

**STATE TRANSPORTATION BOARD MEETING
IN PERSON WITH OPTIONAL TELEPHONIC/WEBEX ATTENDANCE
9:00am, November 19, 2021
Town of Wickenburg
155 Tegner Street, Suite A
Wickenburg, Arizona 85390**

Call to Order

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

Pledge

The Pledge of Allegiance was led by Board Member Knight.

Roll Call by Floyd Roehrich

A quorum of the State Transportation Board was present. **In attendance (In Person):** Chairman Stratton, Board Member Knight, Board Member Searle. **In attendance (Via WebEx):** Vice Chairman Jesse Thompson, Board Member Maxwell, Board Member Daniels, and Board Member Meck. There were approximately 62 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
IN PERSON AND BY VIDEOCONFERENCE

Town of Wickenburg
155 Tegner Street, Suite A
Wickenburg, Arizona 85390

November 19, 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 PUBLIC HEARING
3 was reported from electronic media by TERESA A. WATSON,
4 Registered Merit Reporter and a Certified Reporter in and for
5 the State of Arizona.

6
7 PARTICIPANTS:

8 Board Members:

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

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CALL TO THE AUDIENCE

David Stander, Councilman, Town of Wickenburg.....	5
Darryl Ahasteen, Commission President, Nahata Dzill Commission - Local Government.....	XX
Donald Huish, Mayor, City of Douglas.....	5
Kee Allen Begay, Junior, Navajo Council Delegate, Many Farms Chapter.....	8
Jaime Chamberlain, Chairman, Greater Nogales Santa Cruz Port Authority.....	10
Adam Shimoni, Council Member, City of Flagstaff.....	12
Jennifer Thompson, Controller/Townsite Manager, Freeport-McMoRan Bagdad.....	15

AGENDA ITEMS

Item 1 - Director's Report, John Halikowski, ADOT Director.....	18
Legislative Report, Katy Proctor.....	26
Item 2 - District Engineer's Report, Paul Patane, Interim Northwest District Engineer.....	30
Item 3 - Consent Agenda.....	36
Item 4 - Financial Report, Kristine Ward, Chief Financial Officer.....	37
Item 5 - Multimodal Planning Division Report, Greg Byres, Division Director, Multimodal Planning Division.....	50
Item 6 - Priority Planning Advisory Committee (PPAC), Greg Byres.....	60
Item 7 - State Engineer's Report, Dallas Hammit, Deputy Director of Transportation/State Engineer.....	66
Item 8 - Construction Contracts, Dallas Hammit.....	69
Item 9 - State Transportation Board Policies, Floyd Roehrich, Junior, Executive Officer.....	72
Item 10 - Suggestions, Floyd Roehrich, Junior.....	76

1 (Beginning of excerpt.)

2

3 CHAIRMAN STRATTON: We'll move on to call on the
4 audience. Telephonically, Webex, everyone will be muted when
5 they call in to the meeting. When your name is called to
6 provide your comments, you will indicate your presence by
7 virtually raising your hand using your phone keypad or through
8 the Webex application. The Webex host will guide you through
9 the unmuting and muting process following the instructions
10 included with the meeting agenda.

11 If you're here in person, there is an opportunity
12 for board members of public -- for members of the public, I'm
13 sorry, to discuss items of interest with the Board. Please fill
14 out a Request For Public Input Form and give it to the Board
15 Secretary if you wish to address the Board.

16 At this time -- a three-minute time limit will be
17 imposed. Floyd will be timing that, and if you go past that,
18 he's going to interrupt you and let you know you're going too
19 long. So be prepared for that.

20 Floyd, would you call the first speaker, please?

21 MR. ROEHRICH: Yes, sir, Mr. Chairman. And what
22 we'll do is we will call the in-person speakers first, and then
23 we will go to the online requests to speak.

24 Our first speaker is Mr. David Stander, from the
25 Town of Wickenburg. Mr. Stander.

1 MR. STANDER: Good morning, Chairman Stratton and
2 board members. I'm town councilman David Stander. Mayor
3 Pereira has asked me to welcome you to Wickenburg on behalf
4 himself, the town council and the citizens of Wickenburg. We're
5 grateful for the time you take to come up here, address us, and
6 the great things you're doing within the state to better our
7 community and statewide. Thank you.

8 CHAIRMAN STRATTON: Thank you.

9 MR. ROEHRICH: Our next speaker is Mr. Darryl
10 Ahasteen. Mr. Ahasteen, please raise your hand and the Webex
11 host will unmute you.

12 WEBEX HOST: I do not see him on this list. I
13 think he's having some issues accessing the Webex.

14 MR. ROEHRICH: Thank you, Kristi. We'll go on to
15 the next speaker, and we'll come back for Mr. Ahasteen.

16 Our next speaker is Mayor Donald Huish, from the
17 City of Douglas. Mr. Huish, please raise your hand.

18 WEBEX HOST: As a reminder, if you are a call-in
19 only user, you have to press star three on your phone to raise
20 your hand.

21 You are unmuted at this time.

22 MR. HUIISH: Chairman Stratton and members of the
23 Board, good morning. My name is Donald Huish, and I am the
24 mayor of the City of Douglas.

25 Please allow me to start with the good news. As

1 you are all aware, the 1.2 million Infrastructure Investment and
2 Jobs Act was recently approved, which included over \$3.2 billion
3 for ports of entry. Of that funding, \$440 million will be spent
4 on the Douglas two-port solution. That entails the new location
5 of commercial traffic out of the downtown area to a new
6 commercial port of entry some five miles to the west, where the
7 City is donating 80 acres of land to the U.S. government.

8 This new facility is anticipated to cost over
9 260 million. Once the new port is built, the government will
10 spend over \$180 million to modernize the existing port of entry,
11 which will then be dedicated to non-commercial traffic.

12 In initial conversations with the General
13 Services Administration, they indicated that these projects will
14 take between three to five years. The challenge is that now
15 that the federal government is going to build the new port of
16 entry, we need to provide all the necessary and related
17 infrastructure for the port, including electricity, water,
18 sewer, data, natural gas, and of course, the new connector road
19 between International Border and State Route 80, connecting the
20 new port of entry to the state and federal highway systems.

21 We were grateful to Director Halikowski and the
22 ADOT Planning Division as they have informed us that they are
23 moving forward with the design concept report, or DCR, for the
24 connector road and that the project will start early next year.

25 I should add ADOT will also be conducting the

1 necessary environmental compliance for the road so that it can
2 move forward to funding for construction. Let me be clear.
3 Without the connector road, GSA will not be able to invest in
4 the new port of entry, thus if funding becomes available, we
5 respectfully ask that you consider the urgency of investment in
6 the connector road in order to secure the construction of the
7 new port.

8 But the challenges don't end there. From January
9 through August of this year, truck traffic in Douglas grew by
10 12 percent, and we expect that this growth rate will continue
11 through the end of the year.

12 We were also aware of major manufacturing
13 projects that are considering the Douglas/Agua Prieta region.
14 Thus commercial traffic is expected to grow significantly,
15 particularly once the new port is operational. But that truck
16 traffic does not all stop in Douglas. We ask that you
17 respectfully consider the necessary improvements to the
18 connector roads from Douglas to I-10. The close to 35,000
19 trucks that cross from Mexico into Arizona at Douglas, carrying
20 over \$4 billion worth of goods, it is impossible to overstate
21 the importance of the connectivity to the federal highway
22 system.

23 I want to conclude by thanking Board Members
24 Searle and Daniels for visiting Douglas to see firsthand the
25 challenges and the potential. I want to invite all of you to

1 come and see it for yourselves.

2 The inclusion of funding for the connector road
3 and the improvements to the Douglas I-10 corridor are critical
4 to our community, our state and our nation.

5 I thank you for your attention and would be happy
6 to address any questions you may have.

7 MR. ROEHRICH: Thank you, Mayor Huish.

8 Our next speaker is Mr. Kee Allen Begay.

9 Mr. Begay, please raise your hand.

10 WEBEX HOST: You are unmuted at this time.

11 MR. BEGAY: Good morning. Can you hear me? Good
12 morning. This is Delegate Kee Allen Begay, Junior. Can you
13 hear me?

14 MR. ROEHRICH: Yes, sir.

15 WEBEX HOST: Yes, we can.

16 MR. ROEHRICH: Mr. Begay, please make your
17 comments.

18 MR. BEGAY: Yes. Okay. Thank you.

19 Good morning, Arizona Department of
20 Transportation board members, President, Vice President, and all
21 the board members, ADOT staff. Good Friday.

22 I just wanted to say thank you very much for
23 allowing me to make another presentation to the Board regarding
24 all the state right-of-way improvement in the northeastern part
25 of the state of Arizona. Specifically, on the Navajo Nation.

1 My name's Kee Allen Begay, Junior. I'm the
2 council delegate to the 24th Navajo Nation Council of the Navajo
3 Nation government.

4 There's a lot of road improvement needs to be
5 done in the right-of-way on the Navajo Nation. The main area
6 that I continue to request and seek for road improvement is
7 Highway 191, specifically, in the Many Farms, Arizona area. The
8 ZIP code is 86538.

9 I do appreciate ADOT supporting to improve the
10 road from Chinle to Many Farms, but I've been asking and
11 requesting ADOT to extend for additional mile so that the road
12 improvement new construction will go into and past the community
13 of Many Farms, up towards north. As of right now, it's short
14 about one mile to go into Many Farms. So that's one area that I
15 continue to ask ADOT to consider and relook at the project.

16 The other area that I'm asking is to support the
17 191 smart highway. I know the Arizona governor has initiated a
18 smart highway for all the interstate. The Navajo Nation Council
19 passed a resolution requesting that 191 is considered as to be a
20 smart highway from -- throughout the Navajo Nation.

21 The other project I'm asking -- requesting for
22 consideration is the streetlights at several intersections on
23 Highway 191. I believe it needs to have intersection
24 streetlights. Last, I did in -- coordinating with some local
25 people for the scheduling of ADOT board meeting in Chinle,

1 Arizona in 2022. I'll continue to work with ADOT administrators
2 that this particular meeting will be conducted in the
3 northeastern part of Arizona next year.

4 So, again, I appreciate everyone for listening to
5 me and considering all of my requests on behalf of the Navajo
6 Nation and in northeastern part of Navajo Nation and the state
7 of Arizona. Thank you very much. You all have a wonderful day.

8 MR. ROEHRICH: Thank you, Mr. Begay.

9 Our next speaker is Jaime Chamberlain.

10 Mr. Chamberlain, please raise your hand and the host will unmute
11 you.

12 WEBEX HOST: You are unmuted at this time.

13 MR. CHAMBERLAIN: Chairman Stratton and members
14 of the Board, my name is Jaime Chamberlain, and I'm here as
15 Chairman of the Greater Nogales Santa Cruz County Port
16 Authority. Our Board of Directors includes the City of Nogales,
17 Santa Cruz County, the Fresh Produce Association of the
18 Americas, Index Nogales, the Nogales Customs House Brokers
19 Association, Nogales Community Development, and Nogales Economic
20 Development Foundation and Santa Cruz County Mining Cluster.

21 We are excited to see that the modernization of
22 SR-189 is soon to come to conclusion, and be assured that we are
23 ready for a big party to celebrate this tremendous investment in
24 Arizona's most important international trade and tourism
25 corridor. But I, as the previous chairs of the Port Authority,

1 have stressed that the SR-189 project is only part of a broader
2 transportation strategy for our corridor. The second part of
3 the strategy is the modernization of the I-19 interchanges at
4 Ruby Road and Rio Rico Drive, which includes the frontage roads
5 on both sides of the highway east and west.

6 More than 200 trucks that carry produce from
7 Mexico -- 200,000 trucks that carry produce from Mexico will
8 cross the border and proceed to warehouses in this area. Rio
9 Rico and Ruby Road Drive offer the access to dozens of produce
10 warehouses and distribution centers, and we move billions of
11 pounds of fresh produce that will be picked up by U.S. carriers
12 and taken to destinations all over the -- North America.

13 So while we mention the 200,000 trucks that come
14 from Mexico, drop off their loads and return to Mexico, it is a
15 similar number that actually comes into Nogales to pick up the
16 loads and then return to their destinations throughout the
17 United States and Canada.

18 The design concept report for these improvements
19 was completed in 2018. That DCR identifies the preferred
20 alternatives for the improvements totaling over \$25.2 million.
21 Given the construction cost increases that are -- that are
22 endemic to today's economy, we would expect that these figures
23 will have to be updated. In fact, earlier this year we
24 submitted an appropriations request directly to Congress for
25 \$35 million to pay for these improvements.

1 For the period of January through August of this
2 year, our truck traffic was up by over 12 and a half percent
3 over the same period of 2020, and when you combine produce
4 trucks with trucks carrying manufactured products, the total
5 commercial product traffic from Mexico to Nogales for the year
6 2021 will most likely exceed 390,000 northbound trucks.

7 While the SR-189 project will get traffic from
8 the border to I-19 safer and faster, the bottleneck and
9 congestion issues will now move and have moved to these two
10 interchanges. We know that additional funds are coming to
11 Arizona through the Infrastructure Investment and Jobs Act, and
12 we hope that the urgency to modernize these interchanges will
13 remain on top of mind as you decide how to maximize the return
14 on the investments you are going to be making.

15 I really appreciate your time and your efforts on
16 this matter, and I thank you for your attention.

17 MR. ROEHRICH: Thank you, Mr. Chamberlain.

18 Our next speaker is Mr. Adam Shimoni.

19 Mr. Shimoni, please raise your hand and the host will unmute
20 you.

21 WEBEX HOST: You are unmuted at this time.

22 MR. SHIMONI: Thank you very much.

23 Good morning, Chairman Stratton, Vice Chair
24 Thompson and board members, along with staff and leadership. My
25 name is Adam Shimoni, and I'm serving as a council member up in

1 the City of Flagstaff. I formerly served as our vice mayor for
2 the past couple years, and I currently serve as our chair for
3 our Mountain Line bus services.

4 Thank you so much for taking the time to take our
5 comments this morning, and I really appreciate the work that you
6 all do. I will be speaking on behalf of myself tonight -- or
7 today, sorry, and on behalf of the city council, but I'd like to
8 just say a couple of comments to you all.

9 Over the past three years I have been in office,
10 I have been a strong advocate for bike and pedestrian needs and
11 safety, and have worked closely with our team at the City,
12 including Rick Barrett, our city engineer, Jeff Martin, Jeff
13 Meilbeck with FMPO and many others to move the needle on bike
14 and pedestrian needs and corridors in the city of Flagstaff.

15 I'm very proud of our work with ADOT in
16 partnership of the Fourth Street Bridge, which I understand has
17 received national attention for our bicycle, infrastructure and
18 corridors that that has implemented, and I want to thank you and
19 staff for your efforts on that.

20 Future conversations around Lone Tree, I want to
21 just proactively thank you for that and just let you know that
22 we've also moved ahead with bicycle pilots in the city of
23 Flagstaff where we've taken away half a foot from each car lane
24 along Beaver and Butler and added that to the bike lane, and
25 then also put in a small barrier.

1 So we're moving the needle on a lot of different
2 projects in the city, and I wanted to specifically speak with
3 you all today about the Milton corridor master plan and express
4 gratitude for your efforts there.

5 This past Tuesday at the city council meeting we
6 discussed ADOT's upcoming efforts to repave and restripe Milton,
7 and that's where -- when the light bulb went off in my head to
8 consider what we can do for bike and ped. along Milton. I ride
9 on Milton almost every day as a cyclist, and I can tell you it
10 is sketchy. I don't recommend anything to do it, but some of us
11 do.

12 And so something I asked at that council meeting
13 was whether we could potentially take a little bit of width from
14 each car lane, which I believe is 11 feet each, and just put it
15 towards the bike lane to create a small buffer. I'd love there
16 to be some kind of barrier, but understanding that that gets
17 complicated and how late in the game we are on this discussion.
18 If that was at all possible to address, just creating a little
19 bit more width for those bike lanes, I can speak first-handedly
20 like, I, myself, would feel a lot more comfortable, and I know
21 the community would highly appreciate it.

22 It would be great also to address some of the
23 intersections, but I just wanted to introduce myself, express
24 gratitude to you all for the service that you all do and thank
25 staff, especially Audra Merrick, who works with you all for

1 being available and working with me and for helping to find
2 solutions during difficult times with limited resources.

3 Thank you all so much. Please reach out if you'd
4 like to, and I look forward to furthering my relationship with
5 you all. Thank you.

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

7 Our next speaker is Ms. Jennifer Thompson.

8 Ms. Thompson, please raise your hand and the host will unmute
9 you.

10 WEBEX HOST: You are unmuted at this time.

11 MS. THOMPSON: Good morning, everybody, and thank
12 you for your time. I really appreciate it this morning. My
13 name is Jennifer Thompson. I work for Freeport-McMoRan in
14 Bagdad. As you probably know, FMI is a Phoenix-based mining
15 company with global operations, but several operations in
16 Arizona, and I'm here to talk to you today about prioritizing
17 improvements to Highway 93.

18 The Bagdad mine has been in large scale operation
19 since 1976. We produce approximately 200 million pounds of
20 copper per year, which is about 550,000 pounds daily, and our
21 economic contribution to Yavapai County, according to 2020 data,
22 was almost \$140 million, and 283 to the State of Arizona.
23 Copper enables the electrification needed for the carbonization
24 work, which is a large focus of what we do today.

25 Bagdad's current life is another 80 years, with

1 15 billion pounds of reserves, and another potential 15 billion
2 pounds beyond that. So we're going to be around for a while and
3 outlive us and probably our grandchildren.

4 U.S. Highway 93 and State Route 97 are the key
5 highway arteries that provide logistics to Bagdad operations,
6 and I'm talking specifically from Wickenburg up to the State
7 Route 93 cutoff that leads to Bagdad. About 200 trucks come in
8 inbound and then back outbound daily. Contracted support
9 services access the site primarily from Phoenix, and we do have
10 some employees that use this roadway for our their daily
11 commute.

12 The exciting news is, is that Bagdad will have
13 plans finalized by the end of next year to double the aspects of
14 the mining operation here, with the most energy efficient
15 milling operations today. There will be substantial traffic
16 increases in 2024 when construction begins, and those impacts
17 will continue to stick around and impact Highway 93 and 97 with
18 two times the current amount of large commercial traffic --
19 traffic truck -- excuse me -- commercial trucks traveling from
20 the Phoenix and small, private vehicles traveling from
21 Wickenburg, as we're adding about 1,000 people to our head
22 count.

23 There has been an increase of almost 40 percent
24 in crashes from 2015 to 2019 in that particular section of road,
25 and I'm sure you guys are aware that this has been deemed one of

1 the most dangerous stretches of road in the United States.
2 Thirty-five people have lost their lives in that same time
3 period, and while I couldn't find numbers for 2020, I did do
4 some research on 2021, reading through some articles, and 11
5 people have died year to date on that highway. As a matter of
6 fact, the highway's shut down again today for an accident.

7 Frequent highway shutdown already causes business
8 interruptions. Increased traffic without improvements will only
9 worsen that impact. We're asking that you prioritize further
10 widening of State Route 93 from Wickenburg to State Route 97 --

11 MR. ROEHRICH: Ms. Thompson, excuse me. This is
12 Floyd. You've exceed your three minutes. Can you please bring
13 your --

14 MS. THOMPSON: Yes.

15 MR. ROEHRICH: -- comments to an end?

16 MS. THOMPSON: -- for the safety of everyone that
17 uses it, our employees and our vendors.

18 Thank you for your time today. We appreciate it.

19 MR. ROEHRICH: Thank you, Ms. Thompson.

20 I'll go back to see if Mr. Darryl Ahasteen has
21 joined in the meeting. Mr. Ahasteen, please raise your hand and
22 the host will unmute you.

23 WEBEX HOST: As a reminder, if you have already
24 raised your hand for speaking previously, if you could please
25 lower your hand, that would be great. If you are a call-in

1 user, you can lower it by pressing star three.

2 It looks like we do have a -- nope. We have no
3 additional hands raised at this time.

4 MR. ROEHRICH: Thank you, Kristi.

5 Mr. Chairman, that concludes the speaker
6 requests.

7 CHAIRMAN STRATTON: Thank you, Floyd.

8 We'll move on to Item 1, the director's report.
9 Director Halikowski.

10 DIRECTOR HALIKOWSKI: Thank you, Mr. Chairman,
11 and good morning, board members. Glad to be here with you in
12 person again. Nice to see your faces in line.

13 So there are a number of issues that are facing
14 the department these days, and I'm not going to delve into a lot
15 of detail, because you're going to hear from Katy and Kristine
16 and also from Dallas on a number of these, but just some items
17 of interest is that we got many new members at the Legislature.
18 So if you've been following what's been happening there, folks
19 are resigning and taking other jobs or switching seats, and so a
20 bit our challenge will be that we educate new members about the
21 importance of transportation before the coming session and
22 during.

23 I'm sure you're aware that, you know, as you've
24 heard, we've got new federal legislation that's going to be
25 taking effect as soon as we can work out some of the details.

1 Some of these funds that are coming from the transportation bill
2 will be formula moneys, and it will increase some of the formula
3 funds we get, but it's important to note that a good chunk of
4 the money is in grants that we will have to compete for, and as
5 you know, the department has to expend money to obtain grants,
6 and so there will be stiff competition for grant money around
7 the country, and also, matching funds will be an issue that
8 we're going to be facing.

9 The other thing is that there are a number of
10 special programs in that legislation, and some of those things
11 may apply to us, but in the case of transit and other issues,
12 you know, we function as a pass-through agency.

13 So just want everybody to be aware that we're
14 working with the Federal Highway Administration. They have to
15 write guidance and rules for some of these programs, and that is
16 not going to be a quick process. We're also working on some of
17 the border issues with the government Services Administration.
18 So I ask everyone, you know -- and also the FTA on the transit
19 issues -- to be patient as we work through this. We will be
20 bringing, as we see additional money in the program, through
21 formulas comes back to the Board for consideration. So just
22 want to manage expectations a little bit on the federal side
23 here, because even though the bill's been signed, there's still
24 a lot of work to be done.

25 Some other issues that I think you're probably of

1 note that there's a lot of talk about the Legislature about
2 extending Maricopa County's Prop 400. They call it Prop 400E,
3 which would be a 25-year extension at this point of the half
4 cent sales tax. So haven't seen any bills introduced on that
5 yet, but it is something I know that's being discussed among
6 various groups that support the extension.

7 The other thing of note is just this week I got a
8 list of projects, as our legislative director did, from the
9 Rural Transportation Advisory Council. They've got a number of
10 projects they're going to be submitting to the Legislature, and
11 so that list is out there, but again, haven't seen any bills pop
12 up on any particular projects.

13 It looks like the State's going to have a pretty
14 healthy surplus going into 2022. So that will give the
15 Legislature, again, some discretion, I think, to consider what
16 they might be doing to fund the transportation projects. So I
17 think it's important that we work together with them, because as
18 we've seen, you can hastily put something into a bill and fund
19 it, but if we haven't done the proper vetting, making sure that
20 it's ready to go, you have to go back and do some rework on
21 that. So we'll continue to work with them.

22 The other thing is that the Governor has pledged
23 100 million for broadband, and as you know, ADOT's been given a
24 new business line, and we have ADOT office of broadband under
25 Dallas. And so he and his team are working right now on

1 installing broadband, and they're working together on I-17 and
2 I-19, and we'll see where we go in the future with that.

3 You heard from Mr. Chamberlain that 189 is
4 getting ready to launch. I think we're planning for an opening
5 in December, and we're working with the Governor's staff right
6 now on that. Broadway Curve is also underway, and we're
7 starting some of the initial work on the Broadway Curve, too.

8 So the other thing I guess I would note is that
9 we either have wound up the tier one studies or they're very
10 close to completion, but the North South tier one, the I-11 tier
11 one, Sonoran Corridor tier one, all of those are either now
12 signed by the federal government or they're going to be very
13 soon.

14 So lots of things going on. I'm looking forward
15 to the coming year, and we'll hear more from Katy, Kristine and
16 Dallas.

17 CHAIRMAN STRATTON: Thank you, John.

18 When do you think you'll have a good breakdown of
19 the moneys coming down from the feds on this new bill?

20 DIRECTOR HALIKOWSKI: So we're working on that
21 right now. I believe we've got some meetings scheduled with
22 FHWA in the very near future, and Kristine is working on that,
23 along with Dallas and Greg and Karla Petty from Federal Highway
24 Administration. So we're working as quickly as we can, because
25 we know that people want to be able to have a better

1 understanding of what's going to be available.

2 So when you look at the total, some of that money
3 we're already having come in under formula funds, and so we want
4 to separate that out from the new money that will be coming in,
5 formula funds, and either Kristine or Dallas can give you a
6 little more detail on that, but we want to get that out as
7 quickly as we can.

8 CHAIRMAN STRATTON: Do you think we'll have -- or
9 you would have a good idea of what funds are coming down so they
10 could be included in the new five-year plan that will be out
11 next year?

12 DIRECTOR HALIKOWSKI: That's something we're
13 working on considering, Mr. Chair.

14 CHAIRMAN STRATTON: Okay. Very good.

15 Any questions from --

16 DIRECTOR HALIKOWSKI: (Indiscernible) Ms. Daniels
17 had a question.

18 MR. SEARLE: That was my thoughts as well, I
19 think. Hearing Mayor Huish's comments about the moneys
20 available for that second port in Douglas and Mr. Chamberlain's
21 comments as for the projects needed at Nogales --

22 DIRECTOR HALIKOWSKI: Yeah.

23 MR. SEARLE: -- it would be -- it would be good
24 -- I would like to see a report back to the Board as to what
25 projects are getting moved forward, because I think it does

1 affect our five-year plan, how we look at it next year, because
2 there's definitely some things out there that I think we need to
3 work in tandem so we don't have bottlenecks in the system.

4 DIRECTOR HALIKOWSKI: Yeah. Thank you,
5 Mr. Searle.

6 Mr. Chair, you know, with the port improvements
7 that have come in, we will need to work with the government
8 Services Administration, you know, and we're going to be subject
9 to their working on this and getting their guidelines and rules,
10 too. So it's not solely an ADOT endeavor, but we'll get you
11 some more information.

12 CHAIRMAN STRATTON: Very good.

13 MR. SEARLE: Very good. Thank you.

14 CHAIRMAN STRATTON: Okay. Any other questions
15 from the Board?

16 MS. DANIELS: Chair, this is Jenn Daniels. I do
17 have a question.

18 CHAIRMAN STRATTON: Go ahead, Ms. Daniels.

19 MS. DANIELS: This is a really exciting time to
20 be part of transportation, so I have a lot of enthusiasm for
21 what we have to look forward to.

22 Question for the director. I know Katy Proctor
23 does a great job advocating and also assisting and providing
24 information to our Legislature. Do we have an individual in
25 Washington, D.C., at this time? I know Secretary Buttigieg is

1 actually in town today. Hoping that, you know, we have
2 connection there as well as, you know, direct communication in
3 Washington, D.C. Do we have -- do we have anyone that we're
4 working with now?

5 DIRECTOR HALIKOWSKI: Yeah. Mr. Chairman, Board
6 Member Daniels, not at this point solely for ADOT. We have had
7 folks in the past that we've hired on to represent us in D.C.
8 It's an idea that we believe is probably right for
9 reconsideration. It's -- at a time where we think we might need
10 to have representation for the department in D.C. So more on
11 that later, but it is under consideration.

12 MS. DANIELS: Terrific. I know it's going to be
13 a very competitive process.

14 DIRECTOR HALIKOWSKI: Yes.

15 MS. DANIELS: We have some great needs in
16 Arizona, so I appreciate the consideration there. I think I
17 agree with you, Director. I think it's time.

18 DIRECTOR HALIKOWSKI: Yeah. Thank you.

19 BOARD MEMBER: Mr. Chairman.

20 CHAIRMAN STRATTON: Go ahead.

21 BOARD MEMBER: Thank you.

22 So any of the projects that we have currently
23 deferred from the existing five-year plan, is there any chance
24 they'll be brought back maybe and put back in this five-year
25 plan or will we have to wait 'til the next five-year plan?

1 DIRECTOR HALIKOWSKI: So, Mr. Chairman, I don't
2 have specific projects in mind. Of course, there's always a
3 chance we work with the Board on those. Dallas may be able to
4 provide me some more information during his time, which we could
5 bring that question back up.

6 BOARD MEMBER: All right. Thank you. Thank you
7 Mr. Chair.

8 CHAIRMAN STRATTON: Yes. Thank you.

9 John, you done?

10 VICE CHAIRMAN THOMPSON: Chair.

11 DIRECTOR HALIKOWSKI: Thanks, Mr. Chairman. We
12 would like (indiscernible) --

13 CHAIRMAN STRATTON: Mr. Thompson, do you have a
14 question?

15 VICE CHAIRMAN THOMPSON: There -- we talked about
16 this with Floyd. This is regarding the K-12 education
17 modernization grant. I understand that this portion of the
18 grant has already been allocated for this year, but for
19 further -- the future, do you know if this grant is set aside
20 some for rural and some for places like Yuma or Phoenix,
21 something like that, or they count it -- are they all in one,
22 the funding?

23 DIRECTOR HALIKOWSKI: Mr. Chairman, Mr. Thompson,
24 I'm not really sure. Do you have information, Floyd?

25 MR. ROEHRICH: I got a little bit.

1 So, Mr. Chairman, Mr. Thompson, the information I
2 sent you, Mr. Thompson, is that that grant is being run by a
3 different organization. ADOT does not have any role in that,
4 and I can provide you that information again, but those
5 questions, I think, need to be submitted to that agency that is
6 running the grant, and I can work with you on that after the
7 meeting, but we have no further information on that, because
8 that's not a grant that comes through ADOT.

9 VICE CHAIRMAN THOMPSON: Okay. Thank you, Floyd,
10 John, Chair.

11 DIRECTOR HALIKOWSKI: Okay. Thank you,
12 Mr. Thompson. And yes, Mr. Chair, we probably want to hear from
13 Katy.

14 CHAIRMAN STRATTON: Yes.

15 DIRECTOR HALIKOWSKI: She's got some more detail
16 on legislation that will be of interest to the Board. Thank
17 you.

18 CHAIRMAN STRATTON: Very good. We'll go to the
19 legislative report. Katy.

20 MS. PROCTOR: Good morning, Mr. Chair and members
21 of the Board. On the state side right now, prefiling started
22 this week. So we do have a handful of bills that have already
23 been filed for the upcoming legislative session. Most of them
24 at this point are technical in nature. There are a few out
25 there. There's an elections bill. There's one that refers back

1 a ballot initiative. So we're expecting to start to see more
2 and more legislation coming in ahead of this next session, and
3 we're already starting that process right now.

4 On the federal side, as you're aware, we've
5 talked about the IIJA and the process that we're going through
6 working with our federal partners to better understand the new
7 programs and new program requirements. And I know Kristine is
8 going to talk a little bit more about some of the funding that's
9 associated with that.

10 While the IIJA was definitely a heavy lift and
11 we're thankful to have the five years of continuity, and
12 certainty now, there are some other important pieces that we're
13 dealing with in Congress. Obviously one of them is the federal
14 fiscal year 2022 budget. We still don't have one.

15 We have a continuing resolution that carries us
16 through to December 3rd, and there's still a lot of work to be
17 done on the budget. We've got to close the gap on defense and
18 non-defense spending and figure out exactly which policy is
19 going to be included in the budget right now.

20 There's probably going to be an extension,
21 because it doesn't look very likely that we'll meet the 12/3
22 deadline at this time. The question is going to be will that
23 extension continue the work forward or will we end up at some
24 point with a one-year flat continuation of the current funding
25 from the prior year. That's important when we look at the IIJA

1 and the new formula that's coming forward, and Kristine will
2 talk a little bit more about that, I think.

3 We're also watching the debt ceiling debate. As
4 you're aware, the IIJA transferred \$118 billion from the General
5 Fund into the Highway Trust Fund. That's an important transfer
6 to continue the Highway Trust Fund solvency, but it is also
7 being delayed right now, because they are worried about coming
8 up on the debt ceiling limit. So at this time that transfer's
9 been delayed until December 15th. It won't impact the Highway
10 Trust Fund at this time, but it's an important thing to consider
11 as we continue to watch how they're going to permanently or --
12 stopgap address the issue with the debt ceiling.

13 Build Back Better did pass this morning out of
14 the House. That's a \$1.75 trillion package over ten years.
15 This has been referred to as kind of the new safety net social
16 infrastructure kind of package.

17 It's HR 5376, and it's now going to the Senate,
18 and it's going to be in the Senate for a while. There will be
19 some changes to it for sure. It's not going to pass in its
20 current form. It's probably not going to come up until at least
21 December, and because they are going to use that reconciliation
22 process, there are some limits on what they can and can't do in
23 the Senate.

24 When those amendments occur, it's going to come
25 back to the House and have to go through that resolution process

1 that we use when there's an amendment in the other chamber. So
2 that's probably a little ways off at this time, but it's still
3 an important piece in the puzzle.

4 And that's concludes my report, Mr. Chairman.
5 I'd be happy to answer any questions you might have.

6 CHAIRMAN STRATTON: Thank you, Katy.

7 Does any board member have a question for Katy?

8 Hearing none, you're off the hook, Katy. Very
9 good. Thank you.

10 Last minute items to report?

11 DIRECTOR HALIKOWSKI: No, Mr. Chair, but we will
12 pick up the financial discussion a little more with Kristine.
13 There are some concerns about delay if Congress doesn't act on
14 certain things. So we'll pick that up, when she comes up, but
15 that concludes the report.

16 CHAIRMAN STRATTON: Very good. Thank you.

17 DIRECTOR HALIKOWSKI: Thank you.

18 CHAIRMAN STRATTON: We'll move on to the district
19 engineer's report. We'll start that with Dallas this time.

20 MR. HAMMIT: Mr. Chairman, members of the Board,
21 you probably looked to the agenda and said, well, why is the
22 Southwest District engineer speaking for the Northwest District?
23 We had a vacancy in the Northwest District, and we've asked
24 Mr. Patane to do double duty, (indiscernible), mainly because
25 Mr. Knight is such a handful, we needed one person that could

1 control his whole district. But Paul comes with great
2 experience. He was there my first day of work.

3 I've got to work with Paul my whole 22 years. He
4 knows -- he can do coaching for the folks, and he's not doing it
5 alone. He has an assistant district engineer in Yuma, in
6 Prescott and in Kingman, but that's why he's doing it, and then
7 I'll let him give the report now, Mr. Chairman.

8 CHAIRMAN STRATTON: Very good. And we'll give
9 you some warning. You know, Mr. Knight said he'd been turning
10 quiet for his first four years, and becoming vice chairman and
11 chairman, you're going to be a little busier, I think.

12 MR. HAMMIT: We've got the right guy for the job.

13 CHAIRMAN STRATTON: Paul.

14 MR. PATANE: Thank you, Chairman Stratton, board
15 members. Good morning. Paul Patane, Southwest District
16 Engineer. Thank you for letting me come today and give you an
17 update on current construction and upcoming construction within
18 the Northwest District.

19 (Inaudible crosstalk.)

20 MR. ROEHRICH: You just need to give him a
21 minute. Rhett is loading the presentation.

22 MR. PATANE: Thank you.

23 Next slide, please.

24 So a little discussion on current construction.
25 The first project is along SR-68, Verde Road to Bacobi Road.

1 This project here is a combination of pavement preservation with
2 center raised median along SR-68. The project is a little over
3 50 percent complete and moving along very nicely.

4 The next project is -- no, you can stay there.
5 Go back, please. I'll let you know.

6 The next project is along I-40. This was a
7 preservation, a bridge deck replacement near Pineveta Draw. I
8 hope I said that right. The project is nearly completed.
9 (Indiscernible) to the preservation of our system, and nice
10 little project there.

11 Next one which is on -- in Bullhead City, SR-95
12 and Marina Boulevard. It was construction of a right turn lane
13 at that intersection.

14 We have another -- another project, preservation,
15 along SR-89, Chino Valley Way to Hell Canyon Bridge, and this
16 was a microsurfacing.

17 And here we have another project on SR-89,
18 intersection improvement. The project is near completion as
19 well.

20 Then, as mentioned earlier, this is the broadband
21 project on I-17 that is (indiscernible) scheduled for early
22 January, with construction beginning the first of -- first year
23 in '22, first of the year.

24 Next slide, please.

25 So here are a couple -- some photos of some of

1 the projects. This was the one I mentioned earlier, the
2 microsurfacing near Chino Valley.

3 Next slide, please.

4 This is the right turn lane in Bullhead City at
5 (indiscernible) modernization improvement at Marina Boulevard
6 (inaudible).

7 Next, please.

8 And this is the project mentioned on I-40, the
9 deck replacement and scour retrofit.

10 Okay. Next slide, please.

11 MS. DANIELS: Pardon me for interrupting. Is
12 there a way we can get our presenter closer to a mic?

13 MR. PATANE: I'm sorry. How's that?

14 Okay. This is the project in -- west of Kingman
15 along SR-68, the raised median that's being installed.

16 So upcoming construction. Again, our commitment
17 to preservation. On the system we have projects -- pavement
18 preservation on SR-68, Laughlin Bridge to Golden Valley. The
19 project is scheduled the second quarter of FY '22.

20 We have SR-95, the Needles Bridge deck
21 rehabilitation. That is also scheduled for the second quarter
22 of FY '22.

23 Then we have the preservation. Here west of --
24 on US-60, west of Wickenburg here, this will be a life cycle
25 extension project. So we have cage seal (phonetic) plus micro

1 surface.

2 Then US-93, there were -- consists of a deck -- a
3 bridge replacement here. This will be a total bridge
4 replacement on this section.

5 Then on SR-89 we have a pavement rehabilitation,
6 a life extension project. This will (indiscernible) the second
7 quarter of '22.

8 Then the third quarter of 2022, we have the
9 Sunset Point rest area, rest area rehabilitation. This project
10 will consist of, you know, water line, building rehabs, kind of
11 a typical type facility, type rehab.

12 Next slide, please.

13 Some more coming projects. The first one is the
14 I-40/Rancho Santa Fe TI. This is a developer with the --
15 project with the City of Kingman. Some issues going on right
16 now, but they are looking to get it out (indiscernible)
17 challenges.

18 Then on US-93 there's a centerline rumble strip
19 project just north of Wickenburg here, along 93, generated
20 modernization using HSIP funding.

21 Then on US-60, near Salome and Monroe Street, we
22 have a street lighting project.

23 Then I-40, just east of Seligman, there's a
24 bridge deck rehab. This is -- okay. Very good there. Then we
25 have also another bridge deck replacement at Anvil Rock TI along

1 I-40 as well. So these are -- those other projects are both
2 preservation and modernization. Now we'll go into some of the
3 expansion projects within the Northwest District.

4 The first one is the I-40/US-93 West Kingman TI.
5 It's programmed for FY '24. This will be a new system-to-system
6 interchange.

7 We have a widening on SR-69 from -- it will go
8 from -- add a third lane in each direction. This is for FY '23.
9 It goes from the SR-69 from Prescott Lakes to Parkway --
10 Prescott Lakes Parkway to Frontier Village.

11 Then our big project on I-17 with a flex lane and
12 also a third general purpose lane. That project is -- total
13 cost is at 445 million...

14 Then the lighting on the US-93 here from Tegner
15 to Wickenburg Ranch. This is a State-funded portion of the
16 project. It is scheduled to advertise after the first of the
17 year. Then the second project, this is a developer project,
18 Wickenburg Ranch to SR-89.

19 Next slide, please.

20 So here's a few of the intersections, conceptual
21 drawings of the intersections along 93 as part of the expansion
22 project. This is Rincon Road.

23 Next slide.

24 And Cope Road. These are roundabouts, so you can
25 see.

1 The next slide, please.

2 Then the Vulture Mine Road intersection.

3 Next slide, please.

4 That concludes my presentation, Mr. Chairman.

5 DIRECTOR HALIKOWSKI: Thank you, Paul, and we
6 really appreciate you doing double duty for us.

7 But I have a question on the Needles Bridge.
8 Does that lie 100 percent in Arizona?

9 MR. PATANE: Well, typically our projects are
10 funded 50 percent (indiscernible) California, Arizona -- they're
11 not 100 percent sure on this one, but Mr. Chair, we can get back
12 to you with that.

13 MR. HAMMIT: Mr. Chair, Paul is right. The
14 bridges over the Colorado are shared between us, the neighboring
15 state, and the state, in this case, California. And in the past
16 that -- and in this case, California is the lead state. They do
17 the design and then we reimburse for 50 percent of the costs.

18 DIRECTOR HALIKOWSKI: Very good. That was my
19 question. Thank you.

20 Any questions for Paul?

21 BOARD MEMBER: No question but a just quick
22 comment. I just -- you know, with the roundabouts that are
23 proposed here in Wickenburg, it looks like Wickenburg is the
24 roundabout capital Arizona.

25 MR. HAMMIT: Yes, sir. There's quite a few in

1 their game plan.

2 BOARD MEMBER: Yeah.

3 DIRECTOR HALIKOWSKI: You know, it will be
4 competing with Payson, Mr. Chair, and (indiscernible).

5 BOARD MEMBER: Well, you know, for years people
6 went to Bisbee just to do the Bisbee one, just to practice and
7 go to Australia, but now we can just go to Wickenburg.

8 DIRECTOR HALIKOWSKI: Well, wait 'til they see
9 the diverging diamond interchange, so...

10 CHAIRMAN STRATTON: Any questions for Paul?
11 Hearing none, thank you.

12 MR. PATANE: Thank you.

13 CHAIRMAN STRATTON: We'll now move on to the
14 Item 3, consent agenda. Does any member have an item they would
15 like to remove from the consent agenda?

16 MR. SEARLE: I'll make a motion to approve the
17 consent agenda.

18 MR. KNIGHT: Second.

19 CHAIRMAN STRATTON: I have a first and second.
20 Do I have any discussion?

21 Since a portion of the Board is here and a
22 portion is in Webex, I believe it would be appropriate to do a
23 roll call vote. Floyd?

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

25 CHAIRMAN STRATTON: Is that correct?

1 THE WITNESS: That is correct. This way we've
2 definitely got it fully documented. So if you want, I'll just
3 and go ahead go down the...

4 CHAIRMAN STRATTON: Very good.

5 MR. ROEHRICH: Vice Chairman Thompson.

6 VICE CHAIRMAN THOMPSON: Aye.

7 MR. ROEHRICH: Board Member Knight.

8 MR. KNIGHT: Aye.

9 MR. ROEHRICH: Board Member Searle.

10 MR. SEARLE: Aye.

11 MR. ROEHRICH: Board Member Daniels.

12 MS. DANIELS: Aye.

13 MR. ROEHRICH: Board Member Meck.

14 MR. MECK: Aye.

15 MR. ROEHRICH: Board Member Maxwell.

16 MR. MAXWELL: aye.

17 MR. ROEHRICH: And Chairman Stratton.

18 CHAIRMAN STRATTON: Aye.

19 Motion passes. Thank you.

20 I will now move on to the financial report with
21 Kristine Ward, for information and discussion only. Kristine.

22 MS. WARD: Good morning, Mr. Chairman. Good
23 morning, board members. I have to say I share Board Member
24 Daniels' enthusiasm with the passage of IIJA. I do believe we
25 have a lot of opportunity, even though we've got quite a bit of

1 challenges ahead of us in terms of wading through this and
2 examining what these new programs are.

3 Let's start off and I'll kind of go through our
4 initial presentation, normal presentation with regard to HURF.

5 If -- Rhett, if you could -- HURF and RARF and --
6 if you could bring my slide presentation up, I'd appreciate it.

7 All right. Thank you very much. And if you
8 could just go to the first -- that next slide, actually. There
9 we go.

10 Okay. In terms of where we are with Highway User
11 Revenue Fund, we are moderately off target, running a little --
12 2.1 percent behind forecast year to date. To put that in
13 perspective, that's about -- that represents about \$13 million
14 less in revenues than we forecast. This is -- this is not a
15 concern at this time. We're following it. The cause of this is
16 we are running behind in our VLT, running behind our VLT
17 forecast. We had a very unusual year last year, saw record
18 growth in a number of months, and that makes forecasting the
19 subsequent year a little -- a little more challenging.

20 Going on to the next slide, you'll be able to see
21 just where we were with those -- the individual categories for
22 the month of October. I was just reporting on year to date
23 numbers. Now we're looking at the month of October, and you can
24 see vehicle license tax was behind forecast 12.3 percent.

25 Moving on to the Regional Area Road Fund. For

1 RARF, we are also moderately out of target range, only to the
2 positive this time. We have very strong retail and restaurant
3 and bar growth. We forecasted 14 percent growth rate in retail
4 sales for this year, and we actually year to date have
5 experienced 18.7 percent. And with regards to restaurant and
6 bar, we estimated 24 percent growth, and year to date we're at
7 39.7. So these are -- these are -- this makes for some
8 challenging forecasting.

9 Moving on, let's get to the -- oh, this shows you
10 the individual categories. You'll notice there's one little
11 anomaly that really stands out there, which is that 205.9
12 percent off of other. We are off forecast by that amount.
13 Those represent adjustments that are made by the Department of
14 Revenue due to audits and so -- and it doesn't represent a
15 tremendous amount of dollars, but it certainly stands out in
16 terms of percentages. And this is just when audits are
17 conducted and revenues come in associated with those audits or
18 they're voluntary corrections that are made by companies.

19 Moving on. Let's talk about the star of the show
20 here, the IIJA, and I'll -- I should preface this with it's --
21 since November 15th, it's been renamed again. We started out
22 with the Bipartisan Infrastructure Bill, which was BIB. We
23 moved on to IIJA, the Infrastructure Investment and Jobs Act,
24 and now it has been renamed again. This poor -- this poor
25 legislation is going to have an identity crisis. It's now

1 called the Bipartisan Infrastructure Law. So welcome to BIL. I
2 learned this after I put these slides together, so please excuse
3 its old naming convention, but I will try and change to the most
4 recent, the most recent name.

5 So what do we know? What we know with regards
6 to -- speaking more specifically to funding is -- what we know
7 is we got a five-year funding authorization. We got a five-year
8 authorization bill that was signed by the President on November
9 15th.

10 The -- we know that that was going to represent
11 about \$5 billion for Arizona over that period, over the five
12 years. So it's annual average of about a billion dollars a
13 year, and that leads to an average of about \$200 million more
14 per year in apportionment. Now, I emphasize apportionment
15 because what that -- that is -- think of that kind of as checks,
16 but remember that you kind of have to have -- we don't get to
17 write checks without some cash. So you need both of those. But
18 what we have right now is about 200 million more in
19 apportionment.

20 Let's go to the next slide, Rhett.

21 So what we don't know. We don't know -- quite
22 honestly, there's a lot -- I feel like there's a lot more that
23 we don't know than what we do know, but these things that we
24 don't know could really make that \$200 million a year figure
25 that is kind of a very happy, happy figure, that could -- that

1 could make -- these things we don't know could make us a little
2 less happy.

3 First of all, when a -- when an authorization
4 bill comes out, after the initial numbers are put out there,
5 then there are -- then there are things that come off the top of
6 those numbers: Set asides, sequestration issues, penalty
7 issues. Those end up reducing those apportionments. We also
8 don't know in any detail the amount of the suballocations to the
9 locals, the COGs and the MPOs. This is (indiscernible) COGs and
10 MPOs.

11 We don't know what those -- what those
12 percentages are. We have ideas on some of them, but we --
13 they're new programs in here. Carbon reduction being an example
14 of one of them. That is -- at first glance, it looks like
15 that's a 65 percent suballocation. Until we get those
16 suballocation numbers, that is a large component of what we
17 don't know that will impact the funds available.

18 I'm going to skip the obligation authority one
19 for a moment and go to the project/funding. Like I said, lots
20 of new programs, and there are expanded qualifications for the
21 existing programs. So some of the programs that were in the
22 FAST Act continued on in BIL/IIJA/BIB or whatever it was.

23 So some of those programs continued on but they
24 were modified. There were expansions. There were modifications
25 to those programs that continued on from that. And then, on top

1 of that, there were additional -- there were new programs that
2 were established. Carbon reduction, one of those programs.
3 Protect, another one of those programs, dealing with, I believe,
4 resiliency. Electrification, substantial changes to the bridge
5 program that are -- that are still -- I've yet to discover all
6 those changes.

7 So we've got a -- and we don't know at this time
8 with those new programs what projects will qualify and -- for
9 that new funding and under these new set of rules that the
10 bipartisan infrastructure bill is -- or law is providing to us.
11 So that's another item that we just don't know.

12 But then let's talk about obligation authority.
13 That's essentially the cash-like budget that matches up with
14 those -- with these apportionments. You might get \$200 million
15 worth of apportionments, check, but that doesn't mean that when
16 the budget process comes through -- let me back up for just a
17 second.

18 You need an authorization bill -- in order to
19 have a federal transportation program, you need -- first you
20 need an authorization bill. Long-term authorization is the
21 typical verbiage that's used, and that runs -- God willing, you
22 get five years. The past few years we haven't actually, in my
23 tenure, enjoyed very many of those, but it's a long-term
24 authorization. It's largely -- it's more a policy document.
25 Where you get the actual money to implement that policy document

1 is through the annual budget process. Right now we are running
2 on a continuing resolution that Katy was mentioning that carries
3 us through from a budget perspective until December 3rd. We'll
4 be revisiting that.

5 What we don't know is how much money, how much
6 cash they're going to -- you know, appropriations, they're going
7 to give us to match up with these checks that they've given us
8 in BIL, the Bipartisan Infrastructure Law. That's a big deal.
9 So you take the big -- not quite as big a deal as the reductions
10 to the apportionment. You don't know how much is going to be
11 suballocated, your percentage of suballocation, and you don't
12 know how much they're to go to provide you in the budget. It's
13 -- well, Board Member Daniels, it's squishing -- it's impairing
14 my enthusiasm just a bit.

15 So that's where we are at this point. So the
16 question then is, okay, we know what -- we do know -- we have
17 clues about some of the things we don't know, and then the next
18 question is, well, when in the heck are we going to know more?

19 What we -- what is anticipated is in terms of
20 funding notices, this is -- learning the new programs is a whole
21 different component here, but what we know in terms of the
22 funding notices that are going to be provided to us by FHWA, we
23 have been told that they -- the notices will come out 30 days
24 from the time of enactment. That was when the President signed
25 the -- signed the bill, and that was on November 15th.

1 But just because they put the notices out doesn't
2 mean you actually have the money. They -- the next step in that
3 is that it takes them a couple of weeks to actually take those
4 notices and get them loaded into the federal system, known as
5 FMIS. That's when we actually see the money, but we'll be able
6 to plan once we -- once we get those notices and then complete
7 our analysis on those notices, because we've got to then
8 complete the suballocation. So what -- you know, when will we
9 know more? We'll know more in 30 to 45 days.

10 Now, there was a question earlier. I can't -- I
11 apologize. I don't remember which board member asked it, as to
12 will this -- how -- you know, how are we going to treat this in
13 the next five-year program as we -- as we go forward in
14 constructing that program.

15 The approach that I want to take is that we make
16 an assumption. We're going to make an assumption of how much
17 money we anticipate receiving here, and what we will do is make
18 that assumption to -- in such a way that I'm pretty sure we'll
19 get all of the money of that assumption, and if we get more
20 money, we'll add that in as soon as we know what that is.

21 So, yes, we will be looking to put that into the
22 initial five-year program, and hopefully, as we get more
23 information, we'll put more into the five-year program. Believe
24 me, we need to count those dollars, because we've got to get
25 them soaked up. People do -- people -- it is not -- people do

1 not think highly of turning back a federal red cent.

2 So I have one more little piece that I need to
3 cover on -- oh, let me -- let me show you -- can we go on to the
4 next slide, Rhett?

5 DIRECTOR HALIKOWSKI: Mr. Chairman, are there any
6 questions so far? I know this is a lot to absorb.

7 CHAIRMAN STRATTON: Does the --

8 MS. WARD: Thank you, Director.

9 CHAIRMAN STRATTON: Does the Board have any
10 questions at this point?

11 MR. KNIGHT: Mr. Chair.

12 CHAIRMAN STRATTON: Board Member Knight.

13 MR. KNIGHT: Going back to the chart on HURF, the
14 anomaly there was the vehicle license tax. Was that primarily
15 due to losing the \$32.

16 DIRECTOR HALIKOWSKI: Mr. Chair, Mr. Knight, the
17 \$32 --

18 MS. WARD: Mr. Chair --

19 DIRECTOR HALIKOWSKI: Hang on.

20 MS. WARD: -- Mr. Knight, no. No, sir.

21 DIRECTOR HALIKOWSKI: No. The \$32 public safety
22 fee went straight through ADOT to DPS Highway fund patrol. We
23 never counted that money. We were just a pass-through, the
24 collector and the pass-through.

25 MR. KNIGHT: Okay. And my other question on the

1 use fuel is it possible because they're using -- it went down,
2 and I would have thought with all the -- with all the
3 transportation -- well, it went up, but it went -- less than the
4 forecast, and I would have thought that with all the freight
5 moving across the country that it would -- that seems kind of
6 opposite to what I would expect it to be. But anyway, that's
7 not a big deal.

8 CHAIRMAN STRATTON: Kristine, do you have any
9 information on that, please?

10 MS. WARD: Mr. Chair, Mr. Knight, like VLT, we
11 experienced 20- -- 2021 was -- we've experienced some real
12 oddities since COVID. It has already shaken our normal
13 historical data up, and it has made forecasting a new and lovely
14 challenge, much -- much like -- and as pleasant as going to the
15 dentist. And the result has been that we try -- we are trying
16 to catch ahold of this tiger's tail, and it -- our forecast is
17 just off. That -- the use fuel is actually, use -- a/k/a
18 diesel, we are seeing growth there. What you're seeing in
19 that -- I believe it's -- I'm not looking at it right now, but
20 at negative 8 or whatever is where we are under forecast.

21 Overall for HURF, we're doing fine. I don't have
22 any concerns. I think we're -- I think I said 2.2 percent under
23 year to date. That only represents about 13 million in the HURF
24 world, and to the actual program, the impact is -- I think it
25 represents about 6, you know, half of that. 6 million. Little

1 less than 6 million.

2 DIRECTOR HALIKOWSKI: You know, Mr. Chairman,
3 Mr. Knight, right now I think what we're experiencing is a truck
4 driver shortage. You know, backups at the ports in Long Beach
5 and San Diego where ships are waiting to get offloaded, and so,
6 consequently, I think you're seeing shortages in the stores of
7 supplies because of the driver shortage and some of the cargo
8 issues we may be seeing, you know, not the amount of trips you
9 might expect at this point. That's some speculation there, but
10 as we're watching the market and what's going on, the driver
11 shortage is pretty severe, and we're trying to figure out as a
12 state, you know, and working with the states around us, is there
13 anything we can do to try to ease that up.

14 CHAIRMAN STRATTON: Thank you.

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

16 CHAIRMAN STRATTON: Are there any other questions
17 from the Board? Hearing none, Kristine would you move on,
18 please?

19 MS. WARD: Certainly.

20 So this chart just depicts what the -- I'm sorry.
21 Am I getting feedback or was there a question? Did I hear a
22 question?

23 Okay. I guess not.

24 What you see on this chart is just a -- what we
25 have as draft numbers for the apportionments that are going to

1 be coming to Arizona, and you can see that's where that average
2 of a billion dollars over the -- a billion a year over the
3 entire period.

4 If you go into the next slide for me, Rhett.

5 So this shows you the breakdown of the -- of FFY
6 '22's -- that 969 million you saw on the previous chart. It
7 shows it compared to the '21 numbers, and it shows it by
8 program. So it shows you where the -- where we're seeing growth
9 in the individual program. Now, and it shows you also the new
10 programs.

11 But it only -- the only -- the difficulty and I
12 think I mentioned this earlier is, you know, we don't -- on
13 these new programs, some of these new dollars have been embedded
14 in -- aggregated into some of these other program figures. So
15 we're having a very difficult time distinguishing out and
16 pulling out those new program dollars from existing programs,
17 but this gives you a rough look at it, as to where we're seeing
18 growth in those programs.

19 As we get more information on this, which we've
20 got a long way to go there, we will certainly provide it back to
21 the Board.

22 Last item with regards to the federal program,
23 which is a little ironic given when I come forward to you and
24 I'm saying, hey, we're thinking about 200 million more a year in
25 apportionments, and we know there's going to be some reductions

1 there. The ironic part here is that right at this moment, we're
2 actually running tight. In spite of BIL authorizing more funds
3 for transportation, we are actually -- yeah, we're actually
4 running a little tight.

5 You remember I told you we need three elements to
6 actually have a transportation program. We need that
7 authorization bill. We need the budget in the continuing
8 resolution, and we -- actually, we also need that third element.
9 We need the Highway Trust Fund to have adequate funding. The
10 problem is -- right now is that we are running tight because
11 they have not loaded the funds from the continuing resolution.

12 FHWA notified us on Wednesday that due to the
13 passage of BIL, they -- they are in this transition from the
14 FAST Act to the new authorizing bill, and it is complicating the
15 loading of the continuing resolution. It's actually being a
16 little delayed. So we will keep you -- if this ends up having
17 impacts, we will keep you informed of it, but it's kind of
18 ironic that at the time everybody's talking about more money,
19 we're actually running a little tight.

20 So, Rhett, if you would go on to the next side,
21 I'd appreciate it.

22 So last month, at the October meeting, the Board
23 authorized the department to complete a refunding of about
24 \$53 million in existing bonds, and I am just happy to report
25 that on November 10th, we closed on that deal, and we achieved

1 \$1.8 million in savings net of the cost of issuance.

2 Now, this may seem like -- in comparison to some
3 of our other refundings, this will seem like not a large amount
4 of money, not a large amount of savings, but I don't know about
5 you. I'd stop to pick up \$1.8 million, and that -- that may
6 cost us about -- the cost of issuance, it was about \$250,000 to
7 \$300,000 for cost of issue.

8 So thought I'd let you -- give you a bit of good
9 news about the resolution that you permitted us to move forward
10 with. So thank you very much and congratulations.

11 Mr. Chair, that concludes my presentation, and
12 I'd be happy to take any questions.

13 CHAIRMAN STRATTON: Thank you, Kristine. Are
14 there any -- excuse me. Are there any questions for Kristine?

15 You're off the hook, Kristine. Thank you. Good
16 job.

17 MS. WARD: Thank you, sir. Thank you, members.

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

20 MR. BYRES: Good morning Mr. Chairman, board
21 members. I've got a couple things -- move it on to the next
22 slide, Rhett.

23 I want to start off with just letting you know
24 and thanking you all for participating in our P2P district
25 workshops. They were very successful. The information that we

1 gathered in those workshops was extremely helpful. We actually
2 wound up going back and forth with a lot of our technical groups
3 as well as our pavement groups and so forth to make sure that
4 the projects that we had in the -- in the P2P were truly being
5 granted the way they were supposed to be. There was some back
6 and forth. We found some errors and corrected those, and so it
7 worked out really well. So I appreciate the input that all of
8 the board members had. That has been completed. We now have a
9 completed P2P list, and we will start -- at this point now,
10 we're going to our planning-level scoping. So thank you very
11 much.

12 I have two items that I wanted to bring up. One
13 was our tribal transportation update, as well as the -- a little
14 more information on IIJA.

15 So next slide.

16 As far as the tribal transportation update goes,
17 on November 9th, ADOT FHWA as well NHTSA, which is the national
18 Highway Traffic Safety Administration, held a traffic safety
19 initiative for the Four Corners. Of that, it was a very good
20 turnout. We had a total of 78 people attended that, 33 --
21 including 33 representatives from 19 different tribes. So it
22 was pretty awesome. The top -- although the initial plan --
23 tribes were -- it was originally located or for the Four Corners
24 regional area. It actually went national because we had so much
25 interest in it.

1 Topics covered are roadway safety assessments, as
2 well as review of the two tribal roadway assessment -- safety
3 assessments that were completed here in Arizona, and then there
4 was some virtual RSA that was done on Route 15, which is within
5 the Tohono O'odham Nation. So it was actually very good, very
6 informative, and a tremendous number of people participated.

7 One of the other things we had is the ADOT Tribal
8 Communication and Matrix Project. What we're doing is basically
9 taking a look at how our ADOT tribal liaisons are working, how
10 they can improve their -- what they're doing, making sure that
11 we're doing all we can for the tribal areas, getting information
12 to and from them, making sure that any information is getting
13 through to all of ADOT, regardless of the different divisions
14 that may be affected. So that's a big deal for us.

15 Next slide, please.

16 As far as the IIJA -- I'm going to keep calling
17 it that. I can't call it a different term at this point in
18 time. The IIJA is -- actually, it's a \$1.2 trillion bill, but
19 it isn't just for transportation. We've got -- there's power
20 utilities, water utilities, broadband, pollution remediation, as
21 well as a host of social and economic initiatives that go into
22 that bill.

23 U.S. Department of Transportation total is
24 receiving 550 billion. Of that, 274 billion is new funding. Of
25 the 550 billion going to USDOT, approximately 150 billion will

1 be appropriated for grants. This is discretionary funds, with
2 approximately 100 billion of that, of that 150, being intended
3 for competitive grants. That's a huge percentage of that total
4 appropriation. Compared to what we've had in the past, the
5 grants that continued from the FAST Act are seeing anywhere from
6 five to seven times the amount of funding that we had in the
7 past, so along with a whole host of new grants that are going to
8 be coming out.

9 So with that, there's a lot of unknowns. We
10 don't know exactly how they're going to work. It's a huge
11 amount of work for USDOT and FHWA to try and do that many
12 competitive grants. So they've got a lot of work ahead of them
13 before any of these actually hit the street. So we're -- we
14 don't know exactly how they're going to work or when they're
15 going to be available.

16 So as that comes about, one of the big things
17 that we're doing right now is strategizing on how we can
18 capitalize on these grants. How can we maximize what we're
19 doing? So that's going to comprise the matter of trying to make
20 sure that we've got match money available so that we can
21 actually be competitive. We have to be able to select the right
22 projects that are hitting the different grant applications that
23 we put together. So there's a lot going in, but there's a lot
24 we don't know at this point to be able to finalize those
25 strategies. So it is something to work on at this point.

1 CHAIRMAN STRATTON: Greg, on the grants, I have a
2 question. I know in the past some the grants have a set amount
3 of match, and some of them are judged or scored on how much you
4 would put into it. Are these -- what type of grants are these?
5 Is there a set amount or is it going to be competitive with how
6 much you match with?

7 MR. BYRES: We -- that's one of the unknowns that
8 we -- that's what we don't know. So I wish we did, but -- and
9 that's part of the problem that we have in trying to strategize,
10 because there might be some of these that are zero match, in
11 fact. Some of them are defined in the legislation as zero
12 match, but we don't know the details at this point.

13 CHAIRMAN STRATTON: Thank you.

14 MR. BYRES: And that was all I have for my
15 update.

16 DIRECTOR HALIKOWSKI: So, Mr. Chair, one thing on
17 the grants we might want to think about is figuring out whether
18 we could get some sort of pool for funding for match money, and
19 so I'll talk with Katy and the Governor's staff. I don't know
20 if there would be any interest at the Legislature maybe setting
21 aside some funds for ADOT for grant applications. We can raise
22 the issue.

23 CHAIRMAN STRATTON: Interesting thoughts. That
24 would be good.

25 Any other questions? Mr. Searle.

1 MR. SEARLE: Yes. I -- you mentioned the P2P
2 process, and I know that you've got your calendar that you go
3 by, and you've already completed it, but I think next year, it
4 would -- once we have a better idea what's in this
5 infrastructure bill, I think that should be a -- in the formula
6 as these projects are rated. You know, if they can be
7 coordinated with other projects that are in this infrastructure
8 bill, some of these P2P items, it should be reflected in the
9 approval process, because I know there's a pavement preservation
10 project that's on 191 that doesn't quite make it over the edge
11 every year, but if that port does go in in Douglas, it is going
12 to make it an important issue to get 191, that preservation
13 project basically bumped up.

14 MR. BYRES: Understood.

15 MR. SEARLE: Yeah.

16 CHAIRMAN STRATTON: Any other questions for Greg?

17 MR. MAXWELL: Mr. Chair, this is Member Maxwell.

18 CHAIRMAN STRATTON: Go ahead. Board Member
19 Maxwell, go ahead.

20 MR. MAXWELL: Thank you.

21 Yeah. I know we're still in the learning phase
22 of all this, but I do think the grants -- obviously they're
23 competitive. There's some that may be local and targeted, but
24 most of them are going to be, I think, a lot more national wide.
25 So we've got to be ready to go, and I know that we've got a good

1 grant program already at ADOT.

2 I guess what my thought is, are we considering
3 stuff that is already in our five-year plan? I know there used
4 to be a lot of funding going towards bridges specifically, and
5 if we've got some bridges that we've already gone through the
6 approval process and placed them in our five-year plan, it may
7 be something that we could leverage to either move up, or as I
8 mentioned before, get some of the funds offset, which will free
9 up more money for us to use in other areas of need in Arizona,
10 but I'd hate to not be considering those projects that we've
11 already put into our five-year plan as a way to get some of the
12 funding earlier, and I think that because the project research
13 has already been done, we may be able to quickly turn those into
14 a grant request or in a competitive process.

15 MR. BYRES: Mr. Chairman, Board Member Maxwell,
16 that is exactly one of the things that we consider when we're
17 looking at projects, is how can we -- if we get a grant, how do
18 we basically free up dollars in a program to be able to do
19 additional work. And that's -- that's the key to most of the
20 grants that we put together, are the grant applications that we
21 put together, is for projects that will do that. There's an
22 executive grant team within ADOT that goes through and evaluates
23 all projects before we actually put application together, and
24 that is one of the considerations.

25 MR. MAXWELL: Thank you.

1 MR. KNIGHT: Mr. Chairman.

2 CHAIRMAN STRATTON: Yes. Go ahead.

3 MR. KNIGHT: Greg, is there any chance that -- I
4 know we've got projects that the State's funded, but the funding
5 doesn't cover the entire project. So it's underway. The
6 project's being done as far as the money will go that the State
7 has obligated. Is there any chance we'll be able to count any
8 of that money that we've used so far as matching in this
9 situation with -- with these new funds?

10 MR. BYRES: Chairman, Board Member Knight, if
11 it's -- if it's already been expended on an existing project,
12 chances are we probably can't count that for match, because we
13 haven't defined what the project is and the limits of that
14 project and the funding that's available for within that limit.

15 So, however, if there's a project that the State
16 -- we got money for, yes, we most certainly will use those
17 dollars that have already been appropriated to that project to
18 go after grants provided that it's a project that fits the grant
19 itself. So we have to look and make sure that it does fit the
20 grant, and if it does, most certainly. We'll leverage those
21 dollars, every single one of them against the match.

22 MR. KNIGHT: Thank you.

23 DIRECTOR HALIKOWSKI: So Mr. Chairman,
24 Mr. Knight, Kristine is listening in, and she just texted me and
25 reminded me we have a meeting Monday to talk about how we might

1 be able to set aside some --

2 VICE CHAIRMAN THOMPSON: Chairman.

3 DIRECTOR HALIKOWSKI: -- dollars for grant
4 applications in addition to maybe approaching the Governor and
5 the Legislature about that idea.

6 CHAIRMAN STRATTON: I think a lot of these
7 questions from myself and the board members are somewhat
8 premature --

9 VICE CHAIRMAN THOMPSON: Chairman.

10 CHAIRMAN STRATTON: -- and catching you off guard
11 when you really don't know the answers yet, and it might be
12 better if we -- next meeting we just had an update as to what
13 was actually taking place. You may have more information at
14 that time.

15 DIRECTOR HALIKOWSKI: And, you know,
16 Mr. Chairman, I sympathize. As you listen to Kristine, this is
17 anything but an easy process. The federal process is quite
18 Byzantine as we go through it, and we will try to provide you
19 with much information, but we want to provide you with accurate
20 information, and I think it's difficult when there's so many
21 unknowns that we're facing, and plus we're now subject to, you
22 know, moving at the speed of the federal agencies, and they may
23 not (indiscernible) the same (indiscernible) completed.

24 CHAIRMAN STRATTON: Very good. Thank you.

25 VICE CHAIRMAN THOMPSON: Chairman.

1 CHAIRMAN STRATTON: Yes.

2 VICE CHAIRMAN THOMPSON: I have one question to
3 get a clarification or get a better idea on the grants. Greg,
4 would any one of these 191 proposed projects qualify for these
5 grants?

6 MR. BYRES: Mr. Chairman, Board Member Thompson,
7 at this point, with not knowing exactly what each of the
8 different grants are going to entail, there's still some that
9 come through from, like, the FAST Act or the RAISE grant is
10 still in there. The INFRA grants are still in there, but at
11 this point in time, until we actually see what the notice of
12 funding opportunities entail for each of the grants, we won't
13 know. So it's all dependent on exactly how those notices are
14 written.

15 VICE CHAIRMAN THOMPSON: One follow-up question.
16 At what point in the future will we have a better idea?

17 MR. BYRES: Mr. Chairman, Board Member Thompson,
18 as information becomes available from the Federal Highway, as
19 Kristine pointed out, it's probably going to be at least within
20 the next 35 to 45 days. That will -- that information will be
21 available for funding. It may be a little bit longer before we
22 know anything on the grant side or the discretionary funds.

23 VICE CHAIRMAN THOMPSON: Thank you, Mr. Chair.

24 CHAIRMAN STRATTON: Again, board members, let's --
25 thank you, Vice Chairman. Let's hold any further questions

1 until next month, and I think we should have an item on the
2 agenda, just update on the grant. Again, by then you may have
3 more information and you may not, but should be significant more
4 information to more information to share with the Board rather
5 than to be redundant with the questions. So thank you.

6 Okay. We'll move on to Item No. 6. This is
7 PPAC, with Greg Byres, for discussion and possible action.
8 Greg.

9 MR. BYRES: Thank you very much, Mr. Chairman.
10 Today we're bringing forward two projects for
11 modifications, four projects that are new projects and one
12 airport project. So we'll start off with the two projects for
13 modifications. These are Items 6A and 6B, and we bring these
14 forward with a recommendation for approval.

15 CHAIRMAN STRATTON: Do I have a motion?

16 VICE CHAIRMAN THOMPSON: Chairman.

17 CHAIRMAN STRATTON: Yes.

18 MR. KNIGHT: Mr. Chair.

19 VICE CHAIRMAN THOMPSON: Move for approval.

20 MR. KNIGHT: Second.

21 CHAIRMAN STRATTON: I have a motion by Vice
22 Chairman Thompson and a second by Board Member Knight. Is there
23 any discussion?

24 Hearing none, would you call for the roll call
25 vote, please?

1 MR. ROEHRICH: Yes, Mr. Chairman.

2 Vice Chairman Thompson.

3 VICE CHAIRMAN THOMPSON: Aye.

4 MR. ROEHRICH: Member Knight.

5 MR. KNIGHT: Aye.

6 MR. ROEHRICH: Member Searle.

7 MR. SEARLE: Aye.

8 MR. ROEHRICH: Member Daniels.

9 MS. DANIELS: Aye.

10 MR. ROEHRICH: Member Meck.

11 MR. MECK: Aye.

12 MR. ROEHRICH: Member Maxwell.

13 MR. MAXWELL: Aye.

14 MR. ROEHRICH: Chairman Stratton.

15 CHAIRMAN STRATTON: Aye.

16 Motion carries.

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

18 The next item is for new projects, and these will
19 covers Items 6C through 6F, and again, PPAC brings these forward
20 with a recommendation for approval.

21 CHAIRMAN STRATTON: Before I ask if there's a
22 recommendation, I do know Board Member Searle has some questions
23 on Item 6D.

24 MR. SEARLE: You know, we can go ahead with the
25 motion, and we can do the discussion after the motion.

1 CHAIRMAN STRATTON: Okay. I will accept a motion
2 then for approval.

3 MR. KNIGHT: Yeah. Mr. Chair, I move to approve
4 Items 6C through 6F.

5 CHAIRMAN STRATTON: I have a motion. Do I have a
6 second?

7 MR. SEARLE: I'll second.

8 MS. DANIELS: Second.

9 CHAIRMAN STRATTON: I have a motion and a second.
10 Now I'll call for the discussion.

11 MR. SEARLE: Yes. I -- 6D, the Fort Thomas
12 structure, we had some discussion on this when the development
13 phase of this came forward, and it was my understanding when we
14 approved that that both Chairman Stratton and myself were going
15 to be briefed on that, and I never was, and that's a little
16 disappointing. And it looks from this project that the
17 development cost was around \$300,000, which is under what was
18 proposed, which as far as I'm concerned was good news.

19 It's still very disappointing that -- and I'll
20 speak for -- although Graham County is in Chairman Stratton's
21 district, it's very frustrating when local communities get these
22 federal grants for projects that are needed, and they get eaten
23 up by development costs. You know, I personally experienced
24 that in Cochise County, and to see Graham County having to kick
25 in \$300,000 to get this box culvert in is disappointing, to say

1 the least.

2 I know in there may be issues why we can't do
3 that, but I wouldn't -- I would like to see the discussion that
4 these development costs are put out for bid like our
5 construction costs are and to see we might could get some better
6 bids or maybe offers to get some of this work done, as opposed
7 to the way we're doing it. I'm not -- I support the project
8 that needs to be done, but I just wanted to express my
9 frustration.

10 CHAIRMAN STRATTON: Point well made. Point well
11 made.

12 At this time, then, I'll call for the roll call
13 vote. Floyd?

14 MR. ROEHRICH: Yes, sir, Mr. Chairman.
15 Vice Chairman Thompson.

16 VICE CHAIRMAN THOMPSON: Aye.

17 MR. ROEHRICH: Member Knight.

18 MR. KNIGHT: Aye.

19 MR. ROEHRICH: Member Searle.

20 MR. SEARLE: Aye.

21 MR. ROEHRICH: Member Daniels.

22 MS. DANIELS: Aye.

23 MR. ROEHRICH: Member Meck.

24 MR. MECK: Aye.

25 MR. ROEHRICH: Member Maxwell.

1 MR. MAXWELL: Aye.

2 MR. ROEHRICH: And Chairman Stratton.

3 CHAIRMAN STRATTON: Aye.

4 Motion carries.

5 Greg.

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

7 The last item we have is we do have one airport
8 project. This is Item 6G, and PPAC brings this forward for a
9 recommendation for approval.

10 CHAIRMAN STRATTON: Do I have a motion for
11 approval?

12 MR. KNIGHT: Mr. Chairman, but I have a question.

13 CHAIRMAN STRATTON: I have a motion by Board
14 Member Knight.

15 MR. SEARLE: Second.

16 CHAIRMAN STRATTON: A second by Board Member
17 Searle. Any discussion?

18 MR. KNIGHT: Yes.

19 CHAIRMAN STRATTON: Board Member Knight.

20 MR. KNIGHT: Greg, since this is in Parker, and
21 it's in my district, I just need a little more information.
22 They -- were they unable to come up with the matching fund?
23 They opted out -- as it appears here from what I've read, they
24 opted out of the funding so it's not going to happen?

25 MR. BYRES: Mr. Chairman, Board Member Knight,

1 that's exactly correct. They couldn't come up with the funding
2 within the time constraints for this fiscal year. So what it
3 is, is they actually extended this project into their ACIP for
4 next year so that they're still eligible for it in the coming
5 year.

6 MR. KNIGHT: Great. That answered my question.
7 Thank you very much.

8 Thank you, Mr. Chair.

9 CHAIRMAN STRATTON: Absolutely.
10 Roll call vote, Floyd, please.

11 MR. ROEHRICH: Yes, sir.

12 Vice Chairman Thompson.

13 VICE CHAIRMAN THOMPSON: Aye.

14 MR. ROEHRICH: Member Knight.

15 MR. KNIGHT: Aye.

16 MR. ROEHRICH: Member Searle.

17 MR. SEARLE: Aye.

18 MR. ROEHRICH: Member Daniels.

19 MS. DANIELS: Aye.

20 MR. ROEHRICH: Member Meck.

21 MR. MECK: Aye.

22 MR. ROEHRICH: Member Maxwell.

23 MR. MAXWELL: Aye.

24 MR. ROEHRICH: Member -- Chairman Stratton.

25 CHAIRMAN STRATTON: Aye.

1 Motion carries.

2 Thank you, Greg.

3 We'll move on Agenda Item 7, state engineer's
4 report with Dallas Hammit, for discussion and information only.

5 MR. HAMMIT: Good afternoon -- or still morning,
6 Mr. Chairman, members of the Board. As the slides are coming
7 up, currently ADOT has 75 projects under construction totaling
8 \$1.587 billion. In October we finalized eight projects
9 totaling \$34.4 million, and year to date we have finalized 38
10 projects.

11 A couple things on the state engineer's report.
12 One thing that was mentioned, we're seeing a number of
13 legislative bills that could be coming forward. As staff, we
14 will be reviewing those bills looking to see are the estimates
15 close? Are there estimates? Are there a scope? We've seen
16 some, in one case the project is under design, and we can
17 estimate it very easily and know that that's a good number.

18 Another one that's came forward with a number, we
19 haven't had anything started, so we know that is a -- what some
20 may call a swag or a guesstimate on what that costs, and we will
21 make those known. But as those come forward, our staff will do
22 our best to review those and report back.

23 One of the things that -- Mr. Knight, I think it
24 was you who asked on the projects that have been removed,
25 actually the four projects last time, we deferred. And we

1 purpose -- we learned from our mistake. Two years ago we
2 removed it from the program, and once it's removed, we have to
3 stop a lot of the work that was in the development stage. This
4 case we moved it back one year, so we're continuing. As
5 additional funds come up, one of my preferences would be we
6 bring those back into that current year, but the good thing is
7 we never stopped working on them, and we will be ready to
8 deliver them because we didn't stop that work.

9 And then a follow-up on your question. I think
10 we should have more discussion on those development costs. I'm
11 happy to do that, but one thing that we have to watch, any time
12 we use federal funds, we use federal laws. There's a Brooks
13 Act. Professional services have to be competed for by
14 qualification and not by price. So it may force us, if we want
15 to look at this, to find another funding source other than
16 federal funds if we look at doing any kind of price competition
17 on professional services. We do have our hands tied somewhat in
18 that area.

19 And for that -- I would be happy to bring some
20 information, because there's a lot of -- that's in those
21 development costs I think we briefed a long time ago, but a lot
22 of people didn't hear that, and I'd be happy to bring my team up
23 and brief you on what those development costs incur.

24 CHAIRMAN STRATTON: That may be a good topic for
25 a work session at some point in the future.

1 Dallas, I've got a question. The projects under
2 construction, with the significant raise in oil. I know we have
3 escalation clauses for oil and diesel. Are they having a
4 significant overall impact on our budget?

5 MR. HAMMIT: Mr. Chairman, I will have to check
6 on that. I would assume so. The -- and as you said, we have --
7 in our contracts, we have a base price, and then as it goes up,
8 we automatically have an escalator and de-escalator. So if it
9 goes down, it's fair for both sides, but I can check and see how
10 that's affecting our projects. How it goes is if it goes up, it
11 comes out of the construction contingency, but I'd need to check
12 on that and I'll report back to you.

13 CHAIRMAN STRATTON: We're not at a point where
14 we're in danger of having to defer a project or anything from
15 this year to next because of that?

16 MR. HAMMIT: Not that I'm aware of, Mr. Chairman.

17 CHAIRMAN STRATTON: Okay. Thank you.

18 Board Member Searle.

19 MR. SEARLE: Chairman Stratton and Dallas, this
20 is not in your corner, but it might be kick it over to Kristine
21 sometime. Has ADOT ever considered hedging oil costs to protect
22 (indiscernible) on that issue? Because as a county, we've had
23 that discussion as to -- because when you do have a material
24 change in oil, there are ways financially to protect us against
25 those issues, and it would be interesting to see if ADOT's never

1 had that conversation.

2 MR. HAMMIT: Mr. Chairman, Mr. Searle, we
3 have -- in my tenure, we have not.

4 MR. SEARLE: Okay.

5 CHAIRMAN STRATTON: Any other questions for
6 Dallas? Or do you have more to report, Dallas?

7 MR. HAMMIT: No, Mr. Chairman.

8 MR. SEARLE: I see that the Houghton Road
9 project is coming to an end there in Pima County, and it
10 really looks like, you know, it was either diverging -- I
11 guess that's a diverging diamond. I don't know, but it's
12 pretty nice. Good to see it.

13 MR. HAMMIT: Mr. Chairman, Mr. Searle, that
14 will be our second full diverging diamond that will open up in
15 Mr. Meck's area. We're starting construction on two more.
16 We're excited by the way it's working on Happy Valley. We've
17 heard good things from the public. I think it will move more
18 traffic, and it will do it safer. So we're excited about that
19 one as well.

20 CHAIRMAN STRATTON: Very good.

21 Any other questions for Dallas?

22 Hearing none, we'll move on to Agenda Item No.
23 8, construction contracts, for discussion and possible action.
24 Dallas.

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

1 Item No. 8A is a bridge scour retrofit project.
2 It is on State Route 266. On that project the low bid was
3 \$375,424. The State's estimate was \$333,935. It was over the
4 State's estimate by \$41,489 or 12.4 percent. We saw higher
5 than expected pricing in the lead-based paint removal from the
6 structure and traffic control. So as we reviewed the bid, we
7 do believe it is a responsive and responsible bid and
8 recommend award to Holmes Construction Company, Inc.

9 CHAIRMAN STRATTON: Thank you, Dallas. Do I
10 have a motion?

11 MR. SEARLE: I'll make a motion to approve.

12 CHAIRMAN STRATTON: Do I have a second?

13 MR. KNIGHT: Second.

14 CHAIRMAN STRATTON: I have a second. Any
15 discussion?

16 MR. KNIGHT: You know, the traffic control on
17 that piece can't be done much, but that's okay. It's my
18 district and I support it. That's mostly prison traffic,
19 so...

20 CHAIRMAN STRATTON: Very good. Floyd, would
21 you call for the roll call?

22 MR. ROEHRICH: Yes, Mr. Chairman.

23 Vice Chairman Thompson. Vice Chairman
24 Thompson.

25 VICE CHAIRMAN THOMPSON: Aye. Aye.

1 MR. ROEHRICH: Thank you. Thank you, sir.
2 Member Knight.

3 MR. KNIGHT: Aye.

4 MR. ROEHRICH: Member Searle.

5 MR. SEARLE: Aye.

6 MR. ROEHRICH: Member Daniels.

7 MS. DANIELS: Aye.

8 MR. ROEHRICH: Member Meck.

9 MR. MECK: Aye.

10 MR. ROEHRICH: Member Maxwell.

11 MR. MAXWELL: Aye.

12 MR. ROEHRICH: Chairman Stratton.

13 CHAIRMAN STRATTON: Aye. Motion carries.

14 MR. HAMMIT: Thank you.

15 CHAIRMAN STRATTON: Thank you, Dallas.

16 I would like to make a comment on traffic
17 control since you brought it up, Mr. Searle. So I noted we've
18 been using -- many contractors have been using the automated
19 stoplights rather than flag people, and I would have to
20 imagine that's saving the State a fair amount of money on
21 traffic control.

22 MR. HAMMIT: I do have to see how much it's
23 saving. I believe so as well, but we're -- one thing we're
24 really doing is trying to get smart traffic control, let
25 people knowing what's going on ahead, but it is very dangerous

1 for our folks if we don't have proper... As we've been
2 sitting here this morning, we had a worker, it was someone out
3 on one of our projects that got hit. I don't have all the
4 details. He -- it sounds like it is -- he's in the hospital.
5 He's still alive, but just this morning on one of our projects
6 on I-10, we had a consultant inspector for us that was hit in
7 an active work zone.

8 CHAIRMAN STRATTON: Hopefully they'll be okay.
9 Thank you, Dallas.

10 We'll move on to Agenda Item No. 9, the State
11 Transportation Board policy, with Floyd Roehrich, for
12 discussion and information.

13 MR. ROEHRICH: Thank you, Mr. Chairman,
14 although I do want to make a point. It was for discussion and
15 possible action, because I am going to ask the potential for
16 the Board to approve their policies, but I want to follow up
17 from the study session.

18 We did have a meeting with Board Member Knight
19 and Board Member Daniels, followed up that had a discussion on
20 the policies, as well as the noise mitigation policies --
21 broadband policies and noise mitigation policies that were
22 brought up in the study session.

23 And it has resulted in a lot of great
24 discussions and looking at the potential for the broadband
25 policy, the one we that would consider coordinating with the

1 Governor's staff as they strategically look at expansion of
2 broadband, along with the Office of Broadband and the Commerce
3 Authority, who's developing a statewide broadband strategy,
4 which to the point -- looks like it's a final draft, but it's
5 not been submitted out yet for final approval. But they're
6 working forward with that.

7 And we see the opportunity to look at potential
8 for a policy that where the Board may direct some focus areas
9 as we look at projects and look at possibilities, but we
10 feel -- at least I'm recommending now that we don't develop
11 our own policy. Let's kind of continue to coordinate with the
12 commerce, the Office of Broadband and the developer's office
13 and put together a policy strategy. Next year I'm expecting
14 it's all going to come together as we hit the beginning of the
15 year and see what happens as the IIJA funding, and anything
16 that the Legislature brings in in the funding from the
17 Governor's office, an opportunity to really bring that in as a
18 policy.

19 And I know Board Member Knight just this
20 morning was talking to me about some potential language or
21 direction that we would develop on a policy statement. So I
22 agree that it's something that we should work on doing. I
23 think that doing it prematurely would mean we just have to ask
24 the Board to revisit it again once we have more information
25 from coordinating with these other entities.

1 So statutorily, the Board needs to approve
2 their policies every two years. This is the second year, this
3 year, and that's the only policy recommended option that has
4 been brought forward, but I do want to also point out to the
5 Board, you can change your policies any time that you want.
6 We just need to agenda it, go through this deliberation,
7 settle on the final language, and then the Board can add it,
8 edit or take away from policies anytime time they want.

9 So my recommendation is, is that the Board
10 approve their policies as it is, because we have no other
11 recommendations that have come forward, either from staff or
12 from board members, on these policies. Approve the policies
13 as is. There's 44 policies, and that will allow us to
14 continue to use those moving forward and meet the statutory
15 requirement, and then continue to work through these other
16 agencies along with board members on developing a broadband
17 policy that we could bring back early next year and then
18 modify and add it into the policies once we've finalized the
19 language and we have it coordinated with these other entities.

20 So I'm proposing that, and I'd just like to
21 make sure how the board members feel about that or any other
22 questions or comments that you would recommend.

23 CHAIRMAN STRATTON: The first thing, I think it
24 makes sense, Floyd. I think it would be a good move.

25 Any comments from board members?

1 MS. DANIELS: I just have one, and I just
2 wanted to thank staff for meeting with Board Member Knight and
3 myself and helping us walk through some of these processes and
4 the thoughts. I think we generated a lot of great ideas as we
5 discussed and also understood some of the needs that we have
6 to collaborate with other entities. Understanding, of course,
7 that funding is a critical component of this, and we would
8 like both the Governor's office and then also the ACA to be
9 united in this effort.

10 So, Floyd, I think that was a great synopsis
11 that you just gave, and I fully support us, you know, moving
12 forward and having additional dialogue with those other
13 entities so that we can create a criteria that works for and
14 accomplishes our statewide goals that aren't just ADOT goals,
15 but statewide goals.

16 CHAIRMAN STRATTON: Thank you, Ms. Daniels.

17 I would like to thank Board Member Daniels and
18 Board Member Knight for representing the Board and working
19 with staff to gets these policies. So hopefully that will
20 continue in the future.

21 At this time I would entertain a motion to
22 adopt the policies as presented.

23 MR. KNIGHT: So moved.

24 MR. SEARLE: Second.

25 CHAIRMAN STRATTON: I have a motion and a

1 second. Do we have any discussion?

2 Hearing none, Floyd, would you call for the
3 roll call?

4 MR. ROEHRICH: Yes, Mr. Chairman.

5 Vice Chairman Thompson.

6 VICE CHAIRMAN 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: And Chairman Stratton.

18 CHAIRMAN STRATTON: Aye.

19 Motion carries. Thank you.

20 Move on to Item No. 10. Suggestions for future
21 board meetings. Does any board member have an item they'd
22 like to have on a future board meeting?

23 Member Searle.

24 MR. SEARLE: Just to reconfirm your comments
25 earlier in the meeting that we do need to report on this new

1 infrastructure bill and how we are going to coordinate the
2 department with this new funding, and I realize December's
3 probably going to be too soon, but you may be gone for that,
4 Steve, but I think we'd really need, you know January,
5 February, because it's important to see how it strategizes
6 with our five-year plan and the grant process and the whole
7 nine yards.

8 CHAIRMAN STRATTON: I think that's a great
9 idea, and really, I'd like to see that personally agendized
10 until all of the answers have come forward. I think there's
11 going to be some information every month, I would think.

12 MR. ROEHRICH: So, Mr. Chairman, Mr. Searle, I
13 absolutely think it's something that will be reported on every
14 month. I think you can count on Kristine bringing it in as a
15 financial issue as we learn more. I think Katy will continue
16 to bring in more from a legislative issue, and then from a
17 process issue, I expect either Dallas or Greg will be bringing
18 that in through planning process or -- and programming process
19 and other process.

20 So I do think we are going to be covering it
21 every month as we move forward until we get a full picture. I
22 do think things such as grant and maybe some other actions
23 that might -- we want the Board to consider, I think it is
24 very much appropriate that we identify those by agenda so that
25 public and you and the Board members know we're bringing those

1 forward, but I expect you're going to get the update on this
2 every month.

3 And you're specifically going to get an update
4 on this when we start the programming process, because you
5 know, in January we had a study session right after the
6 traditional board meeting. It's usually at the end of January
7 or the first week of February is our study session, and that's
8 where we lay out all the preliminary tentative program issues
9 for the new program, and I expect anything we know about it
10 then, Greg's team will bring that forward. So I would like to
11 assure the Board we are going to talk about IIJA from a
12 funding, project and programming process every month as we
13 move forward. I think you can expect that.

14 MR. SEARLE: It will save on the questions.

15 CHAIRMAN STRATTON: Very good.

16 MR. ROEHRICH: Well, we want your questions.
17 We want to make sure that not only are we able to satisfy you,
18 your inquiries. It helps us in communicating them out to the
19 public as well, because as the director said in his comments,
20 we are already getting bombarded every day. Is my project in
21 there? What are you (inaudible) my project? Whoa. You know,
22 (indiscernible). Let's slow down. We're going to get to all
23 those things, but this is a five-year bill. It's going to
24 take a while to get to everything.

25 CHAIRMAN STRATTON: Very good.

1 Any other suggestion for future meetings?

2 MR. ROEHRICH: Mr. Chairman, if I could, I just
3 want to remind everybody the next meeting is December 17th.
4 It is at the City of Globe in their council chambers. We
5 expect it will continue to be a hybrid meeting like this, in
6 person for the public who can make it, who can attend, and a
7 virtual option for those who still want to participate but may
8 not be able to make it. So we're looking forward to that.

9 I hate to say it. It might be your last
10 meeting as Chair, but it doesn't necessarily have to be your
11 last meeting on the Board. You can continue to participate
12 until they announce -- the Governor announces your
13 replacement.

14 CHAIRMAN STRATTON: Very good. Hopefully -- it
15 was nice to have more on the Board here today and have some
16 public here and the staff that's here. I appreciate it.
17 Hopefully more of the Board will be able to attend in December
18 and moving forward into the next year as -- I think it's very
19 important that we hear things from the local people, and
20 through my tenure on the Board, as we traveled, one of the
21 things we've tried to do -- or I tried to do was my wife and I
22 would try to get to town about noon and have lunch and talk to
23 local people and drive the roads and such and try to learn a
24 little more about the communities. And I think that's an
25 important aspect for the Board to do, and just communicate

1 with the people, knowing that we haven't had much time
2 together with most of the board members. I hope that you will
3 consider that in the future and continue to have good
4 communications from the staff and the Board to the people that
5 we serve.

6 With that, I would entertain a motion to
7 adjourn.

8 MR. KNIGHT: So moved.

9 MR. SEARLE: Second.

10 BOARD MEMBER: Second.

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

13 BOARD MEMBERS: Aye.

14 CHAIRMAN STRATTON: Motion carries. The
15 meeting is adjourned. Thank you.

16 (Meeting adjourned at 10:59 a.m.)

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

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BE IT KNOWN that the foregoing proceedings were reported by me, TERESA A. WATSON, Registered Merit Reporter, Certified Reporter, Certificate No. 50876, State of Arizona, from an electronic recording and were reduced to written form under my direction; that the foregoing 80 pages constitute a true and accurate transcript of said electronic recording, all done to the best of my skill and ability.

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

DATED at Phoenix, Arizona, this 31st day of January 2022.

 /s/ Teresa A. Watson

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

Adjournment

Chairman Steve Stratton moved to adjourn the November 19, 2021, State Transportation Board Meeting.

Meeting adjourned at 10:59 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