

**MINUTES**  
**STATE TRANSPORTATION BOARD MEETING**  
**9:00 a.m., Friday, January 20, 2017**  
**City of Prescott**  
**Council Chambers**  
**201 S. Cortez**  
**Prescott, AZ 86303**

**Pledge**

The Pledge of Allegiance was led by Board Chairwoman Deanna Beaver.

**Roll call by Board Secretary Mary Beckley**

**In attendance:** Deanna Beaver, William Cuthbertson, Joe La Rue, Jack Sellers, Michael Hammond, Steve Stratton and Arlando Teller.

**Absent:** None.

There were approximately 80 people in the audience.

**Opening Remarks**

Chairwoman Beaver thanked everyone for attending and acknowledged several CYMPO staff members for organizing the Rural Transportation Summit. She also recognized Noel Campbell, new legislator, who is proposing a sales tax to the state legislature.

**Title VI of the Civil Rights Act**

Floyd Roehrich reminded all attendees to sign in and fill in a survey cards to assist our Civil Rights Department.

**Call to the Audience:**

The following members of the public addressed the Board:

1. Tom Thurman, Yavapai County Supervisor, and Randy Garrison, new Yavapai County Supervisor, re: thanked the board for Hwy 260, finalization of divided highway between Cottonwood and Camp Verde is paramount for creating jobs in the area; important corridor for Verde Valley to get tourists in and out of area, do whatever you can to assist with the traffic and getting road done; 2.9 million visitors came last year and asks for a bypass into the area.
2. Charles German, Camp Verde Mayor, re: personal thank you for making this area safer and the town's gratitude for Hwy 260; increased mobility between the communities; Verde Valley has joined together to have one voice.
3. Terry Nolan, Dewey-Humboldt Mayor, re: thanked the board for SR69 and SR89 and need money to complete the two projects, to benefit community not to have a bottleneck with traffic.
4. Bill Feldmeier, former board member, re: plaque in memory of Bob Montoya, former board member, plaque is in place on the bridge in Cameron. (near trading post, walkway next to tunnel opening); family members donated park bench in his honor; thank you to staff in Flagstaff district; echo comments on importance of Hwy 260, and now coming to fruition; important to the area.
5. David Wessel, FMPO Manager, re: thank you for service; established Montoya fellowship; project fourth street bridge over I-40, two-lane bridge needs replacement; City of Flagstaff putting \$60,000 for project assessment and budgeted over \$1 million for design; would like that to be

considered for the project development phase (and the cost of \$5 million to be in the program); explained service levels: free flow traffic is level A, gridlock is level EF and bridge is on verge of failing.

6. Randy Heiss, SEAGO Executive Director, re: excited about ADOT's efforts to put the HURF program back into service, easier for smaller entities to get projects implemented and maintain control over the projects; thank you.
7. Steve Sanders, Gila County Public Works Director, re: SR 260, Lion Springs east of Payson, requests to keep in program, last remaining section of 260 that is a two lane roadway; ADOT applied federal land access program grant and continue to support efforts to get the project funded and built; thank you for the improvements on Hwy 60 west of Globe between Superior and Globe; appreciates continuing support of work in Globe; completed work on Devil's Canyon is a huge improvement to access back and forth, safety work; replacing Pinal Creek bridge, west of Globe-Miami; appreciate if you would keep Hwy 260 Lion Springs in the program.
8. Duane Itel, Traffic Engineer Casa Grande, re: widening of I-10 between Casa Grande to Phoenix and new traffic interchange on Kortsen and I-10, lots of development in Casa Grande, two very high priority projects for Casa Grande, thank you.
9. Jerry Showalter, Traffic Matters, re: Action committee for Oak Creek Canyon, representing residents in the Oak Creek Canyon; increasing traffic backups in Oak Creek Canyon, specifically 89A backups that cause health and safety issues; experiencing extended response times to reach incidents. Proceeded to mention some meetings that they have set up with stake holders to discuss the matter.
10. Michael Lopez, Town Engineer in Chino Valley, re: gratitude for all that you do for rural communities like Chino Valley. He also recognized Alvin Stump, Chris Bridges and others that have been instrumental in bringing everyone together to collaborate on these projects. He then mentioned the Road one north signal (SR 89) that is currently being worked on – one of two remaining intersections to be worked on in the area. Hopeful to have the design completed by the end of the year to bring to the board.
11. Alton Joe Shepherd, Apache County Supervisor, re: Introduced himself as a newly elected supervisor and it was his first time before the board and then commended Mr. Teller on the great advocate that he has been for the Navajo Nation. Extended his partnership to the board going forward to work together and mentioned an area of a dirt road that he was planning to address.
12. Chris Bridges, CYMPO Administrator, re: Commented that he hoped they all enjoyed the rural summit for which he has received great feedback on. He then addressed some agreements that have been made regarding SR69 to widen it and eliminate the bottleneck that occurs when collisions do happen. He also thanked the board for everything they do.

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1 (Beginning of excerpt.)

2 CHAIRWOMAN BEAVER: We'll now move on to the  
3 district engineer's report.

4 MR. ROEHRICH: Madam Chair, before we start, I do  
5 want to apologize to Chris, because he complimented me, but I'm  
6 going to feel bad. I'm taking three minutes from your  
7 (inaudible). You don't get on the agenda, and then you get the  
8 call to the audience. (Inaudible.) We're going to put that in  
9 our bylaws. You get one.

10 MR. STUMP: All right. Well, good morning, Madam  
11 Chair and Board. In our -- locally here in the construction  
12 side of things, we have a few projects going on. On I-17,  
13 between New River and Black Canyon City, we have a pavement  
14 preservation project going on. It will be completed, like, in  
15 June. It's being -- actually being administered by the North  
16 Central District.

17 We also have an active project on 69, Prescott  
18 Valley, between 169 and Mendocino. It's complete except for the  
19 friction course, which will happen in the summer.

20 Same thing out in Paulden. We constructed a  
21 right turn lane, and we'll wait until the friction course, and  
22 then it will be done. We -- for the multi-use path in Prescott  
23 Valley, we did the ribbon cutting this week, and so that's been  
24 a long time coming. And later this spring we're going to be  
25 constructing a shoulder widening project on 89A. This is kind

1 of between the spur and where you hit the forest boundary going  
2 (inaudible) mountain. There's two sections where there's no  
3 shoulder. So a good safety project there.

4 Just a few pictures of the multi-use path in  
5 Prescott Valley that's -- it's been a long time coming. So it's  
6 great to see that one coming to an end.

7 Another local project here, the 89A, Deep Well,  
8 to complete the last segment of the 89 widening, and this is  
9 also kind of a four-way partnership between the County, City and  
10 CYMPO and ADOT. Looking at advertising widening late spring.  
11 We had a little delay in the right-of-way acquisition process,  
12 but moving forward. The City and County completed their part  
13 last summer, which has helped out immensely.

14 On I-17, we have a safety enhancement project  
15 coming out this spring to construct four DMS signs and some  
16 radar feedback signs to improve driver awareness and also help  
17 with incident response. It's -- there's also a safety project  
18 to provide additional enhanced enforcement. And then, also, we  
19 have a spot repair project as you go -- just get to the top of  
20 the hill, right before Sunset Point, going to -- about a  
21 mile-and-a-half that we're going to do some repair work.

22 And then lastly, I'll let -- Chris has got the  
23 presentation later, but obviously with funding in the  
24 development program for I-17 improvements, we're looking  
25 forward to that. The exhibit, there's a two-lane reversible

1 facility concept that would basically have two lanes adjacent to  
2 the existing southbound that could be used for both directions  
3 during peak time.

4 Multiple ways that we can phase the I-17  
5 improvements, but when it comes to looking at widening up Black  
6 Canyon Hill, this would come into play, because when you  
7 approach widening the northbound side, this would provide a way  
8 to -- place to put that traffic.

9 On I-89, between Chino and Paulden, we're looking  
10 at a -- we're working on a study to look at future improvements  
11 there, not only safety improvements, but access management to  
12 preserve the corridor as well as how we can do small,  
13 incremental projects to continue to widen the road down the way.

14 Another project getting started is 89A, between  
15 89 and Robert Road. Right now between 89 and Glassford Hill,  
16 the traffic volumes have been growing at about 7 to 8 percent  
17 annually for the last three years, and so we're going to be  
18 hitting that 40,000 mark before long. There's a sizable  
19 development coming in in Prescott Valley and -- as well as  
20 several hundred homes in the Prescott area. So we want to get  
21 out in front of that one.

22 Road 1 North signal is -- as Mike mentioned, the  
23 design was on the shelf for awhile. The Town and County have  
24 come forward with 175,000 to complete the design, which also  
25 includes a right turn lane, and we'll be submitting for a minor

1 project for our share of the construction, which is estimated at  
2 about 1.7 million. This is a little expensive, and you can see  
3 the reason why with the very tight right-of-way constriction.  
4 So we have a little more right-of-way cost there than we  
5 normally do.

6                   Then on -- lastly on 69, the partnership, City,  
7 County and CYMPO, have joined forces to fund the final design,  
8 and CYMPO's also got money in fiscal year '20 for construction,.  
9 But basically get this designed, and then we'll have a  
10 shovel-ready project. Construction's estimated to run about 9  
11 to 10 million when it's all said and done.

12                   That's all I've got. I'll take any questions.

13                   CHAIRWOMAN BEAVER: There are no questions.

14 Okay. Thank you.

15                   We'll move on now to the director's report.

16 Mr. Roehrich, can you please fill in?

17                   MR. ROEHRICH: Yes. Madam Chair, members of the  
18 Board, the director had a conflict this morning and sends his  
19 apologies. There are no last items, so there's nothing on this  
20 month's director's report.

21                   CHAIRWOMAN BEAVER: Okay. Thank you.

22                   Under the consent agenda, do we have a motion to  
23 approve the consent agenda? It has been brought to my attention  
24 that consent agenda Item 3.1 is to be postponed. So --

25                   MR. ROEHRICH: Madam Chair, if I could, I just

1 wanted to address that real quick. It's Item 3I. On the  
2 consent agenda, normally as we'd ask you to approve the actions  
3 that are -- that are noted in the consent agenda, usually the  
4 contract awards do say award, but in this case I do want to  
5 point to the board that we are asking you as part of that  
6 consent agenda to postpone Item 3I. There are some  
7 documentations related to the bid that was submitted that the  
8 staff needs to look at.

9 So you can approve it as part of the agenda -- as  
10 part of the consent agenda, but I do want the Board to know that  
11 item will be coming back once we've had a chance to work with it  
12 with a few staff and through the contractor.

13 MR. HAMMOND: I'll move approval.

14 MR. LA RUE: Second.

15 CHAIRWOMAN BEAVER: It's been motioned by Mike  
16 Hammond and seconded by Mr. La Rue to approve the consent agenda  
17 as presented. All those in favor?

18 BOARD MEMBERS: Aye.

19 CHAIRWOMAN BEAVER: All those opposed? The  
20 motion carries.

21 We'll move on to Item 4, legislative report.  
22 Mr. Biesty.

23 MR. BIESTY: Good morning. Good morning, Madam  
24 Chair, members of the Board. I guess I'll start with the  
25 federal update, given that in about 15 minutes, our country is

1 going to transfer leadership from one -- one individual to  
2 another, and it appears and I'm grateful that that's done  
3 peacefully. I just heard a story yesterday on NPR about --  
4 there's another country in a part of the world where a president  
5 is refusing to leave office, and the neighboring country is  
6 considering sending troops in to remove that individual. So I  
7 don't know about you, but I'm grateful to live in this country  
8 right now.

9                   On the federal level, the -- as you know,  
10 Mr. Trump -- well, President-Elect Trump has talked about a  
11 100-day plan on transportation. I guess we'll -- we've been  
12 monitoring that. We have some details. There's been discussion  
13 about a lot of private financing and other financing mechanisms.  
14 We have been working with Governor Ducey's office to relay  
15 information to the incoming administration on the benefits and  
16 challenges of that for Arizona. We are also working with the  
17 governor's office and the incoming administration on the -- on  
18 rules, regulations, policies at the federal level that -- that  
19 could help expedite projects, get help reduced costs. Also on  
20 the State level, I'll touch on that in the legislative update.  
21 We're also doing some things on the state level.

22                   Secretary -- the -- I guess the nominee for  
23 secretary of transportation, Elaine Chao, had her confirmation  
24 hearing. That went pretty uneventful. Our two new members of  
25 the House, Mr. Tom O'Halleran and Mr. Andy Biggs, neither one

1 received the spot on the Transportation Infrastructure  
2 Committee. So outgoing Congresswoman Ann Kirkpatrick was on the  
3 committee. So we kind of lost that seat for now. Hopefully we  
4 can pick that up in the future. So we're kind of monitoring all  
5 that.

6 I'll be back in D.C. -- I was in D.C. last week.  
7 I'll be back in D.C. next week, and then at the end of February,  
8 beginning of March, AASHTO will have their Capitol Hill  
9 briefing, and I will be meeting with members of Congress and our  
10 new delegation and bring forth some ideas, and hopefully some  
11 Arizona perspective to what we need on the federal level.

12 Any questions on the federal update before I  
13 move to the state? Okay. If not, right now we're in a flurry  
14 of processing bills. Actually, this year, there's been less  
15 input into the -- there's been less volume of bills at this  
16 point than last year, but there's still quite a bit that we're  
17 going through.

18 I'm just going to briefly touch on a couple of  
19 bills right now, and then we're putting together a list of bills  
20 that we believe that will be of interest to the Board, and  
21 you'll receive that via email weekly, as in past sessions.

22 House Bill 2093 is -- it's a use fuel tax  
23 adjustment Representative Bowers has introduced. This is a  
24 proposal to address an issue that we've been dealing with, the  
25 agency has been dealing with, the fuel industry has been dealing

1 with, from the truck stop operators to customers, and that has  
2 to do with the two-tiered diesel tax rate that we have in  
3 Arizona that was put in place a decade or two ago to replace  
4 another funding system. And basically, what that is is if you  
5 have a personal diesel vehicle, it's 18 cents. If you have a  
6 commercial, you know, 26,000 pounds or above, it's 26 cents.  
7 It's very cumbersome, very hard on the public to understand,  
8 very labor intensive to administer.

9           So over the years there's been numerous attempts  
10 to try to either eliminate that, replace it with something or  
11 how we can handle that. The issue has always been you either  
12 have to lower the commercial, the 26,000 and above, or raise the  
13 personal vehicle. So you run into that issue of having to raise  
14 somebody's taxes. So the discussions are ongoing. We're  
15 providing information, and we'll continue to monitor that.

16           House Bill 2324 is a bill by a newly-elected  
17 Representative Grantham out of Gilbert, Arizona, and it's to  
18 grant VLT and registration exemptions to Purple Heart  
19 recipients. Obviously, it's a public policy decision, but we  
20 are running the numbers to see what that would mean as an impact  
21 to HURF. We'll provide that to the members.

22           There are two bills I want to touch on;  
23 Representative Noel Campbell, our new House chairman, and who  
24 also represents this area. One is House Bill 2329, which was  
25 dropped yesterday, vehicle insurance renewal fees, DPS. And the

1 concept behind this is to give the director of the Department of  
2 Insurance authority through rule making to establish a fee on  
3 car insurance policies. He will set the fee and hopefully set  
4 it at a level -- if approved, set it at a level that will fund  
5 DPS. Therefore taking them out of the General Fund discussion,  
6 taking them out of the HURF discussion.

7           We met -- the director met with Representative  
8 Campbell yesterday. We talked about a couple of these things.  
9 We've talked about that bill, and also, he has a House  
10 Concurrent Resolution 2011, which would raise the gas tax 10  
11 cents. Because it's a House Concurrent Resolution, if it passes  
12 the House and if it passes the Senate, it goes directly to the  
13 Secretary of State to be placed on the ballot. So there's no --  
14 the Governor doesn't have to sign it. The Governor can't veto  
15 it. So that's being discussed. There's -- he's been receiving  
16 calls from both sides of the issue.

17           We discussed just the policy of both of those.  
18 One of the issues with an insurance -- I'll just touch on it  
19 just for a moment. One of the things about the insurance is you  
20 -- that's all on Arizona residents. So, you know, we pointed  
21 out that DPS serves all individuals on the highway and all  
22 communities. So those issues come up when we look at these  
23 funding proposals. How do you share the responsibility of  
24 funding, infrastructure funding, highway patrol, all that? So  
25 we had a very, very productive conversation, and this will

1 continue to percolate through the Legislature this session.

2           On the Senate side, there's a bill that ADOT has  
3 proposed. It's Senate Bill 1025, public entities absolute  
4 immunity defenses. This is aimed at -- currently in statute,  
5 there is an absolute immunity section and there's a qualified  
6 immunity section. Our issue is the fact that we've had -- we've  
7 been facing an increased amount of lawsuits based on our system.  
8 Even if our system is designed to standard, follows all the  
9 engineering standards, nationally accepted, we're still having  
10 juries award judgements that are rising, and ultimately, that  
11 costs the taxpayer, and ultimately, that takes money out of the  
12 transportation system.

13           Currently the valley light rail system is in the  
14 absolute immunity section. We're in the qualified immunity  
15 section. What we're asking the Legislature to do is to treat  
16 all transportation systems equally; to place us in the absolute  
17 immunity section. I just want to be clear. Absolute immunity  
18 doesn't mean absolute immunity. Obviously if something is done  
19 against the standard or we don't do what we're supposed to do,  
20 we are liable. This just raises the bar and basically gives a  
21 little bit more protection to not just the State, but we're also  
22 talking about county and city transportation facilities as well.  
23 Simply if we build it, we build it to standard, we get a higher  
24 level of coverage for liability. The -- yes, sir.

25           MR. HAMMOND: Can you or do you have just a rough

1 number of -- maybe the last three or four or five years what  
2 this -- this cost our infrastructure (inaudible)?

3 MR. BIESTY: Well, I'll just give you a quick  
4 example. I do have that, and I'll actually send you the handout  
5 we're giving the Legislature. If you haven't received it  
6 already, you'll be receiving it in this week's legislative  
7 update, which should have went out last night; will probably go  
8 out today. We had that jury verdict on I-10 where -- again,  
9 these are tragic situations. Okay? You know, it's human life  
10 we're talking about, and we take that seriously. But a woman  
11 lost control on I-10. She swerved to avoid a snake on the  
12 highway, lost control, went into the 81-foot median, regained  
13 control, came back in, lost control, went back across and was  
14 tragically killed, crashing into a truck going the other  
15 direction.

16 Had the trial, presented evidence that even if we  
17 were to build that highway today, the standards would say you  
18 have that wide of a median, you do not introduce a barrier into  
19 that situation. Again, I wasn't part of the trial, but what was  
20 reported to me was that the basic feeling of the jury was, yeah,  
21 you built it to standard, but you could have done something,  
22 because there were other incidences in the area where there were  
23 crossovers, and you could have done something. So I believe the  
24 verdict was \$47 million.

25 Now, we're going to appeal that, but what's

1 happening is is these juries award higher and higher verdicts.  
2 What happens is settlements rise. Our insurance coverage  
3 shrinks, but our premiums go up. And just as a visual, absent  
4 California, our surrounding neighboring states either have some  
5 level of tort reform or have a cap on what an individual can sue  
6 the State for.

7           So what's happening is there's a cottage industry  
8 growing here that is becoming more and more prevalent. And so  
9 basically, again, tragic situations, but we're being held to a  
10 standard that is unmeetable, because -- it's interesting -- if  
11 we had placed the barrier where they said we should have placed  
12 the barrier, if something would have happened, we would have  
13 been sued for placing a barrier where national standards say you  
14 do not place a barrier.

15           So you'll notice if you're driving on I-10 now,  
16 there are signs, no -- I think it's "open median next 53 miles,"  
17 because the jury felt you should have warned the public that  
18 there's a potential for this. So as you can see, it's becoming  
19 more and more of a problem. And again, this isn't tort reform.  
20 This isn't -- this is basically just saying, we should be held  
21 to the standard that other transportation systems -- you saw the  
22 wisdom for light rail systems. The same should be accountable  
23 for all transportation systems. If we build it right, we should  
24 have -- we should have a higher level of -- well, I guess the  
25 way it's put is that the person suing has a higher level of --

1 they have to prove a higher level of -- that we did something  
2 wrong.

3 MR. TELLER: Question, Madam Chair.

4 CHAIRWOMAN BEAVER: Mr. Teller.

5 MR. TELLER: Yes. Thank you, Madam Chair.

6 The question -- a couple questions, actually, but  
7 I had one specifically for this discussion on SB 1025, public  
8 absolute immunity. Does that include airports, airport  
9 projects? Because it sounds like it's a roadway centric bill,  
10 and since it's transportation networks, that's -- that's also a  
11 concern that I have. That's one question to this.

12 And the other one is -- I'm going to throw in a  
13 monkey wrench here about tribal right-of-ways and tribal --  
14 state routes that are in tribal roads -- on tribal lands. How  
15 does that play into that?

16 MR. BIESTY: Madam Chair, Mr. Teller, so we're  
17 working -- we're actually working on an amendment with our  
18 attorneys. The concept is transportation facilities. So I  
19 would say that I do believe -- and I'll need to go back and see  
20 what the new language looks like -- but again, it was -- the  
21 concept was that all transportation facilities. So I think you  
22 -- think your aeronautics would be covered. I'm not an  
23 attorney. I wouldn't venture to go into tribal law and  
24 sovereignty and how it would impact, but I would -- I would need  
25 to look into that. I don't see why it wouldn't apply.

1 MR. STRATTON: Madam Chair.

2 CHAIRWOMAN BEAVER: Mr. Stratton.

3 MR. STRATTON: Kevin, you said it had to be built  
4 to a standard for immunity. Is it the standard that is that day  
5 or that time, or would we have to update that each time the  
6 standards change in order to obtain -- keep being immune to  
7 (inaudible).

8 MR. BIESTY: Madam Chair and Mr. Stratton, good  
9 question. It's at the time it was built. What was the standard  
10 at the time it was built?

11 What I was referring to in my comments was what  
12 I'm told by the engineers is if we were to build that same  
13 facility, those standards would be open median, such, you know.  
14 But it's at the time the facility's built.

15 CHAIRWOMAN BEAVER: Any other questions?  
16 Mr. Teller.

17 MR. TELLER: Yes. Thank you, Madam Chair.

18 Back to House Bill 2093, the fuel adjustment  
19 bill, the two-tiered diesel tax. Navajo Nation has a fuel  
20 excise tax formula with the State. Will that -- will this bill  
21 adjustment affect that agreement with the Navajo Nation?

22 MR. BIESTY: Madam Chair, Mr. Teller, that's a  
23 good question. I don't believe so. If -- and correct me if I'm  
24 wrong. I thought the agreement with the Navajo Nation was the  
25 distribution back of fuel taxes. So I'm assuming that the

1 agreement would cover. Whether the rates change, the  
2 disbursement would remain the same. But I'll make a note of  
3 that and check into it.

4 MR. TELLER: Thank you.

5 MR. BIESTY: Madam -- I'm sorry.

6 MR. LA RUE: Madam Chair, I might suggest on the  
7 one you're talking about, the court case and the bill that's  
8 running, you know, we had a briefing on this maybe a couple  
9 years ago on the court case and what the appellate courts held  
10 and why it's kind of changed the framework. It might be  
11 worthwhile that when, you know, the bill starts working, it's  
12 come back -- we have a small briefing to review a little bit  
13 about the court, because I think this bill is to change the  
14 outcome of that appellate court decision, I believe. And if  
15 not, that's the connection I need is, is that the purpose of the  
16 bill? And then so it would be helpful to be reviewed on what  
17 was that appellate court decision and what is this bill doing  
18 and how does it change that makeup?

19 CHAIRWOMAN BEAVER: Mr. Roehrich, is that  
20 something that could be on a study session, or do you think --

21 MR. ROEHRICH: Madam Chair, yes. We will go back  
22 and we'll put together something, and we'll find a time, and  
23 whether it's a regular agenda, a board study session, and have  
24 that conversation.

25 CHAIRWOMAN BEAVER: Okay.

1 MR. BIESTY: And Madam Chair and Mr. La Rue, I  
2 don't think it will affect that last case.

3 MR. LA RUE: You can't change the case --

4 MR. BIESTY: Yeah. Right. Right.

5 MR. LA RUE: -- but it changes the law --

6 MR. BIESTY: Going forward.

7 MR. LA RUE: -- that was set by the appellate  
8 court --

9 MR. BIESTY: Right.

10 MR. LA RUE: -- is what's being....

11 MR. ROEHRICH: So yes. I think that's a good  
12 suggestion.

13 CHAIRWOMAN BEAVER: Thank you.

14 Thank you, Mr. Hammond, for your initial  
15 question, too.

16 Do you want to go ahead and finish?

17 MR. ROEHRICH: You have more?

18 MR. BIESTY: I do. I have one more bill just  
19 briefly.

20 MR. ROEHRICH: Madam Chair, I'm gonging him.

21 MR. BIESTY: There is a --

22 MR. ROEHRICH: To the rest of the staff, if you  
23 go longer than the period of time, you're getting the same  
24 thing.

25 MR. BIESTY: So you hit the bell first, and the

1 next one is hit me with the hammer. Okay.

2 MR. ROEHRICH: No. I'm not going to hit anybody  
3 with the hammer.

4 MR. BIESTY: Just real quickly, Senate Bill 1090,  
5 HURF expenditures, transportation infrastructure, Senator Farley  
6 introduced a bill that in statute clarifies that HURF can only  
7 be used for construction and maintenance. I don't believe that  
8 will change the Constitutional provision that says enforcement  
9 of traffic laws on state highways is eligible for HURF. So I  
10 don't think it -- personally, I don't think it's addressing --  
11 if the concept is to eliminate the ability to fund the  
12 enforcement of state traffic laws on state highways, I don't  
13 think it will change the Constitution. So I think that debate  
14 will still happen. So that's -- that's what I have so far. I  
15 will, again, put these in -- you will get weekly updates from  
16 here on out on the bills as we process them. So, and in  
17 closing, I'm sorry, but it looks like we have the official --

18 MR. LA RUE: We have a new President.

19 MR. BIESTY: We have a new President of the  
20 United States. So another peaceful transfer of power.

21 CHAIRWOMAN BEAVER: Thank you.

22 MR. BIESTY: Thank you.

23 CHAIRWOMAN BEAVER: Now we will move on to  
24 financial report. Kristine Ward, thank you. Oh, she's got a  
25 smile today.

1 MR. LA RUE: How come she smiled on your first  
2 meeting --

3 CHAIRWOMAN BEAVER: I don't know --

4 MR. LA RUE: -- and mine were all frowns?

5 CHAIRWOMAN BEAVER: -- but that's nice.

6 MR. LA RUE: You know.

7 CHAIRWOMAN BEAVER: That's a sign of good news,  
8 huh?

9 MS. WARD: Don't fall for it.

10 Good morning. Let's see there. Well, in  
11 avoidance of the gong, I am happy to say this is a brief  
12 presentation.

13 Highway User Revenue Fund, our forecasts are  
14 right within the target range. We had an unusually strong month  
15 in diesel tax fuel revenues, 18.8 percent above forecast. We  
16 are investigating that. Whenever we see something that's way up  
17 -- way off of what we expect, could be a timing issue within the  
18 numbers, but we don't know. We always look into those. We --  
19 we always ask why.

20 We also, in terms of VLT, are doing quite well.  
21 We're at 14.2 percent above last December. In terms of new cars  
22 sold, what's interesting with VLT, however, is even with 12 full  
23 years of population growth under our belt since 2004, we are  
24 still not buying the same -- the number of cars that we bought  
25 back then. 404,000 cars we've purchased, new cars we've

1 purchased in 2004, and we have not reached that number yet. We  
2 have numbers through 2016, and I looked at it. I'm like, "Oh,  
3 this is just sad."

4 Moving on to Regional Area Road Fund. Again, I  
5 am quite pleased to say that the forecasts are within target,  
6 and we have moderate growth in all of our -- all of our  
7 categories.

8 Let's see. I do not have any additional updates  
9 on the federal aid or the debt program. I would like to give  
10 you a brief update on the Aviation Fund, as constituents have  
11 come and spoken to you with regards to the deferred payments,  
12 and we are on target to complete the resolution of those  
13 deferred payments. We anticipate having them all paid by the  
14 end of March and perhaps February. I actually ran into -- I  
15 believe it was the Yuma representative that spoke to you before,  
16 and I apologize. I can't remember her precise name. Doris?

17 MR. LA RUE: Gladys.

18 CHAIRWOMAN BEAVER: Gladys.

19 MS. WARD: Gladys. And I ran into her the other  
20 day, and she was quite happy to have gotten -- I believe they  
21 had a \$1 million-plus payment that was sent out.

22 So that concludes -- oh, one more thing. We are  
23 also -- well, we are going to have to still temper our future  
24 program expenditures on the Aviation Fund until we get those  
25 balances to a safe level or else we'll run into these situations

1 again. But -- so we are on target to get that issue resolved.

2 That concludes my presentation. If you have any  
3 questions...

4 CHAIRWOMAN BEAVER: Looks like you've got people  
5 wanting questions.

6 MS. WARD: Uh-oh.

7 CHAIRWOMAN BEAVER: Mr. Teller. Mr. Stratton,  
8 first.

9 MR. STRATTON: Thank you, Madam Chair.

10 Has there been any more movement on the HURF  
11 exchange program, or is it about the same as last fall?

12 MS. WARD: We are -- we have a very distinct  
13 project plan, and it is on task. Our next meeting is -- on this  
14 is February 2nd. We're meeting with FHWA to discuss issues  
15 regarding the federalization and defederalization of programs,  
16 and to see how -- just make sure that we're collaborating there  
17 in the reinstitution. But yes, we are still on target for  
18 reinstituting the HURF exchange effective October the next --  
19 the start of the next federal fiscal year. So far numbers are  
20 right in line.

21 MR. STRATTON: And Chair, if I may continue.  
22 Once we establish the HURF exchange program back, is there any  
23 chance that we may become financially able to start the HELP  
24 loan program again?

25 MS. WARD: Madam Chair, Mr. Stratton, we are

1 actually examining the HELP program right now --

2 MR. STRATTON: Great.

3 MS. WARD: -- to see what we can do to get that  
4 program reinstated. We are limited, however. Remember, that  
5 was capitalized quite heavily, initially, from the General Fund,  
6 as well as we had -- we -- it had federal participation as well.  
7 So absent those -- that capitalization, the fund currently has  
8 about 59 -- 58, \$59 million in it. So we're -- they're kind of  
9 limited there, and so -- but we are examining it. Your question  
10 is quite timely.

11 MR. STRATTON: Thank you.

12 CHAIRWOMAN BEAVER: Mr. Teller.

13 MR. TELLER: Thank you.

14 I recall at the December financial report the  
15 Highway User Revenue Fund for November was low. You mentioned  
16 that. I still have the report.

17 MS. WARD: Uh-huh.

18 MR. TELLER: And in this month, it's high. So  
19 there's -- I'm glad they're investigating the fluctuation.

20 MS. WARD: Uh-huh.

21 MR. TELLER: So number two, the Aviation Fund  
22 deferral payments, one of the last statements you said was that  
23 we're going to look into minimizing this. What methodologies  
24 are you going to minimize the future and tempering Aviation Fund  
25 sweeps, or is it the potentials for sweeps?

1 MS. WARD: Madam Chair, Mr. Teller, so what I  
2 meant by "tempering future" is we've got to get -- and this will  
3 be rather simplistic, but we've got to get our expenditures in  
4 line with our revenues, and we just -- we just need to get those  
5 better aligned, and we need to -- which ultimately what this  
6 came down to, as you well know, is the fact that we experienced  
7 that \$15 million sweep. So that threw our balances way off, and  
8 now we have got to accumulate enough of a balance to handle the  
9 day-to-day transactions, the payments that we have to make.  
10 Until we achieve those balances, we can't have a situation where  
11 we're letting out a lot of additional projects that would be  
12 drawing from those balances. So we're having to be very  
13 judicious in our approach of expenditures from the fund. And  
14 Chair -- Mr. Teller, does that answer your question?

15 And I will get -- will go back and look at my  
16 notes from November.

17 CHAIRWOMAN BEAVER: Thank you. Any other  
18 questions?

19 MS. WARD: Thank you.

20 CHAIRWOMAN BEAVER: Okay. Thank you.

21 We'll move on now to Multimodal Planning Division  
22 report. Mike Kies. Thank you.

23 MR. KIES: Thank you, Madam Chair.

24 I don't want to get gonged, so I don't have a  
25 report on the Multimodal Planning --

1 MR. ROEHRICH: I'm buying a bell. I'm bringing  
2 -- I'm going to start bringing a bell to every meeting. Thank  
3 you, staff. (Inaudible.)

4 MR. KIES: However, we do have a study session  
5 coming up January 31st, and there we'll be talking about the  
6 staff's recommendations for the next five-year program, and so I  
7 think I'll get gonged at that meeting.

8 MR. STRATTON: We will have the gong present at  
9 that meeting.

10 CHAIRWOMAN BEAVER: That is that temptation right  
11 there in the corner?

12 UNIDENTIFIED SPEAKER: Yeah. Exactly.

13 MR. KIES: So with that, Madam Chair, I'd be  
14 willing to move on to Item 7, if you're (inaudible) pleasure.

15 CHAIRWOMAN BEAVER: Is that fine, move on to Item  
16 7? Yes. Go ahead. Priorities Planning Advisory Committee.

17 MR. KIES: Item 7 -- yeah. It is the PPAC agenda  
18 items. This month we have five project modifications, which is  
19 Items 7A through 7E, and unless there are any questions or  
20 comments from the Board, I would ask for a motion to approve  
21 Items 7A through 7E.

22 CHAIRWOMAN BEAVER: Do we have a motion to  
23 approve Items 7A through 7E?

24 MR. STRATTON: So moved.

25 CHAIRWOMAN BEAVER: Mr. Stratton makes a motion.

1 Do we have a second?

2 MR. CUTHBERTSON: Second.

3 CHAIRWOMAN BEAVER: Seconded by Mr. Cuthbertson  
4 to accept the approved project modifications for Items 7A  
5 through 7E. All those in favor?

6 BOARD MEMBERS: Aye.

7 CHAIRWOMAN BEAVER: All those opposed? Motion  
8 carries. Okay.

9 MR. KIES: Thank you, Madam Chair.

10 There are nine new projects on the PPAC agenda  
11 this month. They are Items 7F through 7N. If there are no  
12 questions or comments from the Board, I would ask for a motion  
13 to approve Item 7F through 7N.

14 CHAIRWOMAN BEAVER: Do we have a motion?

15 MR. HAMMOND: So moved.

16 CHAIRWOMAN BEAVER: Motion by Mr. Hammond.

17 MR. CUTHBERTSON: Second.

18 CHAIRWOMAN BEAVER: Seconded by Mr. Cuthbertson  
19 to approve -- accept and approve the new projects, Items 7F  
20 through 7N. All those in favor?

21 BOARD MEMBERS: Aye.

22 CHAIRWOMAN BEAVER: All those opposed? Motion  
23 carries.

24 Airport projects.

25 MR. KIES: Thank you, Madam Chair.

1                   Yes, there's one new airport project on the  
2 agenda this month, and this is an airport project where there's  
3 federal funding involved, and the State Aviation Fund provides  
4 the -- some of the matching funds to that federal program, which  
5 is one of the items of the Aviation Fund that we wanted to  
6 continue to improve and keep moving forward, even though we had  
7 our financial constraints. So if there's no questions or  
8 comments, I'd ask the Board to approve Item 70.

9                   CHAIRWOMAN BEAVER: Do we have a motion?

10                  MR. TELLER: So moved.

11                  MR. LA RUE: I second.

12                  CHAIRWOMAN BEAVER: Okay. Mr. Teller made the  
13 motion, and seconded by Mr. La Rue to accept and approve the  
14 airport project, Item 70. All those in favor?

15                  BOARD MEMBERS: Aye.

16                  CHAIRWOMAN BEAVER: All those opposed? Motion  
17 carries.

18                  MR. KIES: Thank you, Madam Chair.

19                  CHAIRWOMAN BEAVER: Thank you. Next item, State  
20 engineer's report. Dallas.

21                  MR. HAMMIT: Good morning.

22                  CHAIRWOMAN BEAVER: Thank you.

23                  MR. HAMMIT: Currently, in construction, ADOT, we  
24 have 114 projects totaling \$1.63 billion. In December, we  
25 finalized 14 projects totaling 30.1 million, and year to date,

1 we have finalized 57 projects.

2 As you look at the summary of projects -- thank  
3 you for approving the items in the consent agenda -- and as you  
4 see for this month, we've put out about \$61 million. We came in  
5 .9 percent under the estimate year to date, just a hair under  
6 284 million, and we're -- we -- our estimate is within .1  
7 percent of the engineer's estimate to the low bid. So our  
8 staff's doing a very good job of keeping us on budget and moving  
9 forward. Even though individual projects may fluctuate a little  
10 bit, we're keeping it pretty close.

11 Any questions on the State engineer's report?

12 CHAIRWOMAN BEAVER: Any questions?

13 MR. HAMMOND: Madam Chair.

14 CHAIRWOMAN BEAVER: Mr. Hammond.

15 MR. HAMMOND: This is probably too close. It  
16 makes me suspicious.

17 MR. HAMMIT: One more time, sir?

18 MR. HAMMOND: You're too close to budget. It  
19 makes me suspicious.

20 MR. HAMMIT: Oh, okay.

21 CHAIRWOMAN BEAVER: That's okay. Thank you for  
22 your....

23 MR. HAMMIT: We do have a few projects for  
24 justification. Item 9A is a local project in -- near the city  
25 of Eloy. It's a sign replacement project. The low bid is

1 \$57,310. The State estimate was 105,984, a difference of  
2 48,674, or 45.9 percent. In this project, one thing we saw  
3 interesting, biggest difference was in the sign panel and  
4 installation. The contractor took -- is planning to take the  
5 old signs, salvage the aluminum, get the money from that, and  
6 they used that in their bid to offset and get a better price for  
7 us as the department. So we did not anticipate that. We just  
8 thought they would salvage it. So we did get a better-  
9 than-expected price. After review of the bids, we do believe it  
10 is a responsive and reasonable bid and recommend award to Abbco  
11 Sign Group, Inc.

12 CHAIRWOMAN BEAVER: Do we have a motion to  
13 approve the staff's recommendation to award the contract for  
14 Item 9A to Abbco Sign Group, Inc.?

15 MR. STRATTON: So moved.

16 CHAIRWOMAN BEAVER: Motion by Board Member  
17 Stratton.

18 MR. SELLERS: Second.

19 CHAIRWOMAN BEAVER: Seconded by Mr. Sellers. I  
20 guess he's a board member, also.

21 All those in favor?

22 BOARD MEMBERS: Aye.

23 CHAIRWOMAN BEAVER: All opposed? The motion  
24 carries.

25 We'll move on now to Item 9B.

1 MR. HAMMIT: Thank you, Madam Chair.

2 This project is Interstate 10 in Cochise County.  
3 It's a bridge scour project. The low bid was 200,000 even. The  
4 State's estimate was 246,285.32. The estimate was lower than  
5 the State's estimate by \$46,285.32, or 18.8 percent. Where we  
6 saw the biggest differences is in structural. We overestimated  
7 the cost for structural excavation and concrete. We have  
8 reviewed the bids, and the department believes it is a  
9 responsive and reasonable bid and recommends award to KAZ  
10 Construction, Inc.

11 CHAIRWOMAN BEAVER: Do we have a motion to accept  
12 and approve staff's recommendation to award the contract for  
13 Item 9B to KAZ Construction, Inc.?

14 MR. CUTHBERTSON: So moved.

15 MR. LA RUE: Second.

16 CHAIRWOMAN BEAVER: Motion by Mr. Cuthbertson and  
17 second by Mr. La Rue, both board members. I'll get this  
18 straightened out sooner or later. Sorry.

19 All those in favor?

20 BOARD MEMBERS: Aye.

21 CHAIRWOMAN BEAVER: All those opposed? Motion  
22 carries.

23 We'll move on to Item 9C.

24 MR. HAMMIT: Thank you, Madam Chair.

25 This project is on State Route 87. It is a

1 chipseal project. The low bid was \$1,201,501. The State's  
2 estimate was \$1,683,025, or it was under the estimate by two --  
3 or excuse me -- 482,524, or 28.7 percent. We saw biggest  
4 differences in the asphalt emulsion, the oil or -- and the  
5 chipseal materials. One thing with this contractor, which is a  
6 local to the area, most have been shipping and paying a shipper  
7 to bring the material in, the asphalt oil. They have their own  
8 equipment, and they went to the refinery and bringing it up, and  
9 they shared that savings into their bid. We have reviewed the  
10 bids, and the department believes it is a responsive and  
11 reasonable bid and recommends award to Earth Resources  
12 Corporation.

13 CHAIRWOMAN BEAVER: Do we have a motion to accept  
14 and approve staff's recommendation to award the contract for  
15 Item 9C to Earth Resources Corporation?

16 MR. TELLER: Motion.

17 CHAIRWOMAN BEAVER: Motion by Board Member  
18 Teller.

19 MR. CUTHBERTSON: Second.

20 CHAIRWOMAN BEAVER: Seconded by Vice Chair  
21 Cuthbertson. I'll get this right.

22 All those in favor?

23 BOARD MEMBERS: Aye.

24 CHAIRWOMAN BEAVER: All those opposed? Motion  
25 carries.

1 We'll move on to Item 9D.

2 MR. HAMMIT: Thank you, Madam Chair.

3 This project is on State Route 92 in the Bisbee  
4 area. It's some general roadway improvements, including  
5 sidewalk, curb and gutters and drainage improvements. The low  
6 bid was \$552,500. The State's estimate was \$667,763.18. It was  
7 under the State's estimate 115,263.18, or 17.3 percent. In  
8 reviewing the bids, we overestimated basically the time to build  
9 -- looks like -- advance the slide. Sorry about that -- the  
10 retaining wall and some of the work. So we saw lower labor  
11 costs because we overestimated time. After review of the bids,  
12 the department believes the bid is responsive and reasonable and  
13 would recommend award to KE&G Construction, Inc.

14 CHAIRWOMAN BEAVER: Do we have a motion to accept  
15 and approve staff's recommendation to award the contract for  
16 Item 9D to KE&G Construction, Inc.?

17 MR. CUTHBERTSON: So moved.

18 CHAIRWOMAN BEAVER: Motion by Vice Chair  
19 Cuthbertson and second by Board Member Stratton. All those in  
20 favor?

21 BOARD MEMBERS: Aye.

22 CHAIRWOMAN BEAVER: All those opposed? Motion  
23 carries.

24 We'll move on to 9E.

25 MR. HAMMIT: Thank you, Madam Chair.

1                   And this is my last one before Floyd gongs me.  
2 This is an IPS project on Interstate 10 --

3                   MR. ROEHRICH: Dallas, could you move -- could  
4 you advance it?

5                   MR. HAMMIT: Thank you.

6                   MR. ROEHRICH: Thank you.

7                   MR. HAMMIT: That's what happens when I look at  
8 my iPad instead of up there.

9                   This is in Maricopa County. It's installing some  
10 fiber optic cable, some cameras that we use on the freeways.  
11 The low bid was \$1,482,424. The State's estimate was  
12 \$1,769,021.30. The bid came in under the estimate by  
13 \$286,597.30, or 16.2 percent. What we saw was better-  
14 than-expected prices both for the material in our pole boxes,  
15 the cabling and our nodes, and that's what transmits the  
16 information. We have reviewed the bids, and the department  
17 believes it is a responsive and reasonable bid and recommends  
18 award to CS Construction, Inc.

19                   CHAIRWOMAN BEAVER: Do we have a motion to accept  
20 and approve staff's recommendation to award the contract for  
21 Item 9E to CS Construction, Inc.?

22                   MR. SELLERS: Move for approval.

23                   MR. LA RUE: Second.

24                   CHAIRWOMAN BEAVER: Board Member Sellers made the  
25 motion, and seconded by Board Member La Rue. All those in

1 favor?

2 BOARD MEMBERS: Aye.

3 SPEAKER3: All those opposed? The motion  
4 carries.

5 MR. HAMMIT: Thank you, Madam Chair.

6 CHAIRWOMAN BEAVER: Thank you.

7 MR. HAMMOND: Madam Chair, I have one question.

8 Are the bidders aware of the State's estimate prior to the  
9 bidding process?

10 MR. HAMMIT: Madam Chair, Board Member, they are  
11 not. They are aware of the program amount, but they do not know  
12 the State's estimate.

13 MR. HAMMOND: Okay.

14 CHAIRWOMAN BEAVER: Thank you for your question,  
15 Board Member Hammond.

16 Okay. We'll move on now to Item 10. It's a  
17 Central Yavapai Municipal Planning Organization presentation  
18 regarding I-17 safety and capacity improvements. Thank you.  
19 Mr. Bridges.

20 MR. BRIDGES: Thank you, Madam Chair, for  
21 inviting me to present this.

22 I'll start off with the CYMPO board found  
23 interest in this corridor, obviously, for some time. Everybody  
24 in northern Arizona is very interested in Interstate 17. It's  
25 our key lifeline tying us to Phoenix, whether it's commerce,

1 tourism, health.

2           As you've mentioned, (inaudible) transportation  
3 planner actually had to be transported to Scottsdale via I-17 on  
4 an ambulance. Luckily there were no problems, and he made it  
5 fine, but that's the way to get there. It's very important, and  
6 because of that, our board took the initiative sometime ago, a  
7 year-and-a-half or so ago, to pass a resolution supporting  
8 improvements to I-17 and asking ADOT to move forward with those  
9 and looking at everything, including public-private  
10 partnerships, which I think ties perfectly into a lot of the  
11 message you heard at the Rural Transportation Summit over the  
12 last day-and-a-half, two days, is that, you know, we need to be  
13 a little more creative in how we're delivering projects.

14           And so what I want to present to you here is just  
15 some basic information about I-17. I did this presentation  
16 originally with the Greater Arizona Mayors Association. Mayor  
17 of Camp Verde, I don't know if he's still here or not, but the  
18 Greater Arizona Mayors Association is looking at passing a  
19 resolution, and it's a part of this project as well. So we'll  
20 go ahead and move along here.

21           A little bit of the history of it. You know, we  
22 often forget about our history, and -- thank you -- that I-17  
23 was originally built along the State Route 69 alignment, which  
24 ironically comes to Prescott, and you're going to be driving on  
25 it, and we're looking at improvements on that corridor. It also

1 is included along segments of what was then State Route 79.  
2 I-17 being the first freeway segment built in Phoenix starting  
3 in the '50s, and it is a huge change in elevation, and with  
4 that, the terrain, and as Alvin mentioned in his update, the  
5 curves are dangerous. Speeds have changed. Cars have changed  
6 over that time. But in general, if you look at this, the  
7 development of an interstate doesn't occur overnight.

8 This is just chunks of how the interstate was  
9 built, and this brings me back to, you know, we're talking about  
10 Interstate 11 right now. It's a very similar process. We're  
11 looking at using segments of US-93, other -- other interstates  
12 and segments of road, and then also having new segments of road,  
13 and you can see it takes some time. With Interstate 17 starting  
14 in Phoenix in the '50s and finishing in 1976, that's quite a  
15 long ways. So it does take time. Transportation planning is  
16 hard, hard for folks to see. You see a line on a map, and my  
17 gosh, it's going to be there tomorrow, and that doesn't  
18 necessarily happen.

19 Obviously you're aware of I-17 limits covering  
20 Phoenix to Flagstaff. What specifically I'm going to talk to  
21 you about, and I'll also ask Alvin since, you know, he is the  
22 district engineer that, you know, once we get up here and -- I  
23 do have a simulation to show you -- that he can give you some  
24 more of the technical information than I have. But there was a  
25 project assessment design concept report done for this project.

1 These are all of the different alternatives that were done, and  
2 evaluating all of those, the green ones were ultimately  
3 eliminated for a variety of reasons, and the blue ones were the  
4 remaining alternatives, which the recommendations came out of  
5 this.

6 The near-term recommendation, which is what I'm  
7 going to show you the simulation on, is the two-way reversible  
8 lanes that Alvin referenced earlier. Long term is ultimately  
9 adding additional lanes to increase capacity along that corridor  
10 as well, but the two-way reversible serves as a safety  
11 improvement in the short-term and is a huge need.

12 Zoomed in a little bit on that now. It's very  
13 blurry because I took it out of the project assessment with my  
14 phone, but I did get it on the screen there. So that was the  
15 main recommendation that came out of the study.

16 This is the resolution that we did in 2015, and  
17 it did generate quite a buzz, especially the public-private  
18 partnership part. The majority of northern Arizona, including  
19 Flagstaff NPO, NACOG, Lake Havasu NPO, all passed resolutions in  
20 support. Southeast Arizona Government Organization also  
21 supported this as well, and we are appreciative of the statewide  
22 support and seeing the regional significance of this, not just  
23 northern Arizona, but for the whole state.

24 The one key thing that I wanted to point out here  
25 is that the reversible lanes, estimated in the plan to be about

1 \$125 million, with the closures that we've been having, it's  
2 estimated to reduce that from a 320-minute delay to an 80-minute  
3 delay. Now, driving Interstate 17 as frequently as I do, I have  
4 a little bit of advantage in knowing that I'm going to plan  
5 ahead before I'm leaving Phoenix, and I'm going to check AZ511,  
6 which by the way is fantastic, and the ADOT Twitter feed, which  
7 is even better, to be able to see if there's anything going on.  
8 I also have Alvin's cell phone number.

9           So I have the ability to either say, "Hey, I'm  
10 going to hang out in Phoenix a little longer" sooner than most  
11 folks. We do have the message boards on the freeway, but  
12 sometimes you get up to Carefree Highway and it might be too  
13 late, and then you don't -- or you don't see it or you just  
14 missed it, and then you end up sitting on Black Canyon Hill for  
15 four hours playing a game of cornhole or basketball in a trash  
16 can or whatever it is that you come up with, but people do get  
17 creative out there.

18           So what I'm going to show you now is actually the  
19 video that is the simulation, and I'll ask Alvin to come up and  
20 help me out, maybe explain a little bit. As the video plays,  
21 we'll talk more.

22           MR. STUMP: Okay. Madam Chair, Board, this is --  
23 we did this simulation a couple years ago, and basically it  
24 shows what we had discussed though. Two lanes built adjacent to  
25 the existing southbound so that Friday evenings, when we've got

1 the heavy northbound traffic, it can be used for -- so we have  
2 four lanes going north. Same thing on Sunday, or if there's an  
3 accident that we need to close one -- one direction, we still  
4 have two lanes to work with. And we'll start moving here in a  
5 minute. But basically, this is -- this is showing the -- being  
6 used to have traffic go northbound, provide the additional  
7 capacity. Makes a quick run up the hill.

8           One of the things we're starting to see, on the  
9 heavy weekends, we're starting to see 60,000 vehicles a day on  
10 I-17, which is a lot, especially where we have the grades we do  
11 on Black Canyon Hill.

12           There is a quick note on the -- for the Bumblebee  
13 exit, reversible facility couldn't access that. That would be  
14 one downside to it, but... The main thing, having the two extra  
15 lanes that deal with the peak flows would be the key benefit,  
16 and so you can see as you zoom in how it's -- there's a -- there  
17 would be a barrier between the existing southbound lanes  
18 (inaudible) lanes. Kind of shows it, how it switches for --  
19 with the northbound going back over. And this is an example of  
20 where you've got an accident going southbound, and so we could  
21 shift the southbound traffic to use this as well.

22           So I just -- just a quick little exhibit, very  
23 common scene down there, where at least this way we can keep  
24 traffic moving.

25           And again, at the time that we're looking at

1 widening the northbound side, it's critical that we have to keep  
2 two lanes in each direction open during the daytime. So  
3 whatever lane closures we do, we'd have to do it at night. And  
4 what this would do would allow us to put the northbound traffic  
5 on the reversible lanes to do the improvements on northbound.  
6 So that's it. That's a key benefit, no matter how we ultimately  
7 phase the -- all the improvements. (Inaudible.)

8 MR. BRIDGES: So you can see there's been a lot  
9 of thought into this. And I shared the story when we first  
10 started doing this that our vice chair, Mary Mallory, a store  
11 manager for Albertson's in Prescott Valley -- and just to give  
12 you the commerce impact -- I think I've shared this with you  
13 before, is, you know, their trucks typically are -- you know,  
14 they come in in the afternoon, and they've got crews scheduled  
15 to come in and unload those trucks. There's produce on there.  
16 They need to get it out of there and processed quickly.

17 One of their vehicles on one day happened to be,  
18 you know, stuck in a crash that was on 17 northbound. They  
19 ended up, that afternoon delivery, they had everybody come in.  
20 Then they found out. They didn't know how long the delay was.  
21 They're paying their staff to sit there to wait for this truck  
22 that ultimately didn't show up until two o'clock in the morning.  
23 They had to then call all those people to come back in at two  
24 o'clock in the morning, because it has perishable goods on  
25 there. They need to be out of that truck. That does, you know,

1 impact when they're sitting on the roadway, too.

2 It's -- that's just one example of where you're  
3 seeing an impact on one business, but we have more than one  
4 grocery store, and we have more than one other, you know,  
5 commercial development in this area. It does impact  
6 dramatically.

7 What we have been seeing here locally is also  
8 travel. If you need to leave from northern Arizona and get to  
9 Sky Harbor Airport, and you have an early morning flight, odds  
10 are you're probably going to end up having to go down the night  
11 before and stay and not really have the ability to reasonably  
12 expect that you're going to be able to get to the airport and  
13 make your flight on time. It's that bad.

14 I believe when we started the resolution, we were  
15 running through a stretch where I think we had -- we had looked  
16 at some of the traffic incident numbers, and we were looking at  
17 at least one, a little over one average per week where there  
18 was -- Alvin's having to send a crew out to do traffic control  
19 because of some sort of crash of some level, varying types, you  
20 know, anywhere from, you know, 15 minutes to four or five, six  
21 hours, depending upon what that is.

22 And that's just such a tremendous impact on our  
23 customers and the movement of people throughout the region  
24 that -- that's where the CYMPO board came in trying to bring  
25 this to the attention, and obviously, you know, we just happened

1 to be, you know, the first that gave the resolution, but this is  
2 -- this is a priority for the entire state. And, you know, I do  
3 appreciate you giving me time to show you this information.  
4 There are others that are interested in this -- in continuing as  
5 well. So I'd be happy to answer any questions that you have  
6 right now, and I do appreciate your time.

7 MR. SELLERS: Chairman.

8 CHAIRWOMAN BEAVER: Board Member Sellers.

9 MR. SELLERS: Yeah. Chris, this would be what,  
10 about a 10-mile project?

11 MR. STUMP: About eight.

12 MR. BRIDGES: Yeah, eight.

13 MR. SELLERS: Eight. Okay. Do we have a guess  
14 on cost?

15 MR. STUMP: It's 125 million.

16 MR. BRIDGES: Yeah. The estimate in the plan was  
17 125 --

18 MR. ROEHRICH: Alvin, could you go up and make  
19 sure that we can hear the answers? Thank you.

20 MR. STUMP: Yes. Madam Chair and Board, it's  
21 about 125 million.

22 MR. SELLERS: Okay. So what are the next steps?

23 MR. BRIDGES: I'll get it.

24 So I believe in the last five-year planning, you  
25 had looked at some development area design in the five-year

1 plan, and what we really need to look at is getting the final  
2 design of that done and then getting some construction  
3 programming lined out to be able to do that.

4 I do want to add on that, you know, this is in  
5 the middle of the I-17 section, and obviously this has been an  
6 important hotspot when it comes to fatalities, crashes, delays.  
7 However, you know, if you look at the Table Mesa area, there's  
8 also a very critical portion. That's another spot where you see  
9 a lot of incidents happening, but the reality is is you need  
10 from Anthem all the way up to Cordes Junction. We drop, and I  
11 think the numbers used to be at Cordes Junction, about a third  
12 of all the traffic that's going on I-17 exits at Cordes Junction  
13 to come to Prescott.

14 So once you're past there, that -- not to mean  
15 that there isn't anything beyond there. You know, we still need  
16 some truck climbing lanes. We need safety improvements going up  
17 to Flagstaff. The whole corridor needs to be looked at. But I  
18 would see an opportunity here to have a discussion with the MAG  
19 region on how we can partner on that Anthem up to the Black  
20 Canyon area to make that a consistent, you know, three lanes in  
21 each direction, whatever it needs to be. Because once it drops  
22 at Anthem, the traffic isn't -- that's less, as you would  
23 imagine. Yeah, a lot does get off at Anthem, but it's still --  
24 both lanes, you don't have the ability to -- you know, the whole  
25 driving in the right lane and pass on the left, that's not the

1 thing. It's you drive in both lanes, and there's cars in front  
2 and behind you.

3 MR. SELLERS: And this is a significant freight  
4 corridor.

5 MR. BRIDGES: Correct.

6 MR. SELLERS: Thank you.

7 CHAIRWOMAN BEAVER: Board Member Hammond.

8 MR. HAMMOND: Yeah. I probably should remember  
9 this. But, I mean, certainly at the board level in our planning  
10 sessions, this real need for I-17 has been, you know, moving up  
11 in the food chain. We've been presented -- and maybe this is a  
12 staff question and not you, Chris -- with kind of the "have to  
13 dos," kind of the "need to dos" and the kind of "would like to  
14 dos," and where is this in the food chain now for funding within  
15 your understanding of staff?

16 MR. BRIDGES: I will tell you from the CYMPO  
17 board perspective, this is a "have to do." The -- through that  
18 canyon area is the critical portion of that (inaudible).

19 MR. HAMMOND: Is it in the "have to do" section  
20 right now?

21 MR. BRIDGES: And I would defer -- I will defer  
22 to Dallas for their perspective.

23 MR. HAMMIT: Madam Chair, Mr. Hammond, as you saw  
24 in our last program, the Board brought this forward as the first  
25 new project that wasn't already funded. So it is the first

1 project in the development program to come forward. So we saw  
2 it as a very high priority.

3 MR. HAMMOND: Okay. That's what I thought. I  
4 just wanted to make sure.

5 MR. ROEHRICH: I would like to make -- Madam  
6 Chair, members of the Board, I would like to make the point,  
7 we're getting ready to kick off, obviously, the next review of  
8 the tentative five-year program. As always, it's a question of  
9 where does a priority need to go with the limited funds that we  
10 have. So we're going to continue to have that debate as we look  
11 at all of the other needs that are out there. And although I  
12 know, Mr. Hammond, you've talked about, "Well, where is it in  
13 the priorities? Is it low high priority? High priority?  
14 Middle priority?" Those are the debates and issues that we and  
15 staff are going to have to have with this transportation board  
16 as we look at where we program those next round of funding and  
17 as we start looking at how we develop it in that six- to  
18 ten-year program to start bringing it forward.

19 CHAIRWOMAN BEAVER: Board Member La Rue.

20 MR. LA RUE: Chris, has CYMPO had direct  
21 conversations with MAG on this concept?

22 MR. BRIDGES: I've actually, personally had  
23 conversations with Dennis Smith and Eric Anderson about the  
24 importance of the corridor, but nothing to the point of where  
25 are we going to pursue a partnership. I'm happy to do that. I

1 think it's something we should do, and I'll be reaching out to  
2 Dennis and Eric here in the near future.

3 MR. LA RUE: I think that's the next step, like  
4 Board Member Sellers asked next steps, because, you know, as you  
5 mentioned, that Table Mesa area. We can fix one area, but  
6 there's multiple areas that --

7 MR. BRIDGES: Correct.

8 MR. LA RUE: -- will, you know, show themselves.  
9 So I would encourage that, and whatever, you know, Board Members  
10 Sellers and myself can do to help with that or staff, I think  
11 that's a critical next step.

12 MR. BRIDGES: I appreciate that. I will  
13 definitely reach out to Dennis and Eric.

14 MR. LA RUE: And the other thing I would share  
15 with Board members is I live in the northwest valley of Maricopa  
16 County. I've got to tell you, the I-17 corridor, I hear -- so  
17 when you think about all the highways in Maricopa County and all  
18 the roadways, and then you think about I-17, you would think  
19 that a Maricopa County board person would hear more comments  
20 about the roads in Maricopa County. I hear more comments from  
21 people in my day-to-day as I'm walking around about I-17.

22 MR. BRIDGES: Yeah.

23 MR. LA RUE: You think, "Why is that?" Well, you  
24 know, there's so much commerce that goes from Phoenix to Flag,  
25 Phoenix to Prescott, Phoenix to the I-40. There are a lot of

1 people in Maricopa County that have homes in Flag, that have  
2 kids that go to school in Prescott or Flag, have homes in  
3 Prescott. Everybody uses this I-17, and so I get more  
4 questions about when are we going to fix I-17 than I get about  
5 anything in Maricopa County.

6 MR. BRIDGES: All right.

7 MR. LA RUE: Just a point of reference that it's  
8 on folks' radars.

9 CHAIRWOMAN BEAVER: Board Member Stratton.

10 MR. STRATTON: Thank you, Madam Chair and staff.

11 Correct me if I'm wrong, Floyd, but I believe  
12 last year you brought this concept forward or staff did that one  
13 of the suggestions was it was a prime candidate for a P3  
14 project, and I believe the Board asked staff to look into that  
15 and return back with recommendations and what the possibilities  
16 of that would be, and that's why it was kind of put back for a  
17 little bit last year, and to be reconsidered this year and see  
18 what those possibilities were.

19 CHAIRWOMAN BEAVER: Mr. Roehrich.

20 MR. ROEHRICH: Madam Chair, Mr. Stratton, that is  
21 correct, and we have done a preliminary analysis of this  
22 reversible lane concept as a potential to be a public-private  
23 partnership; realizing that on a P3 project, we need to have the  
24 revenues to pay it back. It's a financing mechanism, and  
25 therefore we're looking at some type of toll or fee. And we

1 have done some preliminary analysis. And on the Board study  
2 session on January 31st, you're going to get a presentation  
3 overview of the P3 program, and we'll talk about this.

4 MR. STRATTON: Thank you.

5 MR. BRIDGES: Thank you.

6 If I could, Madam Chair, to follow up on that, I  
7 have been working with Gail Lewis. I've had, you know, some of  
8 the folks that were at yesterday's meeting presenting about  
9 public-private partnerships involved with a meeting at the  
10 governor's office with Brian Townsend. I understand there's a  
11 new transportation representative for the governor. I'm  
12 planning to reach out to him, meet with him as well. But we're  
13 still open to -- you have to pay for it. Just like Floyd said,  
14 you've got to pay for it somehow, whether it's P3 or us. But  
15 we're open to any other option. It's that important.

16 MR. LA RUE: Madam Chair, if I may, and also, I  
17 really encourage us to look at P3, but I also have to be a  
18 realist as well. P3 is still not a very -- it's not a term of  
19 endearment in Maricopa County, and if you need those voters, you  
20 know, we've got that challenge.

21 CHAIRWOMAN BEAVER: I would just like to make a  
22 couple of comments with regard to the -- actually, it came out  
23 of the Rural Transportation Summit. One of them was I attended  
24 the FAST Act highways that was presented by Eric Zimmerman, Mike  
25 Kies and Tom -- I don't remember his last name. FHWA

1 representative. And out of that -- and Mike Kies is here.  
2 Maybe he could speak to it. But actually, I-17 has a higher --  
3 it's higher freight wise than even I-40 was, and they had the  
4 graphs and the maps and all that. So I don't know if you would  
5 like to speak to that, Mr. Kies?

6 MR. KIES: I could clarify. The data that we  
7 showed at that presentation was looking at the freight movements  
8 that related to the state of Arizona's economy. So we took out  
9 all the through movement. So I-40 has a lot of through movement  
10 crossing from California to New Mexico and back. And when you  
11 just look at the freight movements that are related to Arizona's  
12 economy, I-17 becomes one of those very predominant freight  
13 movement corridors keeping our economy going.

14 CHAIRWOMAN BEAVER: Thank you.

15 It was a very good presentation, so I don't know  
16 if that's something that we'd want to look at for a future study  
17 session just for informational purposes for ourselves.

18 The other one had to do with the P3 that was  
19 presented by Yavapai Regional Capital, John Sellers, Robert  
20 Wagner, Steve Gordon, James Miller. And it was an interesting  
21 concept, and it is something that would have to be approved  
22 through legislation. But their premise, as opposed to a tax or  
23 a toll, would be a tax credit. And the presentation was quite  
24 interesting, because investors would take the up front and the  
25 tax credit -- I'm probably not articulating this really well,

1 but the tax credit would go for the investors that put the money  
2 up front to get the ball rolling.

3           If you could clarify that any more, but to me,  
4 that is worth maybe at a later time us even having that type of  
5 a presentation at a study session where we can understand --  
6 better understand. Again, it's something -- I think they've  
7 been talking with the governor, and they're talking with  
8 legislators, but it's more educating us all on this alternate  
9 approach.

10           MR. ROEHRICH: Madam Chair, if I could real  
11 quick, I think you're getting off topic from Interstate 17,  
12 which was agendaed, and talking about specific different types  
13 of either financing of transportation projects, either different  
14 types of public-private financing or different types of  
15 mechanisms that policymakers or public can make. I think that  
16 discussion needs to be agendaed into a different topic, and  
17 especially, in my mind, at the study session when we talk about  
18 the P3 programming and those things, that's probably where you  
19 need to address that, as opposed to this item, which addressed  
20 I-17 specifically.

21           CHAIRWOMAN BEAVER: Okay. I was just -- the only  
22 reason I brought it up is because I could see very much where if  
23 we were to look at a P3 for I-17, this would be another  
24 alternative approach to maybe getting it happening.

25           MR. BRIDGES: And along those lines, you know,

1 Mr. Sellers specifically has a house in Prescott. He also lives  
2 in Cave Creek. His focus has been looking at I-17, because he  
3 does see a need. He does see some potential as well, but I'm  
4 going to go to Floyd's point. And maybe if this is okay with  
5 the Board, and it's obviously up to you in working with staff,  
6 but, you know, I'm inviting Mr. Sellers and in specific, also,  
7 Mr. Borden as well to talk about that tax credit as part of the  
8 P3 options. That one's a very new thing. That's a little  
9 different than what you've heard before, than just the tolling  
10 or all those other concepts. So if it would be appropriate,  
11 I'd, you know, ask you to consider for your study session invite  
12 them to be part of that P3. And I'll leave that up to you  
13 (inaudible) today.

14 MR. SELLERS: And I should mention, as far as I  
15 know, he's no relation.

16 CHAIRWOMAN BEAVER: Is this an appropriate time  
17 that we would see if anyone's interested in having it at a study  
18 session or...

19 MR. ROEHRICH: Madam Chair, no.

20 CHAIRWOMAN BEAVER: Okay.

21 MR. ROEHRICH: I think you need to address the  
22 I-17 agenda. Then we can get on with the suggestions for other  
23 board, and then we can talk about those things that --

24 CHAIRWOMAN BEAVER: Okay.

25 MR. ROEHRICH: I'm trying to follow the exact

1 frame of the Board agenda.

2 CHAIRWOMAN BEAVER: Does anyone have any  
3 additional questions to ask of Mr. Bridges?

4 Okay. Then thank you very much.

5 MR. BRIDGES: Thank you.

6 CHAIRWOMAN BEAVER: Then we'll move on to  
7 suggestions for future board meetings or study sessions.

8 MR. ROEHRICH: And Madam Chair, if I could  
9 quickly start, again, I know I mentioned earlier, but I did want  
10 to remind the Board members that the next meeting is January  
11 31st down in Phoenix, and it is a study session, and at that  
12 time we're addressing three items. We're going to talk about  
13 the P3 program, as staff's -- the way the program is right now  
14 as well as the items that we're looking at.

15 I can look into -- if you want to talk about  
16 specific different types of P3 programs, which this tax credit  
17 or some of these other things would be, and we can talk about  
18 that, although I am cautious about where the Board would want to  
19 address these public policy issues at this point beyond just the  
20 -- what the -- the P3 program is that we've been developing,  
21 because they do require -- whether it requires a legislation or  
22 a vote of the citizens, we do need to kind of talk about where  
23 we would go with that, that type of a program.

24 Second item was the state freight plan. There  
25 will be a short presentation on that, and then we will lay out

1 the tentative -- the framework for the tentative five-year  
2 program so we can start the -- bring in the Board's comments  
3 into the program that the staff is developing so we can have it  
4 ready to go to public hearing later on this spring. Those are  
5 the three items at the study session.

6 CHAIRWOMAN BEAVER: Board Member Stratton.

7 MR. STRATTON: Madam Chair, Floyd, I believe I  
8 asked at some point in time whether it was this study session or  
9 another that we talk about the difference between a solicited  
10 and unsolicited P3 and the time frames associated with both of  
11 those.

12 MR. ROEHRICH: Madam Chair, Mr. Stratton, we can  
13 do that as part of the overview as well.

14 MR. STRATTON: Thank you.

15 CHAIRWOMAN BEAVER: Do we have any additional  
16 questions at this time?

17 (End of recording.)

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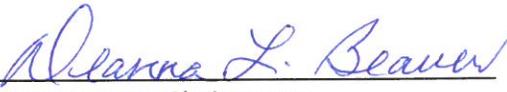
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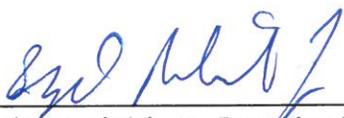
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**Adjournment**

***A motion to adjourn the January 20, 2017 Board meeting was made by Arlando Teller and seconded by Bill Cuthbertson. In a voice vote, the motion carries.***

**Meeting adjourned at 10:55a.m. MST.**

  
\_\_\_\_\_  
Deanna L. Beaver, Chairwoman  
State Transportation Board

  
\_\_\_\_\_  
Floyd P. Roehrich, Jr., Executive Officer  
Arizona Department of Transportation