

**STATE TRANSPORTATION BOARD MEETING
TELEPHONIC/VIDEO MEETING
9:00 a.m., September 17, 2021
NO MEMBERS OF THE PUBLIC WILL BE ALLOWED TO ATTEND IN-PERSON**

Call to Order

Chairman Stratton called the State Transportation Board Study Session 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 Knight, Board Member Searle, Board Member Daniels, Board Member Maxwell, and Board Member Jackie Meck. There were approximately 76 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

September 17, 2021
9:00 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, was reported
3 from electronic media by TERESA A. WATSON, Registered Merit
4 Reporter and a Certified Reporter in and for the State of
5 Arizona.

6

7 PARTICIPANTS:

8 Board Members:

9 Steve Stratton, Chairman
10 Jesse Thompson, Vice Chairman
11 Gary Knight, Board Member
12 Richard Searle, Board Member (Absent)
13 Jenn Daniels, Board Member
14 Jackie Meck, Board Member
15 Ted Maxwell, Board Member

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1	CALL TO THE AUDIENCE	
2	Bruce Bracker, Supervisor, Santa Cruz County.....	5
3	Jaime Chamberlain, Chairman, Greater Nogales Santa Cruz County Port Authority.....	7
4		
5	Darryl Ahasteen, Commission President, Nahata Dzill Commission-Local Government.....	10
6	Kee Allen Begay, Junior, Navajo Council Delegate, Many Farms.....	12
7		
8	Robert "Kip" Martin, Shareholder/Spokesperson, Nogales Economic Development Foundation.....	14
9	Allison Moore, Vice President, Fresh Produce Association of the Americas.....	16
10		
11	Guillermo Valencia, President, Nogales U.S. Custom Broker Association.....	19
12	Thomas Bonk, Spokesperson, Beaver Creek Community Association.....	21
13		
14	Raquel Espinoza, Founder & Director of Sales & Marketing, Produce House.....	23
15	Jenny Sabato, Secretary, Beaver Creek Community Association.....	26
16		
17	Jim McCarthy, City Council Member, Flagstaff Metropolitan Planning Organization.....	XX
18	Stephen Garver, Community Member, Yavapai County.....	XX
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1 (Beginning of excerpt.)

2 CHAIRMAN STRATTON: We'll now move on to call to
3 the audience. 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,
6 would you -- you will indicate your presence by virtually
7 raising your hand using your phone keypad or through the Webex
8 application. The Webex host will guide you through the unmuting
9 and muting process following the instructions included with the
10 meeting agenda.

11 A three-minute time limit will be imposed, and we
12 have several speakers today, so we will hold that three-minute,
13 and Floyd, I would ask you to keep track of that time, help us
14 with that. And if you would, go ahead and call the first
15 speaker now, Floyd.

16 MR. ROEHRICH: Yes, sir. Our first speaker is
17 Supervisor Bruce Bracker. Supervisor Bracker, please raise your
18 hand, and the meeting host will unmute you.

19 WEBEX HOST: He is unmuted.

20 MR. BRACKER: Good morning, Mr. Chairman and
21 members of the Board. Thank you very much for allowing me to
22 speak this morning. We very sorry that you could not join us in
23 Nogales. You have some really great projects going on down
24 here.

25 We really want to call attention and thank you

1 for the SR-189 improvements, including the flyover. It's been a
2 tremendous improvement. Your contractor has been great to work
3 with in our community, and so the long-term projects -- the
4 long-term impacts of this project will be felt indefinitely.

5 The short-term impact has -- during this pandemic
6 has had a very positive impact on our local sales tax revenue,
7 which is something both local governments greatly appreciate
8 since the closure of the U.S./Mexican border to all but
9 essential travel. So that's been one of the side effects of
10 this project, but we're very, very excited about it.

11 The other thing I wanted to thank ADOT for was
12 all the work on I-19. It's been testing our -- everybody's
13 patience with the construction, but they just opened up the
14 segment from Tubac to Green Valley. It's working great. Every
15 -- sort of tremendous improvements from what we had, and so we
16 really appreciate the investment in that section.

17 And then finally, upcoming, we'd like you to keep
18 in mind the Ruby Road and Rio Rico Drive interchanges. This
19 area is home to the vast majority of our commercial warehousing,
20 both for maquila and produce. It also is now the largest
21 community in Santa Cruz County. Rio Rico has actually outgrown
22 Nogales in this last Census. So any improvements that we can
23 make to the access to this industrial park and also for the east
24 and west frontage roads, we -- would be greatly appreciated.

25 I know there's some money being talked about from

1 the federal government to ADOT for transportation needs. This
2 would be something that would provide a benefit for local
3 constituents, but also for the international trading routes in
4 this community.

5 Again, thank you very much for your time and have
6 a great meeting.

7 CHAIRMAN STRATTON: Thank you for your comments.
8 Floyd, the next speaker, please.

9 MR. ROEHRICH: The next speaker is Mr. Jaime
10 Chamberlain with the Greater Nogales Santa Cruz County Port
11 Authority. Mr. Chamberlain, please raise your hand.

12 WEBEX HOST: The speaker has been unmuted.

13 MR. CHAMBERLAIN: Good morning, everyone. Can
14 you hear me? For the record --

15 CHAIRMAN STRATTON: Yes. We can hear you.

16 MR. CHAMBERLAIN: For the record, my name is
17 Jaime Chamberlain, and I'm here as the chairman of the Greater
18 Nogales Santa Cruz County Port Authority. Our board of
19 directors includes the City of Nogales, Santa Cruz County, the
20 Fresh Produce Association of the Americas, Index Sonora, Sonora
21 Nogales Custom House Brokers Association, Nogales Community
22 Development, Nogales Economic Development Foundation, and the
23 Santa Cruz County Mining Cluster.

24 I'd like to start off by thanking the Board and
25 Director Halikowski and the entire ADOT -- ADOT team for the

1 tremendous progress made on the modernization of State Route
2 189. We're happy to hear that the project continues to move
3 ahead of schedule and under budget. And as I've said before in
4 other meetings, this project will be a game changer for the
5 improving of the safety of the traveling public and
6 strengthening Arizona's competitiveness as a key trade and
7 tourism corridor in North America. It's a key asset in our
8 competition against California, New Mexico and Texas.

9 And I should note that the modernization project
10 is already having an economic impact on our community. The
11 cross-border travel restrictions that have been in place for
12 over a year have had a severe impact on our border retail,
13 tourism and local merchants. Our sales tax revenues depend on
14 the Mexican visitors who come and spend their money on this side
15 of the border, and had it not been for the SR-189 project that
16 started just days before the shutdown of the state due to COVID,
17 our local economy and our sales tax revenues would have been
18 decimated. The sales tax impact of the project more than made
19 up for the loss of the other sources of sales tax revenues, and
20 for that we are extremely grateful.

21 And as we've stated before, the modernization of
22 State Route 189 is a critical component of a broader
23 transportation and logistics system in Nogales and for Arizona,
24 and I'm here to ask you to include the improvements of the I-19
25 interchanges at Ruby Road and Rio Rico Drive, along with the

1 frontage roads between these two critical interchanges into the
2 five-year plan.

3 Should the Infrastructure Investment and Jobs Act
4 with -- be passed -- which passed the U.S. Senate and also be
5 approved in the House of Representatives, Arizona stands to get
6 an additional funding for infrastructure projects.

7 This portion of I-19 serves as an access point to
8 and from dozens on warehouses that are logistics hubs for
9 billions of pounds of fresh produce in the Rio Rico area. The
10 current (audio interruption) project of Rio Rico -- of Ruby Road
11 overpass will have a significant impact on the condition of the
12 bridge, which was in desperate need of repair due to heavy
13 traffic and heavy use, but it does not increase the throughput
14 or the capacity of the area.

15 Backups for northbound traffic exiting I-19 and
16 Ruby Road are essentially a daily occurrence and extremely --
17 and extremely dangerous. They -- which are aggravated, and
18 these are aggravated during the peak periods of the produce
19 season when the backups exceed dozens of trucks onto I-19. We
20 also need -- we also see backups on southbound truck traffic
21 exiting Ruby Road.

22 Even with the pandemic, truck traffic over
23 Nogales continues to grow. In 2020, over 350,000 trucks crossed
24 northbound at the Mariposa port of entry, which is an --

25 MR. ROEHRICH: Excuse me. Excuse me. Excuse me,

1 Mr. Chamberlain. You've exceeded three minutes. Could you
2 please complete your comments?

3 MR. CHAMBERLAIN: Yeah. As we did with SR-189,
4 gentlemen and -- ladies and gentlemen, we stand ready to work
5 together with you guys to move ahead on the Ruby Road and Rio
6 Rico interchanges, that frontage roads project, as it is an
7 extremely important project, and hopefully you'll consider it
8 for the five-year plan, especially if we get new moneys from the
9 federal government.

10 Thank you all for your attention.

11 CHAIRMAN STRATTON: Thank you.

12 The next speaker, Floyd.

13 MR. ROEHRICH: It's Mr. Darryl Ahasteen.

14 Mr. Ahasteen, could you please raise your hand?

15 WEBEX HOST: The speaker is unmuted.

16 MR. AHASTEEN: (Inaudible) my name is Darryl
17 Ahasteen. I'm a Commission president for Nahata Dzill
18 Commission government. I'll leave my introduction as Navajo
19 out, because that takes too long.

20 Just to -- just to -- we've been coming to
21 Arizona State Transportation Board way back in 19 -- 2019, and
22 with the pandemic everything kind of shut down, but we're here
23 to bring back the issue of moving the Sanders port of entry
24 about 20 miles to the west.

25 Just some information on the point of entry. The

1 current facility is really small compared to the volume of
2 trucks coming into state of Arizona westbound on I-40.
3 Currently, the building is over 50 years old. If a tractor-
4 trailer needs to be inspected, inspectors have to deal with
5 whatever the weather is out there. They don't have a garage or
6 a bay to pull into to do their inspection.

7 Currently, it is in really close vicinity of the
8 Sanders Unified School District administration, elementary and
9 middle school. I've also attached -- if you got my attachment
10 that I sent in yesterday, the first map on Google Earth shows
11 the location of the point of entry and the school.

12 We're recommending that we -- the new port of
13 entry is moved 20 to 20 (sic) miles west of I-40 on the west
14 side of Pinta exit. With the consultant of building
15 communities, we put together a master plan for the Pinta exit
16 development, and the feasibility study was complete, and that
17 new port of entry is included in the master plan.

18 Most of the land is on Navajo Nation, with the
19 Office of Navajo and Hopi Indian Relocation as the land steward.
20 If additional land is to be considered, we, Dahata Dzill
21 Commission government, would have to make a request to withdraw
22 more acreage to make room for the new point of entry.

23 So attached just some excerpt -- excerpting
24 photos from our master plan. The first one is the port of
25 entry. The second one is in the large site plan. A third one

1 is also in the large site plan.

2 We'll be having a teleconference with our
3 consultant on Tuesday, the 21st, and we might have additional
4 speaker at the public input at the next meeting October 15th and
5 maybe have additional photos, also.

6 Thank you for your time.

7 CHAIRMAN STRATTON: Thank you for your comments.

8 I'm going to ask the public that haven't spoke
9 yet, please adhere to the three minutes. We do have a lot of
10 people here that need to speak today.

11 Floyd, would you call the next speaker, please?

12 MR. ROEHRICH: The next speaker is Mr. Kee Allen
13 Begay, Navajo Nation Council Delegate. Mr. Begay, please raise
14 your hand.

15 WEBEX HOST: The speaker is unmuted.

16 MR. ROEHRICH: Mr. Begay, are you there?

17 MR. BEGAY: Can you hear me?

18 MR. ROEHRICH: Yeah.

19 MR. BEGAY: Can you hear me?

20 MR. ROEHRICH: Yes.

21 MR. BEGAY: Good morning, board members, Arizona
22 Board of Transportation administration, everyone on the line.
23 My name is Kee Allen Begay, Junior, with the Navajo Nation
24 Council.

25 I continue to advocate for the road improvement

1 on the Navajo Nation, but more specifically, on the line to
2 continue the request for road improvement on the Highway 191,
3 specifically in the Many Farms area.

4 There are a lot of exit roads that really needs
5 attention. I took pictures, and I did forward that particular
6 document to the administration, and I'm hoping that those
7 documents has been shared with the board members.

8 We talk about economic development. We talk
9 about tourism. I believe that should be a consideration of the
10 right-of-way that ADOT has on the Navajo Nation. I do
11 appreciate the Board making a scheduling to improve the 191 from
12 Chinle to Many Farms, Arizona, but it does stop short at about
13 two miles short of the community of Many Farms, and I'd like to
14 ask ADOT and the administration what could be done to extend
15 that remainder three miles so that the road going through the
16 community of Many Farms is also improved within the project.

17 But I just want to say thank you very much, and I
18 -- I'll continue to work with the administration on not just
19 only on 191, but also in other right-of-way on the Navajo
20 Nation. So I do appreciate the time, and you all have a
21 wonderful day.

22 CHAIRMAN STRATTON: Thank you for your comments.

23 Floyd, would you call the next speaker, please?

24 MR. ROEHRICH: Next speaker is Mr. Robert Martin.

25 Mr. Martin, please raise your hand.

1 WEBEX HOST: The speaker is unmuted.

2 MR. MARTIN: Can everyone hear me?

3 MR. ROEHRICH: Yes.

4 MR. MARTIN: Thank you, Mr. Chairman and members
5 of the Board for the opportunity to speak. My name is Robert
6 Martin. My nickname is Kip, and I'm a lawyer in Nogales who has
7 been living here for the last 34 years. In fact, my former law
8 partner, before he became judge, was one of your board members
9 and chairman, James Soto. So I realize the enormous amount of
10 time and work that you guys commit to making this state better,
11 and I thank you for it.

12 I'm not going to repeat a lot of the comments
13 that have been made prior about Nogales. We're very grateful to
14 you and very appreciative of the partnership with ADOT that has
15 enabled us to do the Mariposa Road improvements. Nogales is
16 committed to working with ADOT and other agencies to improve
17 transportation and economic opportunities for the state and this
18 community.

19 You're all well aware that Nogales has continued
20 to operate throughout the pandemic largely because food was an
21 essential industry, and we've just seen our industry and our
22 economic opportunities for the state grow down here throughout
23 the pandemic.

24 The big -- the big challenge to us is to continue
25 improving our infrastructure so that we can increase our

1 throughput and grow this economy for the state. You guys know
2 and ladies know that we are competing against the other border
3 states, primarily Texas, in infrastructure, and we're doing a
4 great game of catch-up, but I think we're still behind.

5 The improvements to the bridge over Ruby Road are
6 almost done. None of us knew that that bridge would be pounded
7 by trucks like it was. We're looking at that as a very
8 fortunate occurrence, because that means even more business for
9 us.

10 So we're hoping that you slip the improvements to
11 Ruby Road and the frontage area up there onto the five-year
12 plan, and we also hope that you keep an eye out for any new
13 infrastructure money that might be coming down in the
14 infrastructure bill to hopefully fast track that project so that
15 we can keep these wheels running in Nogales and improve the
16 economy for the state.

17 The last thing I wanted to talk about is the
18 border liaison unit, which has been really a great thing for
19 Nogales and our community to work with ADOT and the -- the
20 improvement to safety that has come from that unit, training
21 Mexican drivers to observe Arizona's safety laws has been
22 fantastic and we hope to continue that.

23 And if you have any questions, just -- we're
24 welcome -- we're willing to provide information, any support
25 that you need for staff, and again, we thank you very much.

1 CHAIRMAN STRATTON: Thank you for your comments.
2 Floyd?

3 MR. ROEHRICH: Our next speaker is Ms. Allison
4 Moore. Ms. Moore, please raise your hand.

5 WEBEX HOST: The speaker has been unmuted.

6 MS. MOORE: Thank you very much. Chairman
7 Stratton and members of the Board, we appreciate the opportunity
8 to address you today.

9 My name is Allison Moore. I am with the Fresh
10 Produce Association of the Americas. I'm the vice president,
11 have been there for about 20 years. We are an association of
12 U.S. importers and distributors of fresh produce from Mexico,
13 and each year through our port we see about 6 billion pounds of
14 fresh produce worth over \$3 billion.

15 We're one of the largest private employers here.
16 We locally contribute about 4,000 jobs, \$190 million in wages,
17 and about \$430 million in economic output, and we're working
18 with the U of A right now to really identify and quantify our
19 impact on the state and the rest of the nation.

20 We've looked at one commodity in particular,
21 tomatoes, and if you look at just tomatoes, countrywide, we
22 provide over 33,000 jobs in the U.S. and \$2.9 billion for the
23 GDP. So infrastructure investment that happens here in Nogales
24 has a direct positive impact on the rest of the state and the
25 country as a whole.

1 I'm sorry you couldn't be here in person, because
2 there is a lot of really great things to see right now. We have
3 the I-19 repaving, the redecking of the Ruby Road Bridge, and
4 we're completing a major overhaul at Mariposa Road, or State
5 Route 189, and a lot of that is due to a lot of the unique
6 partnerships that ADOT and the local community have with each
7 other, and even though the redecking is happening on the Ruby
8 Road Bridge, that's not going to increase our throughput in that
9 area right now.

10 So I'm here to ask that the Ruby Road/Rio Rico
11 Drive project and frontage roads in between those two
12 intersections with I-19 be included in the five-year plan,
13 especially if the infrastructure bill becomes law and the state
14 sees potentially additional transportation moneys coming our
15 way.

16 I think if you look at that intersection now, it
17 bookends our major industrial park. A lot of produce that comes
18 in from Mexico goes right through those intersections. Mainly,
19 the Ruby Road intersection, because right now, the Rio Rico
20 Drive intersection is cut off and is only a one-way system on
21 the east side. But we have a convergence of huge commercial
22 trucks, residential cars from neighborhoods on either side of
23 I-19. Also school traffic and buses that come in for the school
24 that's in that frontage road system on the west side.

25 So we're hoping that because the project has been

1 -- the design of that project has been completed and ADOT has
2 spent countless hours working with the local community to come
3 to a good proposal for that area, that we would be able to move
4 quickly if we get transportation funding to allow that. So
5 please keep that in mind.

6 It's just -- you know, State Route 189 is a huge
7 and important project, but it's one piece of the overall
8 transportation network here in our community to keep fresh
9 produce moving.

10 And I also want to say I echo Mr. Martin's
11 comments on the border liaison unit. That has been a really
12 important project for us, a really important game changer in
13 terms of improving transportation safety.

14 MR. ROEHRICH: Ms. Moore -- excuse me, Ms. Moore.
15 Your time is up, please.

16 MS. MOORE: Okay.

17 MR. ROEHRICH: Finish your comments.

18 MS. MOORE: That's all I had. The
19 (indiscernible) was great, and we really appreciate you guys
20 listening, and we're here to answer any questions. Thank you.

21 CHAIRMAN STRATTON: Thank you for your comments.
22 Floyd, the next speaker.

23 MR. ROEHRICH: Our next speaker is Mr. Guillermo
24 Valencia. Mr. Valencia, please raise your hand.

25 WEBEX HOST: THE speaker has been unmuted.

1 MR. VALENCIA: Thank you. Can you hear me?

2 CHAIRMAN STRATTON: Yes.

3 MR. VALENCIA: Good. First of all, sorry about
4 my video. I couldn't get that going, but the least I'm here on
5 the audio, right?

6 Good morning, Chairman Stratton. Great to see
7 you again. Members of the Board, good morning. My name is
8 Guillermo Valencia, and I am here as the vice president of
9 Nogales Custom Brokers Association. My company, Valencia
10 International, is a member firm. I am also the past chairman of
11 the Greater Nogales and Santa Cruz County Port Authority.

12 First of all, I want to take this opportunity to
13 thank you and the Arizona Department of Transportation for the
14 partnership that we have been able to forge with Director
15 Halikowski and all his ADOT team. As you've heard, we have
16 several projects that are being worked on in our area, the
17 surface -- the resurfacing of I-19 at the Border Patrol
18 checkpoint being one, the redecking of Ruby Road Bridge the
19 other, and as we all know, and we have just around the corner,
20 as we head to the completion of State Route 189 modernization
21 project.

22 Something that when it first started coming
23 before the Board many felt was just pipe dream, but today it is
24 very much a reality. It's worth stating that the partnership
25 created, that included ADOT, the US DOT, the state Legislature,

1 the Governor's office, Santa Cruz County and the City of
2 Nogales, remains a unique example in Arizona of how projects of
3 this magnitude can move forward.

4 And talking about moving forward, I want to
5 reiterate the need -- the urgent need to upgrade I-19
6 interchanges at Ruby Road/Rio Rico Drive and frontage roads.
7 They are not only critical to -- they are critical to the safety
8 and daily efficiency of our community, but also to the
9 competitiveness of our region, as you've heard other speakers
10 attest to.

11 Among some of the initiatives that stand to make
12 us more competitive is to offer a true multimodal alternative at
13 Rio Rico, something that Santa Cruz County is spearheading, and
14 it would be great if we could partner with ADOT on the planning
15 process.

16 For instance, we have a multi-billion-dollar
17 mining investment in our county, and they are projecting
18 anywhere from 300 to 600 additional trucks per day flowing
19 through our community. Having a truck-to-rail operation would
20 be great part of a comprehensive approach to congestion and
21 traffic issues in Nogales. I know that railroads are beyond the
22 purview of ADOT, but the planning of a multimodal facility and
23 the impacts to the flow of trucks and congestion is part of
24 ADOT's mission. Thus we hope we can include a multimodal
25 analysis in the many areas of collaboration with ADOT.

1 With that, I conclude my testimony, and I thank
2 you for your time once again, and I'd be happy to address any
3 questions you may have. Thank you.

4 CHAIRMAN STRATTON: Guillermo, it's great to hear
5 from you, and thank you for your comments.

6 Floyd, the next speaker, please.

7 MR. ROEHRICH: The next speaker is Mr. Thomas
8 Bonk. Mr. Bonk, please raise your hand.

9 WEBEX HOST: The speaker has been unmuted.

10 MR. BONK: Thank you, Commissioner, and the board
11 members for this opportunity to speak.

12 My name is Thomas Bonk, and I represent the
13 community of Beaver Creek. I'm speaking today again about Exit
14 293 off of I-17, serving the Beaver Creek, Rimrock,
15 McGuireville, Cornville, Camp Verde -- not Camp -- anyway, it's
16 serving -- this exit is serving over 20,000 residents, and that
17 is soon to be double.

18 This exit has been ignored for over 20 years. It
19 has been on the five-year plan three times in a row, and then it
20 was recently dropped to a longer-term plan. We're talking about
21 an exit that still has drainage swales across the roadway on the
22 exits. There's no culverts. The dips in the exit ramps are so
23 bad that I've got reports of people losing traction control.
24 This is the -- they just realigned one of the exit ramps, and we
25 still had people using the old alignment and passing people on

1 the right through the shoulder.

2 And since last month, they actually tried to do
3 something, they put a traffic barrel in the alignment, and it
4 was a joke. People were taking bets on how long it would take
5 before somebody hits the barrel. Nobody won any bets, because
6 it only took less than 48 hours before it was hit, not once, but
7 twice.

8 We really need to have this exit addressed. The
9 bridge across I-17 does not meet any known standards. It's way
10 too narrow for any multimodal -- multimodal transportation.
11 It's one of the narrowest bridges on I-17, across the I-17. The
12 alignment of the entire exchange does not meet any known
13 standard.

14 From reports I've read, it was originally a --
15 going to be a normal diamond exchange, but now it looks like a
16 quarter cloverleaf or something like that. It's -- nothing is
17 aligned properly at that exit, and I do wish that this can be
18 address and put back on the five-year plan, and I'm sorry to
19 interrupt the Nogales conversation we're having, but this is
20 very important. It is a safety issue.

21 Thank you very much.

22 CHAIRMAN STRATTON: Thank you for your comments.
23 Floyd, the next speaker.

24 MR. ROEHRICH: The next speaker is Mr. Stephen
25 Garver. Mr. Garver, please raise your hand.

1 Graham, is Mr. Garver on the line?

2 WEBEX HOST: I don't see him. No.

3 MR. ROEHRICH: Why don't we go to the next one,
4 Mr. Chairman. We'll see if he comes back in.

5 Our next speaker is Ms. Raquel Espinoza.

6 Ms. Espinoza, please raise your hand.

7 WEBEX HOST: No one has raised their hand.

8 There she is. Hold on one second. Okay. The
9 speaker has been unmuted.

10 MS. ESPINOZA: Hi. Good morning, everybody.
11 Chairman Stratton and members of the Board, thank you for the
12 opportunity to speak with you this morning.

13 My name is Raquel Espinoza. I am the founder of
14 Produce House, a U.S. distribution company that imports and
15 sells fresh produce from Mexico. I have worked in the produce
16 industry for over two decades, and I am a native to Nogales
17 Arizona.

18 The department of -- the Arizona Department of
19 Transportation has a direct impact on my business day in and day
20 out. Investments in transportation infrastructure that reduce
21 congestion and improve safety help my business be more
22 competitive and efficient and help me continue to provide jobs
23 and economic benefits to my community and the country at large.

24 The benefits of transportation investment are
25 apparent in the ongoing improvements to Mariposa Road, which

1 means trucks entering the U.S. for deliveries to my warehouse in
2 Rio Rico and in Nogales will experience fewer delays along the
3 corridor leading from the port of entry to I-19.

4 Additionally, ADOT is in the process of repaving
5 I-19 and is redecking the Ruby Road Bridge, which was in
6 desperate need of repair. These projects will have a benefit
7 for our community and the entire state by making our roads safer
8 and more efficient and our businesses more effective.

9 We appreciate the responsiveness of ADOT
10 regional -- the ADOT regional office in helping minimize any
11 delays during the construction projects happening in our
12 community now. The partnership our industry has with ADOT is
13 invaluable. We thank you.

14 While these projects are a great start, we still
15 have some more to do to maximize our full potential in reaching
16 more jobs, expanding our economy and making our area the most
17 competitive for imports from Mexico. With the completion of the
18 Mariposa Road project, and in coming months, we must turn our
19 sights to the next phase in our overall transportation network.

20 I do ask for you guys to please consider -- and
21 the improvements to the -- to the I-19 -- I'm so sorry. I ask
22 you to include the improvements of the I-19 interchanges at the
23 Ruby Road and Rio Rico Drive, along the frontage roads between
24 the two critical interchanges into the five-year plan.

25 If the Infrastructure Investments and Jobs Act

1 becomes law, Arizona stands to get additional funding for
2 infrastructure projects. The Ruby Road/Rio Rico Drive project
3 has completed a design phase with extensive input and buy-in
4 from the local community and is ready to move forward with
5 funds -- when funding is identified.

6 This portion of the I-19 serves as the main
7 access point to and from my warehouse and many warehouses like
8 mine, which are the logistic hubs for billions of pounds of
9 fresh produce each year. Every truck carrying fresh produce
10 from my growers in Mexico to my warehouse in Rio Rico and in
11 Nogales must --

12 MR. ROEHRICH: Excuse me, Ms. Espinoza.

13 MS. ESPINOZA: -- fight the congestion at the
14 Ruby Road intersects -- intersection.

15 MR. ROEHRICH: Excuse me, Ms. Espinoza. Please
16 complete your comments.

17 MS. ESPINOZA: Often during our busiest season,
18 trucks and cars are backed up along the entire northbound off
19 ramp onto I-19.

20 MR. ROEHRICH: Thank you, Ms. Espinoza. Please
21 complete your comments. Your time is up.

22 MS. ESPINOZA: -- from Tucson to Rio Rico to pick
23 up loads of fresh produce for distribution across the U.S. and
24 Canada. The trucks converge with cars going to and from
25 significant residential communities, either side of I-19, and

1 also buses serving a school in the area. We have identified --

2 MR. ROEHRICH: Ms. Espinoza --

3 CHAIRMAN STRATTON: Excuse me, ma'am. You're
4 well over your time limit. Please wrap up your comments.

5 MS. ESPINOZA: We appreciate you very much, and
6 hopefully you'll consider us. Thank you.

7 CHAIRMAN STRATTON: Thank you.

8 Floyd, the next speaker?

9 MR. ROEHRICH: The next speaker is Ms. Jenny Lee
10 Sabato. Ms. Sabato, please raise your hand.

11 WEBEX HOST: The speaker has been unmuted.

12 MS. SABATO: Good morning. Thank you. My name
13 is Jenny Sabato. I am the secretary of the Beaver Creek
14 Community Association.

15 I'm calling about the Exit 293 on I-17. We have
16 (audio interruption) the urgent need for our on and off ramp and
17 the bridge to be looked at, and we appreciate a response that
18 happened recently where a stop sign, a weighted stop sign was
19 put on one of the exit ramps.

20 While we appreciate the attention that we're
21 starting to get, this particular stop sign has -- it's really
22 misplaced and has already caused two accidents. It was put in a
23 place to deter cars from passing very quickly on the right
24 shoulder. However, there's still just enough room for cars to
25 squeeze by. So you'll see them trying to squeeze in because

1 they think they're supposed to go that way.

2 So I am asking that if could somebody please come
3 move this stop sign just two feet to the right and maybe put a
4 K-rail to sort of seal that -- that area on the right shoulder
5 to stop these accidents while the rest of the problems are being
6 addressed. It is urgent that that get fixed. There -- been
7 there a short time. We've had two accidents already. I'm sure
8 there's going to be more. There's a lot of increasing
9 frustration in the community, but again, we do appreciate the
10 attention we're starting to get if -- but if we could get this
11 fixed, that would be so great.

12 So thanks so much. That's all I have to say
13 today. Happy Friday. Have a great weekend. Thank you.

14 CHAIRMAN STRATTON: Thank you, ma'am.

15 Floyd?

16 MR. ROEHRICH: Next speaker is Mr. Jim McCarthy.
17 Mr. McCarthy, please raise your hand.

18 WEBEX HOST: Mr. McCarthy has let us know he will
19 not be joining us this morning.

20 MR. SEARLE: Chairman Stratton.

21 CHAIRMAN STRATTON: Pardon me?

22 MR. SEARLE: Chairman Stratton, this is Richard.

23 CHAIRMAN STRATTON: Go ahead, Richard.

24 MR. SEARLE: I need to excuse myself for about
25 ten minutes. Please progress. I'll get back as soon as I can.

1 Thank you.

2 CHAIRMAN STRATTON: Very good.

3 MR. ROEHRICH: So, Mr. Chairman, the only other
4 speaker was the one who hadn't showed up yet. That's
5 Mr. Stephen Garver, and I don't know. Mr. Garver, have you
6 logged in now? Can you please raise your hand?

7 Randy, do you see anything from Mr. Garver?

8 WEBEX HOST: No, I do not.

9 MR. ROEHRICH: Mr. Chairman, that's all the call
10 to the audience.

11 CHAIRMAN STRATTON: Okay. Thank you, Floyd.

12 We'll now move on --

13 VICE CHAIR THOMPSON: Chairman.

14 CHAIRMAN STRATTON: -- to the Director's report.

15 VICE CHAIR THOMPSON: Chairman. Chairman.

16 CHAIRMAN STRATTON: Yes.

17 VICE CHAIR THOMPSON: Can we go back to the
18 opening remarks? I'd like to make one short comment.

19 CHAIRMAN STRATTON: Go ahead, Jesse.

20 VICE CHAIR THOMPSON: I just -- there have been
21 several comments that have been made, and I want to give
22 recognition to Bruce Bracker and his fellow supervisors.
23 They've done an outstanding job in responding to the needs for
24 assistance to the Native American reservation. They've --
25 several truckloads of fresh produce they sent up to Navajo

1 Nation Hopi Tribe and the White Mountain Apache Tribe. So
2 again, thank you to them.

3 So thank you very much, Chairman.

4 CHAIRMAN STRATTON: Yes, sir.

5 We'll now move on to Item 1, the Director's
6 report. John.

7 DIRECTOR HALIKOWSKI: Thanks, Mr. Chairman, and
8 good morning, board members. Happy Friday, everyone.

9 Mr. Chairman, I believe that most of the things
10 I'll report on will come out either through Greg Byres, Dallas
11 or Katy's report.

12 There was one last-minute item I just want to
13 update you on. Last month, Vice Chairman Thompson asked me
14 about the Sanders port of entry, and I note it was brought up
15 today by one of the speakers. I just wanted to inform the Board
16 that we have a study by Kimley-Horn, which is pretty exhaustive,
17 on every port of entry as far as the data it contains, and in
18 particular, we're looking at the facilities them self. We're
19 looking at the traffic control, the approach and exit lanes and
20 the technology in the ports.

21 Obviously, we don't have funding to go out and
22 repair every port. So what I've done is put Greg Byres from
23 Multimodal Planning Division in charge of taking the data and
24 deconstructing it, and he and I are part of an internal team of
25 work on the ports of entry and trying to -- much like we do

1 through our priority programming process for infrastructure
2 projects, start moving the ports and their improvements in the
3 same direction.

4 So we'll take a look at the Sanders port of entry
5 and what the proposals are from the community and work that into
6 our deliberations as we're considering improvements to the port
7 of entry, their best placement and operational efficiencies in
8 the future.

9 So that's all I have today, Mr. Chairman. We'll
10 also -- in a note to the public take a look at the issues that
11 were brought up today, and we'll report out on those to the
12 Board publicly next month as we review the issues brought up by
13 the speakers.

14 CHAIRMAN STRATTON: John, thank you for that
15 information. That's good information for the Board (audio
16 interruption) those are going on. Thank you for addressing
17 the --

18 DIRECTOR HALIKOWSKI: Thank you, Chairman.

19 CHAIRMAN STRATTON: -- comment that was made.
20 We'll move to the -- any questions for John?

21 VICE CHAIR THOMPSON: Chairman.

22 MR. ROEHRICH: Mr. Chairman, this is -- this is
23 Floyd. I just want to make sure that Katy's got a legislative
24 report as part of the Director's report. So if no board members
25 have comments, Katy still has some legislative update to

1 provide.

2 CHAIRMAN STRATTON: Yes. I was just going to let
3 them talk to John or ask questions to John at this point, and
4 then we'd move to the report.

5 Jesse, I believe you had a question?

6 VICE CHAIR THOMPSON: Yes. I just want to thank
7 the Director in regarding to his report on the San -- that
8 communities project regarding the port of entry. I know that
9 that have stopped for a while because they have a -- from the
10 emergency that happened, and of course, the pandemic that caused
11 a delay, and probably good for those people that have been
12 concentrating on that project to hear (inaudible) again.

13 So thank you, John. Thank you very much,
14 Chairman.

15 CHAIRMAN STRATTON: Yeah.

16 DIRECTOR HALIKOWSKI: Thank you, Mr. Chairman.

17 As you know, the ports historically have been run
18 by the Motor Vehicle Division, and we split them out I want to
19 say about seven years ago into a separate division with the
20 agency, and I think as you're seeing, the ports and their
21 infrastructure are just really aligned more with the highways
22 and the planning group in the sense that they exist for two
23 reasons. One is really to ensure safety of the drivers and the
24 equipment, the big rigs they're hauling, but the second reason,
25 just as important, is the weight and its impacts on the

1 pavement.

2 So that's why we've enlisted the help of the
3 state engineer and his staff to really move the ports of entry
4 into the highway planning and infrastructure side of the house
5 to ensure that we have safe ports that are highly efficient.

6 Like I said, obviously ports are expensive
7 operations to build and run, but we have to start dissecting the
8 data to give you reports so that you understand what we're
9 facing in the -- in case you decide to provide funding for those
10 in the future. So thank you.

11 CHAIRMAN STRATTON: Thank you, John.

12 Any other questions for the Director?

13 Hearing none, we'll move to the state and federal
14 legislative report.

15 MS. PROCTOR: Hi. Good morning, members. This
16 is Katy Proctor. On the state side, there's really not much to
17 report this month. We're still working towards implementation
18 from the previous legislative session. Our implementation date
19 for most legislation is September 29th, and we're on track to
20 meet that for all of our projects, et cetera.

21 On the federal side, there is a lot going on
22 right now. As we discussed last month, the Congress is working
23 towards having a bipartisan infrastructure bill, which is now
24 called the IIJA, the Infrastructure Investment and Jobs Act, in
25 conjunction with a budget.

1 The budget resolution currently under
2 consideration in the House is now tied to that IIJA
3 infrastructure proposal, and they had set originally an internal
4 deadline of the 27th of September to push both pieces out.

5 The House Transportation Committee did meet
6 earlier this week to mark up their portions of the budget bill,
7 adding just under \$60 billion in directed spending. However,
8 despite that action, it's very unlikely at this point that the
9 House is going to meet that 9/27 deadline to move both pieces
10 out.

11 So instead, the House Rules Committee is going to
12 meet on Monday and start a stopgap spending measure through the
13 process, ideally moving that to the floor later next week. We
14 don't have text on that yet, so we're waiting to see what will
15 be included, but it does look like it will be something that
16 keeps the agencies running, essentially, until December, and
17 we're waiting to see what the December date is going to be.
18 We've heard both the 10th and the 3rd, so we'll have to see what
19 that looks like when the language does come out.

20 It's also important to note that in addition to
21 the stopgap measure, we do have a little bit of a debt cliff
22 approaching, and the Treasury is likely to meet their limit in
23 October. So there is talk of including some kind of debt relief
24 in this process as well as potentially some relief for hurricane
25 damage from the past month.

1 There's a lot of moving pieces right now, and
2 we're not sure what will be included in the stopgap measure, but
3 that will inherently determine how quickly it moves through the
4 process as well. So we'll keep you updated in the next month on
5 where we are, but that's what we know at this point. And I'd be
6 happy to answer any questions you might have.

7 CHAIRMAN STRATTON: Thank you. Are there any
8 questions?

9 I guess you're off the hook today. Thank you. I
10 appreciate it.

11 DIRECTOR HALIKOWSKI: Mr. Chairman, I just wanted
12 to say I think that concludes my portion of the agenda. Thank
13 you, sir.

14 CHAIRMAN STRATTON: Thank you, John.

15 We'll now move on to Item Number 2, the district
16 engineer's report. Rod Lane, Southcentral District Engineer.

17 MR. LANE: Good morning, Chairman Stratton,
18 members of the Board. Welcome virtually to Nogales and ADOT's
19 Southcentral District. I'm going to talk today about some of
20 the larger projects we have going on in the Southcentral
21 District. It's been quite a -- quite an extensive year for us.
22 We're wrapping up several large jobs. So let's move to the
23 first slide, please.

24 So this, of course, is the 189 and International
25 Border to Grand Avenue project, which has been mentioned several

1 times this morning. It was a design build project done by a
2 team of Ames and Horrocks. Contract value was \$82 million. Our
3 general engineering consultant for ADOT was AECOM. We expect
4 this project to be done early next year. We're 85 plus percent
5 done with this.

6 You can see the roundabout, the (indiscernible)
7 on bottom right, section that's completed. You can see the
8 flyover on the left, then another picture of the flyover from
9 underneath. So this project is wrapping up. We're very proud
10 of this. It's moving along very nicely, and the team has been
11 very successful with this one.

12 Next slide, please.

13 Another large project in ADOT's Southcentral
14 District but up in the Tucson area is the I-10/Ruthrauff Road
15 and El Camino del Cerro traffic interchange. So this is a
16 project on I-10 for \$80 million. It was done by a low bid with
17 an A plus B component. The contractor is Sundt Construction.
18 Again, we're wrapping this one up. We're probably 80, 85
19 percent done with that. One of the ramps has opened. We expect
20 to have the other ramps open next month.

21 It's a new diamond interchange for the traffic
22 flow of off I-10, but then they've also added a bridge over the
23 railroad, and there's another bridge further on the right over
24 here that goes over Highway Drive. Some of the kind of unique
25 features, aesthetic features on this project have kind of shown

1 up on the screen.

2 So I don't know if you can -- this -- these are
3 (indiscernible) liners in the concrete. I just thought they
4 were kind of unique, so I thought I'd just share them with you.

5 So this one up here is actually a map of the
6 streets of the city of Tucson. So you can see I-10 going here.
7 You can see the SR-86 going here. This is SR-77. So it's a
8 kind of a unique -- unique feature and this is a profile of
9 Mr. Ruthrauff, and I think the tie-in for Mr. Ruthrauff is he
10 was the city engineer for the City of Tucson just before World
11 War I, and one his claims to fame was that he started paving the
12 streets of Tucson. So it's kind of a unique thing. That's why
13 I've got the whole engineering thing going, so I thought I would
14 share that with you.

15 Next slide, please.

16 Another large traffic interchange that they're
17 completing in the Southcentral District is also on I-10, and
18 that's the Houghton Road traffic interchange, and this is going
19 to be a diversion -- a diverging diamond traffic interchange.
20 We're probably again, 85, 90 percent complete.

21 We expect to have this job later this year. We
22 expect to have the DDI -- or the diamond -- diverging diamond
23 operational probably by the end of October, middle to the end of
24 October is the anticipated time to have that completely in
25 operation. So this is being constructed by Ames Construction.

1 Contract value of 23.4 million, and the delivery method was a
2 low bid build.

3 Next slide, please.

4 And also mentioned several times is this slide is
5 some of the work that we've been doing on I-19. This is
6 specifically the work that's being done in Santa Cruz County,
7 kind of the Pima County border, and the contractor is Fisher
8 Sand and Gravel. This is a mill and pavement job. So milling
9 off a few inches of pavement and then replacing it all the way
10 down there. We've also redone all of the pavement through the
11 checkpoint down in there. We put a (indiscernible) concrete
12 pavement down there to make that a lot more durable. So that's
13 got a contract value of 17.26 million. That was also a low bid
14 project. We expect to have that one done very soon.

15 Next slide, please.

16 The next project up in that same phase, which was
17 awarded to the same contractor, Fisher Grand and Gravel, is also
18 on I-19. It's a combination of two projects. It's all a
19 pavement preservation project similar to what was done in the
20 southern section of I-19, but it also includes a bridge deck
21 rehab for Sahaurita Road going over I-19. That one's moving
22 along. The schedule date is a little bit later than the one
23 down in the south, but we expect to have that one done in early
24 2022, which was, again, Fisher Sand and Gravel, \$13.12 million,
25 and it was delivered by a low bid build method.

1 Next slide, please.

2 Also mentioned several times in -- by some of the
3 previous speakers is the Ruby Road deck rehabilitation project.
4 Also won by Fisher Sand and Gravel. Programmed amount was
5 2.478, it's a low bid project, and we're expecting to have that
6 one done this month. The bridge deck is virtually done. I --
7 just got to really stripe it, the top surf, stripe it, and then
8 we'll be complete with that project.

9 Next slide, please.

10 A project that's very important to the PAG
11 community is SR-77, and this is a combination of two projects,
12 and it goes all the way from I-10, down Miracle Mile, which is
13 also SR-77, turns north at Oracle Road and goes up to Calle
14 Concordia. So this is a pavement preservation project with a
15 combined total of \$34.37 million, and it's being done by grant.
16 Moving along nicely. We expect to have that project done in
17 2023.

18 Next slide, please.

19 And that's the end of my report. I'll be happy
20 to take any questions, Mr. Chairman.

21 CHAIRMAN STRATTON: Thank you, Rod. I appreciate
22 the report. Are there any questions for Rod?

23 MR. MAXWELL: Mr. Chairman, this is Member
24 Maxwell. I'd just like to make a comment.

25 CHAIRMAN STRATTON: Go ahead.

1 MR. MAXWELL: I just wanted to thank Rod and his
2 team for their openness and willingness, especially when I came
3 onto the Board on bringing me in and kind of educating me on the
4 work that they're doing down there. And I think the variety of
5 the projects that Rod said that they're working on, and there
6 are many of them which are coming to completion, it's not just
7 about moving traffic. It is about safety, and especially those
8 TIs that are in the I-10 area. I have been critical to
9 improving not just the flow of traffic off of I-10 and into the
10 rest of the community, but also in enhancing the safety. So I
11 just want to thank him and his team for all they're doing in
12 these sometimes challenging, difficult fiscal times.

13 CHAIRMAN STRATTON: Thank you, Board Member
14 Maxwell. Any other comments or questions?

15 Okay. Hearing none, we'll now move on to Item
16 Number 3, the consent agenda. Does any member have an item
17 they'd like to remove from the consent agenda?

18 Hearing none, do I have a motion to approve the
19 consent agenda as presented?

20 MS. DANIELS: So --

21 MR. KNIGHT: So moved, Chairman.

22 MS. DANIELS: Go ahead.

23 CHAIRMAN STRATTON: You're breaking up, but I
24 believe I have a motion by Board Member Knight and a second by
25 Board Member Daniels; is that correct?

1 MR. KNIGHT: Correct.

2 MS. DANIELS: Correct.

3 CHAIRMAN STRATTON: Any discussion?

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

6 MR. ROEHRICH: Yes, Mr. Chairman.

7 Vice Chairman Thompson.

8 VICE CHAIR THOMPSON: Aye.

9 MR. ROEHRICH: Member Knight.

10 MR. KNIGHT: Aye.

11 MR. ROEHRICH: Member Searle.

12 Member Daniels.

13 MS. DANIELS: Aye.

14 MR. ROEHRICH: Member Meck.

15 MR. MECK: Aye.

16 MR. ROEHRICH: Member Maxwell.

17 MR. MAXWELL: Aye.

18 MR. ROEHRICH: Chairman Stratton.

19 CHAIRMAN STRATTON: Aye. Motion passes. Thank
20 you.

21 We'll now move on to Item Number 4, the financial
22 report, with Kristine Ward. This is for information and
23 discussion only. Kristine.

24 MS. WARD: Good morning, board members. It's a
25 pleasure to speak to you this morning. We have a few things to

1 cover, so I'll try and move this along, at least this front
2 part.

3 Let's start with the Highway User Revenue Fund
4 report. We are running right on target. We're only two months
5 in with one -- so that is not that is not a steller achievement
6 at this point. We'll talk more at end of the year if we remain
7 on target, but right now, we are. We saw quite a bit of swings,
8 so -- and we're pulling 3 percent off target. A little below
9 our forecast.

10 Rhett, if you'll go to the next slide.

11 What we saw is while the actuals varied
12 amongst -- the actual -- actuals varied from forecast among the
13 individual categories. Overall, the August forecast -- this is
14 just for the month of August -- was only .6 percent below those
15 actuals. So you'll see quite a swing there between our gas --
16 forecast for gasoline and our forecast for VLT, and they all set
17 one another that led us to only a .6 percent variance for
18 August.

19 Rhett, if you'll go to the next slide.

20 This one you'll notice has no variance, and I'd
21 like to say it's because we're just that good, but that's not
22 the case. Because the forecasts were not available, we had
23 actuals before we had forecasts. So you'll see no variance
24 there.

25 And if you go to the next slide, Rhett.

1 You'll see that we had double digit growth over
2 FY '21 in all of the categories. Now, keep in mind, for
3 instance, in the restaurant category, restaurant and bar where
4 you see tremendous growth of 35.8 percent, remember we're coming
5 off of a very bad, very low FY '21. So that's why you're seeing
6 such a tremendous variation there.

7 If we could go on to the next slide.

8 So let's talk a bit about the federal aid
9 program. There's -- there's a few things going on there. First
10 of all, as Katy reported out, the IIJA, Infrastructure
11 Investment and Job Act, we are up to our elbows analyzing this
12 bill, and what I hope to have for you next month is kind of the
13 high-level impacts of what we expect in terms of additional --
14 additional revenues.

15 The -- understand we are -- we are -- this is a
16 2,000-plus page bill, so we are starting with our -- the
17 analyses that have -- summary analyses that have been put out,
18 and then going to dig into the bill itself, the bill language
19 itself.

20 Also with the federal program -- if you could go
21 to the next slide, Rhett.

22 Actually, let me cover some good news first. We
23 got -- for those of who don't know, we got -- every year we get
24 what they call "August redistribution," and this is a process
25 where Federal Highways goes through, finds where there are

1 unused funds that can be redeployed, and states apply for those
2 funds. We routinely -- when I provide you the estimates for the
3 five-year construction program, I routinely build in an estimate
4 for how much the department, how much the state will receive in
5 August redistribution moneys.

6 The five-year program that we are currently in
7 counted on \$35 million -- on receiving \$35 million in August
8 redistribution funds. On August 30th, we were notified that we
9 in actuality received 60 million, 60 million in August
10 redistributions funds. So that is \$25 million above what we had
11 based the program on.

12 So you might say what did you do with the
13 \$25 million? August redistribution comes with the requirement
14 that those funds be -- what we say is soaked up, but the true
15 language is obligated within a very short time. So we have to
16 get those dollars obligated with the -- with FHWA in a very
17 short period of time. In this case, it was about September
18 15th. That means that we have to essentially spend them
19 quickly.

20 What we do, and this is the standard process
21 every year, is we use -- if we receive extra funds, we basically
22 pay ahead on our bills. So we have projects that are underway
23 that we anticipate using federal funds for next year. We pay
24 those bills -- we essentially obligate those dollars early,
25 which frees up dollars in future years, in the future next two

1 years, and what that facilitates is that I build those in to the
2 next program. So when I come to you with our next five-year
3 program, it will have incorporated those additional \$25 million.

4 Hope that -- do you have any questions on that
5 before I move on?

6 CHAIRMAN STRATTON: Anyone have a question on
7 that for Kristine?

8 MS. WARD: All right, sir.

9 So in the -- at the same time we are experiencing
10 the joy of \$25 million extra coming in in August redistribution
11 and the potential of additional funding coming through the
12 infrastructure bill, we also had a presentation by FHWA's CFO,
13 Brian Bezio, on August 26th, and the presentation he provided
14 was he was giving states the heads up that they may need to
15 implement what they call cash management procedures, also cash
16 -- known as cash management measures. What that means is that
17 at the same time we've got additional August redis., we've got
18 infrastructure with hopefully additional funding in it.

19 Well, at the same time, the Highway Trust Fund
20 that funds our -- provides the -- is the source of the federal
21 funding, that -- that fund is actually running low on cash, and
22 what that means is that they start when the fund reaches -- is
23 about what they project a month ahead of reaching a \$1 billion
24 cash balance. They notify the state, and they let them know
25 that we will be instituting cash management measures.

1 Now, just so you know, the Highway Trust Fund has
2 been -- has been in the red for years. The Highway Trust Fund,
3 the amount of projected outlays and expenditures from the funds
4 have long outpaced the revenues flowing into the fund, and it
5 has routinely for years been supplemented by federal General
6 Fund moneys.

7 We nearly had to implement cash management
8 measures in 2014, and I will tell you that Financial Management
9 Services, the department, had to prepare for that, came very
10 close to having to implement those, and so this is not our first
11 rodeo of potentially being told that we are going to get delayed
12 reimbursement. So that's what cash management measures are.
13 Usually, what it means is that they will slow the reimbursements
14 down to the state, which means we have to be able to upfront
15 those funds, pay for those expenses, and we won't get reimbursed
16 as quickly for those expenses.

17 Right now, if Congress does not -- I think Katy
18 was mentioning if they do not do a stopgap spending measure,
19 they will -- we will need a stopgap spending measure that will
20 incorporate us an infusion into the Highway Trust Fund to avoid
21 cash management procedures being implemented.

22 So what Brian told us is he forewarned us of this
23 being a possibility. He said that this could happen. These
24 measure -- management procedures could be implemented as early
25 as October, but they committed that they would give us at least

1 a month's notice, and they are basically sitting back and
2 watching the fund.

3 If you go to the next slide, Rhett.

4 This is the present state of the fund. You will
5 note the red line. That's the account that we are most
6 concerned about. The Highway Trust Fund is made up of two
7 accounts. One's the mass transit account. That's the blue
8 line. That is not where we get our funds from. Our -- we get
9 our funds from the highway account, and you'll notice -- note
10 that it is at approximately -- actually, it's a little over 10
11 billion, almost \$11 billion balance right now.

12 But they are concerned, and as of yesterday, they
13 are still concerned, because they've got -- the Treasury is
14 coming up -- a Treasury adjustment is coming up that has been --
15 has taken the balance down quite quickly in the past. So they
16 are watching and hopeful that the infrastructure bill or a
17 continuing appropriation -- a continuing resolution will be
18 passed.

19 With that, I would be happy to take any
20 questions.

21 CHAIRMAN STRATTON: Kristine, thank you for a
22 good report.

23 Does any member have any questions for Kristine?

24 MR. SEARLE: Chairman Stratton, this is Richard.
25 I'm back. I appreciate that.

1 Kristine, you may have said it, but at what point
2 on that federal funds do they -- do the cash management? Under
3 the ten?

4 MS. WARD: I'm sorry, sir. Could you say that
5 again?

6 MR. SEARLE: On that -- at what point do they
7 start managing the cash on the federal side?

8 MS. WARD: So, sir, they implement those measures
9 when they anticipate the fund falling below a cash balance of a
10 billion dollars. So they will implement them basically a month
11 in advance of them anticipating a billion dollar balance in the
12 fund.

13 MR. SEARLE: All right. Thank you.

14 MR. KNIGHT: Mr. Chair, Board Member Knight.

15 CHAIRMAN STRATTON: Go ahead.

16 MR. KNIGHT: Kristine, the trust fund balance, is
17 that -- do the -- do the grants come out of that money, too?

18 MS. WARD: Yes, sir.

19 MR. KNIGHT: Like the RAISE grant, the INFRA
20 grants? They come out of that same box?

21 MS. WARD: Yes, sir. Yes, sir.

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

23 CHAIRMAN STRATTON: Any other questions?

24 Kristine, thank you.

25 MS. WARD: Thank you, sir.

1 VICE CHAIR THOMPSON: Chairman. Chairman.

2 CHAIRMAN STRATTON: Yes. Go ahead.

3 VICE CHAIR THOMPSON: Kristine.

4 MS. WARD: Yes, sir.

5 VICE CHAIR THOMPSON: We spend the money and
6 there's a delay in reimbursement. So what kind of consequences
7 do we find ourself in in that situation?

8 MS. WARD: Mr. Chairman, Mr. Thompson, so as soon
9 as we are alerted that there is the potential for cash
10 management measures being implemented, we do two things. One,
11 we get our billing unit up and ready to only submit bills on the
12 routine that the FHWA permits, but the second, and more
13 important probably, is that we do funding scenarios, cash
14 scenarios, to see how long we are able to float the dollars. So
15 basically how long do we have cash to last us to pay the
16 expenses of the project before we have to start going to slowing
17 down projects and slowing down expenditures.

18 I do not anticipate -- given where our -- where
19 we are right now, I do not anticipate that they would have such
20 a delay in passing, that Congress would have such a delay in
21 passing and putting an infusion into the fund that it would put
22 us into a project slowdown situation.

23 I hope that -- I didn't articulate that totally
24 well, so -- does that make sense?

25 VICE CHAIR THOMPSON: I do have an understanding

1 of that, that we're not being really dragged into any kind of
2 consequences, so we're able to manage our way through it. So
3 thank you very much.

4 MS. WARD: Yes, sir.

5 DIRECTOR HALIKOWSKI: Yeah. Mr. Chairman, if I
6 could maybe help clarify. As Kristine said, this isn't our
7 first rodeo with this with the federal government. We've
8 approached this scenario at least more than, I don't know, maybe
9 twice or maybe three times. I forget how many. We've skated
10 close to this line of hitting that balance point where the fed
11 slowed down.

12 Kristine, last time we went through this, I
13 thought we probably had about a year we could carry projects
14 before we had to slow down on payments. Is that still the case?

15 MS. WARD: So, sir, I do not have the scenario
16 currently. We have a lot of very large projects --

17 DIRECTOR HALIKOWSKI: Okay.

18 MS. WARD: -- that are getting ready to really
19 accelerate, and those are the forecasts we're doing right now.

20 DIRECTOR HALIKOWSKI: Okay.

21 MS. WARD: As soon as I have some insight, if
22 there was any risk of that, I will be bringing it to you
23 immediately.

24 DIRECTOR HALIKOWSKI: Appreciate that.

25 So, Mr. Chairman, right now, as I think

1 Mr. Thompson said, we're working the management procedures, and
2 this isn't our first rodeo, but we'll come back and keep you
3 updated on this. Thank you.

4 CHAIRMAN STRATTON: Thank you, John. Any other
5 questions by board members?

6 Thank you, Kristine.

7 MS. WARD: Thank you, sir.

8 CHAIRMAN STRATTON: We'll move on to Item Number
9 5 with Greg Byres, the Multimodal Planning Division report.
10 This is for information and discussion only.

11 Greg.

12 MR. BYRES: Thank you very much. Can you hear
13 me, Mr. Chairman?

14 CHAIRMAN STRATTON: Yes, we can.

15 MR. BYRES: Great. Good morning to you and the
16 rest of the Board. I just have a few updates to make today.
17 We're going to kind of go through some of the tribal
18 transportation updates that we have, as well as study updates
19 that we've got, and then I've got one more item that we'll hit
20 as well.

21 So as far as the tribal transportation updates
22 goes, our tribal liaisons have been working very hard with the
23 National Highway Traffic Safety Administration. There was a
24 conference held or a conversation held for the 2021 Four Corners
25 event. In that both the liaisons, ADOT Traffic Safety section

1 as well as the Arizona Governor's Office of Highway Safety and
2 the NHTSA region nine deputy all participated in this. There
3 was some very lively discussion that occurred both in July and
4 August, and from that, there's a couple of action items that
5 we're going to carry through on. So there's going to be some
6 future activities that are coming out of that as well.

7 Then down in the southern part of the state, the
8 Tohono O'odham Nation, BIA Route 15, there's a safety assessment
9 that we are conducting. We're participating in this because of
10 the connection that we have onto SR-86. So that interagency
11 traffic safety coordination is working very well in trying to
12 get the RSA done, or the road safety assessment, completed for
13 that section.

14 Next slide.

15 As far as studies go, we've got a couple of the
16 tier one EISs. Our final EISs, I should say, that are coming to
17 a conclusion. So our I-11, the tier one final environmental
18 impact statement was completed as far as the review goes. That
19 was initiated back on August 16th or completed on August 16th.
20 So the team is currently working on the record of decision. So
21 all of the comments that were received both governmental and
22 citizen-driven comments are being analyzed and run through the
23 review process itself. So the record of decision is currently
24 anticipated for completion prior to the end of the year.

25 On our North-South Corridor, the final

1 environmental impact statement as well as the record of decision
2 were published for review. That was published on August 20th,
3 and the review is -- period is still ongoing. That will be
4 completed by the end of this month. So that will finalize the
5 tier one process for the North-South Corridor.

6 Next slide.

7 We also have the freight study update that we're
8 working on that is ongoing at this point in time. It will be
9 taking and updating the freight study -- or the freight plan
10 that we had that was completed in 2017. So that should -- it's
11 just initiating now. It will probably take about 12 months to
12 complete. So that's what we're looking at at this point in
13 time.

14 On the Long Range Transportation Plan, we're just
15 kind of getting that kicked off through our procurement process.
16 Again, this is an update to our 2017 Long Range Transportation
17 Plan that ran all the way through from 2016 to 2040. We'll be
18 picking that up. This plan is updated on a five-year basis. So
19 we're right on schedule for getting that completed as well.

20 Next slide.

21 And I think that's all that I had. I did want to
22 bring up one more item. We do have the district workshops for
23 our P2P process that are coming up for the month of October and
24 beginning of November. You -- each of the board members will be
25 receiving a formal invite to those meetings for each the

1 districts in which your district is influenced. So you should
2 be getting that at the beginning of next week. I think there
3 was an email that went out from Floyd earlier this week that had
4 that schedule, but you will be getting a formal invite for each
5 of those meetings, and you can see that probably at the
6 beginning of next week. With that, that's the end of my
7 presentation, if you have any questions.

8 CHAIRMAN STRATTON: Thank you, Greg.

9 Any questions for Greg?

10 VICE CHAIR THOMPSON: Chairman.

11 CHAIRMAN STRATTON: Go ahead, Jesse.

12 VICE CHAIR THOMPSON: Greg, there was a comment
13 made to me here sometime back, and that -- I think it was during
14 one of these meetings that (indiscernible) brought up. There
15 was apparently a request that came from the Navajo Nation to
16 ADOT to take over some of the responsibilities that you have to
17 transfer to them for them to implement, and I wasn't quite sure
18 what that was all about.

19 Apparently, that request during Orlando Teller's
20 time on the Board, and I had asked Ermalinda to look into it.
21 Maybe something you can look into, because I know it's probably
22 going to come up again. So thank you very much.

23 MR. BYRES: Thank you, Board Member Thompson.

24 Yes. I will certainly take a look into that.

25 Thank you, Mr. Chairman.

1 DIRECTOR HALIKOWSKI: If I could ask Greg --
2 Greg, thank you for a point of clarification. You know, we've
3 received some inquiries on the I-11 tier one study. Apparently
4 there was some confusion in the coalition thinking the record of
5 decision would be in August, and as I recall, between the I-11
6 tier one and the North-South tier one, there were different
7 approaches to winding up the study. I think one included the
8 record of decision along with the finalization of the EIS and
9 the other didn't.

10 Could you just clarify for the Board in case they
11 get any questions about the I-11 study and why that won't be
12 finished until probably late October, early November?

13 MR. BYRES: Certainly, Mr. Director. The
14 difference between the two is because I-11 is such a massive
15 project, the final environmental impact statement and the record
16 of decision were separated out. Reason being is that way if
17 there was any new comments that came in during the review of the
18 final EIS, they could either be incorporated or at least
19 somewhat addressed with the record of decision. So that's why
20 it was separated out. Normally, the final EIS and the record of
21 decision go together, just as they did for the North-South
22 Corridor. So that's why it was separated out.

23 DIRECTOR HALIKOWSKI: Okay. Just in case board
24 members get any questions, Mr. Chair. Thank you for allowing
25 the clarification.

1 CHAIRMAN STRATTON: Thank you, John. Thank you
2 Greg.

3 Any other questions?

4 Hearing none, we'll move on to Item Number 6,
5 PPAC items with Greg Byres for discussion and possible action.

6 Greg.

7 MR. BYRES: Thank you, Mr. Chairman, board
8 members.

9 This morning PPAC brings forth three projects for
10 modification, seven new projects and one airport project. We'll
11 take on the three project modifications to start with. These
12 are Items 6A through 6C, and PPAC brings these forward with a
13 recommendation for approval.

14 MR. KNIGHT: Mr. Chairman, this is Board Member
15 Knight.

16 CHAIRMAN STRATTON: Go ahead, Board Member.

17 MR. KNIGHT: I have one question regarding Agenda
18 Item 6B and C. These were originally rejected projects, and
19 when they -- now that they have come back, do they -- do they
20 come back any lower this time?

21 MR. BYRES: So, Mr. Chairman, Board Member
22 Knight, what we've done with these is actually we've gone
23 through -- there was some restrictions on the contractors, their
24 work time frames for the projects. Those were revised to be
25 able to, one, make it much more competitive and bring in the

1 cost, but at the same point in time, there's also been some cost
2 increases as well as there is complexity to the projects for
3 this. So consequently, we're asking for some additional funds,
4 and we're bringing these back in to all be bid together.

5 MR. KNIGHT: Thank you, Greg. Thank you,
6 Mr. Chair.

7 CHAIRMAN STRATTON: Are there any other
8 questions?

9 MR. MAXWELL: Mr. Chair, this is Member Maxwell.
10 I've got just one question on Item 6K.

11 CHAIRMAN STRATTON: We're addressing Items 6A
12 through 6C right now.

13 MR. MAXWELL: My apologies. I'm going to hold
14 that thought.

15 CHAIRMAN STRATTON: Any questions on these three
16 items?

17 MS. DANIELS: Just a comment, Chairman Stratton.
18 This is Jenn Daniels.

19 CHAIRMAN STRATTON: Go ahead.

20 MS. DANIELS: My -- you know, we're seeing such
21 increases in costs across the board, and so I just wanted to
22 flag -- I realize that we were doing our best to work with
23 Sedona and some of the challenges that they have on 89A and
24 their access to their community, but delaying, you know, the
25 project because of trying to, you know, condense the number of

1 hours that we were able to work on that may end up backfiring a
2 little bit on us as the costs are increasing due to time.

3 So just flagging the idea that, you know, we have
4 to factor in these things. I know you guys are diligently
5 working hard, and I certainly appreciate the willingness to work
6 with a city. I have great respect for that, but in the
7 environment that we're in, the delays are costing, you know,
8 additional dollars and increase of costs. So just to flag that,
9 that perhaps there's a better solution next time we run into
10 something like this.

11 CHAIRMAN STRATTON: Point well taken, Board
12 Member Daniels.

13 Any other questions or comments?

14 MR. KNIGHT: Board Member Knight here. I agree
15 with Board Member Daniels, and that's kind of what I was getting
16 to. These programs, we rejected them and went back out with
17 them, but they actually -- we didn't save any money doing that.
18 It's costing us quite a bit more. So we need to consider the
19 cost of the construction increasing and the fact that it's doing
20 that now quite readily. So in the future maybe -- and I know
21 probably when we rejected these, the costs weren't going up
22 quite as rapidly, but now that they are, it should certainly be
23 a consideration.

24 Thank you, Mr. Chair.

25 CHAIRMAN STRATTON: I don't disagree with your

1 comments, board members. I think it is something that we need
2 to look at in the future, but we also need to recognize that
3 these are just projections. They're not actual bids at this
4 time. So I think we should wait and see what the outcome is
5 when we receive the final bids and look at those in the future,
6 too.

7 Do I have a motion to approve Items A through --
8 6A through 6C as presented?

9 VICE CHAIR THOMPSON: Chairman, Board Member
10 Thompson. I'd like to go ahead and make a motion to approve 6A,
11 6B and 6C.

12 CHAIRMAN STRATTON: Thank you. Do I have --

13 MR. KNIGHT: Second.

14 CHAIRMAN STRATTON: I have a motion by Vice
15 Chairman Thompson and a second by Board Member Knight. Is there
16 any discussion?

17 Hearing none, Floyd, would you do -- take the
18 roll call vote, please?

19 MR. ROEHRICH: Vice Chairman Thompson.

20 VICE CHAIR THOMPSON: Aye.

21 MR. ROEHRICH: Member Knight.

22 MR. KNIGHT: Aye.

23 MR. ROEHRICH: Member Searle.

24 MR. SEARLE: Aye.

25 MR. ROEHRICH: Member Daniels.

1 MS. DANIELS: Aye.

2 MR. ROEHRICH: Member Meck.

3 MR. MECK: Aye.

4 MR. ROEHRICH: Member Maxwell.

5 MR. MAXWELL: Aye.

6 MR. ROEHRICH: Chairman Stratton.

7 CHAIRMAN STRATTON: Aye. The motion carries.

8 Greg.

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

10 The next item we're bringing forward is the --

11 MS. DANIELS: My apologies to interrupt.

12 Chairman Stratton, you mentioned earlier that these are just
13 projections, and I just -- I didn't want this thought to leave.
14 They are projections, but these are also public record
15 projections. So anybody that does bid on these has full access
16 and awareness of these dollar amounts that we're looking at, and
17 so I think that's another component of this challenge that we
18 might be in in this type of environment. We know we won't be in
19 this environment forever, so that's the good news, but the bad
20 news is that, you know, where we are right now, we can expect to
21 see increased costs, which means less projects get done. And I
22 just want us to be cognizant of that.

23 So I apologize for interrupting, Greg.

24 CHAIRMAN STRATTON: Not a problem, and thank you
25 for your comments.

1 Greg, proceed.

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

3 Next we're bringing forth new projects. We have
4 seven projects here, which is Items 6D through 6J, and again,
5 PPAC brings these forward with a recommendation for approval.

6 Before I go forward, there's two items. These
7 are Items 6I and 6J. These are the appropriations from the
8 State Legislature with the projects associated with those. So
9 there's actually two lists of projects that come with these.

10 CHAIRMAN STRATTON: Okay. Any questions for Greg
11 on any of these items presented?

12 Hearing none, do I have a motion?

13 MR. KNIGHT: Mr. Chair, I move to approve agenda
14 Items 6H through 6J -- or 6D through 6J.

15 CHAIRMAN STRATTON: I have a motion to approve
16 Item 6E through 6J. Do I have a second?

17 MS. DANIELS: Second.

18 CHAIRMAN STRATTON: Thank you.

19 I have a motion by Board Member Knight, a second
20 by Board Member Daniels. Any discussion?

21 Hearing none, Floyd would you take the roll call
22 vote, please?

23 MR. ROEHRICH: Yes, sir, Mr. Chairman, but
24 because -- I just want to make sure there's no confusion on the
25 record. The motion was to approve Items 6D through 6J as made

1 by Board Member Knight and seconded by Board Member Daniels. So
2 we'll now take the vote.

3 CHAIRMAN STRATTON: My apologies. I missed 6D.
4 Yes.

5 MR. ROEHRICH: Vice Chairman Thompson.

6 VICE CHAIR THOMPSON: Aye.

7 MR. ROEHRICH: Member Knight.

8 MR. KNIGHT: Aye.

9 MR. ROEHRICH: Member Searle.

10 MR. SEARLE: Aye.

11 MR. ROEHRICH: Member Daniels.

12 MS. DANIELS: Aye.

13 MR. ROEHRICH: Member Meck.

14 MR. MECK: Aye.

15 MR. ROEHRICH: Member Maxwell.

16 MR. MAXWELL: Aye.

17 MR. ROEHRICH: Chairman Stratton.

18 CHAIRMAN STRATTON: Aye. The motion carries.

19 Thank you, Greg.

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

21 The last item we have is Item 6K. This is an
22 airport project, and in this particular case, it's the Tombstone
23 Airport that is -- we are no longer doing this project.
24 Unfortunately, the improvements that they wanted to do, which is
25 solar lighting, are ineligible for funding.

1 CHAIRMAN STRATTON: Thank you.

2 MR. BYRES: We bring this forward with a
3 recommendation for approval.

4 CHAIRMAN STRATTON: Thank you. Board Member
5 Maxwell, I believe you had a question.

6 MR. MAXWELL: Mr. Chair, I appreciate you coming
7 back to me, but that -- the explanation (indiscernible) the
8 answer to my question.

9 CHAIRMAN STRATTON: Thank you.

10 I have been in touch with the mayor of Tombstone,
11 and I think he agrees with relinquishing this grant. So I would
12 entertain a motion to approve.

13 MR. MAXWELL: And I -- Mr. Chair, this is Member
14 Maxwell. I move that we approve the relinquishing of the grant
15 as defined in Item 6K.

16 CHAIRMAN STRATTON: Thank you. I have a motion.

17 MR. SEARLE: (Indiscernible) I second it.

18 CHAIRMAN STRATTON: Thank you. I have a board --
19 a motion by Board Member Maxwell, a second by Board Member
20 Searle. Is there any discussion?

21 Hearing none, Floyd, would you take the roll call
22 vote, please?

23 MR. ROEHRICH: Vice Chairman Thompson.

24 VICE CHAIR THOMPSON: Aye.

25 MR. ROEHRICH: Member Knight.

1 MR. KNIGHT: Aye.

2 MR. ROEHRICH: Member Searle.

3 MR. SEARLE: Aye.

4 MR. ROEHRICH: Member Daniels.

5 MS. DANIELS: Aye.

6 MR. ROEHRICH: Member Meck.

7 MR. MECK: Aye.

8 MR. ROEHRICH: Member Maxwell.

9 MR. MAXWELL: Aye.

10 MR. ROEHRICH: Chairman Stratton.

11 CHAIRMAN STRATTON: Aye. The motion carries.

12 Thank you, Greg.

13 MR. MAXWELL: Chairman Stratton, Member Maxwell
14 really quick.

15 CHAIRMAN STRATTON: Go ahead.

16 MR. MAXWELL: Yes, sir. I'm going to apologize
17 in advance. I've got to leave the meeting at this time for a
18 previously-scheduled event, and I hope to see everybody in Casa
19 Grande.

20 CHAIRMAN STRATTON: Thank you, board member, and
21 thank you for the advance notice that you were going to have to
22 leave that you gave us the other day.

23 MR. MAXWELL: You're welcome.

24 CHAIRMAN STRATTON: And I do look forward to
25 seeing you in Casa Grande.

1 We'll move on the Item 7, the state engineer's
2 report, with Dallas Hammit for information and discussion only.

3 Dallas.

4 MR. HAMMIT: Hello, Mr. Chairman, and I'm trying
5 something where I'm sharing my screen. Can you see my screen,
6 everyone?

7 CHAIRMAN STRATTON: Okay.

8 MR. HAMMIT: Good deal.

9 MR. SEARLE: Yes.

10 MR. HAMMIT: Thank you.

11 Currently, we 68 projects under construction
12 totaling basically \$1.535 billion. We finalized 12 projects in
13 the month of August, totaling \$146.5 million, and year to date,
14 we have finalized 17 projects.

15 As far as additional information on the state
16 engineer's report, you know, Member Daniels talked about
17 increasing prices, and I think that is something that we need to
18 really watch and keep in mind. I had the opportunity yesterday
19 to sit with one of our major contractors (indiscernible) review,
20 and I sat with them yesterday morning, and this is a contractor
21 that works in multiple states, and they're seeing, you know,
22 increases in, you know, materials that they're purchasing. They
23 can't get labor, and lots of challenges. So that's something
24 that we will be watching, tracking, and making adjustments as we
25 go forward.

1 A couple other updates. I did receive a question
2 on the I-10 construction between Verado and State Route 85.
3 That project, as the Board will remember, was awarded earlier
4 this year. It has begun work. The contractor has to fully set
5 up traffic control. It is working more on the west end of the
6 project right, now moving from State Route 85, doing some work
7 over, there but also in the area of Miller Road, and will begin
8 construction of that interchange once it's complete, they will
9 move to do the work at -- I just drew a blank -- on the
10 interchange just to the east of there.

11 Another question came up, what was ADOT doing and
12 how were we working with the I-10 Jackrabbit interchange. This
13 interchange just east of the project, we are working closely
14 with Maricopa County, and they are working with the development.
15 In this area, ADOT has very limited right-of-way. So all of the
16 development will access the County before it gets to the state
17 highway system, but depending on the improvements that are
18 required are done, it will affect the state highway system. So
19 we're working with Maricopa County. In fact, I did meet with
20 their TSMO director by coincidence this week, and we had a
21 conversation on what the County is doing in this area. They
22 have not come to a final conclusion, but we are in contact.

23 A couple other things of note. And please,
24 Mr. Chair or members, if there's a question, don't hesitate to
25 jump in and ask.

1 A couple things of note. The I-17 you may have
2 seen a news release that came out. We are negotiating with our
3 apparent best value developer. We had three groups that
4 submitted proposals, and when I say best value, what we do on
5 this project, we review a technical score that they were scored
6 on, a price component and a time component. So all of those are
7 put together, and that brings to what the best value is.

8 So we are negotiating with that developer. We do
9 know that there -- the project, to move forward, is underfunded,
10 and so as we complete those negotiations, we intend to come back
11 to the Board next month with information and most likely the
12 request for additional funds to keep that project going. We
13 will know more as those negotiations continue.

14 And then the last thing I had was there was
15 discussion with the McGuireville interchange, and if you
16 remember last month, Mr. Boschen showed this picture of how the
17 intersection was marked. It is marked out, but people -- there
18 was no barrier restricting the traffic to go there, and as was
19 mentioned, we did go out. We did restripe it. Got fresh paint
20 out there. Moved the stop sign.

21 Now, it is striped out, and what I'm hearing is
22 that there's a disregard for that striping. Since we've been in
23 this meeting, I've been in contact with the district engineer.
24 They will be out next week and looking at, okay, what can we do
25 to put up a physical barrier. It's not as easy as it may seem.

1 You can see the guardrail along the side. That is to protect
2 the folks from going off the embankment. If we just put out
3 other barrier, it creates other safety challenges, but we are
4 committed to continuing to look at this and do both temporary
5 and maybe some permanent traffic control as soon as we find the
6 best way to do that to keep this going, but it is something that
7 we are continuing to address.

8 MR. ROEHRICH: Dallas, this is Floyd. You're not
9 advancing your slides. You're still on the verbiage slide. You
10 did not advance to the next -- to the next slide.

11 MR. HAMMIT: All right. So I am having trouble,
12 because my slides are advancing. Let me see. So, Floyd, can
13 you tell me what -- is it just the first slide of the
14 presentation with the contract values? Is that what's being
15 shown?

16 MR. ROEHRICH: No. The one I show says I-17
17 Anthem to Sunset Point. That's the one that shows up here.

18 MR. HAMMIT: All right.

19 CHAIRMAN STRATTON: Go to Slide 4, Dallas. Slide
20 4.

21 MR. HAMMIT: All right. So let me see. Give me
22 one second. I apologize. I am showing -- I have too many
23 screens open, and I am showing the wrong screen. I think I can
24 do it this way.

25 Now can you see pictures of damages from fires?

1 MR. ROEHRICH: Yes, sir.

2 MR. HAMMIT: All right. We're in the right
3 place. So I was asked to come to the Board and give a little
4 update on some -- some of the challenges we've had from the
5 fires this year, and as we will go further, some of the
6 aftermath once the rains come.

7 So we have had damages from a number of fires
8 this year. The first one that hit us was the Copper Canyon
9 Fire, and as you can see where that's at. We had -- the next
10 was the Mescal and Telegraph Fires, and later they were joined
11 as one fire. Up in the Flagstaff area, we had the Slate Fire,
12 and then the Backbone Fire up in the Pine area there.

13 All of these fires did create some damage to the
14 state highway system. At the same time these were going on, we
15 had a number of other fires that came out and we were watching.
16 We did have some traffic control on these, but they did not
17 damage the state highway system.

18 One area, and as you look up there close to
19 Flagstaff, we had a number of fires up there that for a period
20 of time we had lots of concern, would we be -- have to close
21 Interstate 40. We watched that. We did reach out to our
22 neighboring states, because if we would have had to close
23 Interstate 40, it would greatly challenge commerce going through
24 our state and other people would be affected. That did not come
25 about. Our firefighters did a great job and prevented that from

1 happening, but we were looking at contingencies.

2 Moving on.

3 So what were those damages? So on the Copper
4 Fire -- and I won't read every slide, because I know the Board
5 got this package sent to them, but I'll hit some highlights.

6 On the Copper Canyon Fire, we had just under
7 \$400,000 worth of damage between damage to guardrail, our fence
8 and then moneys expended by our crews to respond. To reach the
9 limit to get federal reimbursement through the ER program, you
10 have to -- there has to be an expenditure of that event of
11 \$700,000. So this project was not eligible, and this came out
12 of our maintenance and operations funds, the work we did here.

13 The next one was the Mescal Fire, a much bigger
14 event. On this project we had about \$2.6 million worth of
15 damage. It was nice of -- and we do appreciate Federal Highways
16 combining these events. So it was one submittal, and this is
17 eligible, and we are working to finalize, but we have submitted
18 and received approval as this is an event for reimbursement.
19 The one thing to note, we front these moneys through our state
20 funds, and as funds are available, the department is reimbursed
21 at a later time.

22 The Slate Fire, again, it had about \$265,000. It
23 did not reach that level, and we will not be reimbursed for
24 that. The same is on the Backbone. We had minimal damage on
25 that project, and about \$20,000, and mainly due to road

1 closures.

2 Back during the heart of this, the director and I
3 went out on a Saturday and drove through, met with our crews,
4 saw the fire crews, and they did a very good job of protecting
5 the roadway, clearing brush so it did not come up and burn our
6 guardrail, and that was greatly appreciated.

7 So after the fires come the rains, and we had a
8 number of flood events. Two major events that we saw some
9 damage on. The first one was a monsoon event, and it was about
10 two weeks' worth of damage on that -- and I won't be going
11 through each individual, but we saw about \$579,000 to the state
12 highways. Of that, 454 are ER eligible.

13 We also saw damages to local systems, about
14 \$287,000. Those meet the requirements to be potentially federal
15 aid eligible, and we're working with the FHWA and the locals to
16 get those submitted. You may ask, Well, those are smaller than
17 700,000. Why do they get it? They are tied to the bigger fire
18 events that happened and allows us to combine that and submit
19 for reimbursement.

20 A little more information on those. Here are
21 some of the routes that we saw, some damages and some
22 eligibility on the fires from the July through the first of
23 August monsoon events.

24 Here -- you know, Flagstaff, Miami -- or Miami.
25 I'll say that right, Mr. Chair.

1 CHAIRMAN STRATTON: Thank you.

2 MR. HAMMIT: And Apache County also saw some
3 damage through those.

4 CHAIRMAN STRATTON: Dallas, I have a question.

5 MR. HAMMIT: Yes, sir.

6 CHAIRMAN STRATTON: The fire is obviously over,
7 and the monsoons caused some flooding, but the flooding is not
8 over if -- in the near future. Will this be an ongoing
9 recovery? I think we can use Apache Trail as good example.
10 That burn scar is several years old, but we still are impacted
11 by it. What is the process moving forward?

12 MR. HAMMIT: Well, on those we will look what can
13 be mitigated. I know working with Apache Trail that we -- we
14 are doing a study that -- the Legislature funded a study on how
15 can we revegetate that maybe to advance the -- to get the
16 vegetation back there that would protect, you know, from the
17 flooding.

18 Right now, from what we see on that one
19 specifically is the earth is dead. You know, it burned up, and
20 until it has a chance to re- -- with -- to revitalize, it
21 doesn't do any good to go plant stuff, because there's no
22 nutrients in the soil.

23 We'll look at that on our other routes. We are
24 looking to put in with the Forest Service BAER teams, and I
25 apologize. I don't remember their acronym -- that acronym, but

1 basically what it does is look at what can be done to recover.
2 We'll look at putting erosion control protection and some things
3 to help mitigate that fire damage.

4 Our challenge is a lot of the damage is outside
5 of our right-of-way where we don't have authority to do any
6 recovery, and so we'll have to be watching those. These will
7 remain at least for a period of time eligible for reimbursement
8 as we go forward.

9 CHAIRMAN STRATTON: Okay. Thank you.

10 MR. HAMMIT: I hope that answers your question.

11 And some of those damages that we saw, especially
12 188, those were from damages from last year, and that's why they
13 were also on there for reimbursement, because that was from last
14 year's. I believe it was the Bush Fire from last year.

15 CHAIRMAN STRATTON: Okay.

16 MR. HAMMIT: We also saw another monsoon event on
17 August 17th and 18th. We saw damages to the state highway
18 system and to some local routes. In this case, the ones that
19 have been reported so far, all of the ones on the state highway
20 system are reimbursable, and there's about \$900,000 reimbursable
21 on local remotes.

22 I know there's some other damage to local systems
23 that are not reimbursable, but the ones that we are working on
24 have been reimbursed. And here's a list of those, and you have
25 these in your packets.

1 And with that, Mr. Chair, that concludes the
2 state engineer's report.

3 CHAIRMAN STRATTON: I have one other question.
4 What's the time frame on the reimbursement? I know in the past
5 we've -- it's been the subsequent fiscal year before we actually
6 get it back. Is that still the case? We're waiting 6 to 12
7 months or longer to get our money back?

8 MR. HAMMIT: We will be -- you know, it -- when
9 funds are available, we've -- we've waited longer at some times.
10 Other times we've got it very quickly. Our local partners at
11 FHWA do all they can to get us the money as soon as possible,
12 but my understanding of it, it depends on what the need is
13 around the one, and that does concern me with some of the major
14 weather events that we've had. The country has seen this year
15 how soon those dollars will be available, but I will see if I
16 can get some more information and report back next month.

17 CHAIRMAN STRATTON: And that's fine. And FHWA
18 doesn't want a job with us. I was referring more to The Forest
19 Service and those funds. Is that a longer recovery period?

20 MR. HAMMIT: The funds that we get back into ours
21 are from the fed -- FHWA ER funds is where we get our recovery
22 from, since it's on the -- a system within the national highway
23 system.

24 CHAIRMAN STRATTON: Okay. Very good. Thank you.
25 Are there any questions for Dallas?

1 Good job, Dallas, and thank you for the report.
2 I am the one that requested that, and I appreciate it. Thank
3 you.

4 Hearing no questions, move on to Agenda Item 8,
5 the construction contracts for discussion and possible action.

6 MR. HAMMIT: Thank you, Mr. Chair, and thank you,
7 Board, for your approval of the first five items on the consent
8 agenda. We do have two additional construction projects that
9 needs justification.

10 The first one is Item 8A. It is a scour retrofit
11 and bridge deck rehabilitation. On that project the low bid was
12 \$566,321. The State's estimate was \$483,881. It was over the
13 estimate by \$82,440, or 17 percent. Because of the location, we
14 saw higher than expected pricing in traffic control and
15 mobilization. The department has reviewed the bid and believes
16 it is a responsive and responsible bid and recommends award to
17 KE & G Construction, Inc.

18 CHAIRMAN STRATTON: Do we have any questions on
19 this for Dallas?

20 MR. SEARLE: I'll make a motion to approve Item
21 8A. This is Richard.

22 MR. KNIGHT: Second.

23 CHAIRMAN STRATTON: Very good. I have a motion
24 by Board Member Searle, a second by Board Member Knight. Is
25 there any discussion?

1 Hearing none, Floyd, would you conduct the roll
2 call vote, please?

3 MR. ROEHRICH: Vice Chairman Thompson.

4 VICE CHAIR THOMPSON: Aye.

5 MR. ROEHRICH: Member Knight.

6 MR. KNIGHT: Aye.

7 MR. ROEHRICH: Member Searle.

8 MR. SEARLE: Aye.

9 MR. ROEHRICH: Member Daniels.

10 MS. DANIELS: Aye.

11 MR. ROEHRICH: Member Meck.

12 MR. MECK: Aye.

13 MR. ROEHRICH: Member Maxwell had to leave the
14 meeting. So Chairman Stratton.

15 CHAIRMAN STRATTON: Aye. The motion carries.

16 Thank you.

17 Dallas, the next item.

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

19 Item 8B is a project in the town of Guadalupe,
20 the -- in their pedestrian improvements. On the project the low
21 bid was \$5,129,411. The State's estimate was \$3,925,003. It
22 was over the State's estimate by \$1,204,408, or 30.7 percent.
23 We saw higher than expected pricing on a lot of the handwork
24 items with the curb and gutter, the sidewalk. We also saw
25 higher than expected pricing in the milling, the aggregate base,

1 some of the concrete benches, and some architectural items with
2 sandblasting. We have reviewed the bid and believe it is a
3 responsive and responsible bid and recommend award to J.
4 Banicki Construction, Inc.

5 MR. KNIGHT: Mr. Chair, this is Board Member
6 Knight.

7 CHAIRMAN STRATTON: Go ahead.

8 MR. KNIGHT: I have a question.

9 CHAIRMAN STRATTON: Go ahead.

10 MR. KNIGHT: I have a question, and I know we
11 talked -- we talked about not delay to -- because the prices
12 would go up, but this -- this particular one is 31 -- 31 percent
13 over and there was only one bidder. Is there -- and that bidder
14 was out of Phoenix. So what -- what's -- why only one bidder?
15 Was -- is there something about the project that makes it unique
16 for this particular bidder or is there something we could do
17 to get more bids on this particular project?

18 MR. HAMMIT: Mr. Chairman, Mr. Knight, that would
19 be something that I have not researched on why there was only
20 one bidder. I do know that the market is really tight, the type
21 of work. It is a long section of urban project.

22 The one thing with this, it is a local project,
23 and the difference -- and, you know, I don't know if this makes
24 a difference, but is not -- does not come out of the state
25 contingency. We have an agreement just like we do with every

1 community. If there are overages, that community makes up the
2 difference if they want to move forward with the project. They
3 reviewed it and they feel it's appropriate to move forward.

4 MR. KNIGHT: Thank you, Dallas.

5 CHAIRMAN STRATTON: Hearing that, do I have a
6 motion to approve 8B as presented?

7 MR. KNIGHT: I'll make the motion, Mr. Chair.

8 CHAIRMAN STRATTON: Thank you, Board Member
9 Knight. Do I have a second?

10 MR. SEARLE: Mr. Chair, I'll second.

11 CHAIRMAN STRATTON: Who was the second by?

12 MR. SEARLE: This is Richard. I'll second it.

13 CHAIRMAN STRATTON: Thank you, Richard. I have a
14 motion by Board Member Knight, a second by Board Member Searle.
15 Is there any discussion?

16 Hearing none, Floyd would you conduct the roll
17 call vote, please.

18 MR. ROEHRICH: Vice Chairman Thompson.

19 VICE CHAIR THOMPSON: Aye.

20 MR. ROEHRICH: Member Knight.

21 MR. KNIGHT: Aye.

22 MR. ROEHRICH: Member Searle.

23 MR. SEARLE: Aye.

24 MR. ROEHRICH: Member Daniels.

25 MS. DANIELS: Aye.

1 MR. ROEHRICH: Member Meck.

2 MR. MECK: Aye.

3 MR. HAMMIT: Member Maxwell had to leave the
4 meeting. And Chairman Stratton.

5 CHAIRMAN STRATTON: Aye. The motion carries.
6 Thank you, Dallas.

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

8 CHAIRMAN STRATTON: We'll move on to Agenda Item
9 9, suggestions for future board meetings. Does any board member
10 have any suggestions or requests for future board meetings?

11 MR. ROEHRICH: So, Mr. Chairman, this is Floyd.
12 I just have a couple of quick comments. Just a reminder, as you
13 had identified, our next board meeting is October 15th. It is
14 scheduled to be in Casa Grande in conjunction with the Rural
15 Transportation Summit that will happen the day or two before,
16 before that, and we have been coordinating with the City.

17 We do think we can run a hybrid meeting there
18 just like we did in Sedona, where board members can be present,
19 but the majority of the staff and public can remote in through a
20 Webex event. We are coordinating and working to have the same
21 setup as we did before. So that is our recommendation for the
22 safest way to conduct that meeting, is to have board members
23 present with the limited staff, and then majority of staff and
24 then the public will remote in the through Webex event like
25 we're doing here, and unless that changes, that is our

1 recommendation, our plan moving forward.

2 Again, Mr. Chairman, as you said between yourself
3 and the Director, we can talk and make sure that we feel like
4 this is still the safest way to go, but we are in that kind of
5 coordination mode right now.

6 CHAIRMAN STRATTON: Thank you, Floyd, and then we
7 will continue discussions, but at this point I think we need to
8 make every effort as a board to be there as long as we can deem
9 it a safe environment for the Board and staff.

10 MS. DANIELS: May I may I make a comment,
11 Chairman Stratton?

12 CHAIRMAN STRATTON: Yeah.

13 MS. DANIELS: As a board member who's been on the
14 Board for a year-and-a-half, maybe a little bit longer now, and
15 had very few meetings in person, it is very difficult to, you
16 know, build relationships, get up to speed, have a handle on all
17 of these different things without as much contact and
18 interaction.

19 COVID is not going away. I think we've all sort
20 of come to terms with that at this point. We've got to find a
21 way to still meet together and to really extend our ability to
22 gain knowledge and to work with each other in person. We may
23 not have to do that all the time, but I do think we need to make
24 a better effort to do this in person. So I'm grateful you're
25 moving forward with Casa Grande.

1 Some of our rural areas of Arizona, I've heard as
2 of late that they are, you know, very much wishing that we would
3 continue to make an effort to gather in their communities, and
4 so I highly urge us as a body -- and the State Legislature is
5 still meeting or will be meeting in person, as many of them did
6 last year. We had a League of Cities and Towns conference with
7 1,300 people and no incidences of COVID two weeks ago. Board
8 Member Knight was there as well. There's going to be a way for
9 us to do this. Let's figure out a way to meet in person and
10 still be safe. COVID's not going away.

11 CHAIRMAN STRATTON: Thank you, Board Member
12 Daniels. Any other comments?

13 MR. KNIGHT: Mr. Chair, this is Board Member
14 Knight.

15 CHAIRMAN STRATTON: Go ahead.

16 MR. KNIGHT: That being said, how does it look
17 for our November, Wickenburg? I know that's a pretty important
18 one.

19 CHAIRMAN STRATTON: I --

20 MR. ROEHRICH: So.

21 CHAIRMAN STRATTON: At this point in time, we're
22 kind of taking it a month at a time, but I agree with Board
23 Member Daniels that we have to make every effort that we can.
24 We've got three meetings left this year, and it's my intention
25 to do everything we can to make those meetings where the board

1 members are present. I believe the Wickenburg meeting is still
2 the -- it's still on, as far as I know. I do know that Mr. Gant
3 has sold the property, but do I believe that it's our intention
4 to still have the former chairman's gathering at (inaudible).

5 MR. ROEHRICH: So, Mr. Chairman, this is Floyd.
6 Just to let you know. We have been in contact with the City to
7 talk about that very issue as well as holding the meeting. They
8 are pulling together some staff, and they're -- get the
9 direction from their elected leaders, and we are going to meet
10 next week to continue the coordination, but we are expecting
11 that there will be a meeting in person for the Board, as well as
12 staff, and we're coordinating it to also be a hybrid meeting to
13 have Webex available, but we'll come back to you and the
14 Director with a final recommendation once we have the meeting
15 with the City.

16 As far as the meeting of the reunion, that might
17 be a little bit of an issue, and that's what the City is working
18 with their leaders on, you know, do they have a recommendation
19 on that. So I will have more information after we meet this
20 week.

21 DIRECTOR HALIKOWSKI: Mr. Chairman, just from my
22 perspective, I appreciate the comments, but I had to put out two
23 notices this week to the ADOT staff of 3,700 that we lost
24 another two employees to COVID. So yes, it's with us, and yes,
25 it's still causing fatalities. So I appreciate your comments

1 that we need to continue to be deliberate and careful. Thank
2 you.

3 VICE CHAIR THOMPSON: Chairman.

4 CHAIRMAN STRATTON: Go ahead.

5 VICE CHAIR THOMPSON: I felt really comfortable
6 (indiscernible) ADOT office here sometime back this year. So
7 that's (indiscernible) we can meet elsewhere, we're a little
8 uncomfortable, or going a distance away, maybe that's another
9 consideration. Thank you, Chairman.

10 CHAIRMAN STRATTON: Thank you.

11 I'll restate my position on this, is that we will
12 make every effort we can to meet in person and at the locations
13 at the last three meetings of this year. That's all -- that's
14 all the ones I can speak for as chairman, but we will make every
15 effort we can, and I will ask the Board to make every effort
16 they can to attend those in person, as I will. Thank you.

17 Are there any other discussions for future board
18 meetings? Hearing none, do I have a motion to -- go ahead.

19 MR. SEARLE: Not so much an update or a request,
20 but I had to leave the meeting for a few minutes earlier. I
21 appreciate your understanding. We're in the middle of pistachio
22 harvest right now, and we had a mechanical breakdown, and I --
23 sometimes you're just indispensable, I guess, but anyhow, I
24 had -- I appreciate your working with me. Thank you.

25 DIRECTOR HALIKOWSKI: It sounds, Mr. Chairman,

1 like these are some nutty times. I couldn't resist.

2 MR. SEARLE: We'll leave the nut jokes alone for
3 the time being, because they can go downhill really fast.

4 DIRECTOR HALIKOWSKI: Thank you, sir.

5 CHAIRMAN STRATTON: I'll entertain a motion to
6 adjourn so Board Member Searle can get back to his crop there.

7 MR. KNIGHT: So moved.

8 CHAIRMAN STRATTON: Do I have a second?

9 VICE CHAIR THOMPSON: Second.

10 CHAIRMAN STRATTON: I have a motion and a second.
11 All in favor say aye.

12 BOARD MEMBERS: Aye.

13 CHAIRMAN STRATTON: Meeting is adjourned. Thank
14 you all very much.

15 (Meeting adjourned at 11:03 a.m.)
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1 STATE OF ARIZONA)
)
2 COUNTY OF MARICOPA) ss.

3

4 BE IT KNOWN that the foregoing proceedings were reported by
5 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 82 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 the
12 parties hereto, nor am I in any way interested in the outcome
13 hereof.

14 DATED at Phoenix, Arizona, this 6th day of October 2021.

15

16

17 /s/ Teresa A. Watson

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

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Adjournment

A motion to adjourn the September 17, 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 10:31 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