, and we do appreciate his service.

25 Our region is investing heavily in transportation

1 infrastructure based the on locally-approved voter initiatives
2 in 2018. These projects include the Fourth Street corridor, the
3 Lone Tree corridor, and dozens of other smaller projects.

4 We also appreciate the State's investment in
5 widening the Fourth Street bridge, which is a beautiful
6 bridge -- if you've seen it, you know -- and also, our other
7 bridges in the I-40 corridor, and the continuing study of the
8 Milton Road, which is a very important road in Flagstaff.

9 Although the economic times are uncertain, the
10 need for transportation infrastructure is obvious. My thanks to
11 the Board and the staff for what you do in keeping our state
12 moving. So thank you on behalf of myself and the Flagstaff City
13 Council and the MetroPlan board. Thank you. That's all I have
14 today.

15 CHAIRMAN STRATTON: Thank you, Mr. McCarthy.

16 The next speaker will be Bill Diak, Mayor, City
17 of Page. And I hope I pronounced your name correctly.

18 MS. ESTELLE: Thank you.

19 Mayor Diak, I believe that you've joined over the
20 phone today. I ask that you please press star 3 on your
21 telephone keypad so that I can locate you on the attendee list
22 by pressing star 3.

23 Thank you very much. I see you there. Mayor
24 Diak, I'm going to go ahead and unmute your line. When I do
25 that, you'll be live with the Board. I'm going to go ahead and

1 unmute you now. Mayor, can you hear us?

2 MAYOR DIAK: Good morning to the Transportation
3 Board. Chairman Stratton, Vice Chair Thompson, Member Knight,
4 Member Daniels, Member Hammond, thank you for this opportunity
5 to speak. My name is Bill Diak. I am the mayor of the City of
6 Page.

7 I'm here to ask you for your consideration of a
8 roundabout project in Page. This project would be at the
9 intersection of U.S. Highway 89 and North Lake Powell Boulevard.
10 This is a shovel-ready project. Although it -- this project is
11 not on the ADOT five-year plan, it is identified as a priority
12 project. This would be an identical roundabout to the one
13 completed by ADOT in 2015.

14 Why a roundabout other than -- rather than other
15 signals? We have some special considerations of large
16 houseboats here that can't get under traditional intersection
17 signals and such. So there's some consideration by ADOT in
18 previous plans that this type of roundabout is well suited for
19 our area.

20 This important northern Arizona artery sees
21 approximately five million annual visitors and an increase of
22 10-fold in as many years. It is also a scene of many accidents
23 and deaths. Most recently, the death of a 20-year-veteran
24 employee of the City of Page.

25 We are asking that if funding were available

1 through CARES Act or other means that this project be considered
2 immediately; otherwise, be placed on the five-year plan as a
3 priority project.

4 I stand for any questions at this time.

5 CHAIRMAN STRATTON: Thank you, Mr. Mayor.

6 VICE CHAIR THOMPSON: (Inaudible.)

7 CHAIRMAN STRATTON: We'll move on to the next
8 speaker. Rui Pereira.

9 MS. ESTELLE: Good morning, Mayor Pereira. I see
10 that you have your hand raised. I'm going to go ahead and
11 unmute your line. When I do that, you'll be live with the
12 Board. I'm going to go ahead and unmute you now.

13 MAYOR PEREIRA: Good morning, everyone. Good
14 morning, Mr. Chair, and I appreciate you giving me the
15 opportunity to speak to you. Really, the -- my comment today is
16 I just want to show our gratitude for your -- for you putting
17 the -- our project up here in Wickenburg back on track. As you
18 know, this is a very important project for us, and it's going to
19 help that stretch of roadway and make it a lot safer and much
20 easier to travel for many of the people that travel between
21 Phoenix to Las Vegas and then also our local residents.

22 So really, just on behalf of our -- on behalf of
23 the town council and all of Wickenburg, we truly appreciate you
24 putting it back on the plan and look for seeing it get done and
25 completed. So thank you very much.

1 CHAIRMAN STRATTON: Thank you, Mayor, and we hope
2 to see you in person in November.

3 Next speaker will be Paul David, Supervisor from
4 Graham County.

5 MS. ESTELLE: Thank you, Chairman.

6 Supervisor David, if you could please raise your
7 hand so I could locate you on the participant list.

8 All right. Supervisor David, I see your name on
9 the participant list. I am going to go ahead and unmute your
10 line. When I do that, you'll be live with the Board. I'm going
11 to go ahead and unmute you now.

12 MR. DAVID: Thank you, and good morning, Chairman
13 Stratton and Vice Chairman Thompson. My name is Paul David.
14 I'm a supervisor, vice chairman of the Graham County Board of
15 Supervisors in Safford Arizona, and I'm also a retired ADOT
16 engineer and worked out of the Safford construction office and
17 the Safford district office for 17 years.

18 And my comments today are in regards to the
19 agenda amendment to page 9 of 11, the CARES Act pavement life
20 extension and -- and it's a -- in tabular form, and it lists
21 \$116 million in funds that the Governor has allocated to ADOT to
22 accelerate the pavement pres. program, and I rejoice with you
23 and all of Arizona that that pavement pres. is going to be
24 accelerated.

25 But I would bring to your attention that these

1 proposed projects, 61 million and -- for areas outside of PAG
2 and MAG, that -- that 12 of the 15 counties are -- have projects
3 that are listed for -- for this coming year, and my concern is
4 that Graham and Greenlee County, as well as Santa Cruz County,
5 are notably absent from this list.

6 And I'd like to appeal to your sense of fairness
7 and point out that Graham, Greenlee and Santa Cruz Counties have
8 the lowest number of dollars allocated in the five-year plan,
9 Greenlee County having zero, and Graham County having one
10 project in 2023, and also point out, also, having worked for
11 ADOT, that when there are no projects in a district, that we
12 have manpower -- the construction and development employees and
13 inspectors and engineers either have to be transferred, laid off
14 or paid to sit, and so by not having a project for them, then
15 it's a disservice, and it's a less than efficient use.

16 And in conclusion, I want you to know that our
17 needs are real, and come and drive the roads. President --
18 Chairman Stratton, you're -- you represent our district, and
19 there is -- how do you rectify it? Well, there are five
20 projects -- four projects in length -- anywhere from 40 to 60
21 miles in length, and I would -- for your consideration, I would
22 ask you to consider reducing the length of some of the projects
23 which are included here to -- and to allow projects to also be
24 scheduled for Graham, Greenlee and Santa Cruz Counties.

25 And with that, I thank you. It's great to have

1 the money and to have the options. We just would like to be
2 included. And thank you for your work and your dedication.

3 CHAIRMAN STRATTON: Thank you, Supervisor David.

4 We'll now move on to the director's report.

5 Mr. Halikowski.

6 DIRECTOR HALIKOWSKI: Thank you, Mr. Chairman. I
7 don't have anything to add today that won't be covered by staff
8 in the discussion of the proposed five-year plan, the
9 legislative issues or finance. So in the interest of time, as
10 Haley said, the meeting moves along faster when I'm muted. So
11 if you're with me, Mr. Chairman, we'll just move on and hear
12 from the rest on the staff. Thank you.

13 CHAIRMAN STRATTON: Very good. Do we have any
14 legislative report?

15 MS. PROCTOR: Good morning, Mr. Chair and
16 members.

17 DIRECTOR HALIKOWSI: There she is.

18 MS. PROCTOR: Can you hear me okay? Excellent.
19 So I'm happy to give you a legislative and federal update really
20 quickly.

21 Today is the 40th day of session, and so far
22 1,822 pieces of legislation have been introduced thus far. In
23 case you're wondering, yes, that is a record, and as of this
24 morning, we already have 31 bills that have been signed by the
25 Governor. This was the traditional last week to hear bills in

1 committees other than Appropriations, and as such, agendas were
2 very packed. Only the Appropriations Committee will be meet
3 next week, which leaves many bills essentially dead. We will be
4 updating the weekly report to reflect this starting next week.

5 Other than traditional Appropriations
6 presentations, there have been no additional developments on
7 budget yet. The Senate Republican framework did contain a
8 \$200 million box for infrastructure projects, and as you know
9 from our legislative updates every week, we've been tracking
10 just under \$260 million worth of project bills this session. At
11 this point the number now is down closer to the 200 million
12 mark, and it's expected that that will proceed through the
13 normal budget process.

14 It's important to note, also, that the bills that
15 we send out that are -- these projects bills are not all on the
16 state system. Many of them are local roads as well.

17 On the federal side, just to update everyone, the
18 Senate did confirm Pete Buttigieg as the new transportation
19 secretary on February 2nd of this month, and conversations are
20 continuing around the infrastructure package. It looks like the
21 Senate Environment and Public Works Committee will hold its
22 first meeting next Wednesday on the surface transportation
23 project, and their goal is to get a bill out of committee by
24 Memorial Day of this year.

25 At the same time, there is more talks of COVID

1 relief, and there's a bill moving through the process right now.
2 There will be a markup on Monday kind of putting all the
3 packages together from the subcommittees. It's currently
4 sitting at about 1.9 trillion, but it still has a long way to
5 go.

6 And on the transportation front, it's primarily
7 money for transit and airports.

8 And that would conclude my remarks this morning.
9 I'm happy to answer any questions.

10 CHAIRMAN STRATTON: Any questions from the Board?

11 VICE CHAIR THOMPSON: Chairman.

12 CHAIRMAN STRATTON: Yes, Jesse.

13 VICE CHAIR THOMPSON: Vice Chairman Thompson
14 here. I do have a comment that I would like to make, maybe an
15 also question. I know that most of our primary responsibilities
16 relate to state and federal highways, but then there are other
17 roads that are of interest to each one of us that -- or under
18 other agencies like the tribal and the Bureau of Indian Affairs.

19 And one of the things that I've been pushing for
20 is -- I don't know how much the rural or whether the new
21 transportation director knows about the rural and remote area
22 transportation, and is there a process through the -- through
23 this organization or maybe through the State and getting these
24 type of information to the director at the federal level?

25 DIRECTOR HALIKOWSKI: So, Mr. Chairman, I just

1 had a lengthy call with our FHWA administrator this week, Karla
2 Petty, and (inaudible) of these issues were items of discussion
3 with the new secretary of transportation. As Katy noted, the
4 federal push, at least in Congress, seems to be heavily transit
5 weighted at this point, but the new secretary is meeting with
6 the different divisions within USDOT and will be meeting with
7 FHWA to discuss, you know, national needs in the future.

8 So I would say that right now, at this point, the
9 new administration is getting settled in, and the way that this
10 process works is we often work through our state administrator,
11 but there is nothing that precludes anyone from writing directly
12 to the DOT secretary about these particular concerns.

13 So, you know, my thoughts here are that, you
14 know, these things can certainly work their way up through the
15 local administrator, and then, of course, the FHWA administrator
16 in D.C. To me, those are the best ways, you know, to get things
17 in front of the secretary, is to work through the Federal
18 Highway Administration, but nothing would preclude you from
19 writing or contacting the secretary directly. My understanding
20 from Karla is that he is reaching out to the different divisions
21 and the employees within USDOT, and lots of conversations are
22 going on right now.

23 CHAIRMAN STRATTON: On that note --

24 VICE CHAIR THOMPSON: That is -- that --

25 Chairman, that is very good information, and that one bill

1 before the Arizona State Legislature is (inaudible), and over
2 the years efforts have been made to get it -- some amount of
3 dollars through the General Fund from the State, but so far we
4 only got a little bit of it, and I'm hoping that pushing this to
5 the federal level will give a heads up as to much-needed
6 improvement to this road, particularly for our children. There
7 was a (inaudible) report that came out that indicated that bad
8 roads does have a really negative impact on the education of our
9 children. So again, thank you very much, Chairman.

10 CHAIRMAN STRATTON: Thank you, Jesse.

11 DIRECTOR HALIKOWSI: Mr. Chairman -- sorry.

12 CHAIRMAN STRATTON: I would like to make a
13 comment on that note and congratulate former board member
14 Arlando Teller on his appointment in the (inaudible), that may
15 be a contact you could utilize, Vice Chairman.

16 VICE CHAIR THOMPSON: Thank you very much for
17 that recommendation.

18 DIRECTOR HALIKOWSKI: Mr. Chairman, the other
19 note I'd make, when it's appropriate, there is a new notice of
20 funding opportunity out for INFRA grant. I don't know if Katy's
21 familiar with it, but it does lay out some guidelines for grant
22 award. We're looking at that closely, but it seems to at least
23 be tilted toward, I think, more rural connectivity. So we'll
24 talk about that when the time is appropriate here.

25 CHAIRMAN STRATTON: Thank you, John.

1 Do you have any last minute items to report,
2 John?

3 DIRECTOR HALIKOWSKI: No, I don't, Mr. Chairman.

4 Right now, you know, a lot of our attention is on
5 what bills are moving through the Legislature, and at this
6 point, as Katy said, we're in the midst of the final week to
7 hear bills, and we're kind of waiting to see, you know, what's
8 going to be left standing after this and what looks like it
9 still will move forward.

10 We have a number of bills that we're concerned
11 about, but until I think that, you know, they actually have some
12 legs to them, I don't want to take up the Board's time with them
13 at this point.

14 CHAIRMAN STRATTON: Okay. Thank you.

15 I will move on to -- well, normally we would go
16 to the engineer's report, district engineer, but we don't have
17 one this month. So we'll move on to the consent agenda. Does
18 any member have an item they'd like to remove from the consent?

19 Hearing none, I would consider a motion to
20 approve the consent agenda.

21 MR. HAMMOND: So moved.

22 VICE CHAIR THOMPSON: Chairman, second.

23 CHAIRMAN STRATTON: That would be a motion by
24 Mr. Searle and a second by Mr. Thompson; is that correct?

25 MR. HAMMOND: Well, it was Mr. Hammond.

1 VICE CHAIR THOMPSON: Yes.

2 CHAIRMAN STRATTON: Okay. I'm sorry, Mike.

3 Mr. Hammond made the motion, and Vice Chairman Thompson with the
4 second. So okay.

5 Would you call the roll call vote, please?

6 MR. ROEHRICH: Yes, Mr. Chair.

7 Vice Chair Thompson.

8 VICE CHAIR THOMPSON: I'm good.

9 MR. ROEHRICH: Thank you.

10 VICE CHAIR THOMPSON: Yes.

11 MR. ROEHRICH: Mr. Knight.

12 MR. KNIGHT: Yes.

13 MR. ROEHRICH: Mr. Searle.

14 Ms. Daniels.

15 MS. DANIELS: Yes.

16 MR. ROEHRICH: Mr. Hammond.

17 MR. HAMMOND: Yes.

18 MR. ROEHRICH: Chairman Stratton.

19 CHAIRMAN STRATTON: Aye. The motion carries.

20 We'll move on to the next item, Agenda Item No.
21 4, the financial report with Kristine. I'm glad you have your
22 video, Kristine, so we can see your smile. That always tells us
23 good news is coming.

24 MS. WARD: Well, sir, I appreciate that. I will
25 tell you that I've worked hard even in bad times to keep a

1 smile, because, well, you know, good times will come around.

2 So in terms of the financial report, Rhett, if
3 you could get me to the next slide. Thank you, sir.

4 So we are 5.1 percent -- talking about the
5 Highway User Revenue Fund. We're 5.1 percent over forecast,
6 with about 930 million of revenues collected year to date when
7 we forecasted about 880. So that's about \$51 million. That
8 equates to \$51 million that we're over forecast, and in terms of
9 what would be available -- of that total, what would be
10 available for the program, that's about a \$19 million impact to
11 the program, because you'll recall HURF has a number of
12 beneficiaries. The State Highway Fund is one of those
13 beneficiaries.

14 So in terms of the overall what's contributing to
15 that, you know, gas tax revenues continue to be below, you know,
16 last year's levels. It's about 9.4 percent below what we
17 experienced last year in FY '20. Fortunate or unfortunate, our
18 forecast is pretty much dead on for our forecasted gas tax
19 revenues, but we are looking -- you know, when you compare the
20 last year, we're definitely looking -- we're significantly under
21 last year's revenues.

22 What's keeping us at this -- ahead of our
23 forecast, and quite honestly, keeping us a little -- we're
24 trying to figure out the why -- is VLT, vehicle license tax.
25 Those revenues are 14.5 percent above last year, and 10 percent

1 above forecast.

2 Rhett, if you go on to the next slide, I'd
3 appreciate it.

4 Here you can see the individual categories for
5 the month of January, which is the data that we're -- we have at
6 this time. And there you can see for the month of January, the
7 gas tax was 12.1 percent under last year at this time, and is
8 under forecast by 4.4 percent for the month.

9 So -- and then if you look down a little further
10 to vehicle license tax, there is -- that's what's really driving
11 us ahead of forecast is those VLT revenues. For the month of
12 January, we were 11 percent over last year at this time, and
13 we're 9.3 percent above forecast.

14 MS. ESTELLE: Kristine, please pardon the
15 interruption. This is Haley on the production side. Counsel --
16 I'm sorry -- Mr. Thompson, if you could please mute your phone.
17 We're getting a little bit of feedback from your line. Just a
18 reminder. Mr. Thompson, please mute your line. I apologize for
19 the interruption, Kristine.

20 MS. WARD: Oh, no problem. I'm just glad it
21 wasn't my audio. Boy, it was not working yesterday, and I was
22 nervous about today.

23 So if we could move on to Regional Area Road
24 Fund. The next -- there we go. Thank you.

25 So for the Regional Area Road Fund, a/k/a RARF,

1 we are 3.1 percent above forecast year to date. If you go to
2 the next -- you'll see that retail sales are surprisingly strong
3 with the month, 13 percent above last year, and 18.2 against our
4 forecast for FY '21 for this month.

5 Restaurant and bar is where things become a
6 little more disappointing, but somewhat expected in the
7 situation, where you see 13.3 percent below last year, and for
8 '21, 12 -- forecast, 12.8 percent behind.

9 If you go to the next slide, Rhett.

10 You'll see -- you can see these individual
11 elements for the month of November. Remember, we're looking at
12 November's data, and I understand that's right on that edge
13 where maybe if we'd waited another week, if the board meeting
14 maybe waited another week, we'd have another month's worth of
15 data, but the way that the Regional Area Road Fund reports, for
16 the month, we are above forecast by about 4 percent, and for the
17 year, we are above forecast by 3.1 percent.

18 And you can see -- look at retail sales. I mean
19 -- so this is exciting stuff for a financial person. It is
20 these unusual contrasts in a time that you just wouldn't expect
21 them. Restaurant and bar, if you also look at that, 13.3
22 percent behind last year's at the same time. So very
23 disturbing.

24 If we could go on to the next slide, Rhett.

25 I have nothing more to report on the federal aid

1 on our formula funding. We had reported out on that at the last
2 board meeting, and nothing has changed there, and the program
3 that's going to be presented to you and that we met with each of
4 you on is -- none of that has changed in terms of the
5 financials.

6 So the last thing I would just plant in your
7 minds is that in the next few months, couple of months,
8 probably, if not next month or the following, I'll be coming
9 before the Board, and we anticipate coming before you seeking
10 approval to issue Regional Area Road Fund bonds. We anticipate
11 the issue to be three -- a little over \$300 million is what
12 we're forecasting right now, and we're accelerating that issue a
13 little, because of -- I'm looking at those interest rates, and
14 we were planning an issue in a few more -- a few more months, a
15 little later, but if we can -- because we're coming to the end
16 of the program and because the interest rates are so low, it's
17 an opportunity for us to accelerate that issue a little. So I
18 will be coming and presenting that to you, that request, in the
19 next -- within the next two months, I suspect.

20 And that concludes my report. If you have any
21 questions, I'd be happy to answer them.

22 CHAIRMAN STRATTON: Does any board member have
23 any question for Kristine?

24 Very good. Thank you, Kristine.

25 MS. WARD: Thank you, sir.

1 CHAIRMAN STRATTON: And we'll see you next month.
2 Moving on to Item 5, the 2022-2026 Tentative
3 Five-Year Transportation Facilities Construction Program review
4 and approval for public hearing and comment. Greg Byres.

5 MR. BYRES: Thank you very much, Mr. Chairman,
6 board members. We'll be going through the tentative program.
7 So we'll just kind of take a look at some of the background.
8 We'll look at our asset conditions. The P2P process has already
9 been explained, so we'll kind of skip through that. The
10 tentative five-year highway delivery program itself, as well as
11 MAG and PAG's programs, the airport program, and then next
12 steps.

13 Next slide, please.

14 So as far as the background goes, again, we're
15 here today with the tentative five-year program being presented
16 to you for approval to present for public comment. We have
17 planned public hearings to be held in March, April and May.
18 June 3rd we will have a study session where we'll discuss any
19 comments that we had received up to that date, as well as
20 comments from the Board. We're looking for a projected approval
21 for the five-year program at the June 18th board meeting. And,
22 of course, this will become effective July 1 with the Governor's
23 signature to start off with FY '22. And then, of course, every
24 year in the program must be fiscally constrained.

25 Next slide, please.

1 So we're going to look at our assets -- next
2 slide -- across our state. We -- our current system is
3 basically worth \$23.5 billion. That's up from 22.9 billion last
4 year, but if there was a means of actually having to replace our
5 system, we're still looking in excess of \$300 billion to provide
6 and replace it.

7 So next slide.

8 As we go through the -- the conditions, we'll
9 start off with bridges. Again, bridges are good, fair and poor
10 ratings, and this is basically an idea of how we -- we rate our
11 bridges. Just one thing to note on this. If we have a bridge
12 that is in poor condition, it is not unsafe. Any unsafe bridges
13 are closed.

14 So next slide.

15 So for our bridges, this goes through our 2019
16 data. We're still in the process of putting the 2020 data
17 together. Hopefully here in the next couple months, we'll be
18 able to update this. But you can see a trend line that we had
19 from 2010 to 2019. We've basically gone from 78 percent good
20 condition down to 59 percent. That's not a good trend that
21 we're seeing, so that's something that we definitely need to
22 reverse.

23 Next slide.

24 As we go through our pavement, again, we do
25 everything in good, fair and poor condition. The good, fair and

1 poor is not -- I mean, we didn't just come up with this. This
2 is basically the means in which we report out to Federal Highway
3 as well, as we have to track all of our metrics for our asset
4 conditions with Federal Highway.

5 Next slide.

6 So with this, this is our interstate conditions
7 that we're looking at. Then again, we've seen a fairly
8 significant decrease from 2010, where we had 72 percent in good
9 condition. Here in 2019 is at 48 percent, and again, here in
10 another couple months, we should have the 2020 data to see where
11 we're at, but we're trending in a somewhat negative condition.
12 Not somewhat. We are going in a negative means, so it's
13 something that we have looked at and need to see if we can
14 reverse. The majority of all this is just due to funding that
15 we have available.

16 Next slide, please.

17 If we look at our NHS, non-interstate system,
18 it's taken a bigger hit. Back in 2010, we were at 68 percent in
19 good condition. 2019, we're down to 32 percent. So again,
20 these are still heavily traveled routes. The traffic is lesser
21 than that of our interstates, but these are still pretty heavily
22 traveled routes.

23 So next slide, please.

24 As we go to our non-NHS system, again, you'll see
25 that that trend is still negative. In 2010, we were at 44

1 percent. Excuse me. In 2019, we're down to 18 percent in good
2 condition. So we're 19 percent. So it's -- it -- these roads
3 are lower ADT roads, less traveled roadways. So we're really
4 getting down into the -- the nitty-gritty on these roads as far
5 as being able to keep them within those good conditions, and
6 again, funding is primary reason for doing that.

7 Next slide, please.

8 So as we go forward, we're going to look at the
9 investment categories in which we're programming out. We
10 program into three different categories, preservation,
11 modernization and expansion. Preservation is just that. It's
12 the preservation of the system. Modernization is basically
13 looking at safety improvements and operational improvements.
14 And expansion is just that. It's expanding the system to
15 increase capacity.

16 So next slide.

17 So this slide -- about a year ago, we went
18 through and tried to figure out, okay, how much money would it
19 take to maintain our current conditions? So if you look at the
20 chart in that upper right-hand side, you'll see that it goes up
21 and then starts coming back down. This is starting in 2020. It
22 runs through 2025. The reason it extends up is we have to be
23 able to reverse the trend line that we've seen in pavements
24 going from good to fair and from fair to poor.

25 So there's an increase in funding as we go

1 through to try and reverse that trend. Once we reverse the
2 trend, then to hold it flat, it starts taking less funds. But
3 if you look in '25, it starts creeping back up again, and the
4 reason being is it starts costing more and more money to take
5 and maintain that flat line. So we're currently in the process
6 of actually updating this to look at the existing conditions
7 that we have and what those projections are.

8 Again, this was done last year. We want to do
9 this every year so that we can see exactly where we're at and
10 what the costs are to be able to shoot for a means of trying to
11 reverse this trend.

12 One of the other things to notate on this slide
13 is if you look at the very bottom, if we were going to take and
14 try and bring all of our conditions for bridges and pavement
15 into good condition, we'd need about \$4.2 billion to be able to
16 do that. So it's a substantial amount of money at this point in
17 time with our current conditions.

18 Next slide.

19 DIRECTOR HALIKOWSI: Chair, Greg --

20 MR. BYRES: Yes.

21 DIRECTOR HALIKOWSKI: If you could, I just have a
22 question I want to clarify.

23 Previous slide, please.

24 So the total at the bottom you've got running at
25 '20 through 2025 in yellow, is that is what currently is going

1 in, or is that adding up to the 4.2 billion?

2 MR. BYRES: That line that's on the bottom is
3 basically established -- what you see in the -- in the graph,
4 that would be the amount of money that we would have to put into
5 preservation of pavement and bridge in order to reverse that
6 trend line and just maintain current conditions.

7 DIRECTOR HALIKOWSKI: Okay.

8 MR. BYRES: So that's kind of a -- if we were
9 using it for anything, that would be a target value that we'd be
10 looking at in each of those years.

11 DIRECTOR HALIKOWSKI: So these are revenues over
12 and above what you're currently bringing in?

13 MR. BYRES: Correct.

14 DIRECTOR HALIKOWSKI: All right. Thank you.

15 Thank you, Mr. Chair.

16 MR. BYRES: What you're looking at here is the
17 five-year program that we are proposing. You all have seen
18 this. There is a couple changes from what we had put in
19 previously.

20 In 2022, that amount has gone up to account for
21 some of -- some additional items that we're looking at trying to
22 bring into the program, either through the COVID relief funds or
23 through funding, additional funding that we've been able to
24 bring into the program that was reduced back last year when we
25 had a reduction in the program. So between those two factors,

1 both in '22 and '23, what you're seeing is an increase in
2 expansion to be able to take care of those projects.

3 Again, we're carrying through through '25 and '26
4 with no expansion with an increase in preservation to do just
5 exactly what we were talking about in the previous slide in
6 reversing that trend of going down in our current conditions.

7 Next slide.

8 MR. KNIGHT: Chair, this is Board Member Knight.
9 On that previous slide, Greg.

10 MR. BYRES: Yes.

11 MR. KNIGHT: Like for 2022, you're not showing
12 any of the new money that were in the CARES Act, but this
13 117 million that we're putting into pavement preservation.
14 That's not reflected in this bar graph, is it?

15 MR. BYRES: Mr. Chairman, Board Member Knight,
16 you're correct, it is not, because that money is actually going
17 to go into the 2021 program, and in our PPAC items that we'll be
18 seeing here in a little bit, that will be represented in the
19 2021 program as an amendment to the 2021.

20 MR. KNIGHT: Okay. Thank you.

21 MR. BYRES: This is another look at our
22 preservation. Basically, what this is looking at is it's
23 breaking everything into lane miles. It makes it a little bit
24 easier, because this is a pavement that's on the ground out
25 there. And if you look at the upper graph, this shows the

1 different pavements that we have, the interstate, the
2 non-interstate, NHS and the non-NHS. But the one big one to
3 look at is the total, which is that -- the one on the far right
4 side. That's our entire system. That's 22,431 lane miles that
5 we have within our system.

6 So to give you an idea of how much we touch in
7 any given year with our preservation, in 2021, we're touching
8 378 lane miles. That's 1.69 percent. In 2022, we were touching
9 320 lane miles. Now, these are -- these are changing, because
10 at least in '21, as Mr. Knight had just pointed out, we've got a
11 substantial number of miles, lane miles, that are going to come
12 into our program. So that number's going to change, and it's
13 going to change substantially in the positive. In fact, we're
14 looking at somewhere about a 4 percent change that we're looking
15 at going from fair to good. So, you know, that's significant in
16 a single year. In 2022, it was at 1.43 percent, which is three
17 -- represents 320 lane miles, and in '23 we had 532 lane miles
18 that we were looking at, which is 2.37 percent.

19 Pavements are generally based on a 20-year life
20 cycle, which means that we have to be able to touch these
21 pavements, at least 5 percent of the pavements, every year in
22 order to be able to statistically meet that 20-year life cycle.
23 So we're substantially under that 5 percent with what we
24 currently have for funding. So you can see that it's -- you
25 know, it -- we're substantially away from what it takes to just

1 maintain the system if you're looking at it in a lane mile
2 basis.

3 So next slide, please.

4 For the '22 to '26 tentative facilities program,
5 what we're looking at here is we're proposing 34 percent is
6 going to go to expansion, 14 percent will be in modernization,
7 52 percent will be preservation. That compares to our '21 to
8 '25 where we had 46 percent in expansion, 10 percent in
9 modernization and 44 percent in preservation. So we're going
10 the right way with the preservation, so -- which is a very
11 positive means.

12 Next slide, please.

13 If we're looking at just Greater Arizona, this is
14 a little better example of what we're looking at for our
15 preservation, where we're at 69 percent, expansion is at 11.9
16 percent, and modernization is at 18.9 percent.

17 Next slide.

18 So as we go through each of the different years
19 of the program. This is FY '22. We do have three expansion
20 projects that we're looking at. The first one is on SR-69.
21 This is the Prescott Lakes Parkway at \$10 million. The next one
22 is actually in our PPAC agenda, but I went ahead and listed it
23 on here. That's 41 million for the Tegner Street to Wickenburg
24 Ranch Way on US-93. And then we also have 97.3 million for
25 I-17, Anthem Way to Cordes Junction.

1 Next slide.

2 In '23, we're looking at a single project. This
3 is the I-10 project, and again, this is also on our PPAC agenda.
4 We're listing 83 million, and this was for the Gila River Bridge
5 on I-10. It was -- we had 50 million. There's a \$33 million
6 addition that you're going to see in PPAC.

7 Next slide, please.

8 For '24, we're looking at a project on I-40.
9 This is the \$70 million for the I-40/US-93 West Kingman TI. We
10 also have a bridge overpass on I-10. It's a 16 and a half
11 million dollar project at I-10/191, and this is shown as
12 expansion only because we are widening the bridge.

13 Next slide.

14 In '25, we're planning for no expansion. We do
15 have our preservation projects. These are just a couple of the
16 typical preservation projects that we have, which is one on
17 SR-96, which is the Santa Maria River Bridge, as well as one on
18 SR-82, which is the San Pedro River Bridge.

19 Next slide.

20 In 2026, again, we have no expansion projects
21 planned, but we do have a substantial amount of preservation,
22 which is very welcome to help reverse our trend. So this is a
23 big deal to see this kind of money, which is almost double what
24 we've seen in the past for preservation.

25 Next slide.

1 As we go out into development years, you'll see
2 we've stayed consistent with no expansion. The preservation is
3 extended as far as we can get it, and again, this follows along
4 with the Long Range Transportation Plan investment strategies,
5 which is currently in effect through 2040. We are getting ready
6 to kick off a new update for our Long Range Transportation Plan,
7 which we should have completed by 2020 -- the end of 2023.

8 So next slide.

9 This is the MAG program that we're looking at.
10 This is the latest rebalancing information that we have. So
11 these projects are currently in effect. MAG and ADOT work
12 closely in their programming, so as changes occur, some of these
13 may be affected, but again, this is the latest information
14 that's currently in effect for the MAG region. These projects
15 are both on freeways and on major arterial roadways. All of
16 them are regionally significant projects for the MAG region.

17 Next slide.

18 This is the PAG program, '22 to '26, that we're
19 looking at. Again, this is the current program that PAG has.
20 They are in the process of looking at trying to do a
21 rebalancing, and once that is approved through their regional
22 council, there may be some changes to this, but at this point in
23 time, this is the affected program that we have for PAG. This
24 includes projects on I-10, SR-77, as well as I-19.

25 Next slide.

1 Our Airport Improvement Program that we have, we
2 do have -- last year, we had taken away the funding for
3 federal/state local matches because FAA had taken all of their
4 grants and made them 100 percent. We utilized this fund to help
5 airports with basically paying half or putting forward half of
6 the federal match that's necessary, so -- which is 10 percent
7 for FAA grants. So we usually put 5 percent up for the airports
8 that they can utilize. That is back. However, there is talk
9 within FAA that the grants for the -- the AIP grants that are
10 coming out may go to 100 percent again. So if that is the case,
11 we may be moving these funds from our federal/state/local into
12 our state/local program. This is a fluid situation that we're
13 monitoring. So once we get that information from our district
14 office that that is occurring, we'll make that change, but at
15 this point in time, those grants are a 90/10 grant, with 10
16 percent being picked up by the -- each of the different
17 airports.

18 Our state/local is set at 10 million. Our
19 pavement preservation, or our APMS system, is set up at
20 8 million. Grand Canyon Airport is at 4 million. We also have
21 a million dollars in there for planning services, which covers
22 our required studies that we have to do for FAA compliance, and
23 we also have our -- so the total of everything for the airport
24 program is 28 million today.

25 So next slide.

1 So with that, we go to the next steps. So again,
2 the whole purpose for this presentation is to gain an approval
3 for using the tentative -- or bringing the tentative program
4 forward for public comment. So we're looking at the public
5 hearings in March, April and May, study session in June, and
6 then approval by the Board, we're looking for, in June of '21.

7 Next slide.

8 With that, if anybody has any questions, I'm --
9 I'll stand for questions now.

10 CHAIRMAN STRATTON: Does any board member have a
11 question for Greg?

12 MR. BYRES: And if we can go to the next slide.

13 VICE CHAIR THOMPSON: Chairman. Chairman.
14 Chairman.

15 CHAIRMAN STRATTON: Go ahead, Vice Chairman.

16 VICE CHAIR THOMPSON: I do have -- what I'd like
17 to do is get more information on airport projects on native
18 American communities. We don't have that. I would like to
19 maybe get the information in the future. Thank you very much.

20 CHAIRMAN STRATTON: Do we have any other
21 questions for Greg?

22 MR. BYRES: Mr. Chairman, Board Member Thompson,
23 we're currently going through our -- what we call our CIP list,
24 which is our priority list for airports, and we should have that
25 completed within the next couple of weeks where we can certainly

1 provide that information.

2 CHAIRMAN STRATTON: Thank you, Greg.

3 VICE CHAIR THOMPSON: Chairman, thank you very
4 much.

5 CHAIRMAN STRATTON: Okay. At this time do we
6 have a motion to approve the 2022-2026 Tentative Five-Year
7 Transportation Facilities Construction Program, an approval of
8 public hearings and comments as presented?

9 MR. KNIGHT: So moved.

10 MR. SEARLE: This is Richard Searle. Second.

11 CHAIRMAN STRATTON: A motion by Board Member
12 Knight, a second by Board Member Searle. Any discussion?

13 Floyd, would you conduct the roll call vote,
14 please?

15 MR. ROEHRICH: Yes, Mr. Chair.

16 We'll start with Vice Chair Thompson.

17 VICE CHAIR THOMPSON: Yes.

18 MR. ROEHRICH: Mr. Knight.

19 MR. KNIGHT: Aye. Aye.

20 MR. ROEHRICH: Mr. Searle.

21 MR. SEARLE: Aye.

22 MR. ROEHRICH: Ms. Daniels.

23 MS. DANIELS: Aye.

24 MR. ROEHRICH: Mr. Hammond. Mr. Hammond.

25 MR. HAMMOND: Aye.

1 MR. ROEHRICH: Thank you, sir.

2 And Chairman Stratton.

3 CHAIRMAN STRATTON: Motion carries. Thank you.

4 I will now go to Agenda Item 6 for Greg Byres,
5 for information and discussion only, the Multimodal Planning
6 Division report.

7 MR. BYRES: Thank you, Mr. Chairman and board
8 members. I don't have a formal presentation for today, but I
9 will let you know that, you know, just as stated earlier, we are
10 working on the tentative program pretty much continuously. It
11 is somewhat fluid both on the federal side and state side as
12 things are occurring. So as those are updated, we'll certainly
13 keep the tentative program updated and make you aware of any
14 changes that are coming through on a monthly basis. So we'll
15 continue doing that.

16 One of the other things that we are doing is, you
17 know, here we are looking at the tentative program for '22
18 through '26, but at the same point in time, we're getting ready
19 to kick off our P2P process for 2023 to 2027. So -- so we --
20 you know, work never stops on this process. It is a year-round
21 process. So we're currently starting work on that.

22 CHAIRMAN STRATTON: Thank you, Greg. Any
23 questions for Greg?

24 Hearing none, we'll move to Item 7, the PPAC
25 items, for Greg Byres, for discussion and possible action.

1 Greg.

2 MR. BYRES: Thank you very much, Mr. Chairman
3 board members.

4 We have five projects that we're bringing forward
5 for modifications. These are items 7A, 7B, and Addendum Items
6 7H, 7I and 7J, and we bring these forward with a recommendation
7 for approval.

8 CHAIRMAN STRATTON: Okay. Is there a motion to
9 approve PPAC project modification to Items 7A, 7B and Amendment
10 Item 7H through 7J?

11 VICE CHAIR THOMPSON: I would so move, Chairman.

12 MR. KNIGHT: So moved.

13 CHAIRMAN STRATTON: There was two people at once.
14 Could we redo that, please?

15 VICE CHAIR THOMPSON: I'll second the motion.

16 MR. KNIGHT: I made the motion.

17 CHAIRMAN STRATTON: Okay. So we have Gary Knight
18 with a motion and Vice Chairman Thompson with the second; is
19 that correct?

20 MR. KNIGHT: Yes.

21 VICE CHAIR THOMPSON: Yes, that is.

22 CHAIRMAN STRATTON: Okay. Any discussion?

23 Floyd, would you call the roll call vote, please?

24 MR. ROEHRICH: Yes, sir.

25 We'll start with Vice Chair Thompson.

1 VICE CHAIR THOMPSON: Aye.

2 MR. ROEHRICH: Mr. Knight.

3 MR. KNIGHT: Aye.

4 MR. ROEHRICH: Mr. Searle.

5 MR. SEARLE: Aye.

6 MR. ROEHRICH: Ms. Daniels.

7 MS. DANIELS: Aye.

8 MR. ROEHRICH: Mr. Hammond.

9 MR. HAMMOND: Aye.

10 MR. ROEHRICH: Chairman Stratton.

11 CHAIRMAN STRATTON: Aye. Motion carries.

12 MR. BYRES: Thank you, Mr. Chair.

13 The next items we have are for new projects, and
14 we are bringing forward Items 7C, 7E and Addendum Item 7K, and
15 again, we bring these forward with a recommendation for
16 approval.

17 CHAIRMAN STRATTON: Is there a motion to approve
18 PPAC new projects Item 7C through 7E and amendment to Item 7K?

19 MR. HAMMOND: I'll make the motion. Board Member
20 Hammond.

21 MS. DANIELS: So moved.

22 CHAIRMAN STRATTON: Mike Hammond has the motion.

23 MR. SEARLE: Second.

24 MS. DANIELS: Jenn Daniels, second.

25 CHAIRMAN STRATTON: Second by Jenn Daniels. Is

1 there any discussion?

2 MR. HAMMIT: Mr. Chairman, this is Dallas.

3 CHAIRMAN STRATTON: Yes, Dallas.

4 MR. HAMMIT: I received a text and some
5 clarification, and it doesn't affect the money, but apparently
6 the act that has been referenced as the CARES Act kind of to --
7 that's not correct. Karla Petty from FHWA sent me a note saying
8 this is actually the CRRSAA, the Coronavirus Response and Relief
9 Supplemental Appropriation Act. I don't know what this act
10 spells out, but instead of CARES, it's the CRRSAA Act. Just so
11 we're on the record. The money does not change at all.

12 CHAIRMAN STRATTON: Thank you for the
13 clarification, Dallas.

14 Any further discussion on the motion?

15 Hearing none, Floyd, would you conduct the roll
16 call vote, please?

17 MR. ROEHRICH: Yes, sir, Mr. Chair.

18 We'll start with Vice Chairman Thompson.

19 VICE CHAIR THOMPSON: Aye.

20 MR. ROEHRICH: Mr. Knight.

21 MR. KNIGHT: Aye.

22 MR. ROEHRICH: Mr. Searle.

23 MR. SEARLE: Aye.

24 MR. ROEHRICH: Ms. Daniels.

25 MS. DANIELS: Aye.

1 MR. ROEHRICH: Mr. Hammond.

2 MR. HAMMOND: Aye.

3 MR. ROEHRICH: Chairman Stratton.

4 CHAIRMAN STRATTON: Aye. Motion carries.

5 MR. BYRES: Thank you very much, Mr. Chairman.

6 The last item that we had is we have two airport
7 projects that we are bringing forward. These are Items 7F and
8 7G, and again, we bring these forward with a recommendation for
9 approval.

10 CHAIRMAN STRATTON: Is there a motion to approve
11 airport development program Items 7F and 7G?

12 MR. KNIGHT: So moved.

13 MS. DANIELS: Second.

14 CHAIRMAN STRATTON: We have a motion by Board
15 Member Knight, a second by Board Member Daniels. Any
16 discussion?

17 Hearing none, Floyd, would you conduct a roll
18 call vote, please?

19 MR. ROEHRICH: Yes, sir.

20 Vice Chairman Thompson.

21 VICE CHAIR THOMPSON: Aye.

22 MR. ROEHRICH: Mr. Knight.

23 MR. KNIGHT: Aye.

24 MR. ROEHRICH: Mr. Searle.

25 MR. SEARLE: Aye.

1 MR. ROEHRICH: Ms. Daniels.

2 MS. DANIELS: Aye.

3 MR. ROEHRICH: Mr. Hammond?

4 MR. HAMMOND: Aye.

5 MR. ROEHRICH: Chairman Stratton.

6 CHAIRMAN STRATTON: Aye. Motion carries.

7 MR. BYRES: Thank you very much.

8 CHAIRMAN STRATTON: Thank you, Greg.

9 Moving right along, Agenda Item 8, state
10 engineer's report, Dallas Hammit.

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

12 This month currently we have 70 projects under
13 construction, totaling \$908 million. In January we finalized
14 ten projects totaling \$20.6 million, and year to date we have
15 finalized 32 projects. That's all I had under the state
16 engineer's report.

17 Mr. Chair, are we ready to go to Item Number 9?

18 CHAIRMAN STRATTON: Dallas, I'm sorry. I have a
19 question for you. I had muted myself accidentally.

20 I notice there's a large (inaudible) sitting at
21 Pinto Valley Bridge, and the news report says that the traffic
22 will be interrupted on the 24th. Is that to set the girders?

23 MR. HAMMIT: Mr. Chair, I would need to follow
24 up, but I can do that today, and maybe even by the end of the
25 meeting.

1 CHAIRMAN STRATTON: If you would, please. I'm
2 getting quite a few questions. I would appreciate that.

3 MR. HAMMIT: You bet.

4 CHAIRMAN STRATTON: Any further questions for
5 Dallas?

6 Okay. We'll move on the Agenda Item 9,
7 construction contracts, for discussion and possible action.

8 MR. HAMMIT: Thank you, Mr. Chair, and thank you,
9 Board, for approving the four projects on the consent agenda.
10 We have four additional projects that need to be justified.

11 Item 9A, if we go to the next slide. Keep going.
12 One more. Maybe one more. There we go. Thank you.

13 Item 9A is a bridge replacement and scour
14 retrofit project on I-40. The -- on the project, the low bid
15 was \$2,486,320. The State's estimate was \$2,008,269. It was
16 over the State's estimate by \$478,051, or 21.3 percent.

17 We saw higher than expected pricing in our
18 asphalt friction course, mobilization. It is a two-season job,
19 so they had a little more mobilization than we had estimated,
20 the slope repair and structural concrete. The department has
21 reviewed the bid and believes it is a responsive and responsible
22 bid and recommends award to Haydon Building Corp.

23 CHAIRMAN STRATTON: Do I have a motion to award
24 Item 9A to Haydon Building Corp. as presented?

25 MR. HAMMOND: (Inaudible.) I'll make the motion.

1 MR. KNIGHT: Second.

2 CHAIRMAN STRATTON: Motion by Mr. Hammond, and a
3 second by Gary Knight. Any question? Any discussion?

4 Hearing none, Floyd, would you conduct the roll
5 call vote, please?

6 MR. ROEHRICH: Yes, sir.

7 Vice Chairman Thompson.

8 VICE CHAIR THOMPSON: Aye.

9 MR. ROEHRICH: Mr. Knight.

10 MR. KNIGHT: Aye.

11 MR. ROEHRICH: Mr. Searle.

12 MR. SEARLE: Aye.

13 MR. ROEHRICH: Ms. Daniels.

14 MS. DANIELS: Aye.

15 MR. ROEHRICH: Mr. Hammond.

16 MR. HAMMOND: Aye.

17 CHAIRMAN STRATTON: Chairman Stratton. Aye.

18 Motion carries.

19 Dallas, Item 9B.

20 MR. HAMMIT: Thank you, Mr. Chair. Item 9B is a
21 box culvert replacement and road repair on US-89 north of the
22 Cameron area. On that project, the low bid was \$1,701,461. The
23 State's estimate was \$1,346,471. It was over the State's
24 estimate by \$354,990, or 26.4 percent. We had higher than
25 expected pricing in our earthwork items, both excavation and

1 borrow. As we investigated that, we underestimated the time
2 that it would take to do that work. Basically, the contractor
3 was budgeting almost twice as much time. We also saw higher
4 than expected pricing in our rumble strips. The department has
5 reviewed the bid and believes it is a responsive and responsible
6 bid and recommends award to Show Low Construction, Inc.

7 CHAIRMAN STRATTON: Do I have a motion to award
8 Item 9B to Show Low Construction, Inc., as presented?

9 VICE CHAIR THOMPSON: Chairman, I would --
10 Chairman, I will go ahead and make a motion to approve the
11 award.

12 CHAIRMAN STRATTON: We have a motion by
13 Mr. Thompson.

14 MR. KNIGHT: Second.

15 CHAIRMAN STRATTON: A second by Gary Knight. Any
16 discussion?

17 Floyd, would you conduct the roll call vote,
18 please?

19 MR. ROEHRICH: Yes, sir.

20 Vice Chairman Thompson.

21 VICE CHAIR THOMPSON: Aye.

22 MR. ROEHRICH: Mr. Knight.

23 MR. KNIGHT: Aye.

24 MR. ROEHRICH: Mr. Searle.

25 MR. SEARLE: Aye.

1 MR. ROEHRICH: Ms. Daniels.

2 MS. DANIELS: Aye.

3 MR. ROEHRICH: Mr. Hammond.

4 Chairman Stratton.

5 CHAIRMAN STRATTON: Aye. The motion carries.

6 Dallas.

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

8 Item 9C is a bridge deck placement project on
9 State Route 264. On this project we had a low bid of
10 \$2,562,681. The State's estimate was \$1,841,803. It was over
11 the State's estimate by \$720,878, or 39.1 percent. This is a
12 remote area. The phasing was difficult on this project, so we
13 -- we got higher than expected pricing in our asphalt concrete,
14 the removal of structures, structural concrete, our barrier
15 wall, our structural concrete -- our structural steel and
16 reinforcing steel. As we reviewed those bids, the department
17 believes the bid is responsive and responsible and would
18 recommend award to FNF Construction, Inc.

19 CHAIRMAN STRATTON: Very good. Do I hear a
20 motion to award Item 9C to FNF Construction, Inc., as presented?

21 VICE CHAIR THOMPSON: Chairman, I would go ahead
22 and motion for approval again.

23 CHAIRMAN STRATTON: We have a motion. Do I have
24 a second?

25 MR. KNIGHT: Second.

1 CHAIRMAN STRATTON: We have a motion by Vice
2 Chairman Thompson, second by Member Knight. Any discussion?

3 Floyd, would you conduct the roll call vote,
4 please?

5 MR. ROEHRICH: Yes, sir.

6 Vice Chairman Thompson.

7 VICE CHAIR THOMPSON: Aye.

8 MR. ROEHRICH: Mr. Knight.

9 MR. KNIGHT: Aye.

10 MR. ROEHRICH: Mr. Searle.

11 MR. SEARLE: Aye.

12 MR. ROEHRICH: Ms. Daniels.

13 MS. DANIELS: Aye.

14 MR. ROEHRICH: Mr. Hammond.

15 MR. HAMMOND: Aye.

16 MR. ROEHRICH: Chairman Stratton.

17 CHAIRMAN STRATTON: Aye. Motion carries.

18 Dallas, Item 9D.

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

20 Item 9D is an intersection improvement project on
21 State Route 347 at the Old Maricopa Road intersection. On this
22 project, the low bid was \$1,131,980. The State's estimate was
23 \$1,406,625. It was under the State's estimate by \$274,645, or
24 19.5 percent. We received better than expected pricing in our
25 roadway excavation and borrow, our aggregate base, mobilization,

1 and curb and gutter. The department has reviewed the bid and
2 believes it is a responsive and responsible bid and recommends
3 award to AJP Electric, Inc.

4 CHAIRMAN STRATTON: Is there a motion to award
5 Item 9D to AJP Electric, Inc., as presented?

6 MS. DANIELS: So moved.

7 CHAIRMAN STRATTON: I have a motion. Do I have a
8 second?

9 MR. SEARLE: This is Searle. I'll second.

10 CHAIRMAN STRATTON: So I have a motion by
11 Ms. Daniels and a second by Mr. Searle. Any discussion?

12 Floyd, would you please call the roll call vote
13 (inaudible)?

14 MR. ROEHRICH: Sure.

15 Vice Chairman Thompson.

16 VICE CHAIR THOMPSON: Aye.

17 MR. ROEHRICH: Mr. Knight.

18 MR. KNIGHT: Aye.

19 MR. ROEHRICH: Mr. Searle.

20 MR. SEARLE: Aye.

21 MR. ROEHRICH: Ms. Daniels.

22 MS. DANIELS: Aye.

23 MR. ROEHRICH: Mr. Hammond.

24 MR. HAMMOND: Aye.

25 MR. ROEHRICH: Chairman Stratton.

1 CHAIRMAN STRATTON: Aye. Motion carries.

2 MR. HAMMIT: Mr. Chair.

3 CHAIRMAN STRATTON: Yes.

4 MR. HAMMIT: If we could go back to the previous
5 item, I have an answer to your question already.

6 CHAIRMAN STRATTON: Very good.

7 MR. HAMMIT: Email is a great thing.

8 CHAIRMAN STRATTON: Very good. Go ahead, Dallas.

9 MR. HAMMIT: On that project, the contractor will
10 be fitting the girders and doing the splicing. If you remember,
11 these are steel girders, so not only do we have to set them. We
12 have to do the welding for the splicing, and that will happen
13 starting on the 24th.

14 CHAIRMAN STRATTON: Thank you, Dallas.
15 Appreciate it.

16 Moving on to Item 10. Board members, do you have
17 any suggestions for future board meeting items?

18 MR. KNIGHT: Mr. Chair.

19 CHAIRMAN STRATTON: Yes.

20 MR. KNIGHT: I noticed we got a lot of comments
21 on the diamond grinding and how much noise that's being created
22 by the -- by that particular method, and I was just wondering if
23 maybe we could have a discussion or whatever to determine
24 whether or not it might be better to spend a little more money
25 and rubberize the asphalt when it -- when the freeway's going

1 through a neighborhood, a highly -- a densely populated area so
2 that the noise level is not as bad as it seems to be with the
3 diamond grinding. Just so we can have a discussion about that
4 and kind of lay that one to rest.

5 DIRECTOR HALIKOWSKI: Mr. Chairman, if I could, a
6 couple of things here. I think that, number one, I just want to
7 be clear. All of the studies we've done, the diamond grinding
8 doesn't create more noise. That's a perception. We've done
9 quite a few sound readings where the decibel level is well
10 within ADOT and federal policy.

11 So before the Board comes to the conclusion that
12 the diamond grinding creates more noise, what I suggest, as
13 Board Member Knight does, is we might want to perhaps do a
14 presentation so you have a better understanding of the noise
15 mitigation practices the department takes. It's not just
16 diamond grinding. It's not just rubber. It's also sound walls
17 and other things.

18 So our understanding is like yours, that we have
19 folks that are upset about the rubber, but realize that when the
20 rubberized asphalt was put down, its contract life was about ten
21 years. As rubber ages, its noise deadening effects decline.
22 Some of the rubber we're talking about that we removed was up to
23 20 years old, and the Board -- we would also like to present
24 financials on what it costs to redo the rubber, because it's not
25 just a little extra money.

1 One of the reasons we went to diamond grinding is
2 that to replace the rubber on the freeway system becomes quite
3 expensive, and as you look at the declining noise mitigation of
4 that rubber, you also have to look at your life cycle costs, and
5 diamond grinding, we believe at this point, will probably last
6 longer than the noise mitigation effects of the rubber.

7 So understand that we're dealing with science,
8 we're dealing with finances, and we're dealing with perception
9 of people and trying to work through those in making the
10 decisions about which noise mitigation measures are best.

11 I think, Dallas, if we looked at trying to
12 replace the rubber on the systems we have it on, you're probably
13 looking, Mr. Chairman, Mr. Knight, somewhere around the
14 neighborhood of 2 to 300 million dollars.

15 Dallas, I don't know if you want to chime in. I
16 want to make sure my number as we discussed is correct. Dallas,
17 don't leave me hanging.

18 MR. HAMMIT: Sorry. I was double muted.

19 Yeah. Mr. Chairman, director, we're in that
20 300 million or more to get the whole metropolitan area, their
21 rubber replaced.

22 DIRECTOR HALIKOWSKI: So we'd be happy to have a
23 discussion about this, Mr. Chairman, but going into it, we just
24 want you to realize some of the challenges we're facing,
25 because, you know, that rubber replacement to us is a

1 reconstruction, but to others, it's a maintenance issue, and
2 when we're looking for money, as Greg has pointed out, to redo
3 pavement around, you know, the state, we have to try and look
4 for what we believe have the most cost effective and comparable
5 solutions.

6 CHAIRMAN STRATTON: Would that be a good subject
7 for a work session? Possibly sound mitigation and the finances
8 involved with the methods?

9 DIRECTOR HALIKOWSKI: I think so. Yes,
10 Mr. Chairman.

11 CHAIRMAN STRATTON: Why don't we put that on our
12 next work session then?

13 MS. DANIELS: If we could also add just to that
14 specific topic an inclusion of the quality of the materials
15 being used for the rubberized asphalt. There was a comment made
16 that hasn't been validated in any way yet, but that perhaps we
17 didn't use the right formula in constructing our rubberized
18 asphalt. So if we could do a deep dive into what makes good
19 rubberized asphalt, that would be really helpful for me.
20 Thanks.

21 DIRECTOR HALIKOWSKI: So I will point out and ask
22 Dallas to chime in. Back when the rubber was first put on as a
23 noise mitigation measure, it was obviously up to 20 years ago,
24 and it was not necessarily, I believe, approved for funding by
25 FHWA because it was fairly new. So I don't know if there are

1 better mixtures out there or not, but as I recall, we were, if
2 not the first, among the first in the nation to use that as a
3 freeway noise mitigation item.

4 Dallas.

5 MR. HAMMIT: Mr. Chair, Director, it was actually
6 approved for funding, but it wasn't approved as a noise
7 mitigation measure. So we --

8 DIRECTOR HALIKOWSKI: I'm sorry. Okay.

9 MR. HAMMIT: In addition to the sound walls and
10 other noise mitigation noise measures we've put up, the
11 rubberized asphalt was basically an addition to the sound walls
12 that we put in. We could not use that as a replacement of the
13 noise mitigation.

14 CHAIRMAN STRATTON: Thank you.

15 DIRECTOR HALIKOWSKI: So Mr. Chairman and Board
16 Member Daniels, I think the item does bear some discussion as
17 we're -- as I said, we're trying to work this on a number of
18 different fronts to provide adequate mitigation within the
19 financial means that we possess that the taxpayers have given
20 us.

21 CHAIRMAN STRATTON: Okay. Very good then. We'll
22 get more in depth during the work session on this topic. Thank
23 you.

24 MR. HAMMIT: Thank you.

25 DIRECTOR HALIKOWSKI: Thank you.

1 MR. KNIGHT: Thank you, Mr. Chair, and thank you,
2 Director. Basically, I think it would be extremely helpful if
3 we can get this out there, be transparent with it, and let the
4 people know what we're facing and how much money we don't have
5 and how much money it would take, and the fact that it doesn't
6 really -- it isn't really going to do what they want to do.
7 They just live next to a freeway. But I think it's very
8 important that this presentation take place for their benefit as
9 much as anybody else. Especially for --

10 DIRECTOR HALIKOWSI: Right.

11 MR. KNIGHT: -- their benefit. Thank you,
12 Mr. Chair.

13 CHAIRMAN STRATTON: Thank you.

14 DIRECTOR HALIKOWSKI: Thank you.

15 CHAIRMAN STRATTON: Thank you, Board Member
16 Knight.

17 Any further suggestions for future meetings?

18 Hearing none, is there a motion to adjourn the
19 board meeting?

20 MR. KNIGHT: So moved.

21 CHAIRMAN STRATTON: Second? Anybody?

22 VICE CHAIR THOMPSON: Second.

23 CHAIRMAN STRATTON: Thank you. We have a motion
24 by Board Member Knight, a second by Vice Chairman Thompson.

25 All in favor say aye.

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BOARD MEMBERS: Aye.

CHAIRMAN STRATTON: The motion carries. The meeting is adjourned. Thank you.

(End of recording.)

1 STATE OF ARIZONA)
) ss.
2 COUNTY OF MARICOPA)

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BE IT KNOWN that the foregoing proceedings were reported by me, TERESA A. WATSON, Registered Merit Reporter, Certified Reporter, Certificate No. 50876, State of Arizona, from an electronic recording and were reduced to written form under my direction; that the foregoing 53 pages constitute a true and accurate transcript of said electronic recording, all done to the best of my skill and ability.

I FURTHER CERTIFY that I am in no way related to any of the parties hereto, nor am I in any way interested in the outcome hereof.

DATED at Phoenix, Arizona, this 9th day of March 2021.

Teresa A. Watson

TERESA A. WATSON, RMR
Certified Reporter
Certificate No. 50876

Adjournment

A motion to adjourn the February 19, 2021, State Transportation Board meeting was made by Board Member Gary Knight and seconded by Vice Chairman Jesse Thompson. In a voice vote, the motion carried.

Meeting adjourned at 10:22 a.m. PST.

Not Available for Signature _____

Steven Stratton, Chairman
State Transportation Board

Not Available for Signature _____

John S. Halikowski, Director
Arizona Department of Transportation