

**STATE TRANSPORTATION BOARD MEETING
TELEPHONIC/VIDEO MEETING**

9:00am, October 15, 2021

City Of Casa Grande

510 East Florence Boulevard

Casa Grande, Arizona 85122

NO MEMBERS OF THE PUBLIC WILL BE ALLOWED TO ATTEND IN-PERSON

Call to Order

Board Chairman Stratton called the State Transportation Board meeting to order at 9:02 a.m.

Pledge

The Pledge of Allegiance was led by Board Chairman Stratton.

Roll Call by Board Secretary Sherry Garcia

A quorum of the State Transportation Board was present. **In attendance (In Person):** Chairman Stratton, Vice Chairman Thompson, Board Member Knight, Board Member Maxwell, Board Member Searle. **In attendance (Via WebEx):** Board Member Daniels. Board Member Meck was not present. There were approximately 55 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

BOARD MEETING

REPORTER'S TRANSCRIPT OF PROCEEDINGS

IN PERSON AND BY WEBEX VIDEOCONFERENCE

City of Casa Grande Council Chambers
510 East Florence Boulevard
Casa Grande, Arizona 85122

October 15, 2021
9:02 a.m.

REPORTED BY:
TERESA A. WATSON, RMR
Certified Reporter
Certificate No. 50876

PERFECTA REPORTING
(602) 421-3602

PREPARED FOR:
ADOT - STATE TRANSPORTATION BOARD

(Certified Copy)

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

6

7 PARTICIPANTS:

8 Board Members:

9 Steven E. Stratton, Chairman
10 Jesse Thompson, Vice Chairman
11 Gary Knight, Board Member
12 Richard Searle, Board Member
13 Jenn Daniels, Board Member
14 Ted Maxwell, Board Member
15 Jenn Daniels, Board Member (via Webex)
16 Jackie Meck, Board Member (absent)

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CALL TO THE AUDIENCE

Craig McFarland, Mayor, City of Casa Grande.....	4
Irene Higgs, Executive Director, Sun Corridor Metropolitan Planning Organization.....	5
Jonah Nelson, Spokesperson for Arizona Freedom of Choice civic group.....	7
Darryl Ahasteen, Commission President, Nahata Dzill Commission-Local Government.....	10
Mike Humphrey, Tucson community member (No Show).....	XX
Kee Allen Begay, Junior, Navajo Council Delegate, Many Farms Chapter.....	12
Jim McCarthy, City Council Member, Flagstaff Metropolitan Planning Organization.....	13

AGENDA ITEMS

Item 1 - Director's Report, John Halikowski, ADOT Director (not present).....	XX
Legislative Report, Katy Proctor.....	15
Item 2 - District Engineer's Report (no report).....	XX
Item 3 - Consent Agenda.....	19
Item 4 - Financial Report, Kristine Ward, Chief Financial Officer.....	21
Item 4a- Adoption of Authorize Resolution, Highway Refunding Bonds, 2021 - Kristine Ward.....	23
Item 5 - Multimodal Planning Division Report, Greg Byres, Division Director, Multimodal Planning Division.....	26
Item 6 - Priority Planning Advisory Committee (PPAC), Greg Byres.....	30
Item 7 - State Engineer's Report, Dallas Hammit, Deputy Director of Transportation/State Engineer.....	42
Item 8 - Construction Projects, Dallas Hammit.....	49
Item 9 - Suggestions, Floyd Roehrich, Junior.....	54

1 (Beginning of excerpt.)

2

3 CHAIRMAN STRATTON: Move on to the call on the
4 audience. This is a telephonic Webex conference meeting.
5 Everyone will be muted when they phone in to the meeting. When
6 your name is called to provide your comments, you will indicate
7 your presence virtually raising your hand using your phone
8 keypad or through the Webex application. The Webex host will
9 guide you through the unmuting and muting process following the
10 instructions included in the meeting agenda. A three-minute
11 time limit will be imposed.

12 The first name, the speaker, Mayor McFarland, is
13 here in person.

14 MAYOR MCFARLAND: Thank you, Mr. Chairman and
15 fellow board members. It was a pleasure being with you all
16 yesterday, most of you yesterday, having an opportunity to show
17 you what's going on here in Casa Grande. I just really wanted
18 to welcome you.

19 I think I said most of my comments last night,
20 but this is a growing region. It's not just Casa Grande
21 (indiscernible) corridor is a hot spot for activity and industry
22 coming here. Obviously that puts greater pressure on our
23 infrastructure, especially the I-10, which is becoming kind of a
24 bottleneck between here and Phoenix, as you all know. So I
25 won't belabor that point, but I'd be happy to (indiscernible).

1 I just wanted to welcome you here and say thank
2 you very much for coming to Casa Grande and (indiscernible) this
3 opportunity to show you our community. On behalf of, you know,
4 my fellow council members and the City, welcome to Casa Grande.

5 CHAIRMAN STRATTON: Thank you, Mayor.

6 Next speaker will be Irene Higgs, Executive
7 Director, MPO.

8 MS. HIGGS: Good morning, Mr. Chairman, Board
9 Members, ADOT staff. My name is Irene Higgs, and I'm the
10 executive director for the Sun Corridor Metropolitan Planning
11 Organization. The Sun Corridor MPO provides transportation and
12 planning services for the cities of Casa Grande, Coolidge, Eloy
13 and (indiscernible) Pinal County.

14 On behalf of Central Arizona Governments,
15 (indiscernible) and the Sun Corridor MPO, I just wanted to take
16 this opportunity to thank you for the overwhelming support for
17 the 22nd Arizona Rural Transportation Summit that took place
18 yesterday at the beautiful Harrah's Ak-Chin Hotel and Casino in
19 the city of Maricopa.

20 While downsizing this year's event, it was
21 (indiscernible) to keep the attendees safe while providing the
22 best experience possible due to the COVID-19 pandemic. For
23 2021, the Rural Transportation Summit focused on bringing
24 together our state and locally-elected officials to discuss the
25 transportation issues for greater Arizona. We had the

1 opportunity to showcase the Rural Transportation Advocacy
2 Council's initiative for \$50 million that we're going to be
3 asking the State Legislature to add in this next session, and
4 each COG and MPO had an opportunity present the regional
5 priority projects that is going to be part of this initiative.

6 A special thank you to Chairman Stratton and
7 Board Member Knight for serving on the State Transportation
8 Board panel. Also, we had previous Board Members Sam Elters and
9 Kelly Anderson that participated in that panel. It was great to
10 hear what some of your challenges and accomplishments of board
11 members, again, while serving and being on the (indiscernible)
12 past board members.

13 Karla Petty from Federal Highways Administration
14 provided a snapshot of the Arizona funding picture, including
15 formula, discretionary and other funds.

16 Dallas, thank you for providing an outstanding
17 presentation on the newly-allocated funding from this past
18 legislative session and where that funding went in Greater
19 Arizona.

20 We appreciate our partnership with our state and
21 federal and it was a great -- it was a great event. Central
22 Arizona Governments, the Sun Corridor MPO will be hosting next
23 year's summit again in Harrah's Ak-Chin Hotel and Casino, again,
24 September 14 through the 15th in 2022, and I've been working
25 with Floyd. It's -- typically we hold that in October, but next

1 year we're going to be holding it in September. So I've been
2 working wirh Floyd on getting (indiscernible) State
3 Transportation Board meeting. So working with Floyd on where
4 that board meeting will be held.

5 So again, thank you for your time and your
6 service to the state of Arizona, and have a great weekend.

7 CHAIRMAN STRATTON: Thank you, Iren.

8 The next speaker is Jonah Nelson. Would you
9 raise your hand, please?

10 WEBEX HOST: Jonah, you are unmuted at this time.

11 MR. NELSON: Okay. Thank you, Mr. Chair.

12 Okay. My name is Jonah Nelson. I've lived in
13 Arizona since 2003. I've got a wife, four kids and a full-time
14 job, and just so you know, I'm not an activist, but despite
15 that, I felt that something had to be said about the constant
16 COVID messages on the Arizona dynamic message boards. In my
17 commute to work, I see them every single day. I look for travel
18 times and sometimes funny things. Instead I see, "Get
19 vaccinated."

20 These messages and ones like them have been up
21 for months and months, and I just want to present three brief
22 arguments and also request that these messages and ones like
23 them should be removed.

24 Number one, the statement which is
25 (indiscernible) saying, "It's your shot to end COVID. Get

1 vaccinated," this is flat out not accurate. The CDC says that
2 those vaccinated can still catch and spread COVID, so the claim
3 that we can end the pandemic through vaccination is just false,
4 and it shouldn't be up there.

5 I did actually personally reach out to some
6 prominent health leaders, such as the nationally-recognized
7 Dr. Robert Malone, who's one of the pioneers of the mRNA
8 technology, and his direct answer to that statement, "It's your
9 shot to end COVID. Get vaccinated," was this is a noble lie.

10 Another nationally-recognized professor of
11 medicine, Dr. Jay Bhattacharya of Stanford also responded
12 directly to your statement saying, No, the vaccine cannot end
13 the pandemic, because after a few months it is not effective at
14 blocking infection.

15 Number two, the medical advice or public health
16 recommendation is -- it's a one-size-fits-all approach, and it
17 marginalizes all those who've contracted and recovered from
18 COVID, giving them natural immunity. Those individuals are
19 significantly contributing towards herd immune, and no one, of
20 course, would advocate for contracting COVID on purpose,
21 however, if one has been very ill from COVID and then recovered
22 and has immunity, to suggest that they still have not done their
23 part by getting vaccinated is horrifying and it's wrong.

24 Number three, the message is intended to be
25 unvaccinated. Whether people at ADOT believe this or not, but I

1 think they would agree that with all the messages and news
2 reports, presidential press briefings ad nauseam, and then
3 adding to that vaccines, lotteries, like in other states or
4 incentives, and now vaccine mandates. People get it. The
5 message that they hear at this point is very clear: Get
6 vaccinated or else.

7 And no matter what the intention of the messages
8 displayed, the end result is just adding insult to injury. I
9 mean, no one is being convinced by these signs to get
10 vaccinated. In fact, they really hate ADOT for it. They used
11 to like ADOT and their funny messages, but now they just think
12 ADOT sucks, because it's just one more portion of the government
13 dictating from on high.

14 I've collected on my own nearly 2,000 signatures
15 in about three weeks, and I'm going to keep going, of Arizonans
16 that -- Arizona residents that have affirmed the statement
17 asking for the immediate removal of these messages. I'm
18 submitting to this board after this meeting my petition, the
19 original data file, the signatures and scans and the statements
20 by the experts that I mentioned. This petition is endorsed by a
21 number of individuals, including gubernatorial candidate Kari
22 Lake, who personally sent this to all of her followers on social
23 media to encourage them to sign this petition.

24 I intend to submit this information to the
25 administration of ADOT. I also intend to submit this

1 information to the State Legislature and the Governor. I and
2 the Arizonans I represent here today are requesting the
3 immediate removal of these messages without delay, and I thank
4 you for your time.

5 CHAIRMAN STRATTON: Thank you, Mr. Nelson.

6 The next speaker is Darryl Ahasteen. Darryl,
7 would you raise your hand, please?

8 WEBEX HOST: Darryl, you are unmuted.

9 MR. AHASTEEN: Thank you, Board Members, Arizona
10 State Transportation Board.

11 Reference to moving the port of entry from
12 Sanders to Pinta, some of the safety issues. On the approach to
13 the port of entry, there are signs up and legible that indicate
14 that no lane changing from lane one to lane two. There is no
15 lane provided for commercial vehicles to slow down and start
16 pulling in to the PO POE. The traffic can back up to five to
17 six trucks parking along the emergency lane.

18 On the on ramp, from the port of entry, there is
19 a short amount of distance for a truck to get a good speed to
20 get back onto the number one lane of I-40. From the on ramp,
21 from the port of entry to the next exit, which is 339, there is
22 a short amount of distance, and a POV that wants to exit at 339
23 has to deal with trucks coming back onto I-40, and time is
24 really -- in that time, it is really dangerous.

25 Trucks that are coming back onto I-40 and the

1 port of entry have to deal with prepass trucks that are still on
2 the interstate, local vehicle traffic that wants to exit at 339
3 and the school -- they have to deal with the school buses also.

4 Drivers are going to sleep. Too many hours on
5 the road, both commercial and personal. Drivers that leave
6 Oklahoma City, in this area will be driving 10.5 hours and
7 driving 700 miles. Drivers leaving Los Angeles, it will take
8 them 9 hours, over 600 miles, and this kind of puts them at an
9 edge of their required time, both westbound and eastbound. New
10 Mexico has experienced the two major accidents and the
11 commercial vehicle catching fire in the area of Jamestown, with
12 the highway maintenance and construction, and they were one
13 month apart.

14 Port of entry. Port (indiscernible). We
15 (indiscernible). Basically, we need more acreage for the port
16 of entry. There is no room at the current area. There is no
17 room at the rest area (indiscernible). (Indiscernible) Creek
18 was considered at one time. Dead Wash was considered at one
19 time, and one mile west of Pinto (indiscernible) westbound on
20 (indiscernible) is an ideal location for our future development
21 of the port of entry for the state of Arizona. Personnel can
22 have a place to stay during their tour of duty (indiscernible)
23 traveling back to their home and returning the following day.

24 With the approval of the Pinto exit, hopefully
25 with the truck stop and repair, (indiscernible) store on the far

1 side of Pinta, it will be a consumer (indiscernible) driver
2 (indiscernible).

3 Thank you for --

4 MR. ROEHRICH: Mr. Ahasteen. Excuse me,
5 Mr. Ahasteen, your three minutes are up. Could you please
6 finish your comments?

7 MR. AHASTEEN: Thank you.

8 CHAIRMAN STRATTON: Thank you very much.

9 The next speaker will be Mike Humphrey. Could
10 you please raise your hand.

11 WEBEX HOST: Mike Humphrey has informed us that
12 he is going to join next month. So he is not on the call.

13 CHAIRMAN STRATTON: Very good. Thank you.

14 The next speaker will be Kee Allen Begay, Junior.
15 Would you raise your hand, please.

16 WEBEX HOST: Mr. Begay, you are unmuted.

17 MR. BEGAY: Can you hear me?

18 CHAIRMAN STRATTON: Yes. We can hear you.

19 MR. BEGAY: Good morning. My name is Kee Allen
20 Begay, Junior. I apologize for the back noise. I'm from the
21 Navajo Nation. I continue to request for road improvement
22 through the community of Many Farms, Arizona, and I just want to
23 say that this road really needs to be improved for travelers
24 that go through the Navajo Nation.

25 And then the second one is the broadband

1 initiative that Governor Ducey had initiated, and I know that we
2 need to make sure that 191 is considered for the smart highway.

3 So those are the two main areas that I wanted to
4 address to the Board, and I just want to say thank you very
5 much, and that will conclude my statement. So thank you very
6 much. You all have a wonderful day.

7 CHAIRMAN STRATTON: Thank you for your comments.

8 The last speaker we have is Jim McCarthy. Would
9 you raise your hand, please.

10 WEBEX HOST: Mr. McCarthy, you're unmuted.

11 MR. MCCARTHY: All right. Thank you.

12 My name is Jim McCarthy, and I am a Flagstaff
13 City Council member and chair of the Executive Board for the
14 Flagstaff MPO, which we called MetroPlan. MetroPlan in
15 Flagstaff is working with other rural communities through the
16 Rural Transportation Advocacy Council to get additional funding
17 from the State Legislature for rural transportation projects.

18 If we get this new funding, we will use the
19 funding to supplement city to upgrade the Lone Tree corridor.
20 Of the total \$50 million request from RTAC, 2.6 would be for the
21 Lone Tree corridor. The state funding would supplement existing
22 funding. For instance, Flagstaff (indiscernible) funding to
23 provide a Lone Tree bridge across the railroad tracks, just east
24 of downtown. If awarded, the cooperative project would improve
25 the Lone Tree Road from Route 66 to the area of I-10.

1 It will also relieve some traffic on the road,
2 which as you know is a ADOT highway. Just this week, MetroPlan
3 members Regina Salas and Jeronimo Vasquez met with various
4 legislators to get support for the RTAC proposal. MetroPlan
5 Director Meilbeck, as well as Board Members Thompson, Knight and
6 Stratton also attended the RTAC meetings this week. This is an
7 example of how diverse communities can come together and work on
8 common goals.

9 Thank you, and board members, thank you for your
10 service. And I'll quickly note that the chairman, if you could
11 maybe move closer to your microphone, that would be good,
12 because I can barely hear you, where I can hear the speakers
13 loud and clear. Thank you very much.

14 CHAIRMAN STRATTON: Thank you. Will do.

15 We'll now move on to Item No. 1, the Director's
16 report. This is for information and discussion only.

17 Floyd.

18 MR. ROEHRICH: Mr. Chairman, the Director sends
19 his apologies. He had something (indiscernible) he could not be
20 here, but he did ask if you had any items you wanted him to
21 discuss at future meetings, please either email him or let me
22 know. We'll make sure that he addresses them.

23 But Katy Proctor is on, and she does have a short
24 legislative update that she would present. So at this time I'd
25 ask Katy to go ahead and provide her presentation, her update.

1 CHAIRMAN STRATTON: Katy.

2 MS. PROCTOR: Good morning, Board Members.

3 On the state side, ADOT has completed our
4 implementation of all our related legislation from this past
5 session. Our date presuming that was September 29th, and we did
6 complete everything on time, and we're currently in the process
7 of evaluating legislation for the upcoming session that starts
8 in January.

9 On the federal side, things are a little more
10 complicated. I think when we last spoke, we were talking about
11 the fact that the infrastructure bill, the IIJA, was essentially
12 ready for a final vote in the House, but it was also tied to the
13 budget, and at that time House members were doing a markup on
14 the budget. Everything was supposed to move forward by
15 September 27th. That was the agreement. Both would move
16 together. We got to about the third week of September, and
17 everybody realized that the budget wasn't going to happen by the
18 end of the fiscal year. So instead they passed a continuing
19 resolution (indiscernible) through to December 3rd.

20 MR. ROEHRICH: Katy.

21 CHAIRMAN STRATTON: Katy.

22 MS. PROCTOR: In the meantime, that --

23 CHAIRMAN STRATTON: You're breaking up pretty
24 badly. It's hard to understand what you're saying.

25 MS. PROCTOR: Oh, let me try slowing down. Is it

1 any better?

2 CHAIRMAN STRATTON: Not really.

3 MS. PROCTOR: Let me try hopping off of the phone
4 and see if that's any better. Hold on just a second.

5 MR. ROEHRICH: Now you're muted Katy. We can't
6 hear you all. (Indiscernible.) (Indiscernible.) Now you're
7 not.

8 MS. PROCTOR: Can you hear me now?

9 CHAIRMAN STRATTON: Yes.

10 MR. ROEHRICH: Yes.

11 MS. PROCTOR: Is that better?

12 CHAIRMAN STRATTON: It's much better. Thank you.

13 MS. PROCTOR: Excellent.

14 So when we spoke last, on the federal side, we
15 had a lot of work happening with the budget, and we had a lot of
16 work happening with the infrastructure bill. Essentially,
17 nothing happened by the end of September. The infrastructure
18 bill cannot move forward without all of the votes necessary.
19 Those votes are tied to the budget. The budget got kicked out
20 to December 3rd, and the debt ceiling limit was also kicked out
21 to December 3rd this week by Congress.

22 Because they had thought that the infrastructure
23 would move forward without any issues, it was not included in
24 the continuing budget resolution. So they did a very hasty move
25 at the very last second, on September 30th, and did a 30-day

1 extension of the FAST Act, essentially giving us contract
2 authority through the end of the month.

3 It is not likely at this point that we will have
4 a vote on the infrastructure bill by the end of this month.
5 That would be very difficult for folks to do without some
6 concessions related to the budget, and there doesn't seem to be
7 a lot of movement in that area. I think at this point the best
8 we can hope for is some kind of full package in early December,
9 and that's where we're at right now on the federal side.

10 We continue to respond to requests for
11 information from our Congressional delegation. Definitely, you
12 know, hope that everybody can come up with a good plan soon,
13 because we don't want to be in another situation where we don't
14 have our authority for surface transportation.

15 And I'd be happy to answer any questions you
16 might have.

17 CHAIRMAN STRATTON: Does any board member have a
18 question for Katy?

19 MR. MAXWELL: Mr. Chair.

20 CHAIRMAN STRATTON: Mr. Maxwell.

21 MR. MAXWELL: Katy, thanks for the quick update.

22 Are you hearing, is it a matter of just getting
23 it through as it is now, or are there still going to have to be
24 sort of give and take in the -- not related to the other
25 (indiscernible) back on the (indiscernible) but in the

1 infrastructure bill itself, or is that package -- is the House
2 looking to (indiscernible), I guess is the question I'm asking?

3 MS. PROCTOR: We have -- so that's a great
4 question, Board Member. Originally, we had heard that they
5 would need to make some tweaks to the IIJA because they blew
6 past that September 30th date, and there's some funding formulas
7 in there that won't work without some tweaks at this point.

8 However, what we've heard now is when they come
9 up with a plan, the fixes would be in the budget side. So they
10 would not have to open up the IIJA again. They would just need
11 that final vote from the House to do that and then be done with
12 IIJA. It's really a matter of getting votes assigned to that
13 budget and getting folks on board on that side for it to move
14 forward. It doesn't need any additional amendments at this
15 time.

16 MR. MAXWELL: Thank you.

17 CHAIRMAN STRATTON: Any other questions?

18 Hearing none, we'll move on.

19 Thank you, Katy. I appreciate it.

20 MS. PROCTOR: Thank you.

21 CHAIRMAN STRATTON: Floyd, are there any last
22 minute items to report from staff?

23 MR. ROEHRICH: Mr. Chair, (indiscernible) at this
24 time.

25 CHAIRMAN STRATTON: Thank you.

1 Typically we would have the district engineer's
2 report next, but there is not one this month, so we'll move on
3 to Item 3, the consent agenda. Does any member want an item
4 removed from the consent agenda?

5 MR. KNIGHT: Mr. Chair, I just have a question
6 about Item 3.

7 CHAIRMAN STRATTON: Would you like that removed
8 or just --

9 MR. KNIGHT: No, for clarification. And I
10 noticed -- I noticed that it's in one of my -- it's in my
11 district, but I (indiscernible). I just wondered do we have
12 some idea of why there was only bidder?

13 MR. HAMMIT: Would you like me to address,
14 Mr. Chair?

15 MR. ROEHRICH: (Indiscernible) infrastructure.

16 MR. HAMMIT: Yes. Mr. Chair, Mr. Knight, this
17 was a (indiscernible) project. So by definition, we only
18 negotiated with the proposal. There were multiple proposers
19 early on in this process. We select a general contractor. They
20 -- we work with them through design, and then we negotiate a
21 price. So it's a little different process of not normally a --
22 not normally a (indiscernible) bid, it's a negotiated, and this
23 response here, (indiscernible) highway funds, these are funds
24 that the Governor's office gave the department to assist in
25 broadband. Since it is on the state highway, that's why it's

1 coming in front of this board, but it isn't one that we program
2 through the Board. It's additional funds for Broadway --
3 broadband only.

4 MR. KNIGHT: Thank you very much, Dallas.

5 MR. SEARLE: I make a motion we approve the
6 consent agenda.

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

9 MR. KNIGHT: Second.

10 CHAIRMAN STRATTON: Motion and a second. We
11 don't have to do roll call. We're all here, correct?

12 MR. ROEHRICH: Except for Ms. Daniels. We want
13 to make sure she gets -- her vote gets recorded.

14 CHAIRMAN STRATTON: Well, (indiscernible) conduct
15 a roll call?

16 MR. ROEHRICH: Well, what I would say is you can
17 do most here -- do the voice voting here, and then I will ask
18 her separately so her vote is recorded.

19 CHAIRMAN STRATTON: Very well.

20 All those in favor say aye.

21 BOARD MEMBERS: Aye.

22 CHAIRMAN STRATTON: Floyd, would you
23 (indiscernible) Ms. Daniels for me?

24 MR. ROEHRICH: Ms. Daniels, are you registering a
25 vote?

1 MS. DANIELS: Aye.

2 MR. ROEHRICH: Thank you.

3 CHAIRMAN STRATTON: Thank you, Ms. Daniels.

4 The motion carries.

5 Move on to Item 4, for information and discussion
6 only. Financial report. Smiling today, Kristine?

7 MS. WARD: I am, sir. Thank you very much. I am
8 smiling today. The reason I'm smiling today is because I have
9 very little to report as it pertains to variations in revenue.

10 So if we could -- Rhett, if you could go to the
11 first slide regarding reporting out on the Highway User Revenue
12 Fund. As I said, there's very little to report on either HURF
13 or RARF this month. We did have -- we are slightly off --
14 excuse me? Can you hear me all right?

15 CHAIRMAN STRATTON: Yes. We can hear you.

16 MS. WARD: Very good. Thank you.

17 So we are marginally off target, running 1.4
18 percent below forecast through September. The slight
19 variation -- Rhett, if you'll go into the next slide. And you
20 can see September exclusively. You'll see that use fuel, A/K/A
21 diesel, had a slight variation in that -- that threw us off
22 forecast, and that is due to a refund where we had a greater --
23 larger exports that we had to provide refund for than
24 anticipated. I don't anticipate any problem there. I believe.
25 as we go further through the year, we'll hopefully come back

1 into target.

2 Moving on to RARF, if you would, Rhett. Move to
3 the next slide.

4 As you can see, we are -- you can't get much more
5 on target with this -- we're .2 percent running above target.
6 So if you go into the next slide, you can see the individual
7 categories for the month of August, and I just don't have much
8 to report here.

9 Going on to the next slide, in terms of the
10 federal program, as Katy mentioned, we're working on an
11 extension of the FAST Act, and because the infrastructure did
12 not bill and because -- did not pass and because we're working
13 off of that extension, they provided us -- they are providing us
14 30 days' worth of funding. That represents approximately
15 \$55 million to the department, and those funds, ironically, even
16 though they have provided them for 30 days, they don't become
17 available actually until today. Today is when FHWA will -- we
18 will be able to see those funds on the reporting we get from
19 FHWA.

20 This is -- when you only get a small portion of
21 funding, it complicates things, but it particularly complicates
22 things in the first month of the federal fiscal year, because we
23 have just closed the federal fiscal year. Now we're starting a
24 new one.

25 The very first transaction that we conduct in

1 which we obligate expense, federal funding, is we obligate our
2 debt service payment, our GAN debt service payment. That's
3 about a \$30 million payment. So that \$55 million that we get --
4 we have -- are going to receive, have access to today, that gets
5 drawn down by about 30, leaving us about 25.

6 We don't anticipate a problem. We have been
7 working closely with Dallas' shop, the transportation side of
8 the House, to see what projects they -- that they are desiring
9 to obligate in this -- in this month, but it does -- it does put
10 us on alert when we have extensions. It does complicate things
11 a bit, and so we look forward to an actual long-term
12 reauthorization being passed.

13 With that, that concludes my financial report. I
14 do also have a bond -- a request of the Board to -- regarding
15 bonding. Should I proceed with that, Chairman?

16 CHAIRMAN STRATTON: Before we go to that, let's
17 see if any board member has any question for you on the first
18 portion.

19 MS. WARD: Yes, sir.

20 CHAIRMAN STRATTON: Apparently no one does, so
21 proceed. Thank you.

22 MS. WARD: The Board has got -- we have an
23 opportunity to refinance some standing Highway User Revenue bond
24 from our Series 2013A, and this represents -- it's about
25 \$53 million that we would be refunding, same as A/K/A

1 refinancing. And if we -- if you give us this authorization, we
2 anticipate savings to the tune of \$1.8 million in debt service.

3 In the scheme of refundings that I have brought
4 before this board, this is a relatively small refunding, and the
5 savings are relatively small, but commensurately, the amounts
6 that we are refunding is also small.

7 Given that we are looking at kind of a small
8 dollar amount in the terms of the refunding, we anticipate
9 taking this as a direct sale, not going to the market as we
10 typically do. We would look to a direct sale to one or more
11 banks to purchase these -- to purchase these bonds.

12 You might recall we had a very successful
13 transaction doing just this methodology with the Board's last
14 RARF refunding, Regional Area Road Fund bond refunding.

15 So we would anticipate the time table for the
16 issue. We would anticipate closing prior to the end of
17 November, and that would allow us to take advantage of the
18 interest rates that we -- that are currently -- the interest
19 rate environment that currently exists.

20 So with that, I would request the Board's
21 authority to proceed with this refunding. Thank you. I'd be
22 happy to take any questions.

23 CHAIRMAN STRATTON: Thank you, Kristine.

24 Does any board member have a question?

25 MR. SEARLE: I had a question. Kristine this is

1 Richard.

2 MS. WARD: Yes, sir.

3 MR. SEARLE: The (indiscernible) savings, does
4 that include the cost of the issue of the bond?

5 MS. WARD: Yes, sir. That does include cost of
6 issuance. It's -- excuse me. It's net of cost of issue.

7 MR. SEARLE: All right. Thank you very much.

8 MS. WARD: Yes, sir.

9 MR. MAXWELL: (Indiscernible) Chair.

10 CHAIRMAN STRATTON: Board Member Maxwell.

11 MR. MAXWELL: Kristine, this is Ted Maxwell.

12 Just what kind of interest rate reduction are we looking at on
13 this one? Where are we going from/to?

14 MS. WARD: So, Mr. Stratton, Mr. Maxwell, we are
15 currently -- the bonds that are outstanding to be refunded are a
16 5 percent coupon. We would anticipate since we would -- we are
17 doing this in advance of the call date, I think we are looking
18 at under half a percent.

19 MR. MAXWELL: Thank you.

20 CHAIRMAN STRATTON: Any other questions?

21 Hearing none, do I have a motion to approve the
22 adoption of authorizing resolution highway revenue refunding
23 bonds 2021?

24 MR. KNIGHT: So moved.

25 MR. MAXWELL: Second.

1 CHAIRMAN STRATTON: Motion and I have a second.
2 All in favor say aye.

3 BOARD MEMBERS: Aye.

4 CHAIRMAN STRATTON: Ms. Daniels?

5 MS. DANIELS: Aye.

6 CHAIRMAN STRATTON: Thank you. Motion carries.

7 MR. ROEHRICH: Mr. Chair, just to make sure. Who
8 made the motion? You went so fast there.

9 CHAIRMAN STRATTON: Board Member Knight made that
10 motion. Board Member Maxwell made the second.

11 MR. ROEHRICH: Thank you.

12 CHAIRMAN STRATTON: Just testing your ability in
13 shorthand.

14 MR. ROEHRICH: We might have -- we might have
15 caught it all on the microphone, but my ears are slower. I'm
16 old. I'm older than these microphones.

17 CHAIRMAN STRATTON: We'll now move on to Agenda
18 Item No. 5, with Greg Byres, for information and discussion
19 only.

20 Greg.

21 MR. BYRES: Thank you. Good morning,
22 Mr. Chairman, Board Members. We're going to start off with a
23 couple items.

24 We can go to the next slide, Rhett.

25 We (indiscernible) things I'm going to do here

1 with the tribal update as well as where we're at with the 2023
2 P2P process.

3 Next slide.

4 So as far as tribal update goes, we have a new
5 interactive map that was produced by our GIS group. One of the
6 big things that it did is basically laid out all of the
7 perimeters for all the tribal areas across the state. In so
8 doing, it makes it much easier to take and identify where we
9 have projects (indiscernible) in a tribal area, on tribal lands,
10 and so that same map is available in our eSTIP, which is
11 basically our electronic Statewide Transportation Improvement
12 Program. So anybody that accesses it now through our website
13 now has -- you can turn on different layers. One of the layers
14 that you have is all the tribal boundaries across the state,
15 so -- and that same layering, it's available on all our GIS
16 interactive maps.

17 The next item I have is the FY '21 ADOT tribal
18 consultation, the annual report. That annual report was
19 submitted through the Governor's office on the 30th of
20 September, and again, that's a requirement through state
21 statute. With that settlement submission, the Tribal
22 Consultation Report outlines the tribal consultation conducted
23 throughout the entire fiscal year, and it is also available on
24 our website.

25 Next slide.

1 Next thing we have is coming up starting next
2 week, we have our district workshops for our P2P process. What
3 you see on this slide here has all the different workshops we
4 have. You should have received a formal invitation for each of
5 your different districts, and we look forward to your
6 participation in those -- each one of those district workshops.
7 We have a multitude of projects that are going to be discussed.
8 The district will be giving their input as well as taking any
9 input from the board members as well as other people on that
10 (indiscernible). It is a virtual meeting. So (indiscernible)
11 with that.

12 And for that, that's all I had, if you have any
13 questions.

14 CHAIRMAN STRATTON: Any board member have any
15 question for Greg?

16 Vice Chair.

17 VICE CHAIRMAN THOMPSON: Greg, it's my
18 understanding that these meetings are mainly for exchange of
19 information as to how we can move these projects up without
20 actually (indiscernible) restrictions (indiscernible) on these
21 projects.

22 MR. BYRES: Mr. Chairman, Board Member Thompson,
23 what these meetings do is they reflect all of the -- basically,
24 the top 25 projects in each of the different districts, and we
25 gather information on each of those, as well as the district

1 input. The district has already scored these, but what we do is
2 to make sure that those scores aren't going to change, or gives
3 them the opportunity to change, because they get to hear from
4 all of our technical groups as well, so -- and ask questions on
5 those technical groups.

6 So what it does, it takes and confirms all of the
7 scoring that we have from the district, as well as our technical
8 groups, and it takes in the input from anybody else that attends
9 these meetings.

10 So once that is completed, all that data comes
11 together, we can finalize the scoring in projects for each of
12 the (indiscernible) districts, and then that scoring is ranked
13 through a statewide process so that we have a statewide single
14 recommendation for scoring of all projects of (indiscernible)
15 and (indiscernible).

16 VICE CHAIRMAN THOMPSON: Just (indiscernible) of
17 inviting the public as well and the stakeholders and
18 (indiscernible) the way the processes goes from A to Z and these
19 projects (indiscernible).

20 MR. BYRES: Mr. Chairman, Board Member Thompson,
21 this isn't necessarily a public meeting. We do have a multitude
22 of people that were invited to this. So it's not true public
23 input at this point in time, but it is part of our process, and
24 we try and bring in all the stakeholders that we possibly can
25 for each of those projects.

1 VICE CHAIRMAN THOMPSON: Is that (indiscernible)
2 participating in these workshops (indiscernible)?

3 MR. BYRES: That's correct. Thank you.

4 CHAIRMAN STRATTON: Any further questions for
5 Greg?

6 Hearing none, we'll move on to Item No. 6, PPAC
7 items, discussion and possible action.

8 Greg.

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

10 We're going to do things a little bit different
11 today for the PPAC items. We kind of do this as part of our
12 process. We wanted to make sure that we get the right projects
13 in the right order. So the first item we have is project
14 modifications, and we're going to take in Items 6A, 6E, 6F, 6G
15 and 6I, and PPAC brings these projects forward with a
16 recommendation for approval.

17 CHAIRMAN STRATTON: I have a couple questions,
18 Greg. On Item 6A, the money has been reduced by about \$900,000.
19 Reasoning for that?

20 MR. BYRES: So, Mr. Chairman, this is the Lion
21 Springs project, and the reason it's being reduced is because at
22 this point in time, in FY '22, we will not have NEPA completed.
23 We need to have NEPA completed before we can purchase right-of-
24 way or start the right-of-way negotiations. That 900,000 is for
25 right-of-way, so we're releasing that to (indiscernible) since

1 it will not be used in FY '22.

2 CHAIRMAN STRATTON: What is the anticipated
3 schedule of that project being designed?

4 MR. BYRES: I believe that's scheduled for
5 completion in FY '23.

6 CHAIRMAN STRATTON: On 6F, that's being deferred
7 out a year (indiscernible)?

8 MR. BYRES: So 6F is being deferred out
9 (indiscernible) the Queen Creek Bridge. So the US-60 at Queen
10 Creek Bridge is being pushed out for -- to make room, basically.
11 There's three projects that we're (indiscernible) pushing out
12 from FY '23 to FY '24. We're pushing those into '24 to make
13 room for the item which is coming up in the next grant request,
14 to make room for fiscal constraint in the program. So those
15 projects -- those projects only the construction
16 (indiscernible). It's getting moved from FY '23 to FY '24 to
17 open up some room in '23 for -- it's going to be the I-17
18 project (indiscernible).

19 CHAIRMAN STRATTON: Is there any possibility of
20 those projects being moved back?

21 MR. BYRES: So our intent is with the new program
22 for '23 to '27 that will come before the Board as a tentative in
23 January, our intent is to take and bring those back into
24 (indiscernible), and that's one reason we're only doing
25 construction. We're keeping all of the (indiscernible) phases

1 in '23 so that if the development can continue on, we will bring
2 those back into '23 with the new program with additional funding
3 that we (indiscernible) the program at that point in time.

4 CHAIRMAN STRATTON: I would like to make the
5 point for the record that with the replacement of the Pinto
6 Creek Bridge, it's helping the oversize loads now can go on
7 Highway 60 again for the mining industry. However, with the
8 Queen Creek Bridge (indiscernible) hurt the industry again
9 (indiscernible). Obviously I won't be here next year, so I want
10 to express my concern now, and hopefully that will be moved back
11 into it.

12 MR. SEARLE: Mr. Chair.

13 CHAIRMAN STRATTON: Mr. Searle, (indiscernible).

14 MR. SEARLE: I think my question was answered.
15 My concern was moving these to fiscal year '24, what was that
16 going affect the projects that are already in '24, but I think
17 your answer, talking about the plan (indiscernible) basically
18 answered it, so I'm good.

19 CHAIRMAN STRATTON: Okay. Board Member Knight.

20 MR. KNIGHT: Yes. Just a suggestion. Not this
21 one, but in the future, in order to move the I-17, those funds,
22 we deferred action -- we're deferring action on 6A, 6F and 6J,
23 which is -- and those projects are in Pima County, Pinal County,
24 and Mohave County. However, I-17 is Maricopa, Yavapai, and I
25 would suggest that if we're going to -- in the future, if at all

1 possible, if we're going to move money from projects that we
2 move it within the counties such as we look at projects in
3 Maricopa and Yavapai that we can defer and move that money to
4 move I-17 forward and (indiscernible) projects in the counties
5 where it was going to.

6 So it looks to me like we've got three counties
7 that have no -- I-17 doesn't benefit them at all, but they are
8 sacrificing their projects for a year, and -- in order to
9 advance the I-17. It seems more fair if maybe -- if we could do
10 it in those same counties where the project would want to
11 benefit. Anyway, just an observation on my part, going through
12 that we (indiscernible) Maricopa, Yavapai, a lot more fair.

13 MR. ROEHRICH: And, Mr. Chairman, Mr. Knight,
14 that's a very good observation and one that we staff can take
15 back and look, but sometimes (indiscernible) in the program
16 (indiscernible), you know, what's the likelihood of a project
17 that may or may not be able to go, time and what is the best
18 option in order -- as Greg had -- Mr. Byres had said. We move
19 it out now because we have to maintain fiscal constraint, but in
20 the new programming cycle, but then (indiscernible) it's going
21 to come back into (indiscernible.) But it is -- if we can
22 balance and get those counties, it truly would be the way to go,
23 but sometimes that's just not possible.

24 MR. KNIGHT: I understand that. (Indiscernible)
25 future (indiscernible) it could be possible, but then also I --

1 I just wanted to make sure, you know, see what we hear next
2 year. I'll still be here, so I'll be (indiscernible) coming
3 back --

4 MR. ROEHRICH: And I think for us, Mr. Knight,
5 it's one that staff (indiscernible) why, as Greg had said.
6 We're not stopping these projects because (indiscernible).
7 We're keeping it on schedule with all pre-construction
8 activities (indiscernible) going to come back. These are
9 important projects that we want as well. We just had to make
10 the decision now, because I-17 that we're going to go discuss
11 right here in a little bit has funding issues that we need to
12 figure out to that.

13 MR. KNIGHT: Thank you. Thank you, Greg.

14 CHAIRMAN STRATTON: Board Member Maxwell.

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

16 Greg, Floyd, I appreciate the -- I do appreciate
17 all the (indiscernible) how it's going to move, what the intent
18 (indiscernible). I guess my question is really a follow-up to
19 the other -- to some of the other comments. That is it would be
20 great for us to hear the reason, because what I haven't heard is
21 why 17 (indiscernible)? I understand there's a shortfall
22 funding and there's things going on and maybe a continuation.
23 So -- but if they were all packaged kind of together for our
24 decision-making process, because you asked us to make a move on
25 one (indiscernible) why it's at 17 (indiscernible) over those

1 two projects. So...

2 MR. ROEHRICH: Mr. Chairman, Mr. Knight, I had
3 sent out an email last week with a detailed description of
4 specifically the projects that are moving, the reason why it was
5 moving those projects and what was the issue with Interstate 17
6 with that project, and I also gave a detailed summary of the
7 cost increases within the Interstate 17 project of why we feel
8 so justified (indiscernible) and we can talk more when we get to
9 that point if you want, but I did send out -- and that might
10 be -- it might be too long to read, and I do apologize for
11 sending out a lengthy email, but I felt it needed a detailed
12 explanation for that very reason.

13 MR. MAXWELL: Absolutely, and I appreciate that.
14 So I will stand officially scolded on that (indiscernible).

15 MR. ROEHRICH: That was not my intent.

16 MR. MAXWELL: Yeah.

17 MR. ROEHRICH: It was my intent to make sure
18 that (indiscernible).

19 MR. MAXWELL: I'm the new guy on the board.
20 (Indiscernible) but do I think -- and it's because how we do it
21 structurally, that would be nice, I think, for the Board, and
22 more importantly, public. The public didn't that email. So if
23 the public was able to hear at the same time why we are taking
24 these three projects, unfunding them, you know, as Gary pointed
25 out, are in other counties, in order to fund one. If you -- if

1 you get it all in one piece of conversation, (indiscernible)
2 make it real easy to (indiscernible) see if anybody's got
3 questions about it as well. It just -- you know, sometimes I
4 think as a board we've got to remember that's the public that is
5 going to hopefully be listening and find out why we're making
6 our decisions, and so it's sometimes (indiscernible) I like to
7 get these things out there as well. So appreciate it.

8 MR. ROEHRICH: So real quick, Mr. Chairman,
9 Mr. Maxwell. You used the term "unfunded." I want to make sure
10 that we're clear. We're not unfunding these projects. They're
11 fully funded to what we feel is the estimate to do the projects.
12 The project will just move in the year that we (indiscernible).

13 MR. MAXWELL: (Indiscernible.)

14 MR. ROEHRICH: And (indiscernible) moving their
15 funding to another year so it makes available funding and fiscal
16 constraint each year is now constrained to the funds available
17 in that (indiscernible).

18 MR. MAXWELL: I understand. I don't disagree
19 with you, (indiscernible) to the public when they see it moving,
20 that means there's some other project in '24. I mean, that
21 would -- basically, saying, okay, we're going to move it to '24,
22 but we don't have the money because we've already built a pretty
23 fiscally tight plan. So when you start (indiscernible), yeah,
24 it's just openness and that transparency that we are trying to
25 establish (indiscernible) ADOT and this board continues to be

1 (indiscernible).

2 CHAIRMAN STRATTON: Thank you for your comments.

3 I did get a note here we need to move your
4 microphones closer and speak a little bit louder. They are
5 having trouble hearing us.

6 Vice Chair.

7 VICE CHAIRMAN THOMPSON: Greg, I do support the
8 recommendation and (indiscernible) and trust that they will come
9 back (indiscernible) these projects (indiscernible) it is very
10 important (indiscernible) that stakeholders are aware of it and
11 also that the public (indiscernible). So thank you very much.

12 CHAIRMAN STRATTON: Thank you, Board Members, for
13 your comments and questions.

14 At this time I'd ask if there's a motion to
15 approve PPAC new projects and modifications, Items 6A through 6I
16 as presented.

17 MR. SEARLE: So moved.

18 CHAIRMAN STRATTON: Motion. Do I have a second?

19 MR. KNIGHT: Second.

20 CHAIRMAN STRATTON: A second.

21 All in favor say aye.

22 BOARD MEMBERS: Aye.

23 MR. ROEHRICH: Mr. Chairman, I just wanted to
24 apologize for the (indiscernible) so fast. I was trying to
25 (indiscernible). I apologize. I just want to make sure that

1 you're aware there's a typo within the agenda that we need to
2 make sure we identify it as 6J in the agenda, but it's actually
3 6G. So by (indiscernible) the motion, you're also correcting
4 the typo in the agenda saying that Item 6G is correct, but
5 (indiscernible) identified as 6J, but that is 6G.

6 (Indiscernible.)

7 CHAIRMAN STRATTON: Understood. Do my motion and
8 second still stand?

9 MR. SEARLE: Yes, sir.

10 MR. KNIGHT: Yes.

11 CHAIRMAN STRATTON: Very good.

12 All in favor say aye.

13 BOARD MEMBERS: Aye.

14 CHAIRMAN STRATTON: Ms. Daniels.

15 MS. DANIELS: Aye.

16 CHAIRMAN STRATTON: Thank you.

17 The motion carries.

18 MR. ROEHRICH: So, Mr. Chairman, just to make
19 sure that we got that, the motion by Mr. Maxwell, the second was
20 by?

21 CHAIRMAN STRATTON: The motion was by Board
22 Member Searle.

23 MR. ROEHRICH: Searle.

24 CHAIRMAN STRATTON: And the second was Board
25 Member Knight I heard.

1 MR. ROEHRICH: Thank you.

2 CHAIRMAN STRATTON: Greg, I think that's all we
3 have for you.

4 MR. BYRES: No, we still have a couple more.

5 So the next item we have is Item 6H, and with the
6 previous vote, we had taken and freed up the \$83.6 million that
7 is required for Item 6H, which we are bringing forward now with
8 a recommendation for approval from PPAC.

9 CHAIRMAN STRATTON: Do I have a motion to
10 (indiscernible)?

11 UNIDENTIFIED SPEAKER: (Indiscernible). The item
12 number again, Greg? I'm sorry.

13 MR. BYRES: It is Item 6H.

14 CHAIRMAN STRATTON: 6H. Do I have a motion to
15 approve 6H?

16 MR. MAXWELL: So moved.

17 CHAIRMAN STRATTON: Thank you. Do I have a
18 second?

19 MR. SEARLE: I'll second.

20 CHAIRMAN STRATTON: Motioned by Board Member
21 Maxwell, a second by Searle.

22 All in -- (indiscernible).

23 MR. MAXWELL: Mr. Chair, I guess (indiscernible)
24 a little bit of thought why this project (indiscernible) public.
25 I can just be sure -- I just want to be sure that the people

1 listening are aware of why (indiscernible).

2 MR. BYRES: Yes, I can. Thank you, Board Member
3 Maxwell.

4 One of the things that we say in this is the
5 original estimate was put together with -- for the project was
6 put together in 2020. So since that time, things have escalated
7 as far as materials and construction (indiscernible) to the
8 point where we have some (indiscernible) escalating 50 percent.

9 So in -- going through the negotiations and
10 (indiscernible) was a part of, what we found out is with the
11 (indiscernible) contract we were negotiating with, there was
12 basically no way that we could make up -- we made up a little
13 bit of ground, but we could not the make up that \$86 million to
14 be able to fulfill the contract.

15 So the biggest things we have, there was a huge
16 increase in concrete, a huge increase in steel, (indiscernible)
17 50 percent increase was in guardrail, and there was additional
18 items all the way through. One of the big things, the other big
19 things (indiscernible) was a huge increase in cost
20 (indiscernible) in order for the contract to be able to
21 (indiscernible) and be able to (indiscernible) for that project.
22 So that's where the majority of all this money went.

23 (Indiscernible) most increases during the negotiation.

24 CHAIRMAN STRATTON: (Indiscernible) Dallas
25 (indiscernible) a point of information.

1 MR. HAMMIT: Mr. Chair, (indiscernible) one of
2 the things (indiscernible) on this project, we didn't receive a
3 legislative appropriation (indiscernible) million dollars. We
4 received an INFRA grant for \$90 million. If we did not move
5 forward with it at this time, we (indiscernible) because those
6 grants, we had (indiscernible). Our price ends with our
7 contractor at the end of the month. So then (indiscernible)
8 funds.

9 The other thing we looked at was these projects
10 that went out (indiscernible) gone up, but to keep those grants
11 of \$210 million, we felt it was very important to keep this
12 project going.

13 MR. MAXWELL: Mr. Chair, Dallas, thank you.
14 That's (indiscernible), and I'm sure it was in Floyd's email,
15 but that's the kind of detail I support, but (indiscernible)
16 aware of (indiscernible) the Legislature and not let that
17 project go on the wayside, because then that money goes away.
18 So I think that reasoning, that explanation helps a lot. Thank
19 you.

20 UNIDENTIFIED SPEAKER: Exactly. I would
21 (indiscernible) as well, because at what point do these projects
22 become we just can't afford them? (Indiscernible) didn't get a
23 lot of other projects (indiscernible) but I think the point that
24 Dallas put forward (indiscernible).

25 CHAIRMAN STRATTON: Thank you.

1 Any other questions?

2 A motion and I have a second.

3 Call for the vote. All in favor say aye.

4 BOARD MEMBERS: Aye.

5 CHAIRMAN STRATTON: Ms. Daniels.

6 MS. DANIELS: Aye.

7 CHAIRMAN STRATTON: Thank you. Motion passes.

8 Greg.

9 MR. BYRES: So we have one more item to bring
10 forward. This is Items 6B through 6D. These are new projects
11 on the (indiscernible) program, and again, PPAC brings these
12 forward with a recommendation for approval.

13 CHAIRMAN STRATTON: Motion.

14 MR. SEARLE: So moved.

15 MR. KNIGHT: Second. Second.

16 CHAIRMAN STRATTON: Any further discussion?

17 Hearing none, I'll call for the vote. All in
18 favor say aye.

19 BOARD MEMBERS: Aye.

20 CHAIRMAN STRATTON: Board Member Daniels.

21 MS. DANIELS: Aye.

22 CHAIRMAN STRATTON: Okay. Motion passes.

23 Thank you, Greg.

24 Moving on to Item 7, the state engineer's report
25 with Dallas, for information and discussion only.

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

2 (Indiscernible.) Back up one. There we go.

3 Currently we have 69 projects under construction
4 totaling \$1.555 billion. In September we finalized 13 projects,
5 \$50.1 million, and year to date, we have finalized 30 projects.

6 (Indiscernible) keeping those projects going, we
7 as staff brought -- (indiscernible) the last time we deferred a
8 project (indiscernible) Wickenburg project to the 189 project,
9 and we just removed it from the program. That stopped our
10 right-of-way allotted action that we had to make at the time.
11 So your action here keeps the project moving, and we should not
12 lose time. We've learned from our mistake from last time,
13 (indiscernible) completely (indiscernible) program
14 (indiscernible). We're no longer continuing (indiscernible) the
15 right-of-way, so this really does help (indiscernible).

16 One of the things the Board got quite a bit of
17 correspondence over the last week on State Route 88. So I
18 thought I'd give you a quick update so if you get questions, you
19 have a little bit of a background. In June of 2019, there was a
20 major fire. It was the Woodbury Fire, and it affected a number
21 of our highways, but specifically, 188 and 88, and you can see
22 (indiscernible) a little bit of that burn scar.

23 Next slide, Rhett.

24 On there and (indiscernible), but what you can
25 see is there is a map of 88, and I apologize that the picture

1 was not supposed to be in there, (indiscernible) that was
2 probably my doing on there, but we have a portion of the project
3 that is a (indiscernible). If you come up from Apache Junction,
4 you go approximately 20 to 25 miles, and it's a big road and
5 (indiscernible) along that area. From that point on, at
6 Milepost 222, it turns into a dirt road. And it stays dirt
7 until you get up to 88.

8 During that event, right afterwards, we
9 (indiscernible) and we lost the roadway and we were looking at
10 that, and you can see what the burn scar looked like. All
11 (indiscernible) gone. So the concern is if we get out there
12 before we got some vegetation that the next rain will continue
13 those washouts and we will not be able to -- we'll fix the road
14 just to go back in there and do it again. So at this time we
15 did not feel it was proper to do that.

16 Now, the (indiscernible) from 242 to 249, that is
17 (indiscernible) but there is a project through (indiscernible)
18 federal lands. I think yesterday you heard a little bit about
19 the Federal Lands Access Program, FLAP. They -- Arizona put in
20 for that project. Federal lands is administering it, and they
21 will be making improvements on that corridor, not only surface,
22 but (indiscernible) to make this a little more resilient
23 (indiscernible).

24 We will -- next slide, Rhett.

25 You can see a little bit of what it looks like.

1 Next slide.

2 So I just mentioned the Central Federal Lands
3 Project. The Lakes (indiscernible) appropriated \$700,000 this
4 year to complete a scoping and DCR for the project, and then
5 also look at a new vegetation plan. And then we'll -- we've
6 begun work to get that under contract. (Indiscernible) our
7 right-of-way is a very small footprint (indiscernible) the burn
8 scar, and unfortunately the burn scar is uphill from us, and so
9 that (indiscernible) and the mud comes down, it's beyond our
10 right-of-way. But we will be working with The Forest Service
11 and seeing what we can do to get this in shape (indiscernible)
12 someday we can get this roadway back open.

13 Any questions on this?

14 CHAIRMAN STRATTON: Dallas, I don't have a
15 question on 88, but on -- is this the forest fire that caused
16 the mudslide on 188 (indiscernible)?

17 MR. HAMMIT: I believe, Mr. Chair, that was the
18 Bush Fire. It was a very similar area, but that was the next
19 year (indiscernible) 2025 (indiscernible) that burn scar which
20 resulted in that closure.

21 CHAIRMAN STRATTON: One of the points I'm trying
22 to make is it's not just 88. Multiple highways on the state,
23 77, 60, 188, 88, the (indiscernible) are falling (indiscernible)
24 fire. The public needs to understand that we're not dealing
25 with just one section (indiscernible) section.

1 Any questions?

2 Board Members Searle.

3 MR. SEARLE: (Indiscernible.)

4 MR. HAMMIT: (Indiscernible) after the fire, but
5 it's been closed -- I think (indiscernible) late (indiscernible)
6 year when the monsoons came and (indiscernible).

7 MR. SEARLE: Yeah. I'd be critical, but I can
8 understand the concern that we've been getting with the
9 500-and-some odd emails on this.

10 I can't see why we don't try to at least open
11 some point knowing that there's challenges, but it's -- we're
12 talking a dirt road there. You know, dirt roads always have
13 challenges, but I would encourage that we get it open as soon as
14 we can.

15 VICE CHAIRMAN THOMPSON: (Indiscernible) that
16 this road is part of the dirt road in on the (indiscernible)
17 ADOT?

18 MR. HAMMIT: Is on the -- it has been
19 (indiscernible) -- Mr. Chair, Mr. Thompson, it is a road that
20 ADOT maintains. ADOT does have a few, and Mr. Chair, most of
21 them are in your district, unpaved roadways, dirt roads, within
22 our jurisdiction.

23 VICE CHAIR THOMPSON: Thank you very much.

24 MR. KNIGHT: Mr. Chair.

25 CHAIRMAN STRATTON: Board Member Knight.

1 MR. KNIGHT: Is there possible way that -- it's
2 going to take a while for vegetation to grow back.

3 (Indiscernible) don't grow all that fast, especially in the
4 desert (indiscernible) climate, but is there some kind of riprap
5 in the way of boulders, larger rocks that can not be washed out
6 seasonally by monsoons that we can place and help protect that
7 road even after the brush grows back? (Indiscernible) the brush
8 grows back, now we've got -- now we've got the possibility of
9 another fire, and then the fire -- we're back in the same --
10 we're back in the same position that we -- that we are right
11 now. But maybe we could -- we could use some preventive
12 measures to (indiscernible) to keep the (indiscernible) in place
13 and then afterward, vegetation does come back so (indiscernible)
14 (indiscernible).

15 MR. HAMMIT: Mr. Chair, Mr. Knight, that's
16 definitely something we could look at. (Indiscernible) right-
17 of-way is very limited. It is the historic (indiscernible).
18 It's -- and it will come down to what investment we want to
19 make. Is there it roadway that -- you know, and I don't want to
20 diminish it just because (indiscernible) over 200 vehicles a
21 day. We've worked to get a route to businesses. Unfortunately,
22 if you want to get up to your place on the back of it, you'll
23 have to go around and come down (indiscernible) from Phoenix.
24 That's a (indiscernible) that we looked at (indiscernible) put
25 the money there, and what we estimated (indiscernible) just a

1 quick estimate we looked at, it was 12 and 15 million dollars to
2 get it back -- to clean up the pipes, to keep it stable.
3 There's quite a bit of debris that's coming out. To do that, we
4 would have (indiscernible).

5 UNIDENTIFIED SPEAKER: Chairman Stratton,
6 (indiscernible) Gila County I'm sure has had many other of
7 their county roads affected by these fires. (Indiscernible.)

8 CHAIRMAN STRATTON: (Indiscernible) at this
9 time, and they're not historic roads. This particular road
10 that Dallas mentioned (indiscernible).

11 UNIDENTIFIED SPEAKER: (Indiscernible) the
12 county (indiscernible.) Just curious why.

13 CHAIRMAN STRATTON: (Indiscernible) the panel
14 (indiscernible) that portion (indiscernible) weeks ago.
15 (Indiscernible.)

16 MR. KNIGHT: Mr. Chair.

17 CHAIRMAN STRATTON: Board Member Knight.

18 MR. KNIGHT: Thank you.

19 And I think it should be noted that
20 (indiscernible) ADOT (indiscernible) Forest Service and the
21 (indiscernible) I would image so that we're getting a lot of
22 different -- a lot of different jurisdictions involved
23 (indiscernible) to get something done.

24 MR. HAMMIT: Mr. Chair, Mr. Knight,
25 (indiscernible) it is (indiscernible). It is (indiscernible)

1 easement on there. So, yes, there are some restrictions on
2 where -- what we can do and how far (indiscernible). We have
3 (indiscernible).

4 CHAIRMAN STRATTON: Any further questions for
5 Dallas?

6 I thank the Board for the interest and the
7 question (indiscernible) discussion (indiscernible) purposeful
8 and (indiscernible) I think it's good information.

9 (Indiscernible) Item No. 8.

10 MR. HAMMIT: (Indiscernible.) I have come to the
11 Board and talked to you about (indiscernible). We do look at
12 that quarterly and (indiscernible) item on I-17 (indiscernible)
13 appropriate (indiscernible).

14 As you can see from the graph, if we used 2016
15 as a baseline, and I don't think it was done on purpose, but
16 coincidentally, 2016 is when the FAST Act went into play. And
17 since that point in the time, our construction costs and debt,
18 so basically, you know, cost of construction has gone up 60
19 percent. As we go into -- and I answered it yesterday to the
20 folks at the conference, (indiscernible) additional money
21 (indiscernible) 30 percent, 28 to 30 percent increase are
22 costs and gone up since the start of the FAST Act by 60
23 percent. So that (indiscernible) we're watching, we will be
24 balancing, as Greg goes through and prepares his program, we
25 will take those into account and the projects in the program

1 will be balanced to those new cost index.

2 CHAIRMAN STRATTON: Okay.

3 MR. HAMMIT: (Indiscernible.)

4 CHAIRMAN STRATTON: Any further items on that?
5 Move forward to Agenda Item No. 8, construction
6 contracts, for discussion and possible action.
7 Dallas.

8 MR. HAMMIT: Thank you, Mr. Chair, and thank
9 you, Board, for the approval of the three items on the consent
10 agenda. We do have two that needs explanation.

11 Next slide, please.

12 Item 8A -- and both of these projects that I
13 will be discussing are safety projects. Basically, what we're
14 doing is removing trees that are too close to the roadway that
15 have grown (indiscernible) creating a hazard to the traveling
16 public.

17 The first one is on Interstate 10 near Bowie.
18 The low bid on that project was 735 -- excuse me -- \$735,940.
19 The State's estimate was \$443,140. It was over the State's
20 estimate by \$292.80 (sic), 66 percent over our estimate. As we
21 reviewed -- it says clearing and grubbing. (Indiscernible)
22 clearing and grubbing. So really what we found when we talked
23 to the contractor is it was (indiscernible) duration was twice
24 as long as we estimated. So that was a lot of what the cost
25 increase and the cost (indiscernible) within the

1 (indiscernible). We did review the bid and believe it's a
2 responsive and responsible bid and recommend award to Technology
3 Construction, Inc.

4 CHAIRMAN STRATTON: (Indiscernible)?

5 VICE CHAIRMAN THOMPSON: Chairman.

6 CHAIRMAN STRATTON: Vice chair.

7 VICE CHAIRMAN THOMPSON: I (indiscernible)
8 appreciate the fact that (indiscernible). Thank you for that.

9 So with that, I would like to move for
10 (indiscernible) 8A.

11 MR. KNIGHT: Second.

12 CHAIRMAN STRATTON: Motion and a second to award
13 Item 8A to Technology Construction, Inc.

14 Any questions or discussion on this?

15 Mr. (indiscernible), this is in your district
16 (indiscernible).

17 UNIDENTIFIED SPEAKER: Yes, it is.

18 (indiscernible) sometimes I (indiscernible) priorities. I
19 talked (indiscernible). You know, (indiscernible) it's not a
20 lot of money when you look at the full scope of things, and all
21 this I assume would be (indiscernible) the trees up and they're
22 going to grow right back in five or ten years and we'll be
23 looked at doing this again. Sometimes I just question our
24 (indiscernible).

25 CHAIRMAN STRATTON: Any other discussion?

1 MR. MAXWELL: Mr. Chair.

2 CHAIRMAN STRATTON: Board Member Maxwell.

3 MR. MAXWELL: Dallas, I've just got just one
4 quick question. (Indiscernible) you obviously are
5 (indiscernible) at the time. It's (indiscernible) was there
6 lessons learned (indiscernible)?

7 MR. HAMMIT: One of the things that we learned
8 from this is as we -- it seemed like a small project
9 (indiscernible) looked at of what the (indiscernible) it was
10 more than, you know, (indiscernible) site visits closer to the
11 project (indiscernible) given us additional information, and
12 we would have closer numbers. I don't think it would have
13 changed the numbers, but we might have had our estimate closer
14 to what the actual bid was.

15 MR. MAXWELL: (Indiscernible) some of the rural
16 parts (indiscernible) problematic to get out and take a look
17 at, but (indiscernible) once the bid came in. Thank you.

18 CHAIRMAN STRATTON: (Indiscernible.)

19 If not I'll call for the vote. (Indiscernible)
20 in favor to award Item 8A to Technology Construction, Inc., say
21 aye.

22 BOARD MEMBERS: Aye.

23 CHAIRMAN STRATTON: Board Member Daniels.

24 MS. DANIELS: Aye.

25 CHAIRMAN STRATTON: Thank you. Motion carries.

1 Dallas.

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

3 Item 8B is a second tree removal project. It is
4 on US-60 between Globe and Show Low. On that project the low
5 bid was \$703,760. The State's estimate was \$602,890. It was
6 over the State's estimate by \$100,870, or 16.7 percent. In that
7 case we saw higher than expected pricing for the project. No --
8 a little different that we saw before (indiscernible) it is
9 closer to the estimate. It was just -- we were just under the
10 estimate (indiscernible).

11 Oh, I'm sorry. The department has reviewed the
12 bid and believes it is a responsive and responsible bid and
13 recommends award to Hatch Construction & Paving, Inc.

14 CHAIRMAN STRATTON: Thank you.

15 Do I have a motion to award Item 8B to Hatch
16 Construction & Paving, Incorporated.

17 VICE CHAIRMAN THOMPSON: Chairman, I would like
18 to go ahead and motion that for approval.

19 CHAIRMAN STRATTON: Do I have a second?

20 MR. MAXWELL: Second.

21 CHAIRMAN STRATTON: I'll call for the vote. All
22 in the favor say aye.

23 BOARD MEMBERS: Aye.

24 CHAIRMAN STRATTON: Board Member Daniels.

25 MS. DANIELS: Aye.

1 CHAIRMAN STRATTON: Thank you. The motion
2 carries.

3 Thank you, Dallas.

4 At this time are there any suggestions for
5 future board meetings?

6 MR. MAXWELL: Mr. Chairman.

7 CHAIRMAN STRATTON: Board Member Maxwell.

8 MR. MAXWELL: I know on October 26th looks like
9 we have a study session, at least according to my calendar.
10 So I know I'm the new person on the board (indiscernible)
11 seeing (indiscernible) and I don't know (indiscernible) about
12 it or (indiscernible) 2013. If we could just put a little
13 section on that maybe to take a look (indiscernible) and we
14 did have another accident just last week that (indiscernible)
15 use the word may (indiscernible) crossed over. So...

16 MR. ROEHRICH: So, Mr. Chairman, Mr. Maxwell,
17 that (indiscernible) we're in continuous litigation on those
18 issues, so we don't -- we don't want to discuss details of any
19 of that, but as far as the, you know, (indiscernible), we
20 could present that, I think, as far as the rationale
21 (indiscernible). We can discuss that.

22 MR. MAXWELL: And for -- Mr. Chair, Floyd, that
23 would be very helpful. (Indiscernible) details, but just a
24 presentation of the pros and cons of the barriers, those of us
25 who are not (indiscernible) on that subject. (Indiscernible)

1 at least get a better understanding (indiscernible) constituents
2 call in why (indiscernible) so much.

3 MR. ROEHRICH: And, Mr. Chair, Mr. Maxwell, I
4 know I won't be ready to present that by the meeting on the
5 26th (indiscernible), but we'll start working on getting that
6 at the next appropriate time when we can present it.

7 MR. MAXWELL: Thank you.

8 CHAIRMAN STRATTON: I'll say that I'm looking
9 forward -- I'm assume the next meeting in Wickenburg will be
10 open to the public.

11 MR. ROEHRICH: Mr. Chairman, we are
12 anticipating the board members would be there the
13 (indiscernible) staff. I do not know at this point
14 (indiscernible) opening to the public. So try to assess what
15 is the safety concerns, but we definitely want the Board
16 there. We do have it scheduled to be a in person for the
17 Board and (indiscernible) staff will be limited participation,
18 but a virtual meeting as well. Similar to this. So we'll
19 have more information. As we finish the coordination, we'll
20 have more information on (indiscernible).

21 CHAIRMAN STRATTON: Have we looked at this
22 (indiscernible) safety concerns. (Indiscernible), if at all
23 possible (indiscernible).

24 MR. MAXWELL: Mr. Chair (indiscernible) support
25 that movement. I think we're going to always (indiscernible)

1 coming out of this pandemic (indiscernible) always going to have
2 (indiscernible) either call in or monitor to watch the
3 proceedings, but I do think it's important. I mean, just the
4 ability to come up yesterday, meet with the leadership of this
5 town, see what they've got going on (indiscernible) think it's
6 important for us to try and get back to doing that
7 (indiscernible) as soon as we can.

8 CHAIRMAN STRATTON: Any other comments?

9 VICE CHAIRMAN THOMPSON: Chairman, once again,
10 (indiscernible) several times, but I'd like to (indiscernible)
11 funding to do (indiscernible) on how (indiscernible) roads
12 that are used by our children at the school district
13 (indiscernible) on impacting the academic performance.
14 (Indiscernible) that would be the only way I think that
15 (indiscernible) state (indiscernible).

16 CHAIRMAN STRATTON: Okay. Do I have a motion
17 to adjourn the meeting?

18 MR. KNIGHT: So moved.

19 CHAIRMAN STRATTON: Do I have a second?

20 MR. MAXWELL: Second.

21 CHAIRMAN STRATTON: Members say aye.

22 BOARD MEMBERS: Aye.

23 CHAIRMAN STRATTON: (Indiscernible.)

24 MS. DANIELS: Aye.

25 **(Meeting adjourned at 10:31 a.m.)**

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

4 BE IT KNOWN that the foregoing proceedings were reported
5 by me, TERESA A. WATSON, Registered Merit Reporter, Certified
6 Reporter, Certificate No. 50876, State of Arizona, from an
7 electronic recording and were reduced to written form under my
8 direction; that the foregoing 56 pages constitute a true and
9 accurate transcript of said electronic recording, all done to
10 the best of my skill and ability.

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

14 DATED at Phoenix, Arizona, this 8th day of November 2021.

15
16
17 /s/ Teresa A. Watson

18 TERESA A. WATSON, RMR
19 Certified Reporter
20 Certificate No. 50876
21
22
23
24
25

Adjournment

A motion to adjourn the October 15, 2021, State Transportation Board Meeting was made by Board Member Gary Knight and seconded by Board Member Ted Maxwell. In a voice vote, the motion carried.

Meeting adjourned at 10:31 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