

**MINUTES**  
**STATE TRANSPORTATION BOARD MEETING**  
**9:00 a.m., Friday, July 17, 2015**  
**Town of Payson**  
**Council Chambers**  
**303 N. Beeline Highway**  
**Payson, AZ 85541**

**Pledge**

The Pledge of Allegiance was led by Board Vice Chairman, Joe La Rue.

**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 Alvin Stump and Tom Goodman for the US260 Lion Springs tour on Thursday. He also thanked Mayor Evans and the Town of Payson for the opportunity to visit with the local officials and also for hosting the dinner at the Rim Golf Club. Payson is growing positively due to bringing in education, infrastructure and the right type of business.

**Call to the Audience**

The following member of the public addressed the Board:

1. Kenny Evans, Town of Payson Mayor, re: welcome and appreciative of Board visiting to see some of the challenges for the area; Payson has 15-17,000 residents, but in summertime, can host more than 2 million visitors, which places a burden on roads; please visit Blue Ridge Reservoir and Camp Tontozona.
2. Christian Price, City of Maricopa Mayor, re: appreciates Board support of 347 overpass plan included in the five year program, crucial for growth and safety for City of Maricopa and its 50,000 residents.
3. Royce Kardinal, Wickenburg Vice Mayor, re: gap project on Hwy 93, north of Wickenburg; many travelers on this stretch of highway on their way to Las Vegas; MAG to partner on this project; Wickenburg trying to get as many partners/entities involved in this project to address the issue.
4. Chris Bridges, CYMPO Director, re: invitation for ribbon cutting on August 7 for the northern part of State Route 89, which opened for traffic earlier in week and community very happy with the results. Partnership opportunity for one mile SR 69 chokepoint between two wider portions of 69; 582 crashes on this segment of SR 69; CYMPO board has programmed funding for construction and hopes to partner with other entities to move the project forward.

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1 (Beginning of excerpt.)

2 CHAIRMAN ANDERSON: District engineer's report.  
3 Mr. Stump.

4 MR. STUMP: Well, good morning, Mr. Chair, Board,  
5 Director. I'm going to start with (inaudible) projects  
6 (inaudible) finishing up in construction. Down on 87, the truck  
7 escape ramp and curb realignment, the curb realignment's done.  
8 The (inaudible)'s done, but the contract still struggled to get  
9 the aggregate (inaudible). So we're still trying to get that  
10 resolved, and I don't have a time frame yet on when they're  
11 going to work that out, but that's why you still see it closed  
12 there. It's been kind of a problem.

13 Over on 260 with the bridge approaches that we  
14 drove over yesterday, that should be open to four lanes on  
15 Monday. So that will make people happy. (Inaudible) with that  
16 over the last two summers. And then on -- as far as future  
17 projects, further up 260 between 282, 289, in the future, 2017,  
18 we're going to be doing design on some shoulder widening work  
19 there. We also have a spot pavement preservation that will be  
20 starting up this winter. (Inaudible) and then a double  
21 rubberized (inaudible) on that to get us over until that point.

22 Also in '17 we'll be starting the design work  
23 for the design for the wastewater system for the (inaudible)  
24 rest area, and then we have some rock fall mitigation. And, of  
25 course, Lion Springs. I think I misspoke yesterday. I said the

1 design was going to start in '18, and it's actually '19.

2 (Inaudible) scheduled to start (inaudible) design work.

3 (Inaudible) this is just some pictures, obviously. You guys are  
4 familiar with it, but (inaudible).

5 A couple of local projects coming up for the Town  
6 of Payson. This is the Bonita Street. This is 87 right here,  
7 and this segment of Bonita Street right there is going to  
8 construct (inaudible) gutter. And that's coming up here, and  
9 then further down the road, the setting is just getting underway  
10 to construct a roundabout on Longhorn and McLane Road. This is  
11 just down the way from our ADOT facilities, and I think the  
12 tentative design schedule is '19 and '23 construction there.

13 And so that's really all I've got for the report.  
14 Take any questions (inaudible).

15 CHAIRMAN ANDERSON: Any questions of Mr. Stump?

16 I think yesterday's tour really (inaudible) a lot  
17 of time and opportunity for, you know, Lion Springs as well as  
18 other projects, so...

19 MR. STUMP: Yeah. We're always helping to  
20 (inaudible) where we're at. If you guys want to do a tour  
21 (inaudible).

22 MR. LA RUE: You know, I want to say that was a  
23 great tour, and I know we asked you for a lot of information and  
24 a lot of questions. So when you've got time, I think the entire  
25 Board was on the tour, and appreciate that follow-up with those

1 questions. And then I -- I was intrigued about State Route 69.  
2 So if you could kind of highlight that a little bit as well.  
3 And I know from the last meeting we also asked for a lot of  
4 things around the gap. So I know we've placed a lot of  
5 questions and burdens on you, but it's, you know, things we're  
6 looking forward to. So thank you.

7 CHAIRMAN ANDERSON: Thank you.

8 Director's report, Mr. Halikowski.

9 MR. HALIKOWSKI: Thanks, Mr. Chairman. Good  
10 morning, Board members. I'm glad to be here in Payson with you  
11 today, and don't worry about Alvin too much. He's got big  
12 shoulders. He asks (inaudible) all the time, so --

13 CHAIRMAN ANDERSON: Good.

14 MR. LA RUE: When I drive home, I'll look for  
15 more.

16 MR. HALIKOWSKI: So today what I want to do with  
17 the director's report is update you on the delegation trip I made  
18 to Mexico with the governor, and I was pretty fortunate to be  
19 invited to join him, because only two other cabinet heads  
20 besides myself were invited to go. That was the executive  
21 director of the Arizona Commerce Authority and the director of  
22 tourism. So about 50 people in all went on the trip, and there  
23 were private sector leaders included on that event from the  
24 Arizona and Tucson Hispanic Chambers, Phoenix Chamber of  
25 Commerce, Arizona Chamber and the Greater Phoenix Economic

1 Council.

2           Businesses that joined us on the trip were the  
3 Diamondbacks, Suns, APS, SRP and Tucson Electric Power, and we  
4 also had a number of business leaders representing advertising  
5 media, real estate, law and manufacturing. Now, some of these  
6 companies have been doing business in Mexico for some time, but  
7 a number of them were new to the region and to some of the ideas  
8 that we were talking about. So they're working on now how they  
9 can take advantage of the market and see whether or not that  
10 fits into their business plans.

11           Frankly, we had another opportunity to meet some  
12 amazing folks from Mexico. This was my fourth trip to Mexico  
13 City, and we were hosted on our trip by David Farca, who is the  
14 new president of the Arizona-Mexico Commission, and Luis  
15 Ramirez, who's our own ADOT consultant on international issues  
16 and especially on Mexico. So together, they've put together a  
17 pretty impressive program.

18           Also, Carlos Slim, which is either the richest or  
19 the second richest man in the world, depending on your portfolio  
20 today, Mr. Chairman, so... But he hosted a reception for  
21 members of the delegation and spent some private time with the  
22 governor. Mr. Slim, as you know, is head of one of the largest  
23 diversified companies in the world, but his is built mostly  
24 around telecommunications.

25           I also got a chance to meet the ambassador to

1 Mexico, Mr. Anthony Wayne. It wasn't our first meeting with him  
2 and his staff. We've been working with his staff quite closely  
3 on military checkpoints along Mexico 15, which feeds right into  
4 Nogales. We've been working with him and the Mexican government  
5 to modernize those checkpoints, because at times the line of  
6 trucks there can be 20 to 25 kilometers long. That's quite a  
7 delay when you're looking at where you're going to ship cargo  
8 to, if you're going to use 15 or you're going to go up to El  
9 Paso and backtrack to California. So in order to be  
10 competitive, we need to either modernize or ultimately remove  
11 that checkpoint.

12                   The same goes for Highway 15, as you can see on  
13 the screen. I've had meetings, prior meetings with  
14 Undersecretary Murrieta, and last year he promised to put a  
15 billion dollars U.S. into modernizing Highway 15. It runs  
16 through some populated areas. It's got speed bumps on the  
17 highway. So it needs bypasses and modernization. That billion  
18 dollars is now in the president's budget in Mexico. So we  
19 believe that at some point they will begin the modernization of  
20 that highway.

21                   The other thing we're doing is we would like to  
22 do a bi-national study with SCT, which is essentially Mexico's  
23 communication and transportation ministry. And we have focused  
24 in the past a lot on our trade with Sonora, but after visits to  
25 the State of Mexico and seeing the number of manufacturing

1 entities there and realizing that most of their traffic is  
2 moving to Texas because of Highway 15's lack of capability, we  
3 would like to do a bi-national study going all the way down to  
4 the State of Mexico that surrounds Mexico City, because we have  
5 noticed that Texas has done a similar study through the Texas  
6 Transportation Institute in the past, and now most of the  
7 industrial parks are located in the northeastern side of Mexico.

8 We believe we serve an excellent gateway to the  
9 west and to the north, thus cutting out travel time from Texas  
10 to the west coast. But it will take some modernization and a  
11 better understanding, because it's not all about just produce  
12 anymore. Obviously there are other types of cargo that are --  
13 we want to look at what's being built and manufactured in Mexico  
14 City.

15 So we surmised that some of the items that cross  
16 the border, parts may cross three or four times before you get a  
17 finished product, and they're worked on either in Arizona or in  
18 Sonora or along that I-15 route to Mexico City. We want to get  
19 a better understanding of how that's going to work.

20 We didn't sign the bi-national study agreement on  
21 this trip. Secretary Murrieta was not available, and he  
22 insisted he wanted to be there with me to sign it. He'll be  
23 traveling to Arizona later this fall, and we plan to do a  
24 signing ceremony of the bi-national agreement then, and of  
25 course, we will invite members of the Board if you're interested

1 in coming. But essentially, that study, along the lines of what  
2 Texas Transportation Institute did with the Mexican industrial  
3 park managers, is something we're looking to repeat so that we  
4 can begin to look at how we make the case for transferring or  
5 transporting cargo from Mexico up in through the Arizona region,  
6 and so all but just in MX-15. We're also working with Ferromex  
7 and Union Pacific on a rail to see what we can do with that.

8 So a number of MOUs were signed. The University  
9 of Arizona signed an agreement with UNAM, the largest university  
10 in Mexico, while the Commerce Authority signed an MOU on  
11 entrepreneurship with their counterpart agency.

12 So all in all, very successful trip. Probably  
13 won't be the last one. I had some time I spent with the  
14 governor's chief of staff, and he just fell in love with Mexico  
15 City, so I think we're probably going to be heading back there  
16 at sometime soon. So we're going to have some challenging  
17 decisions to make as we continue to look at how we balance  
18 needs, because you're hearing some of those today with what we  
19 want to do with Mexico trade, what we want to do with  
20 infrastructure.

21 And along those lines, we'll finish the Mexico  
22 report, but I want to bring up State Route 189. A few weeks ago  
23 I went and visited with folks from Santa Cruz County, city  
24 manager from Nogales and folks that are involved in the Fresh  
25 Produce Association on SR-189, and there is some concern there

1 as to the level of our commitment. As you know, the Board has  
2 put in \$6 million between now and 2018 for design work, but they  
3 are looking at how that actual construction of the project could  
4 be sped up to the 2018-2019 time frame. We've set aside 64  
5 million, but that will not cover what they consider and would be  
6 the ultimate solution, which are north/southbound lanes to I-19.  
7 The flyover at Frank Reed Road, fixing the Ruby Road TI, and  
8 also the remaining four miles from Frank Reed Road into Mexico.  
9 So looking at that solution, we're probably talking somewhere in  
10 the 120 to \$140 million range.

11 And so a frank discussion with the folks at  
12 Nogales. I said, we are going to have to open our minds up to  
13 other ways to bring in revenue, because right now the Board has  
14 set aside technically 64 million in their six to ten-year  
15 program, but if no more money is forthcoming, you're going to  
16 have to work with us to figure out if you want to build the  
17 ultimate all at once, and there are advantages to doing that, to  
18 coming up with that amount of money. Otherwise, we're going to  
19 have to phase the project, and the concern really is that if we  
20 come in and just do one piece, say the northbound ramp to the  
21 I-19, we won't be back for a long time.

22 So I just want to let you know that, and I bring  
23 that up because as you're hearing from the audience, when I'm in  
24 Nogales, SR-189 is the most important project in the state that  
25 we have to complete. But as our audience comes up, obviously

1 we've talked about 347, we've talked about I-11, we've talked  
2 about the north/south freeway, the I-10 Phoenix to Tucson. Vice  
3 mayor was just here talking about the gap on US-93. We've got  
4 resolutions from Yavapai County and others on improving I-17,  
5 and now we've talked about SR-69, and we're also trying to  
6 grapple with the wrong way driver issue in our urban areas. So  
7 there's a lot of the most important projects depending on who  
8 you're talking to and where you're standing in Arizona. There  
9 just aren't going to be enough revenues under the current  
10 structure to go around, so -- so we've got some real challenges  
11 before us as we look out into the future.

12           The last thing I wanted to talk about is  
13 technology, because in some ways, technology will hopefully  
14 allow us to do things more efficiently and at less cost. I'll  
15 be at the Automated Vehicle Consortium in Ann Arbor next week in  
16 Michigan, and we are restructuring right now under Dallas, a  
17 group under Dallas to focus on transportation, maintenance and  
18 operations, which will include automated connected vehicles, the  
19 other forms of technology that we're looking at, whether it's  
20 active traffic management, vehicle-to-infrastructure  
21 communications, commercial vehicle communications,  
22 weigh-in-motion at the ports of entry. So there's a lot of  
23 shiny objects out there right now to focus on, and what we at  
24 DOTs are struggling with is which one of those do we pick, and  
25 we want to pick the winner, because we don't want to be left

1 behind if the technology moves in another direction, say, in a  
2 few years.

3           So trying to modernize the system, but at the  
4 rapid rate which software is developing is a real challenge for  
5 us at this point. So we're going to make sure that at ADOT  
6 we're coordinating all of the technology efforts so that we're  
7 not doing these slipshod with different divisions, the right  
8 hand not knowing what the left hand's doing. So we will  
9 continue to aggressively pursue the connected automated vehicle  
10 and other technologies.

11           That's my report for the Chairman.

12           CHAIRMAN ANDERSON: Questions of the director?

13           Mr. Hammond.

14           MR. HAMMOND: Excellent report. A couple of  
15 comments on Southern Arizona. I think you know my company is  
16 incorporated in Mexico, and all of my personal (inaudible) is  
17 done in Sonora, Mexico, industrial. (Inaudible.) So basically,  
18 job creation north and south of the border.

19           You know, my first comment on 189 is -- is you're  
20 spot on. You know, I've told the folks in Nogales that they  
21 need to be cautious. They need to look at what we've budgeted  
22 and try to work with it, and while pursuing their dream, and  
23 from my perspective, I think you can -- ADOT has been very  
24 empathetic to listen and trying to understand what their perfect  
25 solution is. We know there's no perfect solution in today's

1 budgetary environment. So I'm with you on that, and I'll  
2 support you, you know, unless for some reason I get, you know --  
3 I get convinced that ADOT is not doing the best they can with  
4 the limited resources. As it stands right now, they are very  
5 much so.

6                   Second of all, on the cross border issue, I'm a  
7 little suspicious of -- I go on a lot of these trips, and I  
8 always call them my \$3,000 trip to meet the people that go,  
9 because not a lot seems to happen when you come back, but  
10 they're necessary to meet and greet and repair relationships.

11                   The low-hanging truth, I think, on -- right now  
12 is the physical corridor and -- on the south side of Mariposa,  
13 and getting a SENTRI lane in there and moving at least the  
14 tourist side through the border quickly so that they can get up  
15 here and spend money in our malls rather than wait the five,  
16 five-and-a-half hours it takes in the peak times. The port of  
17 entry has reduced crossing times, and remarkably, it's been very  
18 effective, but that's probably the one thing that needs to  
19 happen on the south side of the border is to get that SENTRI  
20 lane done.

21                   Highway 15, they've put millions into that  
22 highway in the last four or five years, and they continue to do  
23 so. So I think they're really trying.

24                   The rail, I am a little more pessimistic getting  
25 rail improvements through the north side. The south side

1 actually has done quite a bit there. So very understanding of  
2 here the complexities of the issues, and I applaud ADOT for  
3 spending time to understand both sides of the border issues. I  
4 think you've done a very good job.

5 Thank you (inaudible.) Thank you, Mr. Chair.

6 CHAIRMAN ANDERSON: Any comments or questions?

7 Mr. Sellers.

8 MR. SELLERS: First of all, Director, I'd like to  
9 congratulate you on the work you're doing with Mexico. I'm very  
10 encouraged by your realization that you build relationships  
11 before you really accomplish anything meaningful. I've traveled  
12 back and forth into Mexico a lot for a number of years, but I  
13 have also been encouraged by the fact that MAG now has done a  
14 number of trips, and the two most recent trips have been by bus  
15 to Hermosillo, and the most recent one to Guaymas. So we've  
16 allowed a lot of the leaders from MAG to see firsthand the  
17 military checkpoint, to see the condition of Highway 15 and  
18 experience the border crossing problems that we're all trying to  
19 deal with. So I think some encouraging things going on there.  
20 I mentioned that primarily because I think that if any of our  
21 Board, when they plan another trip, if any of our Board members  
22 would like to be included, they would be very welcome to do  
23 that. Thank you.

24 CHAIRMAN ANDERSON: Comments? Questions?

25 Mary, are we on on the recorder?

1 MS. BECKLEY: Is it (inaudible).

2 CHAIRMAN ANDERSON: Okay. All right. Moving on  
3 to consent agenda. Board, your pleasure?

4 MR. LA RUE: I move to approve the consent  
5 agenda.

6 MS. BEAVER: I second it.

7 CHAIRMAN ANDERSON: Moved by Mr. La Rue, second  
8 by Ms. Beaver to approve the consent agenda as presented.  
9 Discussion?

10 All in favor?

11 BOARD MEMBERS: Aye.

12 CHAIRMAN ANDERSON: Opposed?

13 Legislative report, who's up on that?

14 MR. ROEHRICH: Good morning, Mr. Chair, members  
15 of the Board. Mr. Biesty sends his regrets. He had a conflict  
16 that he could not move. But there was not a lot to report,  
17 obviously, at the state level.

18 UNIDENTIFIED SPEAKER: He's not in a body cast.  
19 (Inaudible.)

20 MR. ROEHRICH: (Inaudible) if I misspoke. He's  
21 physically okay. He just has another commitment.

22 In front of you, there should be, like, a  
23 two-page summary that he did send up that he wanted the Board to  
24 have. Basically, it looks at the federal level, what's going on  
25 with the extension, the MAP-21 highway bill. Due to expire at

1 the end of this month, Congress is debating on whether there  
2 will be another extension on another longer term bill. The  
3 House this week passed a short-term extension that basically  
4 takes it to the end of the year, the calendar year, the end of  
5 December, and it added approximately \$8 billion to ensure there  
6 would be sufficient fund in the Highway Trust Fund to support  
7 the obligations that are part of that bill. That was sent to  
8 the Senate.

9           The Senate had been debating a longer six-year  
10 bill, except they've not been able to address the funding  
11 necessary for that bill. It did increase the MAP-21 funding  
12 from current levels by about 20 percent, but obviously trying to  
13 find the total funds for that. That's where they're struggling  
14 at right now. So they're getting ready to take their August  
15 recess. The expectations are that here in the next week or two,  
16 the Senate will either further debate and pass something with  
17 their longer bill, or they'll finally coming to realize they  
18 can't do a longer bill, and then they'll start debating the  
19 House's continuing resolution to the end of this fiscal year.

20           So as we get more information, we'll make sure to  
21 send it out to the Board members. We've been getting some  
22 updates. Mary's been making sure to send them along. So as we  
23 get information, we'll make sure to keep the Board addressed on  
24 what issues are.

25           Obviously, as Kristine, the -- Ms. Ward has said

1 in the past, if for some reason Congress would let the highway  
2 bill expire at the end of this month or at some point, it's  
3 going to have a big impact on our program. We're already  
4 working those contingencies, and that's something we'll probably  
5 have -- obviously have to come back to the Board and discuss if  
6 that happens. More than likely there will be another short-term  
7 continuation. There's only been, what, 30-some of them in the  
8 past five years as Congress and the administration have tried to  
9 figure out what to do with transportation funding for the  
10 future. So I will keep the Board updated. You do have the  
11 two-page summary. If there's any questions, you can contact me  
12 or Mr. Biesty.

13 CHAIRMAN ANDERSON: Questions of Floyd?

14 MS. BEAVER: It was two pages?

15 CHAIRMAN ANDERSON: No. It's one page.

16 MR. ROEHRICH: Sorry. It's one page.

17 MS. BEAVER: Okay.

18 MR. ROEHRICH: I looked at my (inaudible) here.

19 But it's a one page (inaudible).

20 CHAIRMAN ANDERSON: Item 5, financial. Are you?

21 MR. ROEHRICH: Yes. Item No. 5, Mr. Chair,  
22 members of the Board, sad to say that Kristine's mother passed  
23 away this week. She's back east in Maryland, and Kristine  
24 obviously, for family reasons, had to depart very suddenly. In  
25 front of you again should be her monthly financial management

1 report. She really -- I really don't have much more to add to  
2 that. You can look at that. Obviously we need to send our  
3 condolences and our sincere support to Ms. Ward. When she's  
4 back in the office, she will be able to follow up with any  
5 questions, but next month she'll have the comprehensive  
6 financial report and be able to discuss it more thoroughly with  
7 the Board.

8 CHAIRMAN ANDERSON: Great.

9 Mr. Hammit, you're giving the Multimodal Planning  
10 Division report.

11 MR. HAMMIT: Mr. Chairman, members of the Board,  
12 as I'm standing in for Mr. Kies, who's on annual leave this  
13 week, on the multimodal report, the only thing I have is that I  
14 think Mike mentioned last month that we did select a consultant  
15 for the I-11. We are continuing into negotiations with that  
16 consultant and should have them under -- on track by late  
17 summer. So we are moving forward with that. (Inaudible.)

18 MR. ROEHRICH: Tier one study, correct?

19 MR. HAMMIT: Yes, sir.

20 MR. ROEHRICH: From Nogales to Wickenburg?

21 MR. HAMMIT: Yes.

22 MR. ROEHRICH: All right. Thank you (inaudible).

23 MR. LA RUE: And who is the consultant?

24 MR. HAMMIT: The consultant is AECOM.

25 MR. LA RUE: AECOM.

1 MR. HAMMIT: And one of the things we're doing  
2 with that so we're very flexible, we're actually -- when we  
3 negotiate that, there will be three segments that will have an  
4 independent scope. One consultant, one contract, but he has a  
5 big team, or they have a big team that they're working. So  
6 there will be a southern, central and a northern section all in  
7 one contract, but under the three different scopes that we'll be  
8 working with. So they can divide and conquer that corridor.

9 CHAIRMAN ANDERSON: Is there a time frame looking  
10 to get all the segments aligned in a final report or --

11 MR. HAMMIT: The time line is we plan to at the  
12 first of the year, once we have them under contract, they'll be  
13 doing some preliminary work, do -- with an EIS, you have to put  
14 in a notice of intent, and we are starting the process. The  
15 plan is to have that underway or give that notice in January,  
16 and it would be a three-year study at that point. And for a  
17 tier one new project, EIS, that's extremely aggressive. It has  
18 been done, and so it will be done twice when we get this one  
19 done.

20 CHAIRMAN ANDERSON: So will there be a ROD as  
21 well as a final?

22 MR. HAMMIT: Well, they have two types of ROD.  
23 It will not select -- so there will be a record of decision for  
24 a tier one, but it does not (inaudible) define a corridor of  
25 approximately 2,000 feet, where a tier two ROD says it will be

1 exactly this location. So it's -- they're different, but they  
2 each get a record of decision.

3 MR. HALIKOWSKI: So Mr. Chair, just to elaborate,  
4 we've already been contacted by some members of the I-11  
5 coalition about moving ahead into a tier two for the Phoenix to  
6 Wickenburg phase of it, and that would bring you, if you were to  
7 do that, to that point of where if funding were available to  
8 build the phase, you would get a record of decision to go to  
9 construction, but that tier two would involve another  
10 significant investment to get to that point. But I just want  
11 the Board to be aware that the tier one will not get us to the  
12 point where we're going to construction. So there's a lot of  
13 moving parts in the NEPA process, and sometimes it gets a bit  
14 confusing.

15 CHAIRMAN ANDERSON: Further questions of  
16 Mr. Hammit? If not, we'll move on to PPAC.

17 MR. HAMMIT: Mr. Chairman, members of the Board,  
18 at your pleasure, I would take all the (inaudible) items  
19 together.

20 CHAIRMAN ANDERSON: (Inaudible) 7A through 7H,  
21 correct?

22 MR. HAMMIT: Yes.

23 CHAIRMAN ANDERSON: The Board's pleasure?

24 MR. HAMMOND: I'll move for approval.

25 MR. LA RUE: Second.

1 CHAIRMAN ANDERSON: Moved by Mr. Hammond, second  
2 by Mr. La Rue to approve Items 7A through 7H in the PPAC agenda.  
3 Further discussion?

4 All in favor?

5 BOARD MEMBERS: Aye.

6 CHAIRMAN ANDERSON: We have two addendums to the  
7 PPAC, 7 --

8 MS. BEAVER: I.

9 CHAIRMAN ANDERSON: -- I and --

10 MR. ROEHRICH: 7J.

11 CHAIRMAN ANDERSON: -- J. Yes.

12 MR. HAMMIT: Mr. Chairman, these are project  
13 modifications. If we could take those 7I and 7J together  
14 (inaudible).

15 CHAIRMAN ANDERSON: Board's pleasure?

16 MR. HAMMOND: I'll move for approval.

17 CHAIRMAN ANDERSON: Moved by Mr. Hammond.

18 MR. SELLERS: Second.

19 CHAIRMAN ANDERSON: Second by Mr. Sellers to  
20 approve Items 7I and 7J in PPAC as presented by staff.  
21 Discussion?

22 All in favor?

23 BOARD MEMBERS: Aye.

24 CHAIRMAN ANDERSON: State engineer's report,  
25 please.

1 MR. HAMMIT: Mr. Chairman, members of the Board,  
2 currently we have (inaudible). Okay. 113 projects under  
3 construction totaling \$792.8 million. In June we finalized nine  
4 projects totaling 83.4 million. So the fiscal year, that will  
5 be the closing number FY '15. There was 123 projects that will  
6 be finalized out during that year. And again, the purpose of this  
7 out there is if we don't (inaudible) all these projects timely,  
8 that's lazy money that we can't bring in to reprogram the  
9 future. So that's why we're bringing it to your attention.

10 The next item in your packet, the state  
11 engineer's report, on page 216 of -- 245, there was a misprint  
12 that I wanted to clarify that. In the first paragraph, it's  
13 stated year to date we have finalized 123 projects. Total cost  
14 of these 123 projects have exceeded the contractor's bid by 5  
15 percent. Deducting incentives, bonuses, payments, revisions,  
16 omissions and additional work paid for by others, fiscal year to  
17 date reduces this percentage by 5.1 percent.

18 It should have -- instead of the 5 percent, it  
19 should have said 5.1. So we had -- we increased by 5.1 percent,  
20 but after you take those deductions out, the increase is 2.7.  
21 And I believe you've got an amended. If not, we can get you  
22 that (inaudible).

23 That's all I have for the state engineer's  
24 report.

25 CHAIRMAN ANDERSON: Construction contracts?

1 MR. HAMMIT: Thank you, Mr. Chairman, members of  
2 the Board, for the approval of the two projects in the consent  
3 agenda. We have three projects that we have a little bit of  
4 discussion.

5 Item 9A on Interstate 19, this is a pavement  
6 preservation project. The low bid was \$4,074,442.47. The  
7 state's estimate was 4,807,341.50. Under the estimate, we're  
8 below the state engineer's estimate 732,899.03, or 15.2 percent.  
9 And similar to last month, we're still seeing very good prices  
10 in the asphalted coil. So that was a big part of the deduction,  
11 and then they also gave us a very good price in their billing,  
12 basically that removal.

13 In future months, we have made that correction.  
14 So we'll still see that savings, but it won't be way up in the  
15 estimate, because we're adjusting our estimates to account for  
16 both lower prices -- this was already advertised before we got  
17 those bids. We have reviewed those, believe these are a  
18 reasonable and responsible bid and would recommend award to The  
19 Ashton Company, Inc. Contractors and Engineers.

20 MR. SELLERS: Move for approval.

21 CHAIRMAN ANDERSON: Moved by Mr. Sellers.

22 MR. CUTHBERTSON: Second.

23 CHAIRMAN ANDERSON: Second by Mr. Cuthbertson to  
24 approve staff's recommendation to award the contract for 9A to  
25 The Ashton Company, Inc. Contractors and Engineers. Further

1 discussion?

2 All in favor?

3 BOARD MEMBERS: Aye.

4 CHAIRMAN ANDERSON: 9B.

5 MR. HAMMIT: Mr. Chairman, this is a rock scaling  
6 project (inaudible) trying to prevent some of the rocks from  
7 falling down on the road on US-60 east of Superior. The low bid  
8 was \$975,000. The State's estimate was 857,416.46, or  
9 117,583.54 over the State's estimate of 13.7 percent. We saw  
10 the biggest difference ins two areas, and the biggest was  
11 there's a concrete barrier that will go along the side of the  
12 road that is extra protection. If anything falls, it catches  
13 the rock from coming onto the roadway. And then also the  
14 traffic control is more than we expected. We have reviewed that  
15 and believe it is a responsible and reasonable bid and would  
16 recommend approval to Fisher Sand & Gravel, doing business as  
17 Southwest Asphalt Paving.

18 CHAIRMAN ANDERSON: Board's pleasure?

19 MR. CUTHBERTSON: Move to approve.

20 CHAIRMAN ANDERSON: Moved by Mr. Cuthbertson.

21 MR. LA RUE: Second.

22 CHAIRMAN ANDERSON: Second by Mr. La Rue to  
23 accept and approve staff's recommendation to award the contract  
24 for Item 9B to Fisher Sand & Gravel, d/b/a Southwest Asphalt  
25 Paving. Further discussion?

1 All in favor.

2 BOARD MEMBERS: Aye.

3 CHAIRMAN ANDERSON: 9C.

4 MR. HAMMIT: Mr. Chairman, members of the Board,  
5 this project is on US-93 north of Kingman. It's to install  
6 cattle guards as wildlife mitigation. If you remember, we built  
7 some wildlife bridges in there and it has game fencing. The  
8 sheep maybe are a little smarter than we give them credit for.  
9 They're jumping and getting around our structure. So this will  
10 add a cattle guard similar to what we've done here in Payson for  
11 the elk. And so it will prevent them from getting outside the  
12 closure but -- and use those nice bridges that we built for  
13 them.

14 The low bid was 259,565.30. The State's estimate  
15 was 211,248.70. The bid was over the State's estimate by  
16 40,316.60 or 18.9 percent. We saw higher-than-expected prices  
17 in the mobilization, and there's some concrete on each end, and  
18 due to the remote area, that was a little higher. We have  
19 reviewed the bids and believe it was responsible and reasonable,  
20 and would recommend approval or award to Tiffany Construction  
21 Group.

22 CHAIRMAN ANDERSON: Board's pleasure?

23 MS. BEAVER: So moved.

24 CHAIRMAN ANDERSON: Moved by Ms. Beaver.

25 MR. LA RUE: Second.

1 CHAIRMAN ANDERSON: Second by Mr. La Rue to  
2 accept and approve staff's recommendation to award the contract  
3 for 9C to Tiffany Construction Company. Further discussion?

4 All in favor?

5 BOARD MEMBERS: Aye.

6 CHAIRMAN ANDERSON: Thank you, Mr. Hammit.  
7 Item 10, suggestions, comments? Future board  
8 meetings?

9 MS. BEAVER: I do have --

10 CHAIRMAN ANDERSON: Ms. Beaver.

11 MS. BEAVER: -- a question. And I've talked with  
12 Mr. Anderson about it, but since I've -- my term on the Board,  
13 we haven't had any discussion really in depth about the roadside  
14 rests, and I was just wondering if we could -- not necessarily  
15 next Board meeting or the next study session, but prior to the  
16 next five-year planning cycle if we could address the roadside  
17 rests, identifying, you know, what the needs are and how many  
18 there are and -- I just think that's something maybe that we  
19 need to revisit.

20 CHAIRMAN ANDERSON: Any others? It's nothing I  
21 want to put on a future agenda, but with the 51, the 51 this  
22 week, I don't know if Floyd or director (inaudible) individual  
23 Board members (inaudible) call on on that issue, (inaudible)  
24 Peak Parkway and the Diamondbacks as well as what is the process  
25 that the Board has in terms of renaming or refunctioning on the

1 -- of the highways. So I think (inaudible) Board members would  
2 work.

3 MR. HALIKOWSKI: As you know, the person -- ADOT  
4 produced signs, but the (inaudible) that was not within our  
5 control. So we'll be trying to (inaudible).

6 CHAIRMAN ANDERSON: I think just an update of  
7 what happens. We're getting a lot of e-mails in terms of what  
8 was our role in that and --

9 MR. HALIKOWSKI: Okay. Understood.

10 CHAIRMAN ANDERSON: Thank you. With that --

11 MR. ROEHRICH: Mr. Chair, I do have a couple -- I  
12 just want a couple comments to make.

13 Just want to remind everybody that, again,  
14 there's no Board meeting in August. So the traditional third  
15 Friday is free. You can schedule something, or your wife will  
16 give you some more things to do like at my house.

17 In addition, we do have a study session on  
18 Tuesday, August 25th. It is a study session. It's out in  
19 Phoenix at HRDC, and Mr. Chair will be contacting you to kind of  
20 finalize the agenda, but the general terms we're looking at  
21 there is a discussion, kind of want Kristine to talk about the  
22 financing, the (inaudible) distribution and the contingency  
23 funding approach. She's going to have a short presentation on  
24 kind of that part of the funding aspect of it.

25 Mrs. Beaver had requested a presentation by

1 Arizona Game & Fish that she had seen previously in another  
2 meeting. We reached out to them, so we're coordinating to make  
3 sure we can get somebody there for that. Don't have a  
4 commitment yet. If that falls through, I'll let you know, but  
5 we're still coordinating for that, that aspect.

6 And then in addition, we were going to work with  
7 our IT team and give you a little demonstration of the new --  
8 the web site that's been up and running, but also the ability  
9 for Board members to now get e-mail addresses through ADOT and  
10 get all their e-mail correspondence through ADOT so it doesn't  
11 have to come to your personal e-mail accounts or through your  
12 personal servers at home or issues. We're getting ready,  
13 prepared to roll that system out, have that available.

14 So those items are kind of where we're at in  
15 discussion. In addition, you've probably seen in the paper some  
16 issues about the Governor directing the State to sell some  
17 planes and consolidate the airplanes. And, you know, ADOT does  
18 have an airplane which falls within that. We're working through  
19 those issues with the Department of Public Safety, and my  
20 thoughts were that next month if all that's -- comes together,  
21 we'll be able to brief how that's going to work and then the  
22 availability to use planes from this -- in the future for any  
23 travel that might be an option.

24 So those are kind of the general topics we have  
25 right now, but Mr. Chair will be contacting you to solidify that

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Board study session agenda.

(End of excerpt.)

**Adjournment**

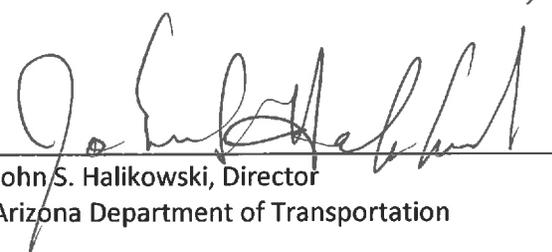
***A motion to adjourn the July 17, 2015 Board meeting was made by Jack Sellers and seconded by Deanna Beaver. In a voice vote, the motion carries.***

**Meeting adjourned at 9:50 a.m. MST.**



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Kelly Anderson, Chairman  
State Transportation Board



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John S. Halikowski, Director  
Arizona Department of Transportation