

MINUTES
STATE TRANSPORTATION BOARD MEETING
9:00 a.m., Friday, January 15, 2016
City of San Luis
Council Chambers
1090 E. Union Street
San Luis, AZ 85349

Pledge

The Pledge of Allegiance was led by Board member Michael Hammond.

Roll call by Board Secretary Mary Beckley

In attendance: Joe La Rue, William Cuthbertson, Jack Sellers, Michael Hammond and Kelly Anderson

Absent: Deanna Beaver

Opening Remarks

Chairman La Rue thanked the City of Yuma and Mayor Nichols for the hospitality, YMPO and Charlene FitzGerald for organizing the Rural Transportation Summit. He thanked Board member Sellers for arranging a tour of the GM Proving Ground. Chairman La Rue mentioned that Deanna Beaver had looked forward to attending the Summit and board meeting today, but an unforeseen family situation occurred and she is unable to be in attendance. Floyd Roehrich added his thanks to the city of San Luis for its technically savvy, beautiful facility.

Call to the Audience

The following member of the public addressed the Board:

1. Maria Ramos, San Luis Councilmember, re: welcome, thank you and an honor to have the Board come to the growing and beautiful San Luis; looks forward to working with Board to fix local road issues.
2. Tom Rankin, Florence Mayor, re: ADOT should implement Utah plan and work together; supports I-11 and need to move forward to join the north/south corridor to I-11; requests the district engineer in Tucson inspect the bridge ¼ mile long over Gila River, which is in bad shape.
3. Randy Heiss, Exec Dir/Southeastern AZ Governments Organization (SEAGO), re: thank you for attending Summit; kudos to Bill Harmon/staff on completion of SR80 overlay, great traffic control to minimize disruption; needs unified plan like Utah but challenges: funding, connecting with people at polls, education, elected officials should explain to voters why it is important to implement projects that raise the economy for the entire state; SR 189 is a huge priority for SEAGO.

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1 (Beginning of excerpt.)

2 CHAIRMAN LA RUE: All right. We'll go to Item
3 Number 1, district engineer's report. Paul Patane.

4 MR. PATANE: Good morning, Mr. Chair and board
5 members, and welcome to Yuma and the southwest district.

6 It's a good time of year to be down here, as many
7 of you on your way drive down here seeing all the harvesting
8 going on in the fields, and plus all the winter visitors that
9 come to visit us this time of year. It's just a good all around
10 time for the economy, as well as the folks that come here to
11 work during the winter season.

12 But today I want to give you an update on some of
13 the projects that are happening within the southwest district.
14 Mainly going to focus on what's happening in the Yuma County
15 area. Back in November, I gave you an update what was happening
16 up in La Paz County, up in the northern part of the district,
17 and some of this information was presented at the summit. So if
18 -- I think it's still very interesting.

19 So first I'll --

20 MR. ROEHRICH: (Inaudible.)

21 MR. PATANE: Okay. No problem.

22 MR. ROEHRICH: We're still -- don't forget, we're
23 trying to stretch time because the director's running a little
24 late, so...

25 MR. PATANE: Right, Right.

1 MR. ROEHRICH: (Inaudible.)

2 MR. PATANE: Thank you, Floyd.

3 I don't have any jokes like Floyd always does,
4 but anyway, first I'll cover some of the state projects. The
5 projects vary anywhere from spot improvements to pavement
6 preservation to rest area rehab to major improvements.

7 Next slide.

8 The first project was recently awarded last
9 month. This is on Fortuna Wash. This is a low water crossing
10 where we have during heavy monsoon season, the rain actually
11 shuts down portions of the highway on 95. So the new project
12 that will start actual construction next month, there will be a
13 new bridge going over Fortuna Wash, and project duration will be
14 about a year. So the next time you hopefully come to this area,
15 you'll be able to drive over the new bridge along US-95.

16 And this is the rest area. This is about 55
17 miles east of Yuma, known as the Mohawk rest area. It's been
18 closed for about four years. The decision was made to --
19 instead of building a new rest area, was to rehab the existing
20 rest area. So we have plans, designs complete and it should
21 advertise next month, and it should be under construction late
22 spring, early summer.

23 A couple spot improvements. This here is just
24 within the City of Yuma. It's Exit 7. It's a typical diamond
25 interchange. We're going to go ahead and put in two new

1 roundabouts, one at each side of the interchange, which should
2 be under construction spring of '16. This project here is real
3 sensitive, because it's -- the project's adjacent to all the
4 produce sheds where all the field -- the -- all the lettuce
5 coming from the field goes to this interchange and the access to
6 cooling sheds where it gets trucked out to different parts of
7 the States, United States.

8 Next slide is on Exit 1. This is kind of near
9 where the conference was. This is known as Giss Parkway. The
10 bottom left is an existing condition, kind of a T intersection.
11 What we're going to do here is put in a roundabout to improve
12 traffic operations.

13 A couple projects up in the Maricopa area,
14 Maricopa County area. The first one is right there next to Gila
15 Bend, the Gila Bend airport project. It's a pretty rough
16 section through there. Many of you have probably driven it
17 coming this way, but there's a pavement rehabilitation project
18 that will improve the riding conditions in that area.

19 One more slide. There.

20 This is another project just east of Gila Bend,
21 about ten miles or so. It's a drainage improvement. We have
22 severe erosion. That's Bender Wash. That's one of the big
23 washes that parallel Interstate 8 out in that area, and the
24 purpose of the project is to build a soil cement to prevent
25 erosion from furthering -- impacting the highway.

1 Okay. Some of the projects within the -- here's
2 some of the local projects. Here in the southwest district, we
3 administer all the federal funds that come to the region, and
4 working with the YMPO and the local agencies, we were able to
5 deliver quite a few local projects, and it's a big -- we do a
6 lot of work on these local projects. We help administer. We
7 help do the design as well as the construction. So I'll go
8 through a few of these.

9 As you know, in Yuma with the farming, we have a
10 vast network of canal systems. And what a lot of the local
11 agencies have done, they're working with the irrigation
12 districts and the Bureau of Reclamation as -- they're making
13 these canals more of a multiuse path network throughout Yuma
14 County. So they've used enhancement funds over the years to
15 build these multiuse paths, and it kind of promotes and helps
16 the environment, walkable communities, and this is one of the
17 projects that the City of Yuma is doing.

18 This next project is part of Business 8 as you
19 approach Yuma from California. It's called the 4th Avenue
20 Gateway Project. What this project will do, it will just do
21 some landscaping improvements along with pedestrian facilities
22 to kind of promote and more -- have a more attractive entryway
23 as you come into Yuma off Interstate 8.

24 This is a spot improvement project. This one we
25 -- it's actually the Yuma County/City of Yuma sponsored project.

1 This is one of the projects with both local agencies. And the
2 purpose of this project is an intersection improvement along
3 with pavement rehabilitation. As you see, a lot of these
4 projects will be under construction 2016, 2017. So we're kind
5 of peaking right now as far as infrastructure improvements in
6 this region.

7 Town of Wellton. Town of Wellton has one project
8 coming up. Next slide. It's just a real small bridge. It's
9 going to connect two multiuse paths. If you look up in the far
10 right, you can see where one end of the multiuse path ends, and
11 it doesn't cross the wash here. It's a major wash within the
12 Wellton area, and this project will just build a little
13 pedestrian multiuse bridge to connect both sides of the wash.

14 City of Somerton has a couple local projects that
15 will be going out this year as well. Again, these are the
16 multiuse paths that are running adjacent to the canal systems.
17 They're small projects, but they do provide benefits to the
18 community.

19 Yuma County has three projects coming up this
20 next year or so. The local government projects, the first one
21 is intersection improvement. This project is funded with HSIP
22 safety funds. This is a high accident location out in the Yuma
23 valley, and they're just going to do a small intersection
24 improvement.

25 Then this project here is a bridge replacement.

1 As you know, all these canals have bridges over them, and the
2 County's been real aggressive at getting local bridge funds as
3 well as the State bridge funds to replace a lot of these
4 obsolete bridges.

5 Then some of our accomplishments. I just want to
6 touch on a couple of projects. The first one here is within the
7 City of San Luis that we just finished up last year. The
8 project was a complete reconstruction of the local network. The
9 project consisted of a couple roundabouts, but the big part of
10 the project was to construct the one-way couplets that we have.
11 If you look to the bottom right of the screen, we can see where
12 -- I don't know if the pointer will work -- right in -- right
13 there where it's a one-way street going southbound into Mexico,
14 as well as the northbound couplet coming out, but this project
15 was a little -- close to \$9 million that we just finished up,
16 finished up construction last fall.

17 And the other project, this leads to the San Luis
18 Port of Entry 2. This was a widening from two lanes to the
19 four-lane road going into the commercial port of entry so -- to
20 help enhance the infrastructure in this region. This was a
21 project using the old CBI funds, Coordinated Border
22 Infrastructure funds that were from years ago, and they were
23 able to do some widening on this Avenue E, which connects the
24 commercial port of entry to State Route 195.

25 Any questions or comments?

1 CHAIRMAN LA RUE: Any questions by the Board?

2 No.

3 Thank you. (Inaudible.)

4 MR. PATANE: Thank you.

5 CHAIRMAN LA RUE: All right. So (inaudible)
6 timing. We're now at Item Number 2, director's report.

7 MR. HALIKOWSKI: Thank you, Mr. Chairman, board
8 members. My apologies for being late this morning. We had a
9 little delay at the airport, but I trust your attorney is on the
10 phone since she wasn't on the airplane. (Inaudible.)

11 MS. KUNZMAN: Yes. Yes, you are, John. I'm
12 present.

13 MR. HALIKOWSKI: Oh, good to hear from you this
14 morning.

15 I wanted to update you this morning on the South
16 Mountain Freeway and where we are on that. So as you probably
17 have read in the paper, ADOT successfully completed the
18 extensive proposal review process for the Loop 202 South
19 Mountain Freeway public/private partnership. We received five
20 statements of qualifications for the project in December of
21 2014, and from there (inaudible) developer team to March of
22 2015, and we just completed the financial and technical review
23 process identifying the preferred developer in December of 2015.

24 So throughout the proposal development process,
25 ADOT met with each of the developer teams and encouraged

1 innovation and alternative concepts to save time and money, all
2 (inaudible) to hold the environmental commitments that were
3 documented in the federally-approved final environmental impact
4 statement.

5 I'm pleased to announce the Connect 202 Partners
6 has been selected as the best value developer for the Loop 202
7 South Mountain Freeway Project. The equity members of the
8 development team include Fluor Enterprises, Incorporated,
9 Granite Construction Company, and Ames Construction Company,
10 Incorporated, with Parsons Brinckerhoff as our lead designer.

11 The extensive review process included a multiply
12 -- multi-disciplinary team approach and involved staff from ADOT
13 and Federal Highway Administration, Maricopa Association of
14 Governments, the City of Phoenix plus others, as well as
15 industry experts to determine the best value.

16 The winning proposal was not determined by a low
17 bid process, although overall cost was one of the principle
18 proposals (inaudible) criteria. Since this is still an active
19 procurement, we've not revealed price or technical score for any
20 of the proposals.

21 So as far as next steps, we'll begin having
22 meetings with the Connect 202 Partners team to finalize signing
23 the contract, and there will be many meetings in the next few
24 weeks to make sure that all of their final paperwork and
25 documents are submitted for review. We anticipate signing the

1 contract in mid February. Construction of the project is
2 anticipated to start in July of 2016.

3 Now, as far as the NEEPO (phonetic) lawsuit, the
4 administrative record is now complete. Motions for summary
5 judgment are due from the plaintiff on February 5th of 2016, and
6 the hearing for the lawsuit is scheduled for May 12th of 2016.

7 As far as right of way goes, 230 acquisition
8 offers have been presented. 173 parcels have accepted the
9 offers. 164 of those have closed escrow, and 9 are currently in
10 escrow. 25 parcels have been sent to the Attorney General's
11 office for condemnation. 170 properties have been vacated, and
12 101 homes have been demolished in anticipation of the
13 construction start date.

14 That concludes my report, Mr. Chairman. I'd be
15 happy to answer any questions.

16 CHAIRMAN LA RUE: Questions from board members?

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

18 CHAIRMAN LA RUE: That takes us on to Item Number
19 3, ADOT consent agenda. Last in your -- it's been previously
20 (inaudible). Does any board member wish to review any items
21 from the consent agenda?

22 MR. ANDERSON: Move to approve the consent agenda
23 as presented.

24 CHAIRMAN LA RUE: We have a motion to approve the
25 consent agenda as presented by Board Member Anderson.

1 MR. SELLERS: Second.

2 CHAIRMAN LA RUE: I have a second by Board Member
3 Sellers. Any further discussion?

4 Seeing no hands, all those in favor signify by
5 saying "aye."

6 BOARD MEMBERS: Aye.

7 CHAIRMAN LA RUE: Any opposed?

8 Passes. Item Number 4, legislative report.

9 MR. ROEHRICH: Thank you, Mr. Chair. Good
10 morning, Mr. Chair and board members.

11 Kevin sends his regrets that he could not be
12 here, but he is actually very sick right now. So he's home
13 getting some rest, and he was traveling this week. It's always
14 miserable to be sick, but it's even worse when you're traveling.
15 So I'm going to go ahead and summarize what his report is.
16 We'll have more information, obviously, as the legislative
17 session continues on and we hear more about the FAST Act.

18 And those are the two issues I really want to
19 cover. The legislature started a session this week. The
20 governor gave a state of the state address, and we are now in
21 the process of monitoring and tracking the bills that get
22 dropped as well as any of the (inaudible) that affect the
23 department, but other related ones that may have some secondary
24 effect.

25 Kevin also, his staff will now start developing

1 the weekly summaries for the director, and those summaries will
2 be sent to the board members as well so they can see what's
3 going on and kind of tracking the issues that are being
4 discussed. There hasn't been a lot developed right now that
5 affects us. There's probably a few small bills. So we'll have
6 more extensive information as that moves along.

7 The second item is that the governor's budget is
8 supposed to come out today, and we really haven't seen any
9 impact on what the budget is so far. So we'll get the first
10 information, as a lot of people will. And I know the HURF funds
11 and some of those effects have obviously been a big issue,
12 especially here (inaudible) summit. It's been brought up a
13 number of times by the attendees. So we're not sure how that
14 impact will be in the budget the developer has. We'll see that
15 today. But once we get the information and we get a chance to
16 process it, again, his team will put together a summary for the
17 director. That will go to all the board members. So you should
18 start seeing reports from his team on a weekly or about every
19 other week as we start seeing how the legislative session goes.

20 And as always, he said if there's any further
21 clarification you need or if there's something that you're
22 hearing that you want to share with him, please give him a call
23 so he can make sure to follow up with you and address any of the
24 concerns that you're hearing.

25 The second item is --

1 MR. HALIKOWSKI: Floyd, before you go further --

2 MR. ROEHRICH: Yes.

3 MR. HALIKOWSKI: -- I just wanted to let the
4 Board know, I received an e-mail this week from both the
5 chairman of the House and Senate. They'd like me to appear
6 before a joint transportation meeting on Tuesday, 2:00 p.m.,
7 this coming Tuesday. And their topics they're interested in
8 discussing with the department are, first and foremost, an
9 update on transportation and revenues. They also want to hear
10 about voluntary and (inaudible) issues, I-11 and what we're
11 doing in preparation for our (inaudible).

12 MR. ROEHRICH: And then on the federal side, by
13 now I'm sure a lot of people have heard that Congress has passed
14 the direct -- the President -- I've given you a lot of authority
15 as the director -- but the President has signed the FAST Act,
16 which is Fixing America's Service Transportation Act. And it is
17 a five-year bill. So we feel very pleased that we have a
18 five-year bill, but it does come up with a little bit of an
19 ominous note in that they still haven't fixed the long-term
20 funding situation for the Highway Trust Fund.

21 A significant amount of general fund money was
22 transferred in to cover the \$305 billion funding amount for the
23 five years, which means in five years we'll probably even face a
24 bigger fiscal cliff as we determine -- how -- and Congress
25 determines how to approach fixing the Highway Trust Fund. But

1 in the meantime, we have five years of funding that basically
2 gives about a 5 percent increase in the first year of the bill
3 from 2016, and then each year it has a small increase to adjust
4 for the inflationary costs. So it does mean a little bit more
5 money.

6 Right now, the legislative team and Kristine's
7 team is analyzing the bill, determining how much funding that
8 actually means for Arizona, what will be available that we can
9 either put through the formula component that goes directly to
10 rural and urban areas, and then what is left discretionary for
11 the Board. We've got the study session later this month, so
12 hopefully we'll have more updated information as we can discuss
13 that.

14 That does, as we said, mean a little bit more
15 money for the State. It does -- this bill also has -- one of
16 the issues of the bill is 92 percent of the funds that were
17 included in this bill are going to be set by formula to the
18 State. So we are going to get the majority of the money. There
19 will be about 8 percent that will be in some different grants
20 that will be discretionary that we can compete for. Our team is
21 already -- Mike Kies' team in planning, as well as the
22 legislative team, Kevin's team, are already looking at all those
23 grant opportunities so we can start preparing ourselves and
24 positioning ourselves to go after those to try to get as much
25 additional funds as we're able to be eligible for and compete

1 for. The majority of funds are going to the State, which will
2 come back through us.

3 So as more information does become available,
4 there will be further information shared with the board members
5 as well as staff, and then we'll be able to start addressing
6 what that may mean in -- within the discretion of the five-year
7 program and some other decisions that have to be made.

8 With that, I'll ask if there are any other
9 questions.

10 MR. HALIKOWSKI: Just one more point. I was in
11 D.C. this week. I sit on the Transportation Research Board's
12 Executive Committee. Part of the discussion around the FAST Act
13 is that Congress added a little gift at the end of the bill, if
14 you will. It will expire in five years, and the funding levels
15 will go back to what they were as of 2015. So they won't
16 continue (inaudible). They'll actually (inaudible) if Congress
17 takes no action. So there is still plenty of work to be done
18 before that event happens to ensure that funding levels do
19 reflect reality (inaudible) not back to 2015.

20 CHAIRMAN LA RUE: Any questions?

21 All right. No questions. We'll move on to Item
22 Number 5, and Ms. Ward. (Inaudible.)

23 MS. WARD: Excuse me?

24 CHAIRMAN LA RUE: Hoping it brings good news
25 today.

1 MS. WARD: Well, good morning.

2 CHAIRMAN LA RUE: It's a beautiful day.

3 MS. WARD: It is a beautiful day.

4 CHAIRMAN LA RUE: (Inaudible.)

5 MS. WARD: Did you see those beautiful lettuce
6 fields out there?

7 All right here. Let's see. Well, I don't have
8 bad news. Let's start with that.

9 We are running right on target with FURF -- HURF.
10 FURF, that's good. In range. We're at about 1.8 percent above
11 target, so that's -- that's always preferred, above forecast,
12 with about \$661 million in revenues.

13 Gas tax is doing beautifully with 6.2 percent
14 above last year, and VLT also is quite strong. So we're very
15 happy about that.

16 Moving on to the Regional Area Road Fund, you
17 can't get much more on target for that one. We're .2 percent
18 above forecast with about 160 million in revenues collected.

19 Again, retail sales are relatively strong -- are
20 strong. They are a little stronger than they otherwise would be
21 because of some legislative changes that shifted dollars flowing
22 previously -- previously flowing into contracting now flowing
23 into retail sales. So that's why you see that negative growth.
24 We're only marginally, like .1 percent, off forecast on
25 contracting, because we had already accounted for that

1 legislative change.

2 With regard to the federal aid program, the bulk,
3 as Floyd was referencing, we have a study session coming up next
4 -- week after next on the 26th, I believe.

5 MR. ROEHRICH: Yes, on the 26th.

6 MS. WARD: 26th. And at that point -- we got
7 numbers from FHWA two days ago. Understand that what passes in
8 the bill is not what necessarily gets provided to Arizona.
9 There are things that come off of the top, set asides and so
10 forth. We just got those numbers two days ago, and so we're
11 processing those and analyzing those right now. So I'll be
12 providing you a comprehensive report when we're rolling out the
13 tentative program at the 26 -- on the 26th with regards to the
14 FAST Act.

15 With that, I would be happy to take any
16 questions.

17 CHAIRMAN LA RUE: Questions? All right. So a
18 few more (inaudible).

19 MS. WARD: Thank you.

20 CHAIRMAN LA RUE: Thank you, Kristine.

21 Move on to Item Number 6, Multimodal Planning
22 Division report, Mike Kies.

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

24 This month I don't have any specific report on
25 the multimodal report. Like Kristine mentioned, the study

1 session is coming up in a week-and-a-half, and we'll have a lot
2 of information about the tentative -- the proposed tentative
3 five-year program. So I'd like to defer to the work session,
4 unless the Board has any questions on activities going on in the
5 Multimodal Planning Division.

6 CHAIRMAN LA RUE: Board members? No?

7 One thing. Yesterday I heard, I think Floyd was
8 asking me questions from (inaudible) about the highway projects
9 and the three, and if one drops out, he can present (inaudible).
10 So maybe at the study session (inaudible).

11 MR. HALIKOWSKI: So Mr. Chairman, I think you're
12 referring to the special program to allow (inaudible) of
13 freeways. There are three slots still in the FAST Act, as I
14 understand. Three states are in those slots, but if my
15 recollection is correct, if they do not (inaudible) in a year,
16 those funds will come over again, and we'll be prepared to talk
17 about that some more, but we are (inaudible) to that possibility
18 of what that would mean for Arizona.

19 CHAIRMAN LA RUE: Great. Excellent.

20 So then Item Number 7, Priority Planning Advisory
21 Committee, PPAC.

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

23 This month there are five new project
24 modifications that were approved by PPAC, and those are Items 7A
25 through 7E. Unless the Board has any questions or comments on

1 any of these specific projects, I would ask the Board to approve
2 Items 7A through 7E.

3 MR. HAMMOND: So moved.

4 MR. ANDERSON: Second.

5 CHAIRMAN LA RUE: So we have a -- we have a
6 motion to accept and approve project modification Items 7A
7 through 7E as presented by Board Member Hammond. I believe it
8 was seconded by Board Member Anderson. Further discussion?

9 Seeing none, all those in favor signify by saying
10 "aye."

11 BOARD MEMBERS: Aye.

12 CHAIRMAN LA RUE: Any opposed? The "ayes" have
13 it.

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

15 This month there are four new projects that were
16 approved by the PPAC committee. Those are Items 7F through 7I.
17 Unless there are any questions or comments from the Board, I'd
18 ask the Board to approve Items 7F through 7I.

19 MR. ANDERSON: So moved.

20 MR. CUTHBERTSON: Second.

21 CHAIRMAN LA RUE: We have a motion to accept and
22 approve new project Items 7F through 7I as presented. Board
23 Member Anderson was the motion, seconded by Board Member
24 Cuthbertson. Is there any further discussion?

25 Seeing none, all those in favor signify by saying

1 "aye."

2 BOARD MEMBERS: Aye.

3 CHAIRMAN LA RUE: Any opposed? The "ayes" have
4 it.

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

6 This month there are five airport projects that
7 were approved by PPAC. Again, those are Items 7J through 7N.
8 Unless there are any questions or comments, I'd ask the Board to
9 approve Items 7J through 7N.

10 MR. SELLERS: Move for approval.

11 MR. HAMMOND: Second.

12 CHAIRMAN LA RUE: We have a motion by Board
13 Member Sellers to accept and approve airport projects 7J through
14 7N as presented. We have a second by Board Member Hammond. Any
15 further discussion?

16 Seeing none, all those in favor signify by saying
17 "aye."

18 BOARD MEMBERS: Aye.

19 CHAIRMAN LA RUE: Any opposed? The "ayes" have
20 it.

21 MR. KIES: Thank you.

22 CHAIRMAN LA RUE: State engineer's report.

23 MR. HAMMIT: Good morning, Mr. Chairman.

24 Currently under contract we have 123 projects
25 totalling \$775 million. In December we finalized 12 projects

1 toting \$8.9 million, and year to date we've finalized 77
2 projects.

3 Any questions under the state engineer's report?

4 CHAIRMAN LA RUE: Any questions of the board
5 members? No.

6 Let's move on to Item Number 9.

7 MR. HAMMIT: Thank you for approving the one
8 project on the consent agenda. We have two projects that we
9 have to talk about a little bit more.

10 Item Number 9A. This project is in the Town of
11 Quartzsite. It's a pavement pres. project. The low bid was
12 \$719,248. The State's estimate was \$860,233.65, or under -- the
13 bid was under the State's estimate by \$140,985.65, or 16.4
14 percent. Like the next project, both of these, the biggest
15 thing was the oil pricing. We're seeing a lot of variation
16 depending on where we're getting oil. In this case, it was
17 lower than we expected, and the project came in lower. We do
18 believe that -- we have reviewed these and believe that the bids
19 are reasonable and responsible and would recommend award to
20 Great Mountain Construction, LLC.

21 CHAIRMAN LA RUE: Board's pleasure?

22 MR. ANDERSON: Move to approve Item 9A.

23 MR. SELLERS: Second.

24 CHAIRMAN LA RUE: We have a motion to accept and
25 approve staff's recommendation to award the contract for Item 9A

1 to Great Mountain Construction moved by Board Member Anderson
2 and seconded by Board Member Sellers. Do we have any further
3 discussion?

4 Seeing none, all in favor signify by saying
5 "aye."

6 BOARD MEMBERS: Aye.

7 CHAIRMAN LA RUE: Any opposed? The "ayes" have
8 it.

9 MR. HAMMIT: Mr. Chairman, the next item, 9B, is
10 another pavement preservation. This is a State project on
11 SR-19B in Nogales. The low bid was \$3,414,143. The State's
12 estimate was \$2,840,877.30, or over the State's estimate by
13 \$573,265.70, or 20 percent. Again, the biggest area was in the
14 asphalt price. This time we underestimated. I don't know
15 whether it was trucking from Tucson, but we did get
16 higher-than-expected pricing in our asphalt. We have reviewed
17 the bids, and the department does believe they're reasonable and
18 responsible and would recommend approve to Granite Construction
19 Company.

20 CHAIRMAN LA RUE: Board Member Hammond, this
21 might be of interest to you.

22 MR. HAMMOND: So moved.

23 MR. CUTHBERTSON: Second.

24 CHAIRMAN LA RUE: We have a motion by Board
25 Member Hammond to accept and approve staff's recommendation to

1 award the contract of Item 9B to Granite Construction Company,
2 second by Board Member Cuthbertson. Is there any further
3 discussion?

4 Seeing none, all those in favor signify by saying
5 "aye."

6 BOARD MEMBERS: Aye.

7 CHAIRMAN LA RUE: Any opposed? The "ayes" have
8 it.

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

10 CHAIRMAN LA RUE: Thank you.

11 Item Number 10, suggestions for board meetings?
12 (Inaudible) a little bit longer.

13 MR. ROEHRICH: Mr. Chair, I did want to comment
14 on how efficiently you are running your first board meeting.
15 But it's a great sign to the new year. But anyway, (inaudible).

16 (Speaking simultaneously.)

17 MR. ROEHRICH: I'll speak very fast.

18 I did want to remind (inaudible) did want to
19 remind everybody about the study session on the 26th of January,
20 and again, the intent of the study session was to lay out the
21 draft of the tentative program so the board members can start
22 gathering your input, because we do follow a process that would
23 approve the tentative program in February. Then we start the
24 three months of public hearings in conjunction with the board
25 meetings so we can gather the input before we make the final

1 recommendation to the Board, then the final board approvals for
2 the tentative five-year program.

3 In addition, along with the financial background
4 that Kristine gives and the input within the analysis that
5 Mike's team did through planning, we do have another item on the
6 study session. We are going to talk about the rest area program
7 that Mrs. Beaver had asked about, and now you've just asked to
8 include the -- within the FAST Act or the law as far as the
9 pilot program. So we'll study and be able to talk a little bit
10 about some of that. But that really is an issue later on, and
11 we'll be -- make the Board aware of that and see how that works.

12 But I do want to remind everybody the next -- the
13 board meeting is February 19th, and it is in Nogales. So at
14 that time I do want to remind the Board that you've been invited
15 to attend the tour of the (inaudible) as well as some of the
16 (inaudible) of the fresh produce people down there. So I will
17 be coordinating that. So those are the (inaudible) items that
18 we have scheduled (inaudible) board meeting.

19 CHAIRMAN LA RUE: Thank you, Floyd. Before we
20 (inaudible), Director?

21 MR. HALIKOWSKI: Pardon me?

22 CHAIRMAN LA RUE: Anything else?

23 MR. HALIKOWSKI: No, sir. Thank you.

24 CHAIRMAN LA RUE: I thought maybe the director
25 might comment on the efficiency of the meeting because he left

1 the attorney back in Phoenix.

2 MR. HALIKOWSKI: I do have one comment, but I
3 think it was more efficient because I sat on this side of the
4 line instead of that side. So thank you for the privilege, sir.

5 CHAIRMAN LA RUE: Anything else by board members?

6 (End of excerpt.)

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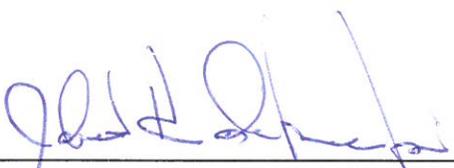
Adjournment

A motion to adjourn the January 15, 2016 Board meeting was made by Kelly Anderson and seconded by Bill Cuthbertson. In a voice vote, the motion carries.

Meeting adjourned at 9:49 a.m. MST.



Joseph E. La Rue, Chairman
State Transportation Board



John S. Halikowski, Director
Arizona Department of Transportation