

**STATE TRANSPORTATION BOARD STUDY SESSION
TELEPHONIC/WEBEX ATTENDANCE
9:00am, June 2, 2022**

Call to Order

Board Chairman Thompson called the State Transportation Board Study Session to order at 9:02 a.m.

Pledge

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

Roll Call by Floyd Roehrich, Jr.

A quorum of the State Transportation Board was present. **In attendance (via WebEx):** Chairman Thompson, Vice Chairman Knight, Board Member Maxwell, Board Member Daniels, Board Member Searle, Board Member Meck, and Board Member Stratton. There were approximately 50 members of the public in the audience on-line.

Opening Remarks

Chairman Thompson 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
STUDY SESSION

REPORTER'S TRANSCRIPT OF PROCEEDINGS
VIA VIDEOCONFERENCE

June 2, 2022
9:02 a.m.

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

PREPARED FOR:
ADOT - STATE TRANSPORTATION BOARD

(Certified Copy)

1 REPORTER'S TRANSCRIPT OF EXCERPT OF ELECTRONIC
2 PROCEEDINGS, ADOT - STATE TRANSPORTATION BOARD STUDY SESSION,
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 Jesse Thompson, Chairman
10 Gary Knight, Vice Chairman
11 Ted Maxwell, Board Member
12 Richard Searle, Board Member
13 Steve Stratton, Board Member
14 Jackie Meck, Board Member
15 Jenn Daniels, Board Member

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CALL TO THE AUDIENCE

SPEAKER:	PAGE:
Jennifer Thompson, Freeport-McMoRan Bagdad, Inc.....	5

AGENDA ITEMS

Item 1 - FY 2023-2027 ADOT Tentative Five-Year Transportation Facilities Construction Program, Paul Patane, Division Director, Multimodal Planning Division and Kristine Ward, Chief Financial Officer.....	7
Item 2 - National Electric Vehicle Infrastructure (NEVI) Development Plan, Thor Anderson, Performance/Asset Manager.....	22
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1 (Beginning of excerpt.)

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

10 In person there is an opportunity for members of
11 the public to discuss items of interest with the Board. Please
12 fill out a Request for Public Input Form and give it to the
13 board secretary if you wish to address the Board.

14 In the interest of time, please, a three-minute
15 time limit will be imposed. Again, you will be requesting
16 your -- understanding a three-time limit will be imposed.

17 At this time I'd like to turn this over to Floyd
18 to handle the call to the audience. You may have a list there
19 that I don't. So, Floyd, turn this over to you.

20 MR. ROEHRICH: Yes, sir. Thank you,
21 Mr. Chairman.

22 We have received one request to speak, and that
23 is from Ms. Jennifer Thompson.

24 Ms. Thompson, please raise your hand.

25 MR. MAXWELL: Floyd, this is Ted. I would

1 suggest that we ask the Chair to mute his line when he's not
2 actually speaking, because I still get all the reverberation as
3 long as his line's open.

4 MR. ROEHRICH: Thank you, Mr. Maxwell. I see
5 that he did mute his line, so hopefully that will work.

6 Kristi, is Ms. Thompson unmuted?

7 WEBEX HOST: Yes. She's unmuted at this time.

8 MS. THOMPSON: Good morning, everybody. Can you
9 hear me?

10 MR. ROEHRICH: Yes, ma'am. We can.

11 MS. THOMPSON: Awesome. Great. Thank you for
12 your time. I'm Jennifer Thompson. I work for Freeport-McMoRan
13 Bagdad. We reside in Yavapai County, and we're a large copper
14 producer for the state.

15 I just want to thank you for looking at the
16 proposed projects for State Route 93, specifically
17 reconstructing the current two-lane road configuration to four
18 lane and in some of those major areas.

19 FMI also supports the proposed pavement
20 preservation and bridge rehab projects along this key corridor,
21 and to further our commitment to the safe movement of people and
22 goods in our region, we're supporting the department's recent
23 INFRA grant request to expedite the proposed improvements to
24 US-93, as that's a major corridor for our business, commercial
25 needs and then our employees as well.

1 As US-93 continues to be modernized, FMI looks
2 forward to continuing our partnership with ADOT to provide
3 necessary improvements to another key corridor in the region,
4 which is State Route 97. We ship copper via State Route 97 and
5 US-93 to our smelter in Miami, Arizona, at a rate of about 100
6 trucks per day, and that's commercial, plus another 100 trucks
7 for production, and we have several employees that travel along
8 that route as well.

9 MR. ROEHRICH: (Inaudible.)

10 MS. THOMPSON: Sorry. Were you asking me a
11 question?

12 MR. MECK: I've got -- I'm in good shape.

13 MR. ROEHRICH: So, Ms. Thompson, sorry about
14 that. We're -- with the difficulties, we're trying to get
15 people logging in. Please continue with your comments.

16 MS. THOMPSON: Okay. Thank you.

17 A State Route 97 feasibility study done a couple
18 years ago with a million dollars from MM -- FMI and done in
19 collaboration with ADOT resulted in the identifications of key
20 safety and capacity improvements needed for State Route 97. As
21 we indicated in our support letter to U.S. Department of
22 Transportation Secretary Buttigieg -- sorry -- for the US-93
23 INFRA grant, FMI is conducting currently a feasibility study to
24 potentially expand our Bagdad Operations starting in 2024 in
25 order to provide the necessary resources to meet global

1 decarbonization goals and domestic demand. This potential
2 expansion would double the current production, bringing us to
3 400 trucks per day for copper and commercial freight, and add
4 800 employees plus 150 contractors all using State Route 97.

5 We're grateful for the efforts to date, and we
6 look forward to continued collaboration on advancing State
7 Route 97 improvements with ADOT and the Board. Thank you for
8 your time.

9 CHAIRMAN THOMPSON: Thank you for your comments.

10 MR. ROEHRICH: So, Mr. Thompson, that's all the
11 requests to speak we received.

12 I would also like to note for the record that
13 Board Member Daniels and Board Member Meck have entered the
14 Webex.

15 CHAIRMAN THOMPSON: Floyd, do we have any written
16 comments that were -- that were provided to your office?

17 MR. ROEHRICH: No, sir. I do not.

18 CHAIRMAN THOMPSON: With that, I think my
19 communication is better right now. So I can hear you loud and
20 clear.

21 Now, we will now move on to Item 1, 2023-2027
22 Tentative Five-Year Transportation Facilities Construction
23 Program Overview, and this is for information and discussion
24 only.

25 Paul, turn the time over to you.

1 MR. PATANE: Thank you, Mr. Chair. Good morning.
2 Good morning, board members.

3 MR. ROEHRICH: (Inaudible.) So, Mr. Chairman,
4 (inaudible) Kristine Ward (inaudible) funding and then --

5 DIRECTOR HALIKOWSKI: Floyd. Floyd.

6 MR. ROEHRICH: -- Paul Patane will go ahead
7 (inaudible) the tentative program.

8 DIRECTOR HALIKOWSKI: Floyd, the chairman --

9 CHAIRMAN THOMPSON: Okay.

10 DIRECTOR HALIKOWSKI: The chairman needs to
11 mute --

12 CHAIRMAN THOMPSON: Go ahead, John.

13 DIRECTOR HALIKOWSKI: You need to mute your line,
14 Mr. Chair. That's why we're getting feedback.

15 CHAIRMAN THOMPSON: Kristine, with that, go
16 ahead. Move forward.

17 MS. WARD: Yes, sir. Thank you. Good morning
18 board members.

19 So last -- at the last board meeting, I told you
20 I'd be coming to you at this -- at the study session with the
21 new numbers. If you'll recall, we had gotten the carbon
22 reduction program numbers in from FHWA. So now we are still
23 missing the numbers from one of the I -- the infrastructure
24 bills program. We're missing one program set of numbers, but we
25 feel we have enough guidance from FHWA now to recast the five-

1 year program with the IIJ revenues. And so what I'm giving to
2 you today and showing you today is what Paul will then present,
3 and we'll show you -- we'll walk you through the new program
4 with these additional figures.

5 So, Rhett, if you could go to the next slide.

6 Thank you.

7 So this -- this slide, I actually presented to
8 you at -- I believe it was the early February presentation when
9 we rolled out the tentative program. And at that time, I told
10 you that we were working with about a \$6.5 billion five-year
11 program, and you can see that on the line that says Total Uses,
12 and going all the way across, you'll see \$6.5 billion.

13 With the additional funding and guidance that we
14 have gotten from FHWA on the infrastructure bill, we're now
15 able -- we now know as -- a significant portion more than we
16 knew back in January -- I mean early February, and we can add
17 those -- provide those additional numbers. And what we've
18 got -- what I show you here is look at that green line. The
19 green line, that shows you the additional funding that we are
20 adding to the tentative program, and Paul will be presenting you
21 a program with these additional revenues built into them. So in
22 20- -- FY '23, we've increased the program size by \$162 million.
23 '24, \$145 million. And you can see the numbers going across,
24 165, 175, 200, for an addition of \$847 million to the program.

25 I would be -- that is all I have to report,

1 because the bulk of it is now I've passed those numbers off to
2 the Multimodal Planning Division, and now they will present a
3 tentative program on the based on the -- with these additional
4 revenues. So I would happy to take any questions you might
5 have.

6 CHAIRMAN THOMPSON: Board members, any of you
7 have any questions for Kristine?

8 There appears to be none, so we'll move on.

9 DIRECTOR HALIKOWSKI: Mr. Chair?

10 CHAIRMAN THOMPSON: Yes. Go ahead.

11 DIRECTOR HALIKOWSKI: Before we move on, I just
12 want Kristine to note the issue of inflation and rising costs.
13 US DOTs around the nation are concerned right now about as money
14 comes in, we are seeing our revenues suffer due to that. So,
15 Kristine, are you keeping an eye on the inflation and rising
16 costs of materials, of labor and (inaudible) numbers?

17 MS. WARD: Mr. Chair, Director Halikowski, yes,
18 sir. In combination with the Transportation Division, we have
19 been monitoring the inflationary impact, and what we've seen
20 over the past I want to say three quarters or so is we're --
21 we've seen -- experienced some -- in some cases a 41 percent
22 increase in prices. So yes, this is a very significant issue.
23 We are dealing with it in our ADOT budget as well as the
24 five-year construction program, and yes, it's being monitored
25 very much so, sir.

1 DIRECTOR HALIKOWSKI: So I just want to manage
2 expectations, Mr. Chairman. Depending on how these factors go
3 over the next year, we may have to adjust given these issues, so
4 I just want to make sure the Board is aware at this point in
5 time what Kristine is saying, this is what we predict is the
6 amount, but that could change. Thank you.

7 CHAIRMAN THOMPSON: Thank you, John.

8 And, Kristine, again, going back to the board
9 members, do you have any particular question you may have?

10 MR. MAXWELL: Mr. Chair, this is Ted.

11 CHAIRMAN THOMPSON: Okay, Ted. Move forward.

12 MR. MAXWELL: Yes. Mr. Chair, Kristine, great to
13 hear that you're tracking those rising costs. What are you
14 seeing right now as the estimated rate of increase in costs?
15 We've seen it on the Board a lot with recent contract proposals.

16 MS. WARD: Mr. Chairman, Mr. Maxwell, we have --
17 what we're seeing is I haven't got a particular aggregate
18 number. What we saw over this past three quarters is about a
19 41 percent increase. So we've been going to the Legislature
20 with -- you know, communicating the issues with regards to the
21 projects that they've appropriated, with regards to the
22 maintenance side of the costs that we're experiencing. So --
23 and I'd like to say -- I'd like to say that that -- that
24 percentage will stay steady. It seems like what we see today is
25 not necessarily what we saw yesterday. It just seems to be

1 changing quite dramatically.

2 So to the director's point, these are the funds
3 that we forecast having available, and that is -- that is the
4 case. The problem is the amount of purchasing power that these
5 dollars will command. We have this many dollars, but the
6 question is how much are those dollars truly worth and how much
7 will we be able to purchase with these dollars with the ever
8 rising prices.

9 MR. MAXWELL: Thank you. Thank you for that
10 number, and I guess that really does clarify. The number -- the
11 dollars are going to be the same. The fact of the matter is our
12 estimate -- current estimates in our five-year plan for our
13 projects may not be sufficient to actually cover it if this
14 continued increase in costs continues. So thank you.

15 CHAIRMAN THOMPSON: Kristine, I do have one
16 question --

17 MR. BYRES: (Inaudible.)

18 CHAIRMAN THOMPSON: Who's that now?

19 MR. BYRES: This is Greg Byres. If I could have
20 just a moment, Mr. Chairman.

21 CHAIRMAN THOMPSON: Greg, let me ask this
22 question. It may fit into your remarks.

23 Kristine, more specifically for my understanding,
24 now, does that mean that there might be a need to add an
25 additional amount to the 400 million that has been set aside,

1 that not -- that might not be adequate?

2 MS. WARD: Are you referring to the project --
3 the I-10 project and --

4 CHAIRMAN THOMPSON: Yes.

5 THE WITNESS: -- (inaudible) Mega grant?

6 CHAIRMAN THOMPSON: Yes.

7 MS. WARD: So I'll defer to Greg Byres, but I
8 believe that we have forecasted adequately for inflationary
9 impacts --

10 MS. DANIELS: Everybody (inaudible). The
11 sound -- the sound is not going to work with all the echoes.
12 Can we please take a few minutes to fix it?

13 DIRECTOR HALIKOWSKI: Board Member, we have been
14 trying to fix it. It seems that when the chairman has his line
15 unmuted is when we get the feedback. I don't know that we can
16 fix it on his end. When he is muted, the feedback disappears.

17 So, Floyd, I don't know if Rhett's in there with
18 you. Is there anything we can do on that other than
19 (inaudible)?

20 MR. ROEHRICH: So, Mr. Chairman, this is Floyd.
21 There's nothing we could do here in Phoenix, but we do have the
22 team up in Flagstaff looking into the situation, and they're
23 going to be troubleshooting it.

24 I think in the meantime, if Mr. Thompson has
25 asked his question -- and I see he just muted his line -- I

1 would then defer to Greg to go ahead and answer that, and then
2 Greg can make his comments. We'll just have to keep working
3 with the board chairman to get him to ask his question or to
4 move on to the next agenda item, and then mute his line when
5 he's not speaking.

6 MS. DANIELS: Perhaps if it doesn't work better
7 we have the vice chair lead the meeting until it does get
8 resolved, because I -- it's very difficult to hear and
9 understand what's going on.

10 DIRECTOR HALIKOWSKI: Yes, I agree. It's very
11 frustrating. So that might be a good solution, Floyd.

12 MR. ROEHRICH: Mr. Director and (inaudible) move
13 forward.

14 CHAIRMAN THOMPSON: Okay. Can you hear me? Can
15 you hear me right now? I'm going to unmute to see --

16 MR. ROEHRICH: Yes, sir.

17 CHAIRMAN THOMPSON: -- if the echo's still there.
18 Hold on.

19 I am now -- I'm unmuted. How did that go?

20 MR. ROEHRICH: So, Mr. Chairman, when you mute
21 your line when people speak, we do not get the echo, but if you
22 leave your line open while other people are speaking, we get the
23 echo.

24 CHAIRMAN THOMPSON: Okay. Then let's go --
25 continue to move on. I'll mute as soon as I'm done here

1 speaking. So we'll go to the next -- maybe go to Greg at this
2 time.

3 MR. BYRES: Thank you, Mr. Chairman, board
4 members. I just wanted to add a little bit of information.

5 One of the things that we're seeing with the
6 costs of construction right now is the -- it's escalating at a
7 rate that we're -- is pretty much unprecedented here in late
8 years anyway. So what we're doing is we're having the project
9 managers go through and produce estimates as quickly as they
10 possibly can, and if there's changes in those costs, you're
11 going to start seeing those, and you have been seeing those
12 coming through PRB and PPAC and approval by the Board of those
13 PPAC items.

14 As far as the \$400 million goes that we received
15 from the State Legislature for I-10, as well as the Mega grant
16 that we've put in, we utilized the absolute latest Construction
17 Cost Index increases in the estimate that we put together for
18 the program itself. So that application has an escalator in it
19 to help handle projected increases in costs that are currently
20 expected. So as long as things trend the way that we've seen,
21 those costs are covered. If we see them escalate even higher,
22 then that's something we'll have to address at a later date, but
23 that's still -- it's a three-year project, almost a four-year
24 project. So those escalators have been extended out for that
25 entire four-year extent. So hopefully that answers your

1 question.

2 MR. ROEHRICH: So, Mr. Chairman, I'd like to move
3 on then. We're going to go ahead and move on to the next
4 (inaudible).

5 CHAIRMAN THOMPSON: Okay. Go ahead. Move
6 forward.

7 MR. ROEHRICH: (Inaudible), Paul.

8 MR. PATANE: Thank you.

9 Good morning, Chairman Thompson, Board Members.
10 Paul Patane, Multimodal Planning Division, and just going to
11 give you an update on the tentative program and some of the
12 activities that we've -- that have been ongoing since our last
13 meeting.

14 So as Greg mentioned earlier, we've been, you
15 know, working with our project managers and making sure that the
16 costs for, you know, the fiscal year FY '23 and FY '24 are good.
17 It's important that those first two years of the program are
18 fiscally constrained, and with the ongoing change in
19 construction costs, we've been working diligently with our
20 project managers to ensure we get the right dollars in the
21 program.

22 And so next slide, please.

23 So it's important that we -- you know, we look at
24 the project priorities as well and making sure that those first
25 two years we can deliver those projects. We do a risk analysis

1 on some of the projects, making sure, for example, all the
2 utility clearances, right-of-way acquisition, environmental
3 activities are all completed so we can make sure those projects
4 are delivered in those first two years.

5 Next slide.

6 And so the five-year program is a fiscally
7 constrained program. So, you know, there's ongoing -- it's
8 dynamic program where we're constantly evaluating and updating
9 the program through our PPAC actions and bringing those to the
10 Board.

11 Next slide.

12 And so some of the changes to the program, I just
13 want to give you a little summary of the projects. So we have
14 157 projects. 117 have no change, and 31 have funding either
15 increases and some have some minor decreases, and we added 9 new
16 projects.

17 So the reason for some of the change, the cost
18 change, some of the items (inaudible) are scope change. You
19 know, sometimes our pavement preservation projects, the -- you
20 know, we scope them early on, three, four years ahead of time,
21 but by the time the project gets, you know, ready to build in
22 the current year of the program, a lot of times we have to --
23 the pavement condition worsens, either -- you know, the same for
24 a bridge that the extent of damage is -- requires more dollars
25 to put into.

1 Year of expenditure is another one. Then we have
2 our contingency. You know, early on in projects are
3 continuously -- percentages are higher, and those kind of -- as
4 the project gets more refined, those contingencies get lower.

5 The project complexity. Sometimes we run into
6 issues during design that weren't initially planned for that
7 require additional cost. Items such as -- like we had one on
8 US-95 where the environmental -- ran into some
9 environmental/culturally sensitive areas, which increased the
10 project budget close to 700,000. And as mentioned earlier, the
11 Construction Cost Index being unprecedented. Higher costs in
12 construction materials.

13 Next slide, please.

14 So here's some example or some of the projects
15 showing the funding increases. As you can see, you know, the
16 first one, I-10 increased by 12 million. Anthem Way and I-17,
17 that increased by over 8 million. And SR-87, the last one on
18 the list there, is increased costs by over 12 million. Then
19 there was a decrease in I-40, the Two Guns to Dennison. There
20 was a scope change there. So I believe they changed the limit
21 so there was a decrease in that project.

22 Next slide, please.

23 So some more project increases. Primarily, most
24 of those are -- the reason is the Construction Cost Index. You
25 can see the US-93, Sanctuary Road to I-40, was up from 47 to 68.

1 Then the Lion Springs project at SR-260 went from 70 to 109,000.

2 MR. ROEHRICH: 109 million.

3 MR. PATANE: 109 million. Thank you.

4 And for new projects, we're adding, the I-10
5 project, got the 400 million. Brand-new one at SR-387, minor
6 pavement pres., 9.1. Then we added toward the bottom there,
7 there's the NEVI program, which is 11.3, which is starting in
8 fiscal year '24, and also a carbon reduction program with
9 10 million per year.

10 So here's that graphic showing from what the
11 changes from the tentative program that we presented in February
12 to the current program in May. So to the increase in funding
13 areas through the expansion, the project development,
14 modernization and preservation categories.

15 So to follow up on a question from our -- from
16 our public hearing meeting from Mr. Maxwell, Chairman -- or
17 Board Member Maxwell, you know, we had a graph on 2026 where we
18 showed a decrease in preservation. That was a misrepresentation
19 that we corrected, and so there is a steady incline in
20 preservation with -- in the tentative program. And the new
21 program in May, we are showing a little decrease in '26 in
22 preservation, but we are increasing the amount of expansion
23 being delivered.

24 Next slide, please.

25 So here's just another graphic showing the change

1 in the program for the fiscal years.

2 Next slide, please. Oh, can you go back one.

3 So there's a percent change on the bottom -- on
4 the bottom there. There was a, you know, 42 percent change in
5 FY '23, and 10.4 in '24, 11.7 in '25. In 2026, there's another
6 almost 9.3 percent. In '2027, 12.4 percent change.

7 Then here's another graphic just showing the
8 differences in the -- from the tentative program to the revised
9 program. And my apologies that the amounts didn't show up
10 there. And so we're -- the blue line is statewide. MAG is the
11 red, and with PAG the yellow bar, showing the -- the differences
12 in the February and May program over the five years.

13 So on the public comments summary, the public
14 comments, the first bullet there, those are the methods where we
15 solicited from, ADOT, web, social media, et cetera. And as far
16 as the second bullet, to date we have 222 online survey
17 respondents, 80 emailed comments, 23 comments presented at the
18 May 20 -- the May 20th public hearing, and those were -- we're
19 going to still address some of those. Some of the major themes,
20 on the third bullet there, the US-60/Grand Avenue, I-10 between
21 Phoenix and Casa Grande, State Route 88, along with SR-347 near
22 the City of Maricopa.

23 And so some of the status regarding the themes,
24 you know, we do take these comments and we do take them
25 seriously and try to address all of them. So on the first one,

1 on US-60, we're working with our MAG partners on there to
2 address some of the comments. We do share comments with the
3 MPO, COGs, planning areas.

4 As far as the widening, the I-10, Phoenix, Casa
5 Grande, funding this program through FY '25 to widen I-10, the
6 improvement iss also recommended to be included in the Final
7 Program for Board action on June 17.

8 So repair of State Route 88 near Apache Trail.
9 The design concept and environmental overview is planned for
10 SR-88. We got the solicitation to hire a consultant to do those
11 tasks. It is on -- currently on the street. We'll have a
12 notice to proceed late this summer, and completion estimated for
13 spring of '23.

14 As far as widening, improve safety on SR-347, the
15 City of Maricopa is in the MAG planning area. MAG is completing
16 a Corridor Improvement Planning (scoping study and PEL), which
17 was recently completed. Some aspects of this plan are already
18 progressing, Riggs Road to Overpass. Other aspects will still
19 need to be developed. ADOT will continue to work with MAG and
20 the City of Maricopa to improve SR-347.

21 Any questions?

22 CHAIRMAN THOMPSON: Board members, do you have
23 any questions? I think we may have the community --
24 communication issue resolved at the moment. So does any board
25 member have any questions for Paul or Kristine?

1 VICE CHAIR KNIGHT: Mr. Chair, this is Vice
2 Chair. I have a question for Paul on the New Projects, slide
3 number 9.

4 MR. ROEHRICH: Okay.

5 VICE CHAIR KNIGHT: Slide number 9, it's got the
6 new projects on it. Okay. That's it. The bottom two, they're
7 coming into the program from the IIJA. Is that the entire
8 funding, 11,300,000 and the 10 million, is that all federal
9 funding? Are we having -- is any of that state money?

10 MR. PATANE: Is that for the NEVI program?
11 (Speaking simultaneously.)

12 VICE CHAIR KNIGHT: -- carbon reduction program.

13 MR. ROEHRICH: Yeah, the carbon reduction.

14 MR. PATANE: Yes. Those are all federal dollars.

15 VICE CHAIR KNIGHT: That's all federal dollars?

16 MR. ROEHRICH: Yes, sir. Those are all -- those
17 are the federal dollars that we've got from IIJA. That's what
18 those dollar amounts are.

19 VICE CHAIR KNIGHT: As long as -- as long as it's
20 not any of our money. Okay. Thank you.

21 CHAIRMAN THOMPSON: Any other board members have
22 questions?

23 There appear to be no other questions or comments
24 regarding Item 1, so we will now move on to Item 2, National
25 Electric Vehicle Infrastructure Development Plan, and we have

1 Thor Anderson.

2 MR. ANDERSON: Good morning, Mr. Chairman and
3 members of the Board. I'm here to talk to you about the
4 Electric Vehicle Infrastructure Deployment Plan that we are
5 preparing.

6 Next slide, please.

7 So the IIJA set aside over \$30 billion for the
8 deployment of electrical vehicle infrastructure, clean vehicles,
9 clean fueling infrastructure, grid and battery improvements.

10 Next slide, please.

11 \$5 billion of that was for the National Electric
12 Vehicle Infrastructure Program. The purpose of that program is
13 to install EV charging stations along alternative fuel corridors
14 within the state. Arizona's share of that \$5 billion is
15 76.5 million over the next five years. In order to access those
16 funds, we do have to prepare a deployment plan by August 1st of
17 this year.

18 Next slide, please.

19 So the requirements of the program is to locate
20 at least one station every 50 miles within one mile of the
21 alternative fuel corridor. Exceptions can be granted, but they
22 would expect to be rare. The stations need to have a minimum of
23 four 150-kilowatt direct current fast chargers with a universal
24 port called the combined charging system port. And that means
25 that each overall station would have to have the capacity of 600

1 kilowatts so that they could charge four electric vehicles
2 simultaneously.

3 Next slide, please.

4 So the current alternative fuel corridors.
5 I-19's currently not on this map. However, we did nominate I-19
6 in the latest designation round which closed May 13th. So we
7 expect that to be added, and we are including I-19 in our plan.
8 The markers that you see along the freeway are existing stations
9 within one mile of the freeway. We don't know at this time
10 whether they meet the NEVI requirements. However, the plan will
11 evaluate this, and if they don't meet the requirements, plan --
12 the federal funding can be utilized to upgrade those stations to
13 meet the requirements.

14 Next slide, please.

15 So part of the \$5 billion was set aside this
16 year, about \$300 million, to form the Joint Office of Energy and
17 Transportation, and the purpose of that office is to help the
18 states with resources to prepare this plan. They do have a
19 website with the plan guidance, a lot of resources about
20 electric vehicles and a lot of resources about the program. So
21 I encourage you to take a look at that if you're interested in
22 learning more.

23 Next slide, please.

24 So we are on a fast track to prepare this plan,
25 and so we pulled together a fairly extensive internal team with

1 a lot of expertise, because there's a lot of components to the
2 plan that we need to address very quickly. We've pulled a good
3 team together. Everybody has been very supportive in helping
4 out. This is our internal team.

5 Next slide, please.

6 Because this is new to ADOT, and because it's a
7 very high profile project, ADOT's leadership has been involved
8 from the very beginning. We have been consulting regularly with
9 them, and they will be involved in every key decision that we
10 make on this project.

11 Next slide, please.

12 We have hired AECOM Consultants to assist us with
13 the development of this plan. The reason that they won out is
14 that they had the most experience of any other consultant.
15 They're involved in over 40 EV plans, whether it's local or
16 state, nationwide, and the project manager on this plan is an EV
17 expert and infrastructure expert, as well as many of their
18 staff.

19 Next slide, please.

20 So the plan has a lot of components to it. We
21 will be dealing with most of these components at a very high
22 level for the initial plan, but we are going to be very busy
23 fulfilling these requirements.

24 Next slide, please.

25 So our overall strategy is to try to meet the

1 minimum plan requirements by August 1st, but meeting the minimum
2 is not necessarily going to give us what we need to enable
3 deployment of the plan. So we're going to have to finalize some
4 details after the plan, and that includes some of the public
5 outreach that we're going to be doing. So we will have an
6 initial submission August 1st, but we will continue to work on
7 the plan after August 1st, and we know that this is okay with
8 the Joint Office of Transportation and -- of Energy and
9 Transportation who will be reviewing the plan.

10 Next slide, please.

11 So we're getting a tremendous amount of input for
12 this plan. We're going to be meeting with our fellow state
13 agencies to do coordination. That meeting will be coming up
14 soon. We are preparing public and stakeholder surveys to send
15 out soon. We plan to hold a stakeholder meeting by the end of
16 the month. We are also going to hold the virtual statewide
17 public involvement meeting in mid-July, and then we're going to
18 follow up after the plan is submitted with seven in-person
19 public meetings around the state to discuss the plan. Those
20 meetings will probably be as close to the alternative fuel
21 corridors as possible, and we'll probably have one meeting per
22 district. We've -- we'll have specific meetings, if needed, on
23 a variety of topics. It could include utility input, as they
24 are very important to the implementation of this plan.

25 Next slide, please.

1 So we have a lot of interest in this plan. We
2 have developed a stakeholder list. It has well over 300
3 stakeholders at this point. We've been reaching out. We are
4 getting a lot of desire for involvement. We are adding new
5 stakeholders as requested, and they are requested fairly
6 regularly. Stakeholders include state agencies and commissions,
7 utilities, MPOs, COGs, local governments, tribes, industry.
8 There's a lot of advocacy groups that are interested, and
9 communities and business are very interested.

10 Next slide, please.

11 We've already been holding numerous one-on-one
12 stakeholder meetings. There's a lot of interest. This is just
13 a list -- a representative list of some of the folks that we
14 talked to, but I would say that we are talking to at least two
15 to three different groups per week. They are reaching out to
16 us. They are very interested in this plan and interested in
17 this project. So we have been meeting very regularly, and we
18 expect those meetings to continue at the same pace that they
19 have been throughout this project.

20 Next slide, please.

21 So the key is is that the initial plan is really
22 just the first step. It's not something that's going to be
23 absolutely set in stone. It is going to be at a very high
24 level. It's really going to be about meeting the basic
25 requirements and providing a high-level overview of what we're

1 doing. We will be fleshing out the plan after August 1st, and
2 that's going to include additional public and stakeholder input.
3 We will be asking the public about the potential to add new fuel
4 corridors and what they think would be a good priority for that.
5 And the plan does need to be updated annually. So we're going
6 to continue to make changes as needed and to improve the plan as
7 we -- as we learn.

8 Next slide.

9 So that's my presentation. Are there any
10 questions?

11 VICE CHAIR KNIGHT: Mr. Chair, this is the Vice
12 Chair. I've got quite a few questions.

13 Thor, these charge station, there are plans, I
14 hope, that the -- there will be a cost to the -- to the vehicle
15 owner that charges at these stations. It's going to have to pay
16 somebody for charging at that station for the electricity, a
17 utility, whatever -- whatever the arrangement is, but it's not
18 going to be -- this is not going to be -- these charge stations
19 are not going to be free, are they?

20 MR. ANDERSON: Board Member Knight, you are
21 correct. They are not going to be free.

22 VICE CHAIR KNIGHT: That being said, they will --
23 if they're not -- as long as they're not going to be free, the
24 stakeholders, are they going to be involved in paying for the
25 construction of these charge stations?

1 MR. ANDERSON: So the plan does allow a private
2 match and, of course, then the remainder would be federal
3 funding. So that is one scenario. And I would defer to the
4 director, because I know that that's under consideration in
5 terms of what scenario, but that is allowed to approach it that
6 way.

7 VICE CHAIR KNIGHT: Like a P3?

8 DIRECTOR HALIKOWSKI: Yeah. Thanks, Mr. Chairman
9 and Board Member Knight.

10 So as you can see right now, we're in the middle
11 of discussions, and the reason we brought on AECOM is that
12 they're working in numerous other states, and they're the
13 experts in this. I don't know what the final model will be, but
14 the anticipation is that given that the money that the feds have
15 provided, you know, to the states, that's certainly not enough
16 to build out a network, and as you can see, I think, already
17 from other states, this really is a private industry
18 involvement.

19 The money that we have is to, you know, kick-
20 start or to assist, but it's not something that I anticipate the
21 state would be owning and maintaining. So at this point, you
22 know, we're going to continue to meet and continue to flesh out
23 the plan. I'm certain that people aren't just going to be given
24 electricity for free. So, you know, they'll be paying for those
25 charges as they go along.

1 VICE CHAIR KNIGHT: Thank you, Mr. Director.

2 I would also hope that, you know, up to now,
3 these electric vehicles have pretty much gotten a free ride, and
4 those of us that's -- that use gasoline, to buy gasoline and use
5 gas vehicles continue to pay for the infrastructure repairs and
6 maintenance and new infrastructure. So I would hope that in the
7 planning for these charge stations and the payment that is made
8 for the electricity to charge the vehicles, there will be some
9 kind of a tax not unlike the gas tax that will be charged and
10 make it back to ADOT, and the other state departments of
11 transportations and the other states in order to maintain our
12 infrastructure, just like the -- just like the gasoline vehicles
13 and the diesel.

14 DIRECTOR HALIKOWSKI: I understand that.
15 Actually, it's a separate question from this plan as the
16 department does not have the ability to institute or levy a tax
17 through this plan or in any other situation. That would have to
18 come either from our State Legislature or the federal
19 government. It is an issue with electric vehicles that many
20 states are grappling with, is how to do a fair share, if you
21 will, of electric vehicle owners to pay for infrastructure.

22 There are different models out there. One of the
23 popular models for a couple of states are a mileage-based fee.
24 We certainly have been involved heavily in exploring that issue,
25 but there really isn't a lot of interest from our elected

1 officials in doing something like that at this point from what I
2 can gauge. Essentially, because you have to keep track of the
3 miles of that vehicle that it's traveling, and there's a lot of
4 so-called big brother implications that are raised as far as the
5 state knowing, you know, how far I'm going and where I'm going.
6 So that's a question, I think, that the Legislature will
7 continue to look at as it looks at statewide transportation
8 revenues in the future. Right now the electric vehicles are
9 maybe 2 or 3 percent of the fleet, but as we're seeing, that is
10 rapidly growing as these vehicles gain in popularity among the
11 public.

12 MR. ANDERSON: And I -- and I understand that,
13 and I understand that, so we'll have to wait for the Legislature
14 to tax the electricity, I guess, although that doesn't seem
15 like -- seems like we need something in place as these vehicles
16 come online that -- so that they pay their fair share of road
17 repairs and maintenance and don't continue to get a free ride
18 off the vast majority of the public. As you -- as you pointed
19 out, they're a very small minority, and that means that the
20 majority of us are picking up the bill, and they're -- and
21 they're getting -- they're getting a free ride, which I have
22 always objected to and will continue to object to and will
23 continue to object to any of our road money being used for these
24 charge stations.

25 The charge stations should, in my opinion, be

1 totally privatized. The private sector that's going to sell the
2 electricity to them should -- we don't build gas stations, and
3 we shouldn't be building charge stations. If the federal
4 government wants to use our tax dollars and there's nothing we
5 can do about it, then so be it, but I don't -- I'm certainly not
6 going to be for putting any of our state money, our state tax
7 dollars toward these charge stations or anything else that
8 benefits the electric vehicles and discriminates against, in my
9 opinion, the majority of the traveling public that still uses
10 gasoline vehicles. Of course, that's my position on it, and
11 that's the way I feel about it.

12 Thank you, Mr. Chair.

13 CHAIRMAN THOMPSON: Thank you.

14 Then, John, I do believe that a concern among
15 many out there and -- is this a situation where we need to take
16 a position by the Board, either by a resolution or in some other
17 manner, John? Because it does appear that this is still up in
18 the air among our legislators?

19 So with that, is there anybody else that needs to
20 make a comment regarding the electric vehicle issue here?

21 Development?

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

23 CHAIRMAN THOMPSON: Okay, Richard. Go ahead.

24 MR. SEARLE: Thank you.

25 A couple quick questions. What's the average

1 cost to put in a charging station? Do we have any numbers there
2 at all?

3 MR. ANDERSON: So the averages can range between
4 400,000 and 1.2 million. Part of that depends on whether the
5 operations and maintenance cost is included. Typically, that
6 cost would be for five years, and that would cost between 250
7 and \$500,000. So the stations typically are going to cost
8 between 400 and 700,000 each.

9 MR. SEARLE: All right. And remind me. How much
10 are we paying the outside consultants on this?

11 MR. ANDERSON: Around 400,000 -- or around 350, I
12 think.

13 MR. SEARLE: All right. And, you know, just for
14 the discussion purposes, going back to Gary's issue with EVs
15 getting a free ride, is there any talk about adding -- putting a
16 surcharge on the registration fee, on an annual fee for EVs?

17 DIRECTOR HALIKOWSKI: So back to that question,
18 Board Member Searle. The department doesn't have any authority
19 to do that. That would have to come through a legislative
20 action and approval by the Governor. There certainly has been
21 talk at the Legislature, and there have been bills that have
22 been introduced to try and look at some sort of fee structure or
23 VLT, vehicle license tax charge on electric vehicles.

24 And I think, Katy, they did do some adjustments
25 recently. If you want to share those, if you're still online.

1 I know they had raised the percent. It had been 1 percent of
2 the vehicle's value or manufacturer's base retail price, and I
3 thought that had been raised. Katy?

4 MS. PROCTOR: Yes, Director. They've made some
5 changes to bring some parity in the next few years where the
6 rate is going to come into conformity with regular vehicles for
7 VLT purposes, and then the legislation this year established a
8 standard minimum -- you know, if you get to a certain point with
9 your VLT, if your vehicle is older, you get to that \$10
10 threshold -- established the same thing for these vehicles as
11 well.

12 DIRECTOR HALIKOWSKI: So just to let you know,
13 Mr. Chairman, Board Member Searle, the vehicle license tax, part
14 of that comes to ADOT in through the HURF, into the State
15 Highway Fund, and part of it goes out to cities and counties for
16 their use. So they've tackled the VLT issue somewhat, but as
17 far as parity with gasoline tax, nothing's been approved by the
18 Legislature at this point.

19 MR. SEARLE: Thank you. Those were my questions.

20 DIRECTOR HALIKOWSKI: Just as an aside here, I
21 just want to be clear, too. Thor, you're talking about current
22 stations and technology costs, but it also depends on what type
23 of charging station you're building, because the infrastructure
24 costs go up the more rapidly you want to charge that vehicle
25 based on the size of the lines that you have to run for that

1 vehicular station.

2 The technology is ever changing at this point.
3 When I started looking at this some years ago, you know, the
4 charge time was probably anywhere from, you know, two hours to
5 overnight. They're now coming out with batteries that
6 theoretically can get you charged within 20 minutes. So that
7 cost may fluctuate in the future.

8 Thor, I don't know if in your range you've
9 accounted for that, but I just want to be clear that this is a
10 dynamically changing technology.

11 MR. ANDERSON: Yes, sir. You are correct. And
12 there are faster charging stations. There is a 350-kilowatt
13 station available. That station, if the car is -- has a battery
14 that's capable, could charge a car in between five and ten
15 minutes. So it's got a tremendous amount of power, but it does
16 cost a little bit more money to install it.

17 DIRECTOR HALIKOWSKI: So I think, Mr. Chairman,
18 and Board, a lot of this is going to depend on what the
19 marketplace will bear, what the public is demanding as the
20 private sector if the electric vehicle usage continues to grow,
21 what will their investment be based on what took place
22 (inaudible) back as profit.

23 VICE CHAIR KNIGHT: Mr. Chair, this is the vice
24 chair again.

25 CHAIRMAN THOMPSON: Yeah, Gary. Go ahead.

1 VICE CHAIR KNIGHT: I've got an additional
2 question that I've -- has any thought been given to our power
3 grid, whether or not -- whether or not we've even got a power
4 grid large enough to handle all these charging stations across
5 the country? I mean, California's talking about brownouts.
6 We've got a drought going on and possibly reduction in power
7 generated at -- from Lake Mead and Lake Powell. You know, I'm
8 not going to be a real happy camper if I have to shut my
9 air-conditioning off so somebody can charge their damn car.
10 That's just -- that's just the way it is. I'm going to be
11 irate, as a matter of fact, but -- so has any thought been given
12 as to whether or not we've -- my thought is we don't even
13 have -- if everybody had an electric car and plugged it in right
14 now, all our lights would go out. We don't have a grid, a power
15 grid that will handle that many electric vehicles and that many
16 charging stations throughout the -- throughout the country. So
17 has any thought been given to that?

18 DIRECTOR HALIKOWSKI: As a matter of fact, yes.
19 That is -- at least from the side of the concern of this, it's a
20 discussion that's going on nationwide as to (inaudible) electric
21 vehicles increases, is the power grid sufficient to handle that?
22 And so that's why we're meeting as stakeholders with our
23 electric providers, to better understand the impact of these
24 vehicles if they continue to grow in great numbers and what the
25 impact to the grid is.

1 Thor, I don't know if you've had any further,
2 more pointed discussions other than the fact that this is an
3 issue nationwide.

4 MR. ANDERSON: Yes, sir. You're correct. It is,
5 and it has been a very talked about issue. I do understand that
6 for the purposes of the NEVI program, Arizona's in pretty good
7 shape. However, we will be meeting with the Arizona Corporation
8 Commission, who manages the state's utilities. They are one of
9 our state agency stakeholders, and we will be talking about the
10 capacity of the grid and any impacts to the grid from these
11 stations.

12 DIRECTOR HALIKOWSKI: Yeah. And in all fairness,
13 Board Member Knight, too, there are environmental concerns
14 about, you know, the mining of the lithium, the production of
15 the batteries and the ultimate disposal, and whether those
16 batteries can be repurposed to assist in storing electricity for
17 times they're needed or how those batteries will be disposed of,
18 because right now the battery life as I understand it is about
19 five to six years before you have to replace it.

20 New technologies are being looked at for
21 non-lithium-type batteries, but so far I don't know of any on
22 the market yet besides the lithium model. I'm not sure, Thor,
23 if you have any further input.

24 MR. ANDERSON: Yeah. You're correct. The
25 batteries have a limited life. I'm not sure to the extent it

1 can be recycled, but I do believe they can. So that may be a
2 good source of lithium, but it will involve a lot more mining in
3 the future to make that happen, and I understand that there are
4 even some lithium mines opening here in the States.

5 VICE CHAIR KNIGHT: Actually, they're -- they
6 figured out that they could mine lithium at the Salton Sea,
7 finally finding something that that hole in the ground is good
8 for, but anyway, besides just saltwater. And if it is, if they
9 can get lithium there, it will be good, because it will
10 certainly help clean up that lake, but still it's -- they're
11 making newer batteries all the time, and some of them don't have
12 to have lithium, and I think the better ones probably don't, but
13 right now, lithium's a big deal.

14 DIRECTOR HALIKOWSKI: Well, and this discussion
15 may not stop at just lithium in batteries. Right now Toyota is
16 putting a big investment into hydrogen cells and using
17 hydrogen-powered vehicles instead of batteries or some sort of
18 hydrogen/battery combination. So car companies are looking at
19 other technologies that, again, I think in the current NEVI
20 program, we are to look at other sources, Thor, if I'm correct.
21 It's not just limited to electric.

22 MR. ANDERSON: Well, the NEVI program is focused
23 on electric chargers, but the IIJA has set aside large amounts
24 of funding to look at all types of alternative fuels and to look
25 at different types of vehicles like medium and heavy-duty

1 trucks. The hydrogen probably will develop just because of
2 those vehicles, because it's very difficult to get a battery
3 that's big enough to enable those vehicles to go long haul. So
4 if you did an electric motor with a hydrogen fuel cell, you'd be
5 able to resolve that problem. So it is likely just for that
6 reason alone that hydrogen infrastructure will continue to
7 develop.

8 DIRECTOR HALIKOWSKI: Thanks for the
9 clarification, but as I understand it, it takes a good chuck of
10 electricity to separate the hydrogen --

11 MR. MAXWELL: Uh-huh.

12 DIRECTOR HALIKOWSKI: -- from the oxygen in the
13 water. So either way you go, the power grid's going to be
14 essential.

15 MR. MAXWELL: Mr. Chair, this is Ted.

16 CHAIRMAN THOMPSON: Gary, are you done? I guess
17 so. Just move on, Ted.

18 VICE CHAIR KNIGHT: I'm done. Thank you,
19 Mr. Chair.

20 MR. MAXWELL: All right. Mr. Chair, Thor, I've
21 got a quick question, and it kind of is around the topic we've
22 been talking, and we could -- this is an emerging technology
23 that there's a lot of things that are going to be changing over
24 time, but you've said that there -- some of the charging
25 stations that are within a mile, they -- some of the funding can

1 be used to upgrade those, the capacity required by the
2 legislation, and I think at the core is will this plan -- is
3 there any plan for any of the charging stations to be owned by
4 the State of Arizona, the public, or are they all intended for
5 private purposes? Private ownership, I should say.

6 MR. ANDERSON: I'm not aware that the State would
7 do any ownership or operation of the stations.

8 MR. MAXWELL: Okay. And so my follow-up question
9 of that, would that not then -- once -- I mean, I'm assuming
10 we'll get more details on how you'll determine what charging
11 stations go to what companies. I'm sure there will be a process
12 and they'll bid it, but once they have operation and ownership
13 for that, would the companies not be the ones responsible for
14 the upkeep and maintenance of those locations?

15 DIRECTOR HALIKOWSKI: So --

16 MR. ANDERSON: They would.

17 DIRECTOR HALIKOWSKI: Yeah, they would.

18 MR. MAXWELL: Okay.

19 DIRECTOR HALIKOWSKI: Let me just reiterate
20 that, you know, at this point we certainly don't anticipate
21 owning and operating charging stations under this program. The
22 department's really not set up to do that. That's best handled,
23 I believe, by private industry. You know, there's been
24 questions, well, can you put charging stations in the rest
25 areas. We don't believe that's legally possible given the

1 Federal Highway Act.

2 MR. MAXWELL: Right.

3 DIRECTOR HALIKOWSKI: So I don't -- you know,
4 when you talk about a mile off the freeway, that's likely to be
5 an existing sort of a structure that it might be a truck stop or
6 some other fueling-type stations. So I don't anticipate putting
7 these on state land or (inaudible).

8 MR. MAXWELL: Thank you, Director. I was just
9 trying to clarify that.

10 So the one thing I'd ask coming out of -- because
11 this is emerging technologies. We get to talk about it. The
12 power grid, and remember, Arizona is probably in safe shape,
13 because we've got Palo Verde nuclear generating station, and
14 you've hit on all the things -- the same communities that are
15 really supportive of electric vehicles also are opposed to some
16 mining, and there is mines -- I believe right now, the only
17 manganese deposit in the U.S. is in Arizona, and that's a
18 critical element that we currently are relying upon. Some
19 nations that are not so friendly with us and that -- but it's
20 still -- you've got people pushing against mining here in
21 Arizona, as we all know. We all hear it a lot.

22 But I guess my point is what I would ask the
23 staff to possibly do is to take a look at research on what
24 federal investment was made into the establishment of the --
25 when we started driving gas vehicles. Because after our last

1 meeting when we had this discussion, or I guess it was two
2 meetings ago where several of us pointed out -- I had a lot of
3 folks came up to me and said, you got to learn your history.
4 There was actually large federal investments in helping
5 establish the gas stations that were spread throughout the
6 country, especially those closely located to our interstate
7 highways.

8 So if the -- if the staff has any information on
9 that or could bring us some of the history to it just so we
10 know, because when we have these conversations, I think it's
11 important that we don't -- we've got all the information and we
12 don't set ourselves up for being questioned. I appreciate all
13 the help. Thank you, Thor, and thank you, Mr. Chair.

14 DIRECTOR HALIKOWSKI: Floyd, if you'll make a
15 note, we'll ask someone to do the research Board Member Maxwell
16 requested.

17 MR. ROEHRICH: Yes, Mr. Director and Board Member
18 Maxwell. We were just talking about that here. We will do some
19 looking into that.

20 CHAIRMAN THOMPSON: Thank you, Board Members, for
21 all those questions, and they're all valid and most of what
22 needs to happen, what we're asking about may also -- we'll get
23 an idea from the public as how they feel that we should move on
24 with some of the concerns that we have.

25 MS. DANIELS: Chair.

1 CHAIRMAN THOMPSON: I do have one question.

2 MR. ROEHRICH: Mr. Thompson -- Mr. Chairman,
3 Board Member Daniels has raised her hand asking to speak.

4 CHAIRMAN THOMPSON: Okay. That will be good.
5 Member Daniels, go ahead.

6 MS. DANIELS: Thank you, Chair. Thanks, Floyd.
7 And Thor, thank you for the presentation. I appreciate you
8 bringing this so quickly to -- right in front of us here.

9 I apologize. My voice is not my normal voice.
10 I'm a little under the weather, but wanted to just add another
11 element of the conversation.

12 I'm in support of us absolutely moving toward and
13 taking advantage of the federal funds that are going to be made
14 available to us, but I want us to look at it from an economic
15 development perspective. A lot of our rural communities would
16 be left behind if it weren't for their singular gas station or
17 the convenience store associated with that. And so I want to
18 look at this and help us to see that from a rural perspective,
19 we cannot leave our rural communities behind. And so it just
20 encourages us, whereas in Maricopa County and other more urban
21 areas, there is more of an economic incentive of private sector
22 investment, but in some of our rural communities, there may not
23 be, and I want to ensure that we're looking at that, and I know
24 that that's been something that's been on the minds of the
25 organizers here, you know, working on our plan as well. That's

1 all.

2 DIRECTOR HALIKOWSKI: Yeah. Thank you for that,
3 Board Member Daniels. It's an excellent point.

4 Thor, I believe the legislation requires us to
5 consider underserved and rural areas.

6 MR. ANDERSON: Yes, sir. It does. And that is
7 really one of the purposes of this legislation. They're
8 actually -- if you look at a map of Arizona, there's actually a
9 large number of charge stations already here. They are mostly
10 in the urban environments. They are in the better-served
11 communities. Where there are gaps is in underserved communities
12 or in rural areas or in tribal communities, and that creates
13 range anxiety for many travelers. They're not able to get from
14 Point A to Point B. And, of course, if you own a Tesla, they
15 have built out fairly well, but many of the other electric
16 vehicles aren't served by the Tesla stations, and so there is a
17 lot of range anxiety out there. And so if this technology is to
18 get off the ground, those gaps need to be closed, and part of
19 the purpose of this funding is to close those gaps.

20 MS. DANIELS: I do want to validate Vice Chairman
21 Knight's comments about the equity and the tax necessity. We've
22 been trying to modernize our gas tax for two decades in the
23 state and haven't had the political will, I think, to get that
24 done, and I think it's unfortunate, and it -- thankfully we have
25 a newer system, but it will catch up to us if we don't modernize

1 that structure, and including electric vehicles as part of that
2 would be key.

3 But to the Director's point, this is a state
4 Legislature issue and not necessarily something that ADOT can,
5 you know, make the adjustment to. So I would encourage all of
6 us to either run for the Legislature or -- which none of us
7 probably want to do, but -- or to ensure that we're having those
8 types of conversations with our legislators to keep this in the
9 forefront. Noel Campbell made a good effort at it several years
10 ago, and unfortunately, I think all of the start/stops have made
11 it impossible for us to make an adjustment here.

12 CHAIRMAN THOMPSON: Any other board members wish
13 to make a comment or ask questions? I don't see any hands.

14 Floyd, anybody else you see out there?

15 MR. ROEHRICH: Mr. Chairman, no. There is nobody
16 that has requested to speak that I can see either.

17 CHAIRMAN THOMPSON: Okay. Board members, anybody
18 else before I make my comment?

19 There being none, I'd just like to thank Thor for
20 your planning that's already taking shape, and I see that you've
21 been in -- contacting or working with intertribal council. I
22 know Navajo Nation is (inaudible) part of that.

23 Have you -- I know you have, but whom have you
24 been in contact with with Navajo Nation regarding the issue
25 we're talking about? Because I'm wondering, you know, all these

1 travelers going up there and not knowing exactly where a
2 charging station is. You know, they're going to be left out
3 there, stuck out there. So with that I'm sure that you already
4 have something in plan with the Nation Navajo. That's my
5 thinking at this point, Thor.

6 MR. ANDERSON: Yes, Mr. Chairman. You're
7 correct. And we do plan to have a significant outreach to
8 tribal communities. We're including all of the Arizona tribes
9 on our stakeholder list, and then we are going to do specific
10 outreach to the six tribes that are in the vicinity of our
11 interstate freeways. That would include the Navajos. And we
12 are going to have -- send out letters, and we're going to offer
13 to meet if they would like to discuss the project and hear any
14 concerns that the Navajo Nation or other tribal communities
15 have.

16 CHAIRMAN THOMPSON: Thank you. And also to Greg,
17 I'm assuming that as you go make your presentation regarding the
18 five-year plan that this is a part of the discussion you're
19 going to have is on this electric vehicle concerns, plan that we
20 have, Greg?

21 MR. ROEHRICH: So, Mr. Chairman, this is Floyd.
22 I'm trying to understand. So the question you're asking is, is
23 when we discuss implementation of the five-year plan, we will be
24 discussing the implementation of whatever the final decision is
25 on the NEVI -- the development plan as well; is that correct?

1 CHAIRMAN THOMPSON: Yes.

2 MR. ROEHRICH: Yes, sir. As we -- yes, sir.
3 Once we've completed the NEVI plan, and once we start to move
4 forward with the refinement and further development of what
5 is -- will be the deployment plan, we will have those
6 discussions with stakeholders and other people as well. As Thor
7 had mentioned, this plan is going to be evolving over multiple
8 years, because it has an annual requirement. So there will be a
9 lot of coordination and actions that will take place as we look
10 to implement the NEVI plan, and we will have coordination with a
11 lot of agencies out there, including, as Thor said, all the
12 tribal communities.

13 CHAIRMAN THOMPSON: Thank you, Floyd, and again,
14 one last call. Any other board members, do you have any
15 particular comment on the electric vehicle issue? If not,
16 again, I'd like to commend Thor and also the ADOT staff and also
17 the board members for the discussion and especially your
18 concerns on it. Many of -- many questions are going to still
19 continue to come up, but those will be dealt with in the future,
20 as I'm hearing.

21 So with that, I guess we can go on to the next
22 item. That will be Item 3, suggestions. Again, Floyd, can you
23 kind of explain that?

24 MR. ROEHRICH: So Mr. -- yes, sir, Mr. Chairman.

25 So the next board meeting is June 17th. It is in

1 the community of San Carlos. We're working on the agenda for
2 that right now. So if you -- if any board member would like to
3 add an agenda item or topic of discussion, please let me know,
4 whether it's today or in the next few days, because we do post
5 the agenda the week before. So we want to wrap up all the
6 items next week. So if you've got any suggestions for that
7 meeting, please let me know. Send me an email, give me a
8 call, and then we will go ahead and finalize that agenda, and
9 then as we always do, we'll post and distribute it Friday, and
10 then on the following Friday, on the 17th, we will meet at the
11 community of San Carlos.

12 That's all I have, Mr. Chairman.

13 CHAIRMAN THOMPSON: Board members, do you have
14 any response to the request for any suggestions you might
15 have?

16 If not, I'd like to reiterate my concern.
17 There was a report made by the general auditing office or the
18 governmental accounting office regarding tribal roads, and
19 Floyd, you and I, we talked about it, and I did have Navajo
20 County send you a copy of that, and I like to have your review
21 on it and some comments of whether those recommendations apply
22 to the school districts on the reservations.

23 So that's all I have, and one more time, anybody
24 else that wishes to express maybe a concern or an issue that
25 they'd like to have put on the agenda?

1 Well, seeing there's nobody else that wants to
2 make additional comments, is there a motion to adjourn the board
3 meeting?

4 VICE CHAIR KNIGHT: Motion to adjourn.

5 CHAIRMAN THOMPSON: Motion by Gary. Need a
6 second.

7 MR. SEARLE: Second. Richard.

8 CHAIRMAN THOMPSON: Richard seconds that.

9 All those in favor say aye.

10 BOARD MEMBERS: Aye.

11 CHAIRMAN THOMPSON: We don't need a roll call, do
12 we, Floyd?

13 MR. ROEHRICH: No, sir. Mr. Chairman, you can
14 just announce the meeting's adjourned.

15 CHAIRMAN THOMPSON: The meeting's now adjourned,
16 and thank you for your attendance.

17 (Meeting adjourned at 10:26 a.m.)

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

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4 BE IT KNOWN that the foregoing proceedings were reported
5 by me, TERESA A. WATSON, Registered Merit Reporter, Certified
6 Reporter, Certificate No. 50876, State of Arizona, from an
7 electronic recording and were reduced to written form under my
8 direction; that the foregoing 49 pages constitute a true and
9 accurate transcript of said electronic recording, all done to
10 the best of my skill and ability.

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

14 DATED at Phoenix, Arizona, this 6th day of July 2022.

15

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17

 /s/ Teresa A. Watson

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

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Adjournment

A motion to adjourn the June 2, 2022, State Transportation Board Study Session was made by Vice Chairman Gary Knight and seconded by Board Member Richard Searle. In a voice vote, the motion carried.

Meeting adjourned at 10:26 a.m. PST.

Not Available for Signature _____

Jesse Thompson, Chairman
State Transportation Board

Not Available for Signature _____

John S. Halikowski, Director
Arizona Department of Transportation