

**MINUTES**  
**STATE TRANSPORTATION BOARD MEETING**  
**9:00 a.m., Friday, June 19, 2015**  
**Pinetop-Lakeside Town Hall**  
**1360 N. Niels Hansen Lane**  
**Lakeside, AZ 85929**

**Pledge**

The Pledge of Allegiance was led by Jesse Gutierrez, Globe District Engineer.

**Roll call by Board Secretary Mary Beckley**

**In attendance:** Kelly Anderson, Joe La Rue, Deanna Beaver, William Cuthbertson, Jack Sellers, Michael Hammond and Pliny Draper.

**Absent:** None.

**Opening Remarks**

Chairman Anderson thanked the La Vie Marketplace for a nice reception for the Board and staff, as well as the hosts, Town of Pinetop-Lakeside and NACOG.

**Call to the Audience**

The following member of the public addressed the Board:

1. Christian Price, City of Maricopa Mayor, re: appreciates Board support of 347 overpass plan included in the five year program.
2. Greg Lucero, City of Nogales Vice Mayor, re: supports SR 189 in five year plan and submitted resolution to Board from City and Santa Cruz County for support of Alternate D design for SR189 and I-19 interchange.
3. Bruce Bracker, Chairman Greater Nogales Santa Cruz County Port Authority, re: submitted resolution from Port Authority for Option D as interchange design of (SR189) Mariposa Road and I-19; \$26B worth of goods processed through Nogales, state's most significant port of entry from Arizona to Mexico; thanked Director Halikowski and Gail Lewis for their work on roads/trade in Nogales.
4. Ana Oliveras, Pima County Deputy Director, re: requested a higher priority for SR 189 in Nogales to improve the traffic flow near the intersection of Frank Reed Road and Mariposa Road.
5. Chris Bridges, CYMPO Director, re: CYMPO working on resolution for support on the SR 189 project, which is important for the entire state; thanked ADOT staff for working on P3 (public-private partnerships) opportunities for I-17.
6. Mary Mallory, CYMPO Chair and Prescott Valley Councilmember, re: thank you for support on SR 89, close to completing northern section with ribbon cutting on August 7, invitations to come; appreciates Board keeping the southern project (SR89) near the area of Prescott airport in the five year plan.
7. Julia Brooks, Wickenburg Chamber of Commerce, re: requested higher priority for design funding for acquisition of land for Hwy 93 improvements; Wickenburg Ranch partnered with ADOT to finish the first roundabout off 93 at its entrance and have committed another \$10M for the second roundabout (P3); would like to get the work done in smaller segments.

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1 (Beginning of excerpt.)

2 CHAIRMAN ANDERSON: Up next is the Globe district  
3 engineer, Jesse Gutierrez, for a report on his district and  
4 what's happening throughout the district.

5 MR. GUTIERREZ: Good morning, Mr. Chairman,  
6 members of the Board, and welcome to the Globe district.

7 As we get started this morning, I do have a quick  
8 trivia question. Don't have to answer, but I'd like to just say  
9 what is the longest, single-span, two-lane suspension arch  
10 bridge in the country? And I'm very proud to say that it is  
11 right here in Arizona, Globe district. A beautiful structure.

12 (Inaudible.)

13 So as we move into the report, a brief overview  
14 of the district. We see the district boundaries. From the  
15 south there, Winkelman, up on the north (inaudible) corner, this  
16 is St. Johns there.

17 MR. ROEHRICH: Okay. Real quick, sorry for  
18 interrupting.

19 MR. GUTIERREZ: Yes.

20 MR. ROEHRICH: Are you teasing us? Are you  
21 going to tell us the location of that bridge, or do we have to  
22 (inaudible)?

23 MR. GUTIERREZ: It's in the globe district  
24 (inaudible).

25 MR. ROEHRICH: (Inaudible.) I know where the

1 bridge is. (Inaudible.)

2 (Speaking simultaneously.)

3 UNIDENTIFIED SPEAKER: I thought he wanted us to  
4 go find it and there's a prize.

5 (Speaking simultaneously.)

6 UNIDENTIFIED SPEAKER: That's your -- that's the  
7 (inaudible) assignment before our next meeting.

8 (Unintelligible conversation.)

9 MR. GUTIERREZ: I just didn't know if everybody  
10 knew that.

11 (Unintelligible conversation.)

12 CHAIRMAN ANDERSON: To become a board member, you  
13 need to know where that bridge is, right?

14 MR. GUTIERREZ: Yeah. That's -- I guess that's  
15 where the trivia comes in, but...

16 UNIDENTIFIED SPEAKER: Can we quote you on that?

17 (Unintelligible conversation.)

18 MR. GUTIERREZ: Last time I was here a couple  
19 years ago, I'd only been on the job a couple weeks, and the  
20 question was posed, can we put something like this across the  
21 Salt River Canyon, and I had to look at the boss (inaudible)  
22 look around and said, well, I'm sure it can be done, but --

23 UNIDENTIFIED SPEAKER: We have to move everything  
24 out of the program but one project.

25 UNIDENTIFIED SPEAKER: Exactly. So --

1 CHAIRMAN ANDERSON: The overpass.

2 MR. GUTIERREZ: So as we move on, as far as this  
3 is Globe here, Show Low, St. John, Springerville, give you a  
4 brief overview of the amount of center line miles in the  
5 district, (inaudible) scenic highway, a lot of (inaudible)  
6 collectors dealing with the different COGs in (inaudible) Indian  
7 reservations.

8 So getting right into the current construction  
9 and projects that are advertised for bid here very soon, get  
10 that in there, is the US-60 rock fall mitigation. That's --  
11 another one is the Pink Creek Tunnel, replace the tunnel  
12 lighting with LEDs. The Oak Flats basically passing lanes and  
13 control lighting. And as we move forward, you'll see that some  
14 of these are in different colors, and that I will bring into one  
15 of our later slides, but maybe pay attention to the colors of  
16 the different descriptions of the projects.

17 You'll see pavement preservation on 180. It's  
18 ongoing right now. And the (inaudible) that's a particularly  
19 difficult project. Even though it's very small, we were able to  
20 work very closely with the town and come up with some very  
21 unique and positive solutions. They're very pleased with that.

22 And then finally, a (inaudible) project on State  
23 Route 73 right near the Grand Canyon, and that's just about  
24 completed. (Inaudible) on that. And then (inaudible) bridge  
25 style retrofit that starts construction in (inaudible).

1           As we move into 2016, we look at road widening on  
2 US-60. 288 rock fall mitigation (inaudible). The -- another  
3 shoulder widening at 260. And (inaudible) working on that one  
4 trying to expedite some of the issues that (inaudible)  
5 environmental issues, but it's coming along very well. And  
6 another pavement preservation project (inaudible) and  
7 (inaudible) 180. And then (inaudible) a rock fall mitigation  
8 that's on 77 just south of Globe.

9           Getting into the 2017 program, (inaudible) on 177  
10 between (inaudible) and Winkelman, and as you know, the fire is  
11 still going on. I think they're about 25 percent contained down  
12 in that area. Actually, the fire that's going on is right in  
13 this area here, and hopefully they'll get that under control  
14 soon, get it extinguished.

15           (Inaudible) Creek bridge replacement, very big  
16 one. That's -- that particular bridge is very old and in need  
17 of replacement. It's a very unique structure. And then  
18 (inaudible), some more rock fall mitigation, and then finally  
19 (inaudible) bridge replacement also down right by (inaudible)  
20 what used to be (inaudible) area.

21           As we get into '18, we look at US-60 is a  
22 pavement preservation by Flying V, just south of the (inaudible)  
23 Junction, and (inaudible), another pavement preservation on 61,  
24 State Route 61, and the pavement preservation Cemetery Road  
25 (inaudible) Station Road on -- just north of St. Johns. Similar

1 project closer to Springerville (inaudible). Basically, this  
2 one is (inaudible). Again, we've been working hard to  
3 (inaudible) in the program, to make it work. The -- that  
4 improvement is just outside of Show Low.

5 And as we get into this last (inaudible) down  
6 on -- by Fort Apache, very, very much needed improvement at that  
7 location. Several miles of roadway.

8 So one project that I did leave out because I  
9 want to pay particular attention to is one that opens today  
10 basically. The Silver King/Superior Streets project. US-60,  
11 Milepost 222, 227. It's a blue. It's an expansion project.  
12 It's estimated to be in the roughly \$45 to \$50 million range,  
13 and it begins -- it's of particular interest because of its size  
14 here in the district and the size what it is in our program.  
15 Currently, the roadway, the project's divided into two -- it's  
16 two sections, Silver King and Superior Streets.

17 Looking at the Superior Street section real  
18 quick, that's some of the existing conditions. This is a plan  
19 view of what the typical section would look like (inaudible)  
20 Superior with a median and divided highway.

21 Looking at the Silver King section, it's fully  
22 divided. That's one of the plan sheets, new alignment. This is  
23 the old alignment, but the new alignment will go up and behind  
24 some homes and railroad.

25 That's the current alignment and what the road

1 looks like today, and it will be expanded to be like the  
2 extension of this top portion of the roadway of Gonzalez Pass.  
3 Superior is there in the background. The arboretum is just  
4 right in here. (Inaudible) arboretum.

5 So I talked about the different colors, and the  
6 breakout for this particular set of projects skewed on the side  
7 of highway expansion simply because (inaudible) Silver King  
8 (inaudible). So three expansion projects, ten preservation  
9 projects, and 12 modernization. Without that expansion,  
10 obviously you can imagine this blue would be (inaudible)  
11 compared to the others.

12 So with that brief overview of the projects and  
13 what we have going on, we can make tremendous strides here in  
14 the Globe district, and thanks for all the support and  
15 everything that all the staff has put together (inaudible).  
16 Globe employees are very dedicated to get the work done.

17 So with that, I'd like to open it up for any  
18 questions you may have.

19 CHAIRMAN ANDERSON: Jesse, I have a few. There  
20 will be many of us maybe coming back up later this summer for  
21 other opportunities, but can you give us a time line on the Oak  
22 Flat passing lane, the Queen Creek Tunnel lighting, and the  
23 Silver King expansion in terms of what we expect in delays, when  
24 those construction projects are set to start, when's a good time  
25 to travel or not travel, or do you have any idea?

1 MR. GUTIERREZ: Very good question, Mr. Chairman.  
2 The -- those projects are all -- one is already going to go to  
3 construction very soon. We expect to get in construction within  
4 a few weeks, which is the Oak Flat (inaudible). That's the  
5 first one. Like I said, the Silver King project, bid opens  
6 today. We wouldn't expect that to go into construction until  
7 late August, early September. So it will probably miss the  
8 summer season. Similarly, the Queen Creek Tunnel lighting, we  
9 expect construction to start in that time frame.

10 Nevertheless, the amount of work that Oak Flats  
11 takes, it's a rock fall mitigation, scaling, blasting and  
12 widening, so we have four-hour closures. We're tentatively  
13 looking at four-hour closures, but they're set at the same time  
14 every day, and we're working with the contractor now to identify  
15 the exact time frame. Of course, we're looking at midnight to  
16 4:00 a.m., 11:00 p.m. to 3:00 a.m., something in that range  
17 where we avoid interrupting traffic for the municipalities, for  
18 the mine traffic and for any other travelers.

19 It's a very heavily traveled route, and we  
20 understand the impacts to the public and to businesses. So  
21 we're stressing very strongly -- it's in our specifications, in  
22 fact. We're also working with our contractor to select a time  
23 and looking at the travel times of the public, and it looks like  
24 it would be, like, at midnight to 4:00 a.m. type of closure, and  
25 then getting off the road and keeping two lanes of traffic open

1 the entire time.

2 So I think for -- to answer your question, it's  
3 -- for this summer, I think we're really just looking at the Oak  
4 Flats, but come this fall, there will be more, more impacts. We  
5 are going to put out a news release, media blast to let the  
6 public know a lot of information that we put to the public to  
7 inform them of the specific time frames so they can plan around  
8 the closures. Nobody wants to show up to a construction site  
9 and have to wait 15 minutes, much less four hours. So we're  
10 going to make sure that we have a very solid public outreach to  
11 let everybody know exactly when and how to plan to get around  
12 these projects. So hopefully that answers your question --

13 CHAIRMAN ANDERSON: Yes.

14 MR. GUTIERREZ: -- Mr. Chairman.

15 CHAIRMAN ANDERSON: Other questions for  
16 Mr. Gutierrez?

17 Mr. La Rue.

18 MR. LA RUE: You know, Jesse, thank you for that  
19 trivia question and -- that's a beautiful bridge, absolutely  
20 gorgeous, and as I was admiring its beauty, a question did come  
21 to mind. Are we going to have to rehabilitate that bridge  
22 anytime soon?

23 MR. GUTIERREZ: No, sir. It's -- fortunately,  
24 it's been maintained very well, and it's in excellent condition.  
25 It's highly rated. In fact, any of the extreme loads that comes

1 through the state from New Mexico, primarily a lot of heavy mine  
2 or electrical equipment that has to make it from New Mexico to  
3 the valley or vice versa or to mines in California, that's one  
4 of the preferred routes, because that particular bridge is very  
5 strong. So (inaudible) it has no problem carrying those two,  
6 300 -- 300,000 pound loads (inaudible).

7 CHAIRMAN ANDERSON: Wow. Thank you. Thanks for  
8 the reassurance, because I went uh-oh.

9 (Speaking simultaneously.)

10 CHAIRMAN ANDERSON: Other questions or comments  
11 for Mr. Gutierrez?

12 If not, thank you. On behalf of the Board, tell  
13 your staff that we appreciate the hard work they do within your  
14 district.

15 MR. GUTIERREZ: Thank you, Mr. Chairman.

16 CHAIRMAN ANDERSON: Floyd, it's nice to have you  
17 back.

18 MR. ROEHRICH: Thank you, Mr. Chair and members  
19 of the Board.

20 Just a couple of quick issues real quick. Since  
21 they weren't agendaed, not to be really discussed or talked  
22 about, the first thing, I am back, the director did hire me  
23 back, and in this role that I'm coming back in, I'll still be  
24 working very closely with all of the Board members, Board  
25 activities, as well as other more strategic issues and issues

1 that me and the executive team have, you know, been working on.

2 So he did ask me to come back, and I will be  
3 back, and working from here on out, and then hopefully no more  
4 disruptions in the future with other board meetings. I'm very  
5 pleased. And a number of the board members did reach out to me  
6 saying, boy, are you going to come back? And I -- and so thank  
7 you for that, and yes, I'm very happy for that opportunity.

8 The second thing the director does, I want to  
9 make sure that everybody on the Board knows his regrets for not  
10 being able to be here, but he is part of the delegation that  
11 Governor Ducey has taken with other business leaders and state  
12 agency officials down to Mexico this week to really talk about  
13 transportation trade, economic development opportunities between  
14 Arizona and Mexico. So they will be in Mexico all week. The  
15 director will have a chance to brief and kind of give all the  
16 Board an update on how that went as well as some of the other  
17 discussion activities they're doing at July's board meeting.  
18 And so he will have a very detailed or at least more  
19 comprehensive discussion on how that went.

20 As they put information together from that  
21 meeting, if we gather enough information that we can get out  
22 to the board members, we'll share it. But then in July, he  
23 will make sure to address how this went and talk specifically  
24 about issues and then possibly moving forward. So that's what I  
25 have basically as an update from the director and (inaudible).

1 CHAIRMAN ANDERSON: Great. Thank you.

2 Next up, the consent agenda. Any board member  
3 wishing to pull an item off the agenda? If not, I'll ask for  
4 Board's --

5 MR. LA RUE: I'd move for approval.

6 MS. BEAVER: Second.

7 CHAIRMAN ANDERSON: Moved by Mr. La Rue to  
8 approve. Second by Ms. Beaver for second, right?

9 MS. BEAVER: Second.

10 CHAIRMAN ANDERSON: All in favor, aye?

11 BOARD MEMBERS: Aye.

12 CHAIRMAN ANDERSON: Legislative report,  
13 Mr. Biesty.

14 MR. BIESTY: Good morning, Mr. Chair and members  
15 of the Board.

16 On the state side, the legislature is still in  
17 their interim. There's no talks of any special sessions at this  
18 point. It's been a quiet summer at the state legislature, both  
19 -- even with interim committees.

20 On the federal side, on June 9th the House passed  
21 the THUD appropriations bill with an amount of 71-and-a-half  
22 billion for all modes. That's a slight increase from the  
23 previous appropriation. The Senate Appropriations should  
24 consider that bill sometime next week (inaudible) we're  
25 anticipating. MAP-21, which is set to expire on July 31st of

1 this year.

2 CBO estimates that the Highway Fund will need  
3 about \$3 billion to fund through the end of the fiscal year,  
4 which is September 31st. There's going to be a few of the  
5 jurisdictional committees that are going to be meeting to  
6 discuss that in the upcoming weeks, but as previously reported,  
7 it's pretty much the same old pattern. The need for more  
8 funding, the discussion of the need for more funding, but there  
9 hasn't been much action on designating what that (inaudible)  
10 should be. So we'll continue to monitor that and keep you  
11 apprised. You should be receiving updates from our office. If  
12 not, please let me know.

13 We're also working -- we're awaiting the TIGER  
14 grant notices. The Department submitted two this year, the  
15 Ehrenberg port of entry and SR-347. We've also worked with some  
16 of our partners on applications as well and legislative support.  
17 We've also been working with our delegation and our local  
18 partners on I-11 designation language. Also been working with  
19 Pima County and Tucson on the Sonoran Corridor language as well  
20 that they would like to see included in an upcoming  
21 authorization bill.

22 So we've been at least keeping busy on the policy  
23 side of the highway bill, but, of course, the most important  
24 part of the highway bill is the funding side, and we'll continue  
25 to monitor their progress and let you know.

1 And that's all I have for right now (inaudible).  
2 Anybody have any questions, I'd be happy to answer them.

3 CHAIRMAN ANDERSON: Questions for Mr. Biesty?  
4 Seeing none, thank you.

5 Ms. Ward. Good morning.

6 MS. WARD: Good morning.

7 MS. BEAVER: She always has that smile.

8 CHAIRMAN ANDERSON: Yeah, I know.

9 MR. LA RUE: I know. Look at that smile.

10 MS. BEAVER: You don't know if it's an evil smile  
11 or...

12 MR. LA RUE: You've got a smile this morning.

13 MS. BEAVER: You don't know if it's an evil smile  
14 or if it's a happy smile about something good.

15 MS. WARD: Well, the bottom line of this whole  
16 thing is there's not a lot of money, so the best I can do is  
17 smile (inaudible).

18 (Unintelligible conversation.)

19 MS. WARD: -- because Highway Trust Fund is the  
20 name of the game, and we're due to do -- we're due to be going  
21 to insolvency once again in the August time frame. So they  
22 really need to (inaudible). It would be deeply appreciated if  
23 they would deal with this issue and get us back on track.

24 Okay. Let me take you first to Highway User  
25 Revenue Fund, HURF. A brief status on that. Year-to-date,

1 we're about 1.6 above forecast. We are very thankful for the  
2 continued low gas fuel prices. Fuel has outpaced the forecast  
3 by about 3 percent -- 2.5 percent above forecast. And  
4 unfortunately, VLT, even though you're reading about higher  
5 sales, new cars, they are -- that is true. We've sold about  
6 271,000 new cars to date. The counties were lagging behind in  
7 other areas of VLT. So fuel is making up for the overall. So  
8 we're still running ahead of forecast on HURF at about 1.6  
9 percent.

10                   Moving on to RARF, year-to-date, we're about 4.4  
11 percent growth year-to-date, running a little above forecast,  
12 about 1.1 percent above forecast. Let me just let you know. We  
13 are keeping a very tight monitoring on RARF, unfortunately,  
14 because as we head into the South Mountain project, balances  
15 that have been in that fund that have been building, awaiting  
16 that \$1.8 billion worth of spending, we are running cash flow  
17 scenarios on a pretty regular basis, and the (inaudible) that  
18 exists in the valley feels a little warmer on the second floor  
19 as we look at the potential spending on that project. 1.8  
20 billion is -- it's no small amount of change.

21                   CHAIRMAN ANDERSON: Mr. Hammond.

22                   MR. HAMMOND: Can you give us -- can you equate  
23 those percentages just to dollars as you go through roughly?

24                   MS. WARD: How far in dollars I'm ahead on RARF?

25                   MR. HAMMOND: Yeah, yeah. Well, just on the

1 HURF. All these funds, what's the dollar impact?

2 MS. WARD: Can I get that for you and bring it up  
3 afterwards? I'm sorry. I don't know it right off the top of my  
4 head.

5 MR. HAMMOND: Okay.

6 MS. WARD: But I don't know what the 1.6 percent  
7 above on HURF. I don't remember the exact dollar amounts on  
8 that.

9 MR. HAMMOND: Okay. All right.

10 MS. WARD: I would imagine it's about 10 -- 10 to  
11 12 -- it's probably around \$12 million dollars.

12 MR. HAMMOND: Yeah, that's sufficient.

13 MS. WARD: Okay.

14 MR. HAMMOND: I just wanted to get a rough scale  
15 of how much money, you know, we have.

16 MS. WARD: Sure. And keep in mind that when --  
17 particularly in HURF, when you get 10 more -- 10 million more  
18 dollars in HURF, when I'm telling you about, oh, there's 10  
19 million more dollars, keep in mind that that's not what is  
20 available for the program.

21 MR. HAMMOND: Uh-huh.

22 MS. WARD: Because then HURF goes through a  
23 series of distributions, and by the time you get down to the  
24 State Highway Fund, which is what is available for the program,  
25 amongst all its other distributions, it's only about 47 percent

1 of that 10 million that came in.

2 MR. HAMMOND: All good information. Thank you.

3 MR. SELLERS: Mr. Chairman.

4 MS. WARD: And I'll get the RARF number for you.

5 CHAIRMAN ANDERSON: Mr. Sellers.

6 MR. SELLERS: Yeah. Going back to the VLT, you  
7 said that even though new car sales are looking good, that we're  
8 lagging in other areas of VLT. Could you explain that a little  
9 bit more?

10 MS. WARD: Sure. We're -- it's -- I really don't  
11 know why, and I'm very curious as to why, but our new to --

12 MR. SELLERS: I am, too. That's why I asked.

13 MS. WARD: I am looking into it, but the new to  
14 Arizona, so people moving into Arizona bring in and register  
15 their cars, and we're about 3.9 percent behind forecast on --  
16 behind last year on it. And that has actually been picking up  
17 towards -- you know, in the spring when we see more people  
18 moving, but overall, we're 3.9 percent behind on that portion of  
19 it.

20 Also, the real -- real (inaudible) when it comes  
21 to VLT is not new car sales, and it's not new to Arizona. It's  
22 not people moving into Arizona. It's those renewals. So the  
23 new cars. You go out and you buy a new car, you pay your  
24 initial VLT. That new car goes into the overall state fleet and  
25 brings the youth -- it makes -- it brings the youth -- the age

1 of the overall fleet up, which brings the taxes associated with  
2 that up. We're only seeing 1 percent growth in that -- I think  
3 we may have 6 million plus in our fleet. So we're seeing very  
4 low growth there. That's where we really want to see  
5 (inaudible). Big, new car sales, as they flow into the fleet,  
6 bring the age of the fleet up, and increase that overall  
7 revenue.

8 MR. SELLERS: Thank you.

9 MS. WARD: Got it?

10 MR. SELLERS: Yeah.

11 MS. WARD: Okay. So I will get -- Mr. Chair,  
12 Mr. Hammond, I will get that number on RARF for you as to how  
13 much that equates to in dollars.

14 MR. HAMMOND: For -- for use, not -- that 47  
15 percent number, I think, (inaudible).

16 MS. WARD: Okay. (Inaudible) RARF it's easier  
17 than HURF, so I'll get it for you.

18 So, let's see. 1.1 percent ahead on RARF, and --  
19 well, I told you about South Mountain.

20 Restaurant and bar. I think that Mike has been  
21 going out and celebrating his promotion. We are doing quite  
22 well on restaurant and bar. We're 8.3 percent over last year,  
23 so...

24 UNIDENTIFIED SPEAKER: (Inaudible.)

25 MS. WARD: We thank you for that, Mike.

1 Federal aid, we've actually already covered.  
2 There's nothing to report to you in terms of interest earnings,  
3 so it's pathetic. We've gotten (inaudible) percent or something  
4 like that. About 8 million year-to-date will be earned on  
5 interest earnings.

6 And with that, I'd like to give you one very  
7 brief update with the next couple of months of numbers. I don't  
8 know if any of you are aware, but we are in the midst of  
9 implementing a new statewide accounting system. The project is  
10 called Breeze, and it goes live as of July 7th. So there is a  
11 chance that we will have some delayed numbers as we experience  
12 the first few weeks of that accounting system going live.

13 UNIDENTIFIED SPEAKER: First few years.

14 MS. WARD: Excuse me, sir?

15 UNIDENTIFIED SPEAKER: Sarcasm.

16 MS. WARD: Well, if I come up to the podium next  
17 time with a Kleenex, kind of dabbing my eyes or something,  
18 you'll know what it's about. It's probably the Breeze  
19 implementation going a little rough.

20 With that, that concludes my report. And  
21 Mr. Chair, if you would like, I'm first up on the next agenda  
22 item.

23 CHAIRMAN ANDERSON: Okay. Before you move on,  
24 Michelle, are you still with us? Did we lose her?

25 MR. LA RUE: Michelle?

1 MS. KUNZMAN: No, I'm here. I had it on mute.  
2 Sorry.

3 CHAIRMAN ANDERSON: Okay. All right. We're just  
4 checking in.

5 MR. LA RUE: We're just checking. Keeping you  
6 awake.

7 MS. KUNZMAN: No, I'm here.

8 CHAIRMAN ANDERSON: Proceed with Item 6.

9 MS. WARD: Thank you, Mr. Chair.  
10 I can't imagine that she would have gone to sleep  
11 during the financial. I feel certain, you know. I could hear  
12 the energy coming over (inaudible).

13 With regard to --

14 MR. LA RUE: I might remind the Chair that I do  
15 have my finger on her mute button. So just give me the nudge  
16 and I can mute her. Just teasing.

17 MS. WARD: I have no new information to provide  
18 since the last report I provided you last month with regards to  
19 the voting on the tentative program. It is still fiscally  
20 constrained. The numbers are still within the bounds of fiscal  
21 constraint, and we are good. All right? So I have nothing new  
22 to report. Therefore, I'm passing it on to Mike.

23 CHAIRMAN ANDERSON: Thank you.

24 MS. WARD: Thank you.

25 CHAIRMAN ANDERSON: Mr. Kies.

1 MR. KIES: Thanks Kristine, and thank you,  
2 Mr. Chair.

3 So I was here today to give you the final review  
4 of the proposed five-year program for years '16 through '20. So  
5 with that, Lynn are you -- oh, I have it? Can I do it here?  
6 (Inaudible.)

7 For your information, if you recall, in March,  
8 April and May, we went through a public outreach process on the  
9 tentative program. We conducted three public meetings, and they  
10 were held in Tucson, Phoenix and just recently in Chino Valley.  
11 Throughout that process, we received 68 comments on the  
12 tentative program. You have copies of all of those comments in  
13 front of you. These 68 comments were primarily online where  
14 people went to our web page and provided comments to us directly  
15 through that. There were several letters that came from some of  
16 our agencies around the state, and those are in your packet.  
17 These 68 comments are in addition to the comments that you heard  
18 directly at the three public meetings in Phoenix, Tucson and  
19 Chino Valley.

20 Just a reminder that the five-year program that  
21 you see in front of you is divided into what we call a  
22 preservation program, our modernization program and our  
23 expansion program. And as you can see here on the right, the  
24 five-year program that we have in front of you is about 59  
25 percent dedicated towards expansion projects. A lot of those

1 expansion projects are in the Maricopa County or the Phoenix  
2 metro area, the Pima County or Tucson metro area, where those  
3 two areas have a dedicated half cent sales tax that bring  
4 additional funding to the program to fund those expansion  
5 projects.

6           The other two programs in the five-year program,  
7 you see the preservation program. 29 percent of the five-year  
8 program is dedicated to preservation, and 12 percent to  
9 modernization. Modernization are those projects that are  
10 primarily focused on safety improvements or improving the  
11 existing facilities we have without expanding the corridor  
12 itself.

13           On the left you see what's recommended in our  
14 long-range plan, and as we continue to talk about the five-year  
15 program, the long-range plan suggests that we should be spending  
16 about 34 percent of the total program to preservation, and as we  
17 keep reminding the Board, we're shooting for that goal, but as  
18 we balance the program between preservation and expansion and  
19 the other categories, we are still a little short on the amount  
20 of funding that we believe should be dedicated to preservation.

21           If we look at the statewide program, this is now  
22 removing the Maricopa County and the Pima County parts of the  
23 program, what we call the Greater Arizona. 68 percent of that  
24 five-year program is dedicated towards preservation. So as you  
25 see, outside the urban areas, we have a lot of projects that are

1 dedicated to preservation. This is where the majority of the --  
2 the mileage of the state highway system is. And then 24 percent  
3 of the program towards modernization or those safety-type  
4 improvements, which leaves a small part of the pie for  
5 expansion, and that's what I know this board has had a lot of  
6 conversations about, about how to balance the needs for  
7 expansion, but continuing to keep the preservation program  
8 funded at these levels.

9           With that said, this is again, the highlights of  
10 the five -- the first five years in the program, which we call  
11 our delivery program, or the five-year construction program.  
12 These bars represent the proportion of the -- of each year's  
13 funding towards our major programs. Green is preservation,  
14 which you see primarily is always the highest proportion. Red  
15 is that modernization program, and then the blue color is what  
16 we call our expansion program, that you can see by the ratio of  
17 these bars, the minority program is the expansion program.

18           However, there are some important projects to  
19 highlight in that expansion program. Next year, fiscal year  
20 '16, the State Route 260, Thousand Trails to I-17 project, which  
21 is in Yavapai County, is scheduled to go to construction.  
22 That's a \$62 million project, but \$52 million is programmed in  
23 this five-year program, because right-of-way work is actually  
24 starting now in this current -- current year.

25           Another project to highlight, which was mentioned

1 with the public comments is the SR-89 Deep Well Ranch Road.  
2 That's in the Prescott area in Yavapai County, and that's a \$15  
3 million project.

4           And then a couple other projects to highlight.  
5 The State Route 347 project in Maricopa. You see the bulk of  
6 the construction funding in year 2020, but there are other  
7 phases of that project that are in the first couple years of the  
8 five-year program. So you can see the goal is construction in  
9 2020, but there -- we have to develop the project in the next  
10 couple years.

11           And then the last project that I'd like to  
12 mention is in fiscal year 2019, and that is the design of  
13 another section of US-93, which is called Cane Springs. The  
14 design of that -- of a project that would take another section  
15 of US-93 from a two-lane road to a four-lane divided highway.

16           The other part of the program is what we call our  
17 development program. That's the next five-year look ahead. So  
18 out to 10 years. In this case, it's looking out to the year  
19 2025. And again, you see the proportion of -- that we  
20 anticipate in years six through ten dedicated to preservation in  
21 green; modernization in red. And then that -- the expansion  
22 part of the ten-year program in blue. And again, we have  
23 limited amounts of money that we can dedicate towards that  
24 expansion program.

25           But again, there are some important projects

1 highlighted in this program. SR-189, which you've heard quite a  
2 bit this morning from our agency partners, is shown in the year  
3 2021 as a \$64 million construction project.

4 Then the next couple years, which is 2022 and  
5 2023, we have two Interstate 10 projects between -- that are  
6 located between Phoenix and Tucson. Again, we see that the I-10  
7 corridor is a very important corridor to the state, and two  
8 projects that would then expand those portions of Interstate 10  
9 from the four-lane interstate we have out there today to a  
10 six-lane interstate.

11 And then following that are two projects along  
12 the US-93 corridor, one that's called Carrow to Stephens, which  
13 is in 2023, and then that Cane Springs project that I  
14 highlighted the design in the five-year program, the  
15 construction then is anticipated in the year 2024.

16 And then lastly is -- in 2025 is the State Route  
17 260 project, which is known as the Lion Springs section, which  
18 is the last piece of the four-lane divided section from Payson  
19 all the way up to the rim up here in northern Arizona.

20 The other part of the program that you're  
21 considering today is the MAG area freeway program or the Phoenix  
22 metro area. There really are no significant changes from what  
23 was presented in the tentative program. Kristine highlighted  
24 the flagship project, I guess you'd say, in the MAG area, which  
25 is the project highlighted in the blue, the South Mountain

1 Freeway, which in this five-year program is a \$1.48 billion  
2 effort. Kristine mentioned the total cost at 1.8 billion.  
3 That's because some of the activities are -- have started in  
4 this current fiscal year to get to that full amount.

5 Other things happening in the MAG area, there's  
6 some projects that you see highlighted in yellow on this map,  
7 which are the modernization category. Those are some freeway  
8 management system or FMS projects on some of our key freeways.  
9 We've heard a lot of positive feedback at ADOT about the travel  
10 time program that's out on the valley freeway system where you  
11 can see the minutes that it is going to take you to get to some  
12 key destination. That's an expansion of that system and other  
13 features of the system.

14 The PAG area, or the Tucson metro area, again, no  
15 significant changes from the tentative program. This program,  
16 the expansion category, which is the blue, there's -- primarily  
17 there are dots shown on this map along Interstate 10 and  
18 Interstate 19. The focus of this program is mostly about  
19 interchange improvements along the key interstates in the Tucson  
20 metro area, interchanges such as the Ina Road interchange,  
21 Ruthrauff interchange, the Ajo Way interchange along I-19 are  
22 all significant projects in the Tucson metro program.

23 With that, I thought I would give you some  
24 updates on some of these key projects to assure you that they  
25 will be delivered in the fiscal years that we have highlighted

1 in the five-year program. The first project I mentioned in the  
2 five-year program was State Route 260, Thousand Trails to I-17.  
3 The current status of this project is that the team is working  
4 towards environmental clearance, which is -- I say it's  
5 anticipated in July. Actually, talking to our environmental  
6 group just a couple days ago, it's actually expected any day.  
7 We're just asking for signature from the Federal Highway  
8 Administration, and once that's received, we'll have  
9 environmental clearance on this project, which is always a key  
10 milestone in any of these projects to ensure that we can use  
11 federal funds and that we have clearance to move forward with  
12 construction. Construction is anticipated to start in March of  
13 2016.

14 CHAIRMAN ANDERSON: Mike, could you --

15 MR. KIES: Yes, sir.

16 CHAIRMAN ANDERSON: -- could you go back one?

17 Delivery risk, what is the water relocation?

18 MR. KIES: Dallas, are you able to (inaudible)?

19 MR. LA RUE: (Inaudible.)

20 MR. HAMMIT: Mr. Chairman, Mr. La Rue, there's an  
21 existing water line within the corridor, and we're working with  
22 the Town of Camp Verde to get that relocated.

23 MR. LA RUE: It's just a utility water line that  
24 needs to get moved?

25 MR. HAMMIT: Right. But there's surfaces

1 (inaudible).

2 MR. LA RUE: Okay.

3 MR. SELLERS: Mr. Chairman.

4 CHAIRMAN ANDERSON: Mr. Sellers.

5 MR. SELLERS: Perhaps while Dallas is up there,  
6 as I look at 59 percent expansion in the MAG region,  
7 particularly, and I know that a lot of that is being caused  
8 because we have the largest project ever moving forward now, I  
9 guess my question is do we have any staffing concerns for  
10 handling that, that size program?

11 MR. HAMMIT: Mr. Chairman, Mr. Sellers, this  
12 project's going to be handled very unique to the way ADOT  
13 generally works on projects. With it being a P3 and the  
14 developer coming in and will be responsible for maintenance for  
15 the next 30 years, a lot of the oversight will be their  
16 responsibility. So we'll have a higher level. The day-to-day  
17 concrete testing, since they're going to maintain this for the  
18 next 30 years, we're putting that on the developer, because  
19 they have to guarantee and maintain it. So a lot of that  
20 staffing will be done by that developer. It's a little  
21 different than we'd normally do, but we usually don't have a  
22 30-year maintenance warranty on the project as well.

23 Does that answer your question?

24 MR. SELLERS: Yes. Thank you.

25 MR. HAMMIT: I'll stay close.

1 MR. KIES: Thank you, Dallas.

2 Mr. Chair, the next project to highlight is one  
3 that was mentioned during the public comments, State Route 89,  
4 which goes from 89A to Deep Well Ranch Road. This is the second  
5 phase of the project that you probably saw under construction up  
6 in the Prescott area when you were on your way to Chino Valley  
7 for last month's board meeting.

8 The design is under -- is underway, and  
9 environmental clearance is anticipated to be early in the year  
10 2016. The unique feature about this project is that the City of  
11 Prescott is going to do a -- what's called the Willow Creek  
12 Bypass project ahead of this project so that there's an  
13 alternate route available to go around the construction  
14 activity. I was just up in Prescott the other day and heard the  
15 update on this project, and the City of Prescott project is  
16 anticipated to advertise this summer, which is where we  
17 anticipate that project needs to go to construction to allow  
18 this project to advertise in fiscal year '17. So we don't see  
19 any issues with the schedule at this time.

20 The next project is in the City of Maricopa, the  
21 State Route 347 overpass. Thanks to the mayor of Maricopa,  
22 you've heard updates on this project monthly. I'm surprised he  
23 didn't give you a comprehensive update this morning. But the --  
24 we're proud that the environmental clearance was received the  
25 spring of 2015, and now the next step is to start the design

1 phase, and that's still on schedule to start this summer, and so  
2 the design will be underway shortly.

3 The next project is -- that you heard quite a bit  
4 this morning is State Route 189. This -- the construction of  
5 this project isn't included in the five-year program. It is  
6 highlighted in the development program in year 2021. However,  
7 phases of this project are included in the five-year program; \$2  
8 million next fiscal year, in fiscal year '16, to start the  
9 design process, and then an additional 4 million in fiscal year  
10 '18 to complete the design process.

11 We've been working quite a bit with the local  
12 communities, and I appreciate and we're happy to say that the  
13 local community is consolidated around a preferred alternative,  
14 which is something that we need to -- we need to get to a  
15 recommended plan before we can complete environmental clearance  
16 in winter of 2016, and we're working closely on looking at the  
17 requests that the local community have for an alternate plan for  
18 the corridor and then how we can possibly phase that ultimate  
19 vision to meet with the \$64 million construction estimate that's  
20 highlighted in year 2021. We understand the Board -- the Board  
21 had to wrestle with priorities to put the \$64 million in the  
22 development program, and that balances against preservation  
23 needs and other needs around the state. So the team's hope for  
24 189 is that we can all agree on a long-range plan and then find  
25 a phased project that can deliver a meaningful portion of that

1 ultimate plan and still stay within our fiscal means.

2 CHAIRMAN ANDERSON: Mr. Hammond.

3 MR. HAMMOND: As you can imagine, I've been --  
4 this is my third board meeting, but I've probably been in as  
5 many conversations on this as I have on anything else. And  
6 backing up a bit, one of the things I've already learned about  
7 (inaudible) just the process is the refreshing transparency,  
8 frankness, openness, dialogue, engagement that ADOT does with  
9 the community to get to agreement.

10 But my question goes on 189. If we've got a  
11 budget, I think it's no secret that the preferred alternative is  
12 going to be significantly more expensive. Did I hear you say  
13 that, you know, maybe in the design, you can accommodate the  
14 bigger picture but phase it in or -- what I don't want to see  
15 happen is a loss of design and environmental -- all the phases  
16 that need to occur before construction begins, and if we don't  
17 come to some resolution (inaudible) southern Arizona, Nogales in  
18 particular, on what the -- you know, what they want so that they  
19 can be put into the queue. And can you share your thoughts?  
20 You know, if this is -- should be offline, that's okay, but I'm  
21 just curious how you see this staying on track, you know, given  
22 the alternative that appears to be (inaudible).

23 MR. KIES: Yes, Mr. Chair and Mr. Hammond. I'll  
24 try to be brief. Yeah, we could talk about it at length.

25 So yes, the community is -- there were a lot of

1 ideas presented to the public on this project, and the community  
2 has rallied around one project that was -- that a couple people  
3 did a good job of describing during the public comment period,  
4 and that project does provide the best solution from a traffic  
5 perspective to move traffic through the I-19 interchange, clean  
6 up a key intersection in the area called Frank Reed Road.

7           However, yes, the cost of that entire alternative  
8 and plan, it is coming out to far exceed this amount that we see  
9 in the development program. So our thoughts from the -- from  
10 staff's perspective is that we should start rolling up our  
11 sleeves and think about we understand what the community is  
12 after, the preferred traffic operations northbound and  
13 southbound at the I-19 interchange, improvements at the Frank  
14 Reed interchange, and then other improvements down to the port  
15 of Mariposa. And that -- and we see that there's a vision that  
16 we can all agree to about how all that can be done, but then we  
17 want to see how that idea can be phased into pieces, one piece  
18 -- we would hope is in alignment with this amount of funding  
19 that's earmarked for 2021.

20           But if the Board were -- happened to see that  
21 this priority shifts and you -- when you look at the other  
22 competing priorities and you want to change the way that the  
23 funding is structured for this project, that we've got modules  
24 or pieces or whatever you want to call it of the project that we  
25 could put together for different funding amounts if more funding

1 were to come to play. So we believe that we -- working with the  
2 local community, we could come up with a plan that meets what  
3 you were referring to, that the environmental clearance we  
4 achieve will be in place for -- to construct a meaningful piece;  
5 the design will be flexible so that it can be -- meet with the  
6 ultimate plan, but also provide a meaningful piece that can be  
7 constructed.

8 MR. HAMMOND: Thank you.

9 CHAIRMAN ANDERSON: Mr. La Rue.

10 MR. LA RUE: You know, Mike, this is excellent  
11 information, and so as I listen to you, I'm comforted that it is  
12 a top priority, and I'm really comforted that the number of  
13 resolutions and letters and things we're receiving from the  
14 entire state to realize the statewide importance.

15 Are we doing all we can to -- and I know we've  
16 got moneys in '16 and moneys in '18. Are we doing all we can to  
17 advance to environmental and the design, even though we've got  
18 them slotted in these years, so that we can get to some of this  
19 phasing that you were talking about? Is there some other  
20 resource, something else that the Department needs over the next  
21 one, two, three years?

22 MR. KIES: I think -- in my opinion, I think  
23 we're doing all we can do. As you see on this slide, we  
24 anticipate environmental -- the draft environmental assessment,  
25 which then leads to environmental clearance, to come out in the

1 winter of '16. We believe that that's pretty aggressive once we  
2 settle on what the build alternative, what the plan is that  
3 we're going to move forward with to -- towards construction.

4 I also noted that we have design phased between  
5 two fiscal years, fiscal year '16, fiscal year '18. One of the  
6 thoughts there is that in fiscal year '16, we'll be able to take  
7 the design to a meaningful milestone, which we call 30 percent  
8 design. At that point in time, we then have the flexibility  
9 that if there's some ways that the local communities and others  
10 want to accelerate the project with innovative delivery or  
11 funding strategies that accelerate the funding that you have  
12 envisioned but then can move it forward through loans or things  
13 like that, that we'd be at that point in time when that could  
14 happen.

15 If that sort of a scenario doesn't play out, then  
16 the full design gets accomplished immediately after it. And so  
17 I think we've got a lot of angles that we're playing with on  
18 this project that, really, it's listening to our local partners  
19 of, you know, how they want it to be accelerated, how it's a  
20 high priority, the issues they want solved with the project. I  
21 think we're being flexible and adaptable to all those  
22 (inaudible).

23 MR. LA RUE: Okay.

24 MR. ROEHRICH: Mr. Chair, Mr. La Rue, I think  
25 that's a great point that Mike just made, and I just want to

1 make sure to just add real quick, I think this project more than  
2 any other is really -- would lend itself to acceleration, but  
3 it's going to come down to really basically two issues. You've  
4 got to get consensus on the total scope so you can put together  
5 some phasing so we can make sure that the environmental is  
6 completely covered. Right now, they're doing good with the  
7 environmental, as long as it doesn't change the footprint of  
8 where we're at. If we stay within that, I think there's great  
9 flexibility.

10 We've got to come to consensus on that, and it's  
11 really going to come down to just the funding. How can we use  
12 innovating funding within that? This corridor and this area  
13 would lend itself to that, but until we really get to the  
14 consensus on the alternatives and moving forward with some  
15 options on how to phase it and ensure that there's no problems  
16 with environmental -- because environmental will derail it.  
17 You'll have to back up and start again if there's changes in  
18 that. Then we can start looking at those options later on. I  
19 think we're early enough, starting early enough that over the  
20 next couple of years, we'll be able to see if that will come to  
21 fruition where we'll be able to accelerate this. So I think the  
22 study team and their approach working with the locals is all  
23 leading towards that, as long as we finally get to that  
24 consensus.

25 CHAIRMAN ANDERSON: Mr. Hammond.

1 MR. HAMMOND: Question. Does the current  
2 footprint just include Option A or -- this consensus I hear you  
3 saying is very, very important, and I would agree with that.  
4 But the agreement on the footprint, the -- because if we change  
5 that, then you're back to scale one on the environmental. Is  
6 the current footprint inclusive of the community's desires, or  
7 is it -- does that need to be updated before you start the  
8 environmental?

9 MR. KIES: I was down in Nogales on Tuesday, and  
10 we had a lot of interaction with the local community, and the --  
11 so when people talk about an option, Option A and Option D are  
12 the two that are in consideration right now. Option D is the  
13 one that the local community, and frankly, ADOT staff believes  
14 is the --

15 MS. BEAVER: Preferred.

16 MR. KIES: -- appropriate plan to be looking  
17 towards.

18 (Speaking simultaneously.)

19 MR. KIES: Yes. Thank you (inaudible).

20 That option actually has the smallest footprint.  
21 And actually, somebody on -- a member of the community on  
22 Tuesday mentioned that maybe the most appropriate way for us to  
23 move forward is to get environmental clearance on the largest  
24 footprint, which is what's called Option A, which is  
25 (inaudible). And that's at the I-19 interchange. And then as

1 Floyd said, if we have clearance for that larger footprint and  
2 then other ideas come along and -- on how to phase and we have  
3 even more flexibility with all of these different ways that  
4 we're juggling to deliver the projects.

5 MR. ROEHRICH: And Mr. Chair, Mr. Hammit, I just  
6 want to make one just little, little (inaudible). When you said  
7 we have to start over, it's not necessarily you have to start  
8 over. I don't want to give the impression that all of this is  
9 wasted and you're going back to, you know, spend months doing  
10 it. You do have to back up, and if you go outside of the  
11 footprint, you just have to address the part that's outside of  
12 the footprint. It means you back up and you take a little bit  
13 longer, but it's not like you start over. Yeah, we spent two  
14 years doing the study and everything's done, and all of a sudden  
15 you make a slight adjustment. Do we (inaudible) we've got to do  
16 two years again? No. But we (inaudible). But you do have to  
17 go back and adjust anything that's outside that footprint.

18 MR. SELLERS: Mr. Chairman.

19 CHAIRMAN ANDERSON: Mr. Sellers.

20 MR. SELLERS: I know that a lot of people get  
21 nervous when we talk about P3 for a project like this. Has  
22 there been any input from the commercial users on whether or not  
23 they would be willing to support a P3 approach?

24 MR. KIES: Well, I know in our conversations that  
25 we had on Tuesday, there was -- I was encouraged to hear the --

1 a lot of the members of the local community were talking about  
2 that they could start to be champions for additional funding  
3 beyond this 64 million that's earmarked for construction in the  
4 development program. And I know that -- I -- that they're  
5 talking about -- in fact, things I heard on Tuesday were, you  
6 know, that they could champion going to talk to the delegation  
7 about additional federal funding, that they could be talking to  
8 some of the partners that have shown interest in the importance  
9 of 189 and talking about how other funding packages could come  
10 together.

11                   There was some discussion about P3. We didn't  
12 get into the details of that, but I believe that the local  
13 community is now thinking about, well, okay, this is a good  
14 start. And if we -- we see an ultimate vision, they can start  
15 to see where they fit into the picture of bringing more to the  
16 table.

17                   MR. SELLERS: I would certainly think that the  
18 commercial users would like to look at all the options.

19                   MS. BEAVER: Mr. Chair.

20                   CHAIRMAN ANDERSON: Ms. Beaver.

21                   MS. BEAVER: I had a question with regard --  
22 okay. If we're looking at Option A has the larger environmental  
23 footprint, but the preferred is Option D, but D -- the Option D  
24 is actually the more expensive. If the Option A, the  
25 environmental portion is done, is that more expensive overall

1 for the whole project if it ended up going to Option D, or would  
2 because it covers a larger footprint for environmental  
3 purposes --

4 CHAIRMAN ANDERSON: Mike, before you -- Michelle,  
5 are you there? Michelle?

6 MR. LA RUE: Michelle, are you still --

7 MS. KUNZMAN: Yes. Yes.

8 CHAIRMAN ANDERSON: Are we straying a little too  
9 -- are we getting off, a little too far off the five-year plan  
10 in depth of this 89 in your opinion?

11 MS. KUNZMAN: I think you're still okay. You're  
12 getting close, but I think you're okay.

13 CHAIRMAN ANDERSON: Okay.

14 MR. ROEHRICH: Mr. Chair, I was thinking, I've  
15 been waiting to comment, but I was thinking if we really wanted  
16 to delve very deep into 189, unless you're looking at making a  
17 change to where it's currently at in the five-year program, in  
18 the development program, this really could be an agenda for  
19 either a future meeting or a study session where the study team  
20 could go through and really talk in detail.

21 I do want to answer these questions here, but it  
22 looks like there's a lot more detailed questions that maybe  
23 would lend itself to a separate agenda item where the study team  
24 could be here. We could really dig into that as we look towards  
25 the future. But again, I'm looking at the Board. Unless you're

1 going to make a change to 189 and you want to get all this  
2 before you decide today, then we need to have that conversation.

3 MR. SELLERS: I would think that with all the  
4 statewide support that we're seeing for this that it really  
5 should be an agenda item that we could get into more depth.

6 MR. HAMMOND: Mr. Chairman, Floyd, the -- my  
7 whole concern is to keep it in the five-year plan. So within  
8 that context, it's probably appropriate to talk about it here,  
9 and it is in there, and we don't want to see it (inaudible) by  
10 any kind of indecision (inaudible).

11 CHAIRMAN ANDERSON: Well, Michelle answered my  
12 question. So if you'll continue with Ms. Beaver's -- her  
13 question.

14 MR. KIES: Thank you, Mr. Chair.

15 Ms. Beaver, essentially, the answer to your  
16 question is -- sort of piggybacks on what Floyd said earlier.  
17 As long as we know what the plan is, then the environmental  
18 effort that goes to clear that plan is really the same effort  
19 with maybe some slight -- slight changes, depending on, you  
20 know, how big the footprint is versus another one. But in the  
21 scale of things, it's the same effort. And so the key, as Floyd  
22 said, is let's settle on the plan, the ultimate, and a phasing  
23 scheme, and then we can do the environmental clearance for that.  
24 And if it changes slightly in the future, as Floyd said, then  
25 there's a supplemental activity to update that environmental

1 issue.

2 MS. BEAVER: Thank you.

3 MR. KIES: Mr. Chair, and with that, I was going  
4 to break for questions, but it seems like we have a lot of  
5 questions already.

6 CHAIRMAN ANDERSON: I've got --

7 MR. KIES: If there are any additional questions,  
8 I'd be happy to answer about the five-year program.

9 CHAIRMAN ANDERSON: Mike, Kevin mentioned we've  
10 got two TIGER grant applications in, correct? What if we get  
11 one, possibly two of those? How does that affect the plan  
12 itself? What happens with the money? Where does it go? What  
13 do we advance? What does the Board need to do in terms of take  
14 another look at the decision we make today?

15 MR. KIES: I can cover the first part, but  
16 Kristine may want to jump in. But yeah, the advantage of the  
17 TIGER grants is that we're competing for additional federal  
18 funds over and above what we already have on hand to put to  
19 projects. So if one of those two projects or both, if that's  
20 possible, were to be successful with the TIGER grants, that's  
21 new federal funds that then are coming into the program, then we  
22 have a little wiggle room with the rest, those existing federal  
23 funds that we already had thought to deliver those projects to  
24 move to other projects.

25 CHAIRMAN ANDERSON: But they're projects within

1 the plan we're voting on today, correct?

2 MR. KIES: Mr. Chairman, one is in the program  
3 and one is not. So if the port of entry got in, that is new  
4 money for a project that's not in the program.

5 CHAIRMAN ANDERSON: Okay.

6 MR. HAMMIT: So it wouldn't affect the project at  
7 all. If the 347 project got in, we could digest that year of  
8 funding. So that's the difference between the two.

9 MR. ROEHRICH: And Mr. Chair, just to maybe make  
10 sure everyone understands, you would be allowed with that extra  
11 funding to make some adjustments to the PPAC. You would -- just  
12 like we do every other month, you would justify the program in  
13 the stip, and through the PPAC process, we would be able to  
14 adjust either the projects that need more money to get to -- to  
15 get forward or maybe accelerate or advance some projects. So  
16 there would be options to -- opportunities to modify. It just  
17 depends on how much -- depends upon how much we get in TIGER  
18 grant. Then how much that Kristine would say is available after  
19 she makes sure it fiscally constrained on the rest of the  
20 program.

21 MR. KIES: The one thing that Kristine just  
22 motioned to me to mention is that the one issue with bringing  
23 additional federal funds to -- to the program is that every time  
24 we spend a federal dollar, we have to match it with state funds.  
25 And the TIGER grants are actually structured to have a 20

1 percent match. So if we get \$100 million of federal funds, we  
2 have to match it with \$20 million of state funds, and as you all  
3 know, the state funds that we have available are very limited.  
4 And so we'd have to -- and so it's probably -- we'd have to do  
5 more planning of how to get that state match to the federal  
6 funds. She's jumping up.

7 MS. WARD: Thank you, Mr. Chair. So Mike got the  
8 basics of it, but what we will have to consider is is that 20  
9 percent. I'm not saying that that 20 percent has to come  
10 specifically from State Highway, but we need to keep in mind  
11 that if we get \$100 million, we've got to come up with the \$20  
12 million either through some combination of state and other  
13 federal moneys. So it -- you don't --

14 MR. KIES: (Inaudible.)

15 MS. WARD: Or local. But keeping in mind that  
16 don't get -- you don't -- I'm sorry to be the killjoy, but you  
17 don't get the full \$100 million. You've got some issues there.

18 (Speaking simultaneously.)

19 MR. BIESTY: Mr. Chairman.

20 CHAIRMAN ANDERSON: Mr. Biesty.

21 MR. BIESTY: If I might add, I believe the total  
22 number of TIGER grants that were appropriated was about 500  
23 million. So what you're asking for nationwide is 100 of that  
24 500 million. And I also wanted to just, again, not to be the  
25 killjoy in the room --

1 MS. WARD: (Inaudible.)

2 MR. BIESTY: -- but there is still -- there is  
3 still a ban on earmarks in Congress. And so outside of TIGER  
4 grants, it's an uphill push at the current -- under the current  
5 structure.

6 MS. WARD: Thank you.

7 CHAIRMAN ANDERSON: Thank you.

8 MR. KIES: Just to clarify, the 100 million was a  
9 hypothetical number.

10 CHAIRMAN ANDERSON: I liked it.

11 MR. KIES: If there aren't any other questions  
12 about the five-year program, I would encourage the Board to  
13 approve the five-year program so that we can provide it to the  
14 governor's office for signature before June 30th.

15 CHAIRMAN ANDERSON: Are there any other comments,  
16 insights, questions?

17 Mr. Sellers.

18 MR. SELLERS: Mr. Chairman. Yeah, just for  
19 clarification. On the 189 project, by not doing anything to  
20 change the way it's proposed in the current five-year plan, if  
21 in next year's five-year plan we wanted to advance that, we  
22 really could still have that on as fast a construction schedule  
23 as we could if it was in the plan today; is that correct?

24 MR. KIES: Correct. That's a fair statement.

25 MR. SELLERS: Thank you.

1 CHAIRMAN ANDERSON: Mr. La Rue.

2 MR. LA RUE: So Mike, great presentation. I  
3 actually had a few more questions, but you've answered them and  
4 provided comfort. And to Floyd's -- to Floyd's question, I was  
5 looking to advance 189, but I think with some of the information  
6 you provided, I'm comfortable where it's at today, and let's see  
7 -- let's see what develops.

8 I think there's two other areas I want to talk  
9 about. One is, it's probably more for the executive team, is at  
10 the study session, we got the case brief on the Glazer case.  
11 Michelle was kind enough and she sent it to me and I read it.  
12 It's very disturbing, kind of a holding today, and I know that  
13 the attorney said there's a lot more work. So I'll routinely  
14 keep asking this question, is based on that holding, should we  
15 conduct business differently as we make these approvals? And if  
16 so, and when the Department gets their arms around it, you know,  
17 we need to have discussion on that. Because that's -- that's  
18 kind of a disturbing case that's out there.

19 MR. ROEHRICH: Real quick, Mr. Chair, Mr. La Rue,  
20 to that point we are going to need to have a discussion. In  
21 fact, there's a requirement by statute that Board policies need  
22 to be reviewed and approved every two years, and it's an odd  
23 year. So this year my intent was at a later study session, I  
24 don't know if we can fit it in August, but see maybe the  
25 November study session, redo/affirm the Board policies. I think

1 if the Glazer case does (inaudible) Department and the Board  
2 having to reconsider certain aspects how we develop, program and  
3 address projects. I think the best thing for us to do is look  
4 at our policies, look at board policies and bring it in so we  
5 all formally know how that will be addressed. I don't think  
6 we're ready yet to make those policy changes, but I think we're  
7 going to need to move forward at that at some point.

8 CHAIRMAN ANDERSON: So our vote today on this --

9 MS. KUNZMAN: Mr. Chairman.

10 CHAIRMAN ANDERSON: Michelle.

11 MS. KUNZMAN: I think we're -- excuse me. I  
12 think we're getting a little off topic, and maybe what we do is  
13 we have -- if we want to have any kind of discussion about this,  
14 maybe we table it until the very end when you ask for agenda  
15 items.

16 MR. LA RUE: Well, Michelle, I think the  
17 connection is I just want to make sure my vote today, I don't  
18 have to think differently with that case that's hanging out  
19 there, but what I'm hearing is I don't and that we're going to  
20 bring this back in the future.

21 MR. ROEHRICH: Right. Yes, sir.

22 MS. KUNZMAN: Okay. Fair enough. That's a good  
23 point.

24 MR. LA RUE: Okay.

25 CHAIRMAN ANDERSON: Thank you.

1 MR. LA RUE: You know, the second item I want to  
2 talk is --

3 UNIDENTIFIED SPEAKER: Mute button.

4 MR. LA RUE: I know. I thought I had mute and I  
5 must have had volume.

6 Sorry, Michelle.

7 The other one I want to talk about is Wickenburg.  
8 You know, we've heard from the Wickenburg folks a number of  
9 times. I think that Wickenburg gap area is very similar to,  
10 say, the Town of Maricopa and what they've done with 347.  
11 They've got a -- you know, Maricopa's got a critical need there.  
12 The community's rallied around figuring that out and looking for  
13 alternative sources of funding. I think that Wickenburg gap  
14 area is very -- is somewhat similar to the 189. We're starting  
15 to see the statewide focus on 189, and I think that's going to  
16 lead to other sources of funding out there.

17 And I think Wickenburg is the same thing. It's  
18 in a critical component of the state. There's a lot of activity  
19 that's going out there. We've heard that there's a developer  
20 that's got a \$10 million commitment. I think that developer and  
21 some others would commit even more if there was some kind of  
22 advancement or design on a project there. And as you know, much  
23 of what we're doing is we're completing 93 from I-40 down, but  
24 we're going to have this just, you know, doughnut hole of space.

25 So if -- the question I've got for you is if I

1 said, hey, I want to advance -- I understand it's a \$3 million  
2 design for that component. If I said, let's put 3 million into  
3 the five-year plan for design, I know you're going to ask me,  
4 well, I've got to take something out or move something. What  
5 would your recommendation be?

6 MR. HAMMIT: What would be my recommendation of  
7 what you would move out to --

8 MR. LA RUE: To take or how would we fit that in  
9 there?

10 MR. HAMMIT: Can I get --

11 MR. LA RUE: Sure.

12 MR. HAMMIT: Mr. Chairman, Mr. La Rue, let me  
13 give you one complication in this. This project in that gap  
14 between the developer's roundabout and the north roundabout on  
15 the (inaudible) bypass is in two programming areas.

16 MR. LA RUE: Right.

17 MR. HAMMIT: So half of it's within MAG, and so  
18 half of it's within Greater Arizona. So you would have to go  
19 release the party in MAG to go -- work through their programming  
20 cycle to get that in, and then half of it or approximately  
21 through the Greater Arizona. So that does complicate it a  
22 little bit there.

23 MR. LA RUE: I understand that, and if the rest  
24 of the Board doesn't, we can highlight. But, you know, when you  
25 talk to the MAG folks, they say, well, we don't have it in the

1 Greater Arizona program. And so when you get it in there, MAG  
2 will look at it, Greater Arizona, we say, well, it's in the MAG  
3 program. So it's almost like that's a no man's land. So  
4 somebody's got to advance it. Somebody's got to say there's an  
5 opportunity, much like 347 and 189, to get other developer and  
6 other support, but somebody's got to take the lead to start  
7 bringing it forward.

8 MR. ROEHRICH: Mr. Chair, Mr. --

9 CHAIRMAN ANDERSON: Floyd.

10 MR. ROEHRICH: Mr. Chair, Mr. La Rue, what I'd  
11 like to maybe ask staff to look at, I don't want to -- I don't  
12 like to sound like, well, it's only a \$3 million issue, it's not  
13 a big deal, but it is a big deal. What I think this is going to  
14 need some staff work, as Dallas pointed out, is between the two  
15 regions. So what I'd like to commit to is, is that moving  
16 forward with this five-year program -- you know, we get projects  
17 that come under, projects come over. We always seem to spend  
18 the contingency fund, Kristine, but at least I'm looking at the  
19 contingency fund.

20 MR. LA RUE: And I'm also looking at cash  
21 balance, too, so...

22 MR. ROEHRICH: Exactly, exactly.

23 MR. LA RUE: There are no options off the table.

24 MR. ROEHRICH: (Inaudible) this issue moves  
25 forward with the staff's understanding that we need to keep

1 working through the two programming areas, can we come up with  
2 that \$3 million solution to get the design into FY '16. That  
3 will be our charge to do. And I think we can do it, and then  
4 when we find that solution, we'll come back to the PPAC or the  
5 Board, and you'll see it come back to us.

6 I don't think solving it today is a little --  
7 it's going to be more complicated, because as Dallas pointed  
8 out, but if we commit to the Board or the staff we'll come up  
9 with the solution bringing that forward here in the next few  
10 months, let us work on that. I think we can come to something  
11 to the magnitude of 3 million. I can't solve \$64 million or  
12 \$120 million issues. I think the \$3 million issue has a better  
13 chance of being resolved if we get a little bit more time to  
14 work on it.

15 MR. LA RUE: I would appreciate that. I think  
16 Wickenburg would appreciate that, and I'm sure Ms. -- Board  
17 Member Deanna Beaver would...

18 MR. KIES: Mr. Chair, one thing that I'd like to  
19 caution the Board, and I know Kristine would kick me if I didn't  
20 mention this, that when we do advance a design project and we  
21 use federal funds, which at this point that would probably be  
22 the primary source of those funds, there's a ten-year clock, I  
23 guess you'd say, that if we don't implement a meaningful phase  
24 of that project, which in this project is probably the project,  
25 I don't think you could phase it in smaller than that gap area,

1 if we don't implement it and construct it in that ten years,  
2 then we would owe that money back to the federal government.

3 The beauty of our ten-year program is that we can  
4 see ahead that ten years, and we see those projects that we  
5 intend to implement, and that lowers the risk of advancing those  
6 design projects. So that's another aspect that I would ask the  
7 Board to think about is that highlighting where in the ten-year  
8 program that construction goes would -- wouldn't turn Kristine's  
9 smile upside down.

10 MR. LA RUE: Now, I appreciate that, and I'm  
11 thinking really design, move -- keep construction on the tail  
12 end, because those guys don't have ten years to wait, and there  
13 is going to be substantial pressure that will create the  
14 opportunities for funding.

15 MS. BEAVER: Chairman.

16 CHAIRMAN ANDERSON: Ms. Beaver.

17 MS. BEAVER: I think the point that I'd like to  
18 bring also, I think that 3 million -- correct me if I'm wrong,  
19 but the 3 million has to do with the statewide, where it was  
20 like 1.6 million, which would fall in the MAG area. And my  
21 brain's like -- like firing it all. So I may sound a little  
22 scattered, but Ms. Brooks made a strong point just a few minutes  
23 ago when she was talking about for the -- the funding for the  
24 design part is important, because to proceed with acquisition of  
25 the lands in that area, you know, it's like something needs to

1 kind of happen now, and this also is in that whole proposed I-11  
2 corridor. So I think we need to put some focus on it, and then  
3 with my mind firing at all angles right now, I would also ask in  
4 terms of the financial part of it.

5 I have a question about these -- the road --  
6 excuse me. I'm missing -- highway stops along, you know --

7 MR. LA RUE: Oh, the rest areas.

8 MS. BEAVER: The rest areas.

9 MR. LA RUE: Right.

10 MS. BEAVER: The improvements on the rest areas.

11 Is that an area -- I mean, because this is important from an  
12 economic standpoint, too, and so are those rest areas, like, as  
13 high a priority as something where we're actually going to see  
14 an economic necessity? So that was an area that I was kind  
15 of...

16 MR. HAMMIT: (Inaudible.)

17 MR. LA RUE: Dallas, if I may, I think what  
18 Deanna's talking about is in this five-year plan, if my math is  
19 correct, there's about 16 million dedicated to rest areas and  
20 rehabilitation of those. And so the question becomes, I think,  
21 is that a higher priority than fixing some of these other issues  
22 in the statewide plan?

23 MR. HAMMIT: And Mr. Chairman, Mr. La Rue,  
24 Ms. Beaver, one of the things we found out (inaudible) state  
25 engineer and as his deputy, we came up with, we thought, hey,

1 we're going to save the money. We're going to close these  
2 interstate rest areas. We found out very quickly, oh, we  
3 shouldn't have made that decision. Politically and publicly, it  
4 was a bad decision.

5 And so that 16 million over the five years is  
6 just minimal to keep those rest areas operating. It is making  
7 very small improvements. It's working on the water system, the  
8 sewer systems and ADA just to keep them open. They're not to  
9 rebuild a new rest area. It's just keeping them open. And last  
10 week we moved forward, and there's that will to close rest  
11 areas. That 16 million is what we need just to keep the -- I  
12 think we have 18 rest areas -- I'm going off the top of my head,  
13 right, in that ballpark, open and usable.

14 MR. ROEHRICH: And Mr. Chair and Board members,  
15 it became a big issue when we did close them. The outcry became  
16 quite a bit about safety, and especially with the traveling  
17 public and the emphasis that Arizona also places on tourism, as  
18 well as the commerce coming through here with big trucks,  
19 whatever. They needed places to stay, stop and rest. And yes,  
20 there are private industries for that as well. Rest areas  
21 became, though, the option that many people pointed to as -- but  
22 again, (inaudible) taxpayers, money paid in, why don't I have  
23 that benefit? Why are you taking it away, and why again are we  
24 hurting?

25 Could it be prioritized farther down into

1 something else? Again, it's always a question of priority,  
2 and you could say that just about any project in there if you  
3 agree with it. This five-year program and the balance of  
4 preservation, modernization and expansion is really there to  
5 ensure that you're looking at the whole system. You start  
6 neglecting parts of the system, yes, you'll see (inaudible) much  
7 faster and the repairs are much older. Along the interstate  
8 system, our rest areas are 40-plus years old, and quite frankly,  
9 some of them (inaudible) because we just really effectively  
10 can't improve them and get them open.

11 This is a measure, just like with the pavement  
12 preservation, (inaudible) preservation system, it gives us  
13 enough to keep as many open as possible so we don't completely  
14 neglect it. Ultimately, if the Board would decide to pull money  
15 away, that is the Board's authority to do. This is what we  
16 think is the best balanced plan right now.

17 MS. BEAVER: Mr. Chairman.

18 CHAIRMAN ANDERSON: Ms. Beaver.

19 MS. BEAVER: I would just say that it does seem  
20 though -- and I haven't been out on the highways like the  
21 engineers are to see, but there are more truck stops -- you  
22 know, just take I-10 as an example, you know, and there's -- I  
23 know two rest stops on I-10 between Buckeye and Blythe that I'm  
24 aware of. I don't believe there's any more than that. But now  
25 there's a number of truck stops along there that also have space

1 available for big trucks if they're needing to stop for the  
2 night. So are we balancing that where these truck stops are at  
3 versus having, you know, these rest areas?

4 MR. ROEHRICH: Mr. Anderson, Ms. Beaver, we're  
5 actually starting the study that looks at a program that  
6 effectively truck drivers and the general public -- because rest  
7 areas are not just for trucks. Lots of the general public stops  
8 there, too, and people just traveling on vacation. But looking  
9 at developing a program that the public will be able to use  
10 through a -- through a downloadable application or something  
11 else on smartphones and mobile devices that will look at parking  
12 spots, and you'll be able to reserve them. And this is the  
13 ultimate future of this concept. Some states and some regions  
14 are start looking at this.

15 Arizona has been looking at a partnership along  
16 the I-10 corridor where we're doing something like this as a  
17 pilot, looking at studying over the next couple of years to see  
18 if we can put in an effective program that will show what's  
19 available. But it does look at the total option, what private's  
20 available, what public is available, as a way to better utilize  
21 those, better inform the public so they know when to stop.

22 As you start dealing with the federal trucking  
23 laws as well as the general public who's traveling to give them  
24 options, you know, we heard from a lot of people who also said,  
25 I don't want to go into those truck stops because I prefer to

1 stop at the rest area and get out and let my kids stretch. I  
2 can watch them. In the truck stops -- whatever your personal  
3 preference is (inaudible). Those are issues that we still look  
4 -- try to balance (inaudible).

5 MR. BIESTY: Mr. Chairman.

6 CHAIRMAN ANDERSON: Mr. Biesty.

7 MR. BIESTY: If I might just quickly. You may  
8 recall some of the members earlier when we talked about  
9 privatization of rest areas and commercialization. When  
10 Director Halikowski came -- became director, that was one of the  
11 first things we undertook with our delegation. The western  
12 states are not treated the same as the eastern states. This has  
13 been an issue that Governor Ducey has approached us about as  
14 well, and we will be in the next year authorization period  
15 trying to get equity for the western states as well to allow for  
16 commercial -- privatization and commercialization of the rest  
17 areas, because as Floyd mentioned, there's not enough parking  
18 for trucks is what we're finding on our system. So we want to  
19 be able to, just like the eastern states that have been  
20 grandfathered in, be able to utilize the private sector for that  
21 purpose, so -- but it's been an uphill battle. We're continuing  
22 to fight it.

23 CHAIRMAN ANDERSON: Further comments? No.

24 Ms. Beaver, anything else on the Wickenburg?

25 MS. BEAVER: No. Thank you, though.

1 CHAIRMAN ANDERSON: Further comments for Mr. Kies  
2 on the plan?

3 Board's pleasure?

4 MR. HAMMOND: I'll make a motion to approve it.

5 MR. LA RUE: Second.

6 CHAIRMAN ANDERSON: Moved by Mr. Hammond,  
7 seconded by Mr. La Rue to accept the 2016-2020 Five-Year State  
8 Wide Transportation Facilities Construction Plan. Discussion?

9 All in favor?

10 BOARD MEMBERS: Aye.

11 CHAIRMAN ANDERSON: Thank you, Mike.

12 MR. KIES: Thank you very much, Mr. Chair.

13 CHAIRMAN ANDERSON: I guess you're still on  
14 board. Multimodal Planning Division Report.

15 MR. KIES: Great. Thank you, Mr. Chair.

16 There's one project that I wanted to give you an  
17 update on in the Multimodal Planning report. Back in December,  
18 the Board provided direction to give us funding to advance a  
19 Tier 1 EIS study for the I-11 and Intermountain West Corridor  
20 idea. Since that time, we've been going out and meeting with  
21 key stakeholders to be in alignment with their expectations of  
22 what this Tier 1 EIS would deliver and what -- how their roles.  
23 The agency that I'm referring to, for example, there are things  
24 like the National Park Service, because Saguaro National Park  
25 exists in the Tucson area, the Federal Highway Administration,

1 the BLM, which is the Bureau of Land Management. There's a lot  
2 of lands that potentially this corridor could impact.

3 We then wrote a scope of work that we would  
4 expect a consulting team to deliver for us with that, that  
5 project. We then went through a selection process to entertain  
6 proposals and interviews from those various consulting firms  
7 that were interested. The selection process we went through was  
8 a team effort between ADOT, the Pima Association of Governments,  
9 the Sun Corridor MPO and the Maricopa Association of  
10 Governments. All were represented in the committee that made  
11 the decision to select a preferred consultant team, and just  
12 this week, that preferred selection -- selected team was  
13 notified of our intent to enter into contract with them, and  
14 that firm is a grouping of consulting firms, but it's led by a  
15 firm called AECOM, Incorporated. And so the next step is for us  
16 to start negotiations on the final fee that that team would  
17 expect to deliver the scope of work and get actually started on  
18 the project later this summer or early fall of this calendar  
19 year.

20 With that, that's all I have for the Multimodal  
21 Planning Division report.

22 CHAIRMAN ANDERSON: Okay. Moving on to PPAC.

23 MR. KIES: Great. Thank you, Mr. Chair.

24 There are 18 projects that were approved by the  
25 PPAC committee this month. Items 8A through 8G are project

1 modifications, and if the Board doesn't have any questions or  
2 concerns, I would ask the Board to approve Items 8A through 8G.

3 CHAIRMAN ANDERSON: The Board's pleasure on  
4 PPAC's project modifications?

5 MR. LA RUE: So moved.

6 CHAIRMAN ANDERSON: Moved by Mr. La Rue.

7 MS. BEAVER: Second.

8 CHAIRMAN ANDERSON: Seconded by Ms. Beaver to  
9 accept Items 8A through 8G, project modifications as presented.  
10 Discussion?

11 Seeing none, all in favor?

12 BOARD MEMBERS: Aye.

13 MR. KIES: Thank you, Mr. Chair.

14 Items 8H through 8S are new projects for the '15  
15 -- for the year '15 program that were approved by PPAC, and  
16 unless there are any questions or concerns about any of those  
17 individual topics, I'd ask the Board to approve Items 8H through  
18 8S.

19 CHAIRMAN ANDERSON: New projects, Board's  
20 pleasure?

21 MR. LA RUE: So moved.

22 CHAIRMAN ANDERSON: Moved by Mr. La Rue.

23 MS. BEAVER: Second.

24 CHAIRMAN ANDERSON: Second by Ms. Beaver to  
25 accept and approve new projects 8H through 8S as presented.

1 Further discussion?

2 All in favor?

3 BOARD MEMBERS: Aye.

4 CHAIRMAN ANDERSON: Thank you, Mike.

5 State engineer's report. Dallas.

6 MR. HAMMIT: Mr. Chairman, members of the Board,  
7 thank you.

8 And one thing I'd like to do. Jesse, in his  
9 presentation, highlighted a project in Snowflake, and I guess I  
10 want to take this opportunity to thank Jesse, because we got a  
11 great letter from the Town recognizing ADOT, and specifically  
12 Jesse's efforts of partnering. This project was both local  
13 funds and state funds, and it showed that we can come together  
14 and make meaningful projects that benefit both areas. So I  
15 wanted to recognize Jesse for his efforts in that. So thank  
16 you.

17 CHAIRMAN ANDERSON: Thank you, Jesse.

18 MR. HAMMIT: In the state engineer's report,  
19 currently we have 121 projects under contract totaling \$815.4  
20 million. Year-to-date, we have finalized 19 projects -- excuse  
21 me -- 19 projects this month we've finalized in May, and then 88  
22 -- totaling \$88 million, year-to-date 114 projects.

23 Any questions on -- from the state engineer's  
24 report?

25 CHAIRMAN ANDERSON: Dallas, I have a couple. In

1 our packet, the -- we have the monthly construction report, but  
2 we also have the field report section. Those are projects  
3 completed for this fiscal year; is that correct?

4 MR. HAMMIT: That's correct.

5 CHAIRMAN ANDERSON: The ongoing projects, the  
6 updates that are -- I mean, do we see those updates  
7 periodically, or just when we travel to the various districts,  
8 the updates by the DEs, correct?

9 MR. HAMMIT: That's correct. And as far as  
10 updates, are you referring to where we're spending -- you know,  
11 where we're at on time and funding or -- is that (inaudible)?  
12 Yeah. That's -- and I -- (inaudible) what you have in your  
13 packet, but field reports, and we can easily make that available  
14 if you'd like to -- for every district, we track on a monthly  
15 basis the current status of the project. We're 20 percent done  
16 with time and 20 percent done on the spending.

17 CHAIRMAN ANDERSON: Yeah. I had several board  
18 members ask that question of me, and I thought I would bring  
19 that up, so...

20 MR. HAMMIT: Okay.

21 CHAIRMAN ANDERSON: Thank you.

22 Contracts?

23 MR. HAMMIT: (Inaudible) construction projects, I  
24 thank you for your approval in the consent agenda of the five  
25 projects. We do have nine projects that were -- need to have a

1 little bit more discussion on.

2 The first project in Apache County. It is a  
3 pavement rehab and signing project, and you're going to see this  
4 is a good thing, because Kristine talked a little bit about with  
5 fuel prices being down. We're seeing people buying more gas.  
6 The other advantage on our big paving jobs, we're seeing much  
7 better prices in our asphalted cement or asphalt oil. And in  
8 some cases, \$100 a ton, which is a tremendous benefit.

9 One thing that concerns me when we see those is  
10 we do put in an escalator so we do get a good price at bid time.  
11 But if it's a big, long project, to get the best fit possible,  
12 we work with the contractor, and as those go up, we have an  
13 escalator in the contract. So you will see a number of projects  
14 that came in under budget, and a lot that is we're seeing great  
15 oil prices right now.

16 So this first project, like I said, is a pavement  
17 rehab and signing project. The low bid was \$134,500. The  
18 State's estimate was \$676,413.60, leaving the project under the  
19 State's estimate by 141,913.60 or 21 percent. We saw that  
20 almost every bid, the change was in the asphalted oil. We do  
21 believe this is a reasonable and responsive bid and would  
22 recommend award to Sunland, Inc. Asphalt and Sealcoating.

23 CHAIRMAN ANDERSON: The Board's pleasure on 10A?

24 MR. HAMMOND: I can make a move.

25 CHAIRMAN ANDERSON: Moved by Mr. Hammond.

1 MR. LA RUE: Second.

2 CHAIRMAN ANDERSON: Second by Mr. La Rue to  
3 approve 10A to accept and approve staff's recommendation to  
4 award the contract for Item 10A to Sunland, Inc. Asphalt and  
5 Sealcoating. Further discussion?

6 All in favor?

7 BOARD MEMBERS: Aye.

8 CHAIRMAN ANDERSON: 10B, Mr. Hammit.

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

10 This project is in the City of Surprise near Bell  
11 Road. This is small improvements I'm doing to mediate  
12 (inaudible) electrical work. The low bid was \$1,075,000. The  
13 State's estimate was 1,266,805, bringing it under the State's  
14 estimate by \$191,805 or 15.1 percent. We saw very good prices  
15 in subgrade prep, the concrete items, and there's some handrail.  
16 We have reviewed this project. I believe we do have a  
17 reasonable and responsive bid, and would recommend award to  
18 Business Engineering Construction, Inc.

19 CHAIRMAN ANDERSON: The Board's pleasure on 10B?

20 MR. LA RUE: Move for approval.

21 CHAIRMAN ANDERSON: Moved by Mr. La Rue.

22 MR. SELLERS: Second.

23 CHAIRMAN ANDERSON: Seconded by Mr. Sellers to  
24 accept and approve staff's recommendation to award the contract  
25 for 10B to Business Engineering Construction, Inc. Further

1 discussions?

2 MS. BEAVER: I just have a question --

3 CHAIRMAN ANDERSON: Yes, Ms. Beaver.

4 MS. BEAVER: -- more just to educate myself.

5 This seems like it would be -- fall under the city, but this is  
6 a state project, correct?

7 MR. HAMMIT: Mr. Chairman, Board Member Beaver,  
8 this is a city within -- the City of Surprise, but since we're  
9 using federal funds, ADOT is administering it, because they're  
10 not a certification acceptance agency.

11 MS. BEAVER: Okay.

12 CHAIRMAN ANDERSON: Thank you.

13 All in favor? Aye?

14 BOARD MEMBERS: Aye.

15 CHAIRMAN ANDERSON: Opposed?

16 Moving forward to 10C.

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

18 This is a project -- it's (inaudible) a local  
19 project. It's in the Town of Taylor. It's a pavement rehab  
20 project. The low bid was \$415,252.20. The State's estimate was  
21 501,948.25, leaving the project under the State's estimate by  
22 86,696.05 or 17.3 percent. Again, we saw (inaudible) asphalted  
23 cement, and this project also used a fabric that went in between  
24 the existing pavement and the new asphalt (inaudible). They  
25 worked with their sub who gave them a very good price, much less

1 than the Department's estimate. We have reviewed that. We do  
2 believe we have a reasonable and responsive bid and would  
3 recommend an award to Show Low Construction & Paving, Inc.

4 CHAIRMAN ANDERSON: The Board's pleasure?

5 MR. CUTHBERTSON: Recommend approval.

6 CHAIRMAN ANDERSON: Moved by Mr. Cuthbertson.

7 MS. BEAVER: Second.

8 CHAIRMAN ANDERSON: Second by Ms. Beaver to  
9 accept and approve staff's recommendation to award the contract  
10 for 10C to Show Low Construction, Inc. Further discussions?

11 All in favor?

12 BOARD MEMBERS: Aye.

13 CHAIRMAN ANDERSON: 10D's a big one, Mr. Hammit.

14 MR. HAMMIT: Yes. Thank you, Mr. Chair.

15 10D, this is a -- actually, this is four projects  
16 out on Interstate 10 that we combined into one and did one  
17 advertisement. Three of them are pavement preservation, and  
18 then there's a bridge preservation within that. The low bid was  
19 \$15,167,128. The State's estimate was \$17,923,280. It came in,  
20 as you saw, \$2,756,151 under the State's estimate of 15.4  
21 percent. A big paving job, great oil prices. We also saw that  
22 in the mobilization, and we believe by the fact that we combined  
23 four projects together, we did see a little better advantage in  
24 the (inaudible). The contractor got quite a bit of work. We do  
25 believe this is a reasonable and responsive bid and would

1 recommend approval to F & F Construction, Inc.

2 CHAIRMAN ANDERSON: Board's pleasure on 10D?

3 MR. SELLERS: Move for approval.

4 CHAIRMAN ANDERSON: Moved by Mr. Sellers.

5 MR. HAMMOND: Second.

6 CHAIRMAN ANDERSON: Seconded by Mr. Hammond to  
7 accept and approve staff's recommendation to award the contract  
8 for Item 10D to F & F Construction, Inc. Further discussion?

9 All in favor?

10 BOARD MEMBERS: Aye.

11 CHAIRMAN ANDERSON: 10E.

12 MR. HAMMIT: (Inaudible) every project so far has  
13 been under the State's estimate, and I'm changing gears here,  
14 unfortunately. This project is on Interstate 17. It's a  
15 project that's doing a lot of miscellaneous work. It's doing  
16 some curb regutter to do some ADA work. It's fixing some  
17 driveways that have had some issues, doing some signing and  
18 lighting improvements, as well as some freeway management  
19 expansions to help us with, like -- Mike mentioned some of  
20 those, freeway times and communications along our freeways. The  
21 low bid here was 1,642,469. The State's estimate was 1,391,903.  
22 It was over the State's estimate 250,566 or 18 percent. Where  
23 we saw the difference was in the asphalt work. And again, it  
24 was small areas. So they were having to move to a lot of little  
25 areas. It cost more to the electrical and traffic control with

1 this type of work. In looking at all the bids, we do believe we  
2 have a reasonable and responsive bid and would recommend  
3 approval to CS Construction.

4 CHAIRMAN ANDERSON: The Board's pleasure on 10E?

5 MR. LA RUE: Move for approval.

6 CHAIRMAN ANDERSON: Moved by Mr. La Rue.

7 MR. CUTHBERTSON: Second.

8 CHAIRMAN ANDERSON: Seconded by Mr. Cuthbertson  
9 to accept and approve staff's recommendation to award the  
10 contract for Item 10E to CS Construction, Inc. Further  
11 discussion?

12 All in favor?

13 BOARD MEMBERS: Aye.

14 CHAIRMAN ANDERSON: 10F, Mr. Hammit.

15 MR. HAMMIT: 10F, Mr. Chairman. This is near  
16 US-60. This is a multi use path within the city of Show Low.  
17 The project, the low bid was 593,795. The State's estimate was  
18 \$520,489.05, leaving it over the State's estimate of 73,305.95  
19 or 14.1 percent. We saw differences in the miscellaneous  
20 concrete and aggregate base. Again, small quantities being a  
21 pathway, a little bit harder to get in there. We do believe  
22 this is a reasonable and responsive bid and would recommend  
23 award to Show Low Construction, Inc.

24 CHAIRMAN ANDERSON: The Board's pleasure?

25 MR. LA RUE: So moved.

1 CHAIRMAN ANDERSON: Moved by Mr. La Rue.

2 MR. HAMMOND: Second.

3 CHAIRMAN ANDERSON: Second by Mr. Hammond to  
4 accept and approve staff's recommendation to award the contract  
5 for Item 10F to Show Low Construction, Inc. Further discussion?

6 All in favor?

7 BOARD MEMBERS: Aye.

8 CHAIRMAN ANDERSON: 10G, Mr. Hammit.

9 MR. HAMMIT: Mr. Chairman, this project is a port  
10 of entry screening project. Basically, it's in your hometown,  
11 Ms. Beaver, in Parker. That -- at the port of entry coming in  
12 from California, they -- we're putting in some technology to as  
13 the trucks coming in. We could weigh them. We could collect  
14 their credentials. And in 2012, we worked on a proprietary  
15 software, software and hardware from a vendor, because at that  
16 time they were the only people doing this type of work. We put  
17 the project out. It was a three-year approval. We were within  
18 that three years. During the solicitation of this, we found out  
19 there are other vendors, at least one that can do this work. We  
20 heard from them. We investigated and believe that we should  
21 give them the opportunity. So our recommendation is to reject  
22 all bids, repackage this out and bid it again so all areas that  
23 can do it have that opportunity.

24 CHAIRMAN ANDERSON: Board's pleasure on 10G?

25 MS. BEAVER: I move that we reject all bids.

1 CHAIRMAN ANDERSON: Moved by Ms. Beaver.

2 MR. LA RUE: Second.

3 CHAIRMAN ANDERSON: Second by Mr. La Rue to  
4 accept and approve staff's recommendation to reject all bids in  
5 connection with Item 10G. Further discussion?

6 All in favor?

7 BOARD MEMBERS: Aye.

8 MR. HAMMIT: Mr. Chairman.

9 CHAIRMAN ANDERSON: 10H.

10 MR. HAMMIT: Mr. Chairman, members of the Board,  
11 Item 10H, we've talked a little bit about State Route 189 today,  
12 I believe. This is at the port of entry. So as pedestrians are  
13 coming in, currently they cross the travel lanes at grade. So  
14 they're walking across the street, mixing with traffic in the  
15 area. This project would be to put in a pedestrian underpass so  
16 we can separate the pedestrian and the vehicle movements.

17 The low bid on this project was \$3,289,663. The  
18 State's estimate was 2,206,951, or over the State's estimate by  
19 \$1,082,711 or 49.1 percent. Big difference. So we went back  
20 and looked at where did we miss this, or did we miss it? And we  
21 believe we did. The work area is so tight. So as the  
22 contractor is excavating, they have to move all the material out  
23 to a new storage location. So they dig out for the box culvert,  
24 and then when they move that material again, they have to truck  
25 it back and bring it in. We didn't take that into account. As

1 those box culverts that are a precast unit, we thought we could  
2 safe time, and we will, but they have to store them off site and  
3 bring them in one at a time because of the very tight area and  
4 then also working with all the traffic at the port of entry.

5 The difference between the number one and two  
6 bidders was \$7,000 on \$3 million. That's extremely close. The  
7 difference between one and the last bidder -- I think there were  
8 seven -- but there was only 10 million -- or 10 percent  
9 difference between all of them. In looking at that, we do think  
10 that we have a reasonable and responsible bid and would  
11 recommend award to Meridian Engineering Company.

12 CHAIRMAN ANDERSON: Mr. Hammit, I have advice by  
13 legal that you need to state the DBE goal percentage.

14 MR. HAMMIT: I need to look at that. I do know  
15 we met the DBE goal of 7. -- I apologize.

16 CHAIRMAN ANDERSON: 68.

17 MS. BEAVER: 68.

18 MR. HAMMIT: 68 goal. That was met on the  
19 project.

20 CHAIRMAN ANDERSON: The Board's pleasure on 10H?

21 MR. SELLERS: Move for approval.

22 CHAIRMAN ANDERSON: Moved by Mr. Sellers.

23 MR. CUTHBERTSON: Second.

24 CHAIRMAN ANDERSON: Seconded by Mr. Cuthbertson  
25 to accept and approve staff's recommendation to award the

1 contract for Item 10H to Meridian Engineering Company. Further  
2 discussion?

3 All in favor?

4 BOARD MEMBERS: Aye.

5 CHAIRMAN ANDERSON: 10I.

6 MR. HAMMIT: And our last one, Mr. Chairman.

7 This is on State Route 264. Again, we've  
8 combined two projects here. The (inaudible) Hill project, the  
9 low bid was \$1,668,138.13. The State's estimate was  
10 2,135,419.25, or under the State's estimate by 467,281.12, 21.9  
11 percent. Again, we saw great prices in our asphalt (inaudible).  
12 We also saw better than expected pricing in our pavement  
13 marking, very (inaudible) quantity, and it helped us out. We do  
14 believe this is a reasonable and responsive bid and would  
15 recommend award to Cactus Transport.

16 CHAIRMAN ANDERSON: Board's pleasure on 10I?

17 MR. LA RUE: So moved.

18 CHAIRMAN ANDERSON: Moved by Mr. La Rue.

19 MR. HAMMOND: Second.

20 CHAIRMAN ANDERSON: Second by Mr. Hammond to  
21 accept and approve staff's recommendation to award the contract  
22 for Item 10I to Cactus Transport, Inc. Further discussion?

23 All in favor?

24 BOARD MEMBERS: Aye.

25 CHAIRMAN ANDERSON: Thank you, Dallas.

1                    Suggestions, comments for future board meetings,  
2 work sessions, so forth?

3                    MR. ROEHRICH: Mr. Chair, I do have --

4                    CHAIRMAN ANDERSON: Mr. Floyd.

5                    MR. ROEHRICH: -- (inaudible) discussion. I just  
6 want to remind everybody that the next board meeting is July  
7 17th, in Payson, if I remember. It's in Payson, and just a  
8 reminder (inaudible) that the director probably will talk about  
9 an update on how the (inaudible).

10                   I also just want to remind the Board about  
11 August, because if you remember, in August there will not be a  
12 scheduled board meeting. So that month there will not be a  
13 board meeting, but on the 27th -- or excuse me, the 25th of  
14 August, we do have the board study session. And I anticipate  
15 that at the study session, we'll need to award some construction  
16 contracts, because we'll be within the time frames that are  
17 statutorily and required for us to -- for the Board to address  
18 those. So I anticipate there will be a short project awards,  
19 and then we'll go into the study session.

20                   Right now we've got a couple of items that we've  
21 been looking at. One of them is financial discussion where  
22 Kristine can talk about the contingency fund and how some of  
23 that rolls into the RAF and some of the other things on the  
24 finances. And the second item is myself and our web team are  
25 going to talk about the new board web site we've got up earlier

1 this year, but within that will be the ability for board members  
2 to have state e-mail addresses and how that will work with the  
3 communication from the public and through staff through the  
4 board members. So we'll have that discussion. Those are the  
5 two items now, and we'll probably come up with something more  
6 between now and August, and we'll add those in. I just wanted  
7 to make sure to remind everybody, no board meeting in August,  
8 but the study session on the 25th.

9 CHAIRMAN ANDERSON: Jack, your retreat, was that  
10 August? We talked about --

11 MR. SELLERS: We really haven't set a time for  
12 that yet.

13 CHAIRMAN ANDERSON: Okay. All right. Thank you.

14 MS. BEAVER: Chairman.

15 MR. ROEHRICH: Mr. Chair, Mr. Sellers, I guess  
16 I'd ask about the retreat. Given the fact that the Board is  
17 conducting its business in a public setting, I guess we were  
18 anticipating that the retreat or the board discussion would be  
19 one of these study suggestions --

20 MR. SELLERS: Right.

21 MR. ROEHRICH: -- are you thinking of, oh, hey,  
22 I'm doing something different? If you are, just let us know so  
23 we can start planning it, making sure that Michelle and others  
24 need to be there in order to conduct it.

25 CHAIRMAN ANDERSON: Anticipate just a work

1 session type?

2 MR. SELLERS: Correct. Just felt that we'd  
3 probably need more time than what we'd normally anticipate for a  
4 study session.

5 MR. ROEHRICH: And then, Mr. Chair, we can work  
6 on setting that date, getting it up -- posted to all the board  
7 members and (inaudible) so we can start the coordination. So  
8 I'll start working on that, Mary and myself, with yourself and  
9 Mr. Sellers to make sure that we've got it. I'll (inaudible) so  
10 we meet the Board's intent.

11 CHAIRMAN ANDERSON: Ms. Beaver.

12 MS. BEAVER: Yes. One of them, you kind of  
13 clarified for me. I just over kind of recent happenings  
14 nationally and within the state, the -- one of the things I  
15 wanted to ask about was with regard to board members' e-mails  
16 and the protocols for transparency, since we don't have home  
17 servers, but some of us still use our personal e-mail addresses  
18 at times. So that's one that's going to be addressed.

19 The next one is, and I stand corrected if I'm  
20 wrong, but recently in the *Arizona Republic*, I'd read something  
21 about the Arizona Department of Commerce having their computer  
22 systems hacked. And so I guess my question is as an agency that  
23 we are, do we have all of the -- our firewalls, our encryption,  
24 everything? I mean, how often are we checking this type thing?  
25 I'm looking at these more as a study session, not expecting any

1 explanation now.

2           And then the other thing is I know that Mike, in  
3 the past, maybe even Scott before him, has made presentations  
4 here at our board meetings of the five-year process, and I know  
5 that it is also on our web site, but I'm wondering if that  
6 five-year process as explain how they come up -- you know, as  
7 the decisions are made for the projects that are moving forward,  
8 if it could be indexed on our web site as opposed to just  
9 falling under when we had a board meeting and it's on there  
10 where you can, you know, open it. Like could it be more user  
11 friendly accessible, you know, where someone could find it more  
12 easily than having to go through minutes and go, okay, well,  
13 they do the five-year planning in, you know, March, April, May.  
14 So it's probably in there. I would just like to maybe see it  
15 indexed separately where people could go right to it.

16           MR. ROEHRICH: Mr. Chair, Ms. Beaver, we'll take  
17 back to the staff situation. Communication falls under Kevin's  
18 area. He said he'll go back and talk with his team again about  
19 how better we can address that, and maybe we'll come back to the  
20 Board with some suggestions once we've had a chance to look at  
21 it.

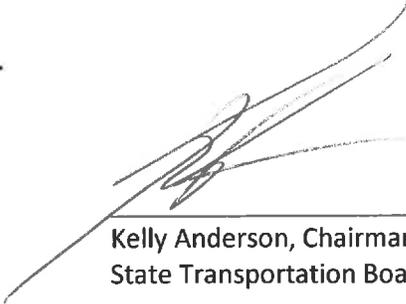
22           MS. BEAVER: Okay.

23           CHAIRMAN ANDERSON: Further comments or  
24 suggestions?  
25

**Adjournment**

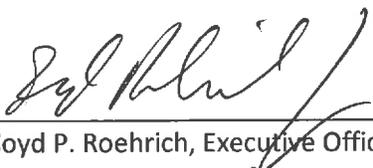
***A motion to adjourn the June 19, 2015 Board meeting was made by Joe La Rue and seconded by Deanna Beaver. In a voice vote, the motion carries.***

**Meeting adjourned at 11:00 a.m. MST.**



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Kelly Anderson, Chairman  
State Transportation Board



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Floyd P. Roehrich, Executive Officer  
Arizona Department of Transportation