

MINUTES
STATE TRANSPORTATION BOARD MEETING
9:00 a.m., Friday, May 19, 2017
Arizona Department of Transportation
Administration Building Auditorium
206 S. 17th Avenue
Phoenix, AZ 85007

Roll call by Floyd Roehrich

In attendance: Deanna Beaver, William Cuthbertson, Joe La Rue, Jack Sellers, Michael Hammond, Steve Stratton and Jesse Thompson.

Absent: None.

Call to the Audience: None presented

STATE TRANSPORTATION BOARD MEETING – May 19, 2017

I N D E X

	PAGE
<u>ITEM 1: DISTRICT ENGINEER’S REPORT (Madhu Reddy)</u>	3
<u>ITEM 2: DIRECTOR'S REPORT (John Halikowski)</u>	10
<u>ITEM 3: CONSENT AGENDA</u>	11
<u>ACTION TAKEN</u>	
MOTION TO APPROVE CONSENT AGENDA.....	11
<u>ITEM 4: LEGISLATIVE REPORT (John Halikowski)</u>	11
<u>ITEM 5: FINANCIAL REPORT (Floyd Roehrich)</u>	14
<u>ITEM 6: MULTIMODAL PLANNING DIVISION REPORT (Greg Byres)</u>	17
<u>ITEM 7: PRIORITY PLANNING ADVISORY COMMITTEE (PPAC) (Clemenc Ligocki)</u>	18
<u>ACTION TAKEN</u>	
MOTION TO APPROVE PROJECT MODIFICATIONS ITEMS 7a through 7s	20
MOTION TO APPROVE NEW PROJECTS ITEMS 7t through 7aa.....	21
<u>ITEM 8: STATE ENGINEER’S REPORT (Dallas Hammit)</u>	22
<u>ITEM 9: CONSTRUCTION CONTRACTS (Dallas Hammit)</u>	23
<u>ACTION TAKEN</u>	
MOTION TO APPROVE ITEM 9a	23
MOTION TO APPROVE ITEM 9b	25
MOTION TO APPROVE ITEM 9c.....	29
MOTION TO APPROVE ITEM 9d	30
MOTION TO APPROVE ITEM 9e	32
<u>ITEM 10: SUGGESTIONS</u>	32

P R O C E E D I N G S

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2
3 CHAIRWOMAN BEAVER: Okay. So we will move on to
4 the district engineer report. And it looks --

5 MR. HAMMIT: I want to make a quick announcement
6 first.

7 CHAIRWOMAN BEAVER: Okay. Okay.

8 MR. HAMMIT: Before Madhu comes up, I wanted to
9 let the Board know we did make a structural change within the
10 Phoenix area over the last month or so. We had two districts, a
11 maintenance district and a construction district. We have now
12 put them under one leadership, and I want to introduce -- as
13 some of you have seen him, he wore the black hat before. Now
14 he's wearing the white hat. Randy Everitt (phonetic), formerly
15 of the Federal Highways has come to ADOT, and he is the Phoenix
16 -- or the Central District administrator. So I just wanted to
17 make that announcement to the Board.

18 UNIDENTIFIED SPEAKER: Stand up, please.

19 UNIDENTIFIED SPEAKER: Yes.

20 CHAIRWOMAN BEAVER: Welcome.

21 MR. EVERITT: Thank you very much. Thank you,
22 Madam Chair and members of the Board. I am super excited to
23 meet you from the ADOT side of the transportation house now. I
24 do plan on speaking with you in upcoming months personally.
25 Today, I'm a little too new, and that might be super, super

1 dangerous, so (inaudible).

2 UNIDENTIFIED SPEAKER: Plus you're not on the
3 agenda, by the way.

4 MR. EVERITT: (Inaudible.)

5 UNIDENTIFIED SPEAKER: Wrap it up. Wrap it up.

6 MR. EVERITT: But it is great to be here on this
7 side of the house.

8 UNIDENTIFIED SPEAKER: Thank you.

9 (Unintelligible conversation.)

10 MR. ROEHRICH: Carla, you got anything to say?

11 (Unintelligible conversation.)

12 CHAIRWOMAN BEAVER: Okay.

13 MR. REDDY: Madam Chair, members of the
14 Transportation Board and Director Halikowski and (inaudible)
15 Floyd. Thanks for the opportunity to present on Central
16 District projects. And just to get started, in the -- we had
17 this presentation back in December, and Julie (inaudible)
18 presented on some of the milestones we achieved, the project
19 completions and the upcoming projects.

20 So I will not be going back on some of the
21 milestones, but we do have (inaudible) projects under
22 construction, and 80 projects of those are federally-funded
23 projects. (Inaudible) majority of the local agency projects,
24 and right now, frankly, there are nine projects that are local
25 agency projects and then two state (inaudible) funded projects,

1 too.

2 Then, you know, the bulk of our program is South
3 Mountain Freeway, Loop 202. It's really approximately
4 (inaudible) currently being administered by major projects
5 group. (Inaudible) is heading that group, but in terms of
6 construction administration, Central District staff is providing
7 all the construction administration support. So after all, the
8 construction budget, current construction budget is \$1.02
9 billion, of which we have already spent 276 million currently.

10 So just a few projects that I would like to touch
11 on, four major projects that some of you have noticed
12 construction, you know, ongoing construction, freeway closures,
13 and some of (inaudible) some interest to you.

14 So starting with the South Mountain, I have this
15 picture cycle through every two seconds. You know, if you have
16 any questions, I could answer, too, as we go through.

17 The contract amount is \$970 million on South
18 Mountain. Currently they have spent \$199 million. Roughly 90
19 million of those is design fund, and then the other 110 million
20 is construction funds that they have spent. The project is 22
21 percent complete, and you know, in terms of time used, it's 32
22 percent. Design, 77 percent complete. There have -- there have
23 been working a lot of structures, you know, working on I-10 in
24 the East Valley and Pecos Road. And then also working on -- in
25 the West Valley at 59th Avenue, Salt River, 17th Avenue, 48th

1 Street, you know, multiple structure constructions ongoing.

2 And then also, you know, the major TI you could
3 see out in the West Valley at 59th Avenue. There's a bunch of
4 work in terms of SRP (inaudible) relocation, sewer line
5 construction, 59th Avenue, you know, work, and then also, dirt
6 haul. There's a big (inaudible) that they are trying to fill
7 all the dirt, and that's happening at the Salt River (inaudible)
8 area. And then in -- you know, by the end of July or early
9 July, Pecos Road detour will be placed, and they are working on
10 the detour construction currently.

11 The next project that --

12 MR. SELLERS: Madam Chair.

13 CHAIRWOMAN BEAVER: Yes, Board Member Sellers.

14 MR. SELLERS: So is right-of-way acquisition is
15 separate from these numbers? Is that --

16 MR. REDDY: The right of acquisition, you know,
17 I'm not familiar. So far we have spent, you know, \$7 million on
18 the right of acquisition. So I was trying to find that out, you
19 know, (inaudible).

20 MR. HAMMIT: It is separate from the (inaudible).

21 MR. REDDY: (Inaudible.)

22 MR. SELLERS: Okay. Thank you.

23 MR. REDDY: So, you know, just in the next
24 project we have is the I-17 from 19th Avenue to Dunlap. This is
25 a pavement preservation project that includes some -- you know,

1 a sidewalk construction and also additional bridge fencing work
2 that's happening. So in a study in April, we have had bunch of
3 freeway closures on I-17, and most of (inaudible) is asphalt
4 paving is completed, you know, mainly the (inaudible) I-17
5 paving gets complete before (inaudible). (Inaudible) fencing
6 work is ongoing. We also have, as I mentioned, sidewalk just to
7 bring -- bring it up to ADA compliance, and miscellaneous
8 concrete work, and then finally, this final striping should be
9 happening, you know, in June, the permanent final striping. And
10 this is a ten -- approximately a \$10 million job. It says 57
11 complete, but with the last two weekend work, I think we are at
12 70 percent complete as project, you know, work wise.

13 The next project is the US-60/Thunderbird Road.
14 This is a non-federal aid project. Just to improve the
15 intersection at US-60/Thunderbird. And the contract amount was
16 \$4 million, and we are -- you know, we're close to being done,
17 and all the signals, the roadway work, it has been done, and we
18 are finishing up landscaping, and also final striping is yet to
19 be completed.

20 Then the last project that -- in the West Valley,
21 it's the I-10/303 TI. It's the phase two portion that connects
22 the south side, completes the freeway, you know, the freeway
23 ramps over I-10, and also completes the 303 (inaudible) between
24 the 303 at Thomas Road, and it just continues south. So the
25 project was 63 -- is \$63 million, and you know, \$50 million has

1 been spent already, and it's on track to be completed by
2 September or October of this year. One of the things that we
3 did, you know, last fall was rubberized paving on I-10. That's
4 been completed. We still have some rubberized asphalt work that
5 needs to be done on the 303 that will be coming in later in the
6 fall. And then 303 main line work is ongoing currently, and
7 then, you know, ramp structures were -- there's only one ramp, I
8 believe, that needs to be completed. Most of the ramps have
9 been done. And then followed by painting, FMS, electrical and
10 signing work.

11 Then the upcoming projects, we have, you know,
12 just looking at the board meeting schedule in December, I'll,
13 you know, hope to be able to come in and talk about some of the
14 projects and then (inaudible) program that we have in the next
15 five years. But these are a few projects that are scheduled to
16 be advertised in the next few months, and that the State Route
17 347 in the city of Maricopa, the railroad crossing, projects --
18 that's a TIGER grant project that should be advertising pretty
19 -- you know, by the end of June. And then also, we had the
20 (inaudible) Apache Trails project that was -- that will be
21 re-advertised, you know, within a month. And then we had I-10
22 pavement preservation project that starts at I-17 and skips the
23 section of South Mountain area, and then completes all the
24 paving up to Dysart Road.

25 The I-17/Happy Valley project, that the

1 construction will start Happy Valley and (inaudible) Peak,
2 construction in -- won't start until later part of next year,
3 fall of '18, but this is -- we are in the process of, you know,
4 securing a contractor (inaudible) project for preconstruction
5 services. (Inaudible) project. And then we have couple of FMS
6 projects including the wrong way detection and the FMS rehab
7 that's -- you know, that's coming up, and then we also have the
8 (inaudible).

9 MR. HALIKOWSKI: Could you define "FMS"? Just
10 what does that mean?

11 MR. REDDY: Freeway management system.
12 (Inaudible) transportation system (inaudible) projects.

13 And then we have the city of Peoria, 75th Avenue,
14 intersections of Cactus and Peoria, those intersection
15 improvement projects are going to be signing later in the summer
16 and multiple other (inaudible) projects.

17 So that is all I have. I thank you for the
18 opportunity.

19 CHAIRWOMAN BEAVER: Thank you. Does any board
20 member --

21 MR. LA RUE: Yeah. Madam Chair, if I may.

22 CHAIRWOMAN BEAVER: Board Member La Rue.

23 MR. LA RUE: Mr. Reddy, I just wanted to say
24 thank you for all the work you're doing. It's -- as we drive
25 around the valley, you and your team are doing great work. I

1 get a lot of great compliments from the motoring public on the
2 work that you're doing, and you know, it's kind of interesting
3 that the number of -- the number of -- I don't want to say
4 criticisms, but the reactions (inaudible) really have very
5 little to do about ADOT. It's more about traffic enforcement.
6 You know, people are going too fast, they're driving too erratic
7 or too oppressive, and you know, they expect me to do something
8 about it as a board member, and I kind of refer them to DPS and,
9 you know, let DPS handle those things, but thank you for all the
10 (inaudible).

11 MR. REDDY: Thank you. I appreciate it.

12 MR. HALIKOWSKI: Madam Chair.

13 CHAIRWOMAN BEAVER: Director Halikowski.

14 MR. HALIKOWSKI: To that point, you could drive
15 and set the example by your own (inaudible).

16 CHAIRWOMAN BEAVER: Thank you.

17 MR. LA RUE: I could be traffic comedy and just
18 drive at 35 like you do and (inaudible) traffic break.

19 CHAIRWOMAN BEAVER: Thank you, Madhu.

20 MR. REDDY: You're welcome.

21 CHAIRWOMAN BEAVER: Okay. We will now go to the
22 director's report.

23 MR. HALIKOWSKI: So Madam Chair, I've already
24 talked a lot today. I don't have anything urgent to brief the
25 Board on that can't wait for our study session, so if that's

1 okay with you, I'll wait until then to update you on activities.

2 CHAIRWOMAN BEAVER: Are we all good with that?

3 Okay. Now we will move on to the consent agenda.

4 Do we have a vote -- a motion to approve the consent agenda as
5 presented?

6 MR. LA RUE: So moved.

7 MR. STRATTON: Second.

8 CHAIRWOMAN BEAVER: Motion by Board Member La
9 Rue, seconded by Board Member Stratton to approve the consent
10 agenda as presented. All those in favor?

11 BOARD MEMBERS: Aye.

12 CHAIRWOMAN BEAVER: All those opposed? The
13 motion carries.

14 We'll move on now to Item 4, legislative report.
15 I think -- do we have William?

16 MR. HALIKOWSKI: Madam Chair, I apologize, but
17 (inaudible) Mr. Biesty out. But we're going to have
18 Mr. Fathauer here. I do not see him, so at this time we do not
19 have a legislative report.

20 CHAIRWOMAN BEAVER: Okay. So (inaudible).

21 MR. HALIKOWSKI: Madam Chair, I just do want to
22 mention a couple things that came out in the legislature this
23 year that I think are important for the Board to know. As you
24 mentioned earlier, whenever there's some sort of crash or
25 accident involving the system, there are claims that are filed,

1 and this year we approached the legislature to talk to them
2 about a qualified immunity for ADOT, so that if someone hits an
3 elk, it's not necessarily ADOT's fault if it just wandered out
4 onto the road, or if we built everything according to the
5 specifications and there's still a crash, then we would have
6 immunity in that.

7 The legislature, in its wisdom, decided to go
8 with a different approach, and basically established a two-stage
9 process if there are claims filed against the State. And the
10 way that will work is that the first stage of the trial would
11 consist of did the department do its duty, build things
12 according to specifications, and the jury will rule on that.
13 The second phase would then bring in all the other factors if
14 you get to the second phase. The jury might rule the department
15 did its job and there's not a claim there, or the jury could
16 rule that we still don't agree the department did what it's
17 supposed to do, and that second phase would then bring in, you
18 know, damages and the other things that have happened relevant
19 to the case.

20 So that's new law, and we'll be looking at
21 employing that system on future claims, and we're not sure how
22 it's going to work out, but it's at least something for the
23 department in that we'll be looking at the technical aspects of
24 the system part of the question before the next phase moves on.

25 The other thing the legislature did was it

1 allowed us on our environmental work to stand in place. The
2 FHWA. Right now, the federal government has to approve all of
3 our environmental work, and there are some states that have the
4 authority with a waiver of sovereign immunity in the case to
5 stand in place of the FHWA. And we were successful in doing
6 that concurrently (inaudible), and it will take about a year to
7 work through, but we will come up with a memorandum of
8 understanding where the department will be improving its
9 environmental studies.

10 States rarely have done this, such as Texas.
11 They've received up to 60 percent of the time it takes to bring
12 the project to construction. So the staff worked hard on that,
13 worked with FHWA and the legislature. So in about a year we're
14 hopeful that we'll be approving projects that are under study.
15 Some of the environmental work (inaudible) exclusions might come
16 sooner, but for the full NEPA process, we'll be working that
17 out. So those are two big pieces of the legislature.

18 On the federal side, as I pointed out, we really
19 don't have a list of what the executive is looking at. Congress
20 looks like they're trying to move forward with some ideas,
21 because I think there may be a little bit of impatience between
22 the White House and some of the folks in Congress that want to
23 move forward with an infrastructure plan. So we're watching
24 what's happening on the Hill very closely, and statements that
25 Secretary Chao is making, and we have a (inaudible) group that's

1 meeting in ADOT now trying to anticipate where the ball may be
2 going and how we might handle that under a different scenario.

3 So there are other issues that went through the
4 legislature, but for us this year, those were the two big ones.

5 CHAIRWOMAN BEAVER: Thank you.

6 William Fathauer, is there anything you want to
7 add to what the director has already reported legislatively?

8 MR. FATHAUER: Not (inaudible).

9 CHAIRWOMAN BEAVER: Not at this time? Okay.

10 UNIDENTIFIED SPEAKER: Good man.

11 CHAIRWOMAN BEAVER: Thank you.

12 MR. HALIKOWSKI: He's a smart man. When you got
13 the vote, sit down.

14 CHAIRWOMAN BEAVER: Okay. We'll move on to the
15 financial report, and wearing another hat today is Mr. Roehrich.

16 MR. ROEHRICH: Thank you, Madam Chair, members of
17 the Board. Kristine got a late, late conflict and could not be
18 here, so asked me to just give you a general update. You do
19 have her financial summary in front of you, so you'll have the
20 specifics of her report. She will be here for the study session
21 to answer any questions as well as to, again, certify fiscal
22 constraint as we go through the analysis and make adjustments to
23 the five-year program.

24 In general, -- I guess that (inaudible) -- so in
25 general, I think what she's really continuing to see is it's

1 been pretty steady. We're not seeing big growth. We're not
2 seeing a lot of decline. We're staying right within her
3 estimates that she had used in projection for the development of
4 the five-year program, which means that the program is able to
5 move forward as we've been proposing it, but obviously it means
6 we're not growing. So therefore, we're not seeing expansion.
7 We're not seeing the ability to either bring in more shelf --
8 more funding for shelf projects or to move other issues forward.

9 On the RARF side, the last thing I wanted to --
10 and the RARF, she did not have the numbers yet for the RARF
11 program, so she's not able to give that. She will have that
12 again brought up at the next meeting. But the issue she did
13 want to make sure we identified on the federal level is that
14 Congress and the President get -- did agree to a budget for the
15 rest of fiscal year '17. We have been under continuing
16 resolutions that had the possibility of either reducing funding
17 to a different level than we estimated, but with the approval of
18 the budget, we are funded to the full MAP-21/FAST Act level of
19 funding, which means our program is solid for this fiscal year.

20 It is the basis of the estimates moving forward
21 in the five-year program to the next few fiscal years provided,
22 of course, that Congress and the President continue on with that
23 funding. They funded this year. We'll see how that goes when
24 the next fiscal year starts, what impact that may have. But all
25 of the actions that were taken are in line with what she had

1 used as the basis for this five-year program, and those are
2 continuing on. So she was comfortable with that.

3 With that, I have no further update from her.
4 Again, she'll be here for the study session. She'll be able to
5 ensure fiscal constraint, and then between now and next month,
6 she'll be able to pull in all of the rest of the information and
7 give a detailed financial report, which would include any
8 legislative actions that were taken at the state level as well
9 as we're going through those final (inaudible). With that,
10 that's the end of my report.

11 CHAIRWOMAN BEAVER: Thank you. Board Member La
12 Rue.

13 MR. LA RUE: Madam Chair, Floyd, when you said
14 we're good for this fiscal year, you're talking about the next
15 six weeks?

16 MR. ROEHRICH: No. Madam Chair, Mr. La Rue, for
17 the federal fiscal year. To the end of September.

18 MR. LA RUE: Okay. That's --

19 MR. ROEHRICH: So we're good --

20 MR. LA RUE: (Inaudible) comfort.

21 MR. ROEHRICH: -- with the projects that we have
22 programmed that required federal aid until October. Then after
23 that, I don't know. I guess you'll -- we'll hear otherwise.
24 We're probably be under continuing resolutions for a period of
25 time as well.

1 CHAIRWOMAN BEAVER: Okay. We now will move on to
2 the Multimodal Planning Division report. I think, Dallas, did
3 you want to make an introduction?

4 MR. HAMMIT: Yes, Madam Chair. Thank you.

5 First, I would like to thank Clem. He has stood
6 in for Mr. Kies after he retired, and Clem Ligocki did a great
7 job for us standing in in that interim time, but we have gone
8 through a process and selected a new planning director, Mr. Greg
9 Byres. Greg comes to us from internal. He was a state roadway
10 engineer. He's also worked as a project manager for ADOT in the
11 Tucson area before coming up here, and he's also owned his own
12 firm and done some private work in New Mexico. But we're
13 excited. It's his second week, so don't pick on him too hard.
14 Give him until the third week before you hit the really hard
15 stuff. But here's Greg.

16 CHAIRWOMAN BEAVER: Welcome.

17 MR. BYRES: Thank you very much. Madam Chair,
18 Board members, again, this is only my second week, so I'm
19 learning very slowly, unfortunately. There's a lot going on.
20 But I do have a couple items.

21 Obviously the five-year program, as you have
22 seen, is going fairly well. We have a couple other things in
23 that they have the I-11 tier one EIS is coming along. The
24 public hearings were completed this week, so everything's pretty
25 much on schedule on that project. We should see the schedule

1 kind of coming along a little bit further here, have a better
2 update on that as we get into it and I learn a little bit more
3 about it as well.

4 The other thing we have is on the aviation side,
5 we have come up with a resolution to take care of our funding
6 shortfalls that we currently have. We've come up with a means
7 of being able to pay all of our outstanding debt that we have to
8 the different entities, as well as taking care of -- there's a
9 plan to do that with the majority of everything getting paid out
10 by the end of June, with the exception of one, where we're going
11 to have a payment program taken care of to be able to pay that
12 off by the end of '18. The only problem that we've got in this
13 is that we are going to have to suspend our grant program for
14 fiscal year '18 to get everything taken care of and still
15 maintain our fiscal constraint on our program.

16 So that's the -- kind of the two big things that
17 I have going. If you have any questions, I'm more than welcome
18 to answer them.

19 CHAIRWOMAN BEAVER: Do we have anything on the
20 Multimodal Planning? No.

21 Okay. Well, we'll move on now --

22 MR. BYRES: Thank you.

23 CHAIRWOMAN BEAVER: -- to the Priority Planning
24 Advisory Committee report, which -- Clem, are you going to give
25 that one?

1 MR. LIGOCKI: (Inaudible.) Thank you, good
2 morning, Madam Chair, members of the Board. I am Clem Ligocki.
3 I'm the planning and programming manager in MPD. We are very
4 pleased that Greg has come on board to lead us here. We're all
5 real excited about it, and he's off to a great start, and we're
6 anxious for what the future has for us. I'll just say that.

7 So for the Priority Programming Advisory
8 Committee recommendations, for this meeting we have 19 project
9 modifications and eight new projects to recommend. As a matter
10 of housekeeping, make sure we get our motions correct when
11 action is needed to be taken. I would point out that on page 86
12 of your Board packet, just the introduction section, it says
13 that project modifications are for Items 7A through 7U, and it
14 should state that it's 7A through 7S. So just make that note.

15 And so at this time, then, I'd like to move,
16 unless there are any questions, to take the product
17 modifications together as a group. And I would like to request
18 approve of Items 7A through 7S as a group, but would note that
19 that should be with a stipulation that Item 7Q, which is on I-10
20 at Milepost 130, that that project would be contingent on MAG
21 Regional Council approval, which is expected next week. So I
22 would request that approval of that group.

23 CHAIRWOMAN BEAVER: Board Member Hammond.

24 MR. HAMMOND: Just for clarification, there's a
25 lot of deferrals here. Of course, I'm partial to the ones in

1 Pima County, but I'm just curious. Is there a global background
2 on these deferrals rather than going through each one on why
3 they're being deferred? Because of structural issues or any
4 contentious issues we should be aware of?

5 MR. LIGOCKI: No. Madam Chair, Mr. Hammond,
6 there's basically some things that deserve more time, that need
7 more time to work through, and then the other thing that's
8 important here is recognizing that Item 7I is the advancement of
9 I-10 for fiscal year '17 to -- excuse me -- fiscal year '18 to
10 fiscal year '17. That's State Route 87 to Picacho. That
11 advancement is (inaudible).

12 MR. HAMMOND: I move that we accept those items.

13 MR. LA RUE: Second.

14 CHAIRWOMAN BEAVER: Okay. Motion was made by
15 Board Member Hammond, seconded by Board Member La Rue to accept
16 and approve project modifications, Items 7A through 7S, noting
17 that on page 86, it actually had identified 7A through 7U, which
18 that should be corrected to 7S. And then also, with the
19 stipulation that Mr. Ligocki stipulated with 7Q. Are we in
20 agreement on that?

21 MR. HAMMOND: Do you want to repeat it?

22 CHAIRWOMAN BEAVER: Motion.

23 MR. ROEHRICH: Madam Chair, I would just say
24 (inaudible) on the recommendation as made by staff for any of
25 the meeting minutes that you can vote on it.

1 CHAIRWOMAN BEAVER: Okay.

2 MR. ROEHRICH: Once you've got a motion and
3 second.

4 CHAIRWOMAN BEAVER: That sounds great.
5 To approve the project modifications as
6 presented.

7 MR. HAMMOND: So moved.

8 CHAIRWOMAN BEAVER: All those in favor?

9 BOARD MEMBERS: Aye.

10 CHAIRWOMAN BEAVER: All those opposed? The
11 motion carries.

12 Okay. We'll move on. New projects.

13 MR. LIGOCKI: Yes. Madam Chair, new projects
14 then, we have eight to recommend, and in this case we have all
15 the action that we need to move forward on behalf of the
16 metropolitan planning organizations involved. There is one
17 numbering for -- after 7U, it should be 7V. It just says Item
18 V. So make it clear for the motion that I would like to
19 recommend that we have approval as a group of Items 7T through
20 7AA.

21 CHAIRWOMAN BEAVER: So we have a motion to accept
22 and approve the new projects, Items C through 7AA as presented.

23 MR. SELLERS: So moved.

24 CHAIRWOMAN BEAVER: Motion by Board Member
25 Sellers.

1 MR. THOMPSON: (Inaudible.)

2 CHAIRWOMAN BEAVER: Seconded by Board Member
3 Thompson.

4 All those in favor?

5 BOARD MEMBERS: Aye.

6 CHAIRWOMAN BEAVER: All those opposed? The
7 motion carries.

8 Thank you.

9 MR. LIGOCKI: Thank you, Madam Chair.

10 CHAIRWOMAN BEAVER: And thank you for filling in
11 as you have recently.

12 MR. LIGOCKI: Well, thank you. (Inaudible) Todd
13 Emory (phonetic) led us for awhile, and I really appreciate it.
14 We all appreciate that as well.

15 CHAIRWOMAN BEAVER: Well, thanks to Todd, also.
16 I haven't seen him here.

17 Okay. State engineer report.

18 MR. HAMMIT: Good morning, Madam Chair.
19 Currently we have 120 projects under construction, totaling \$1.5
20 billion. In April, we finalized 14 projects, totaling 18.6
21 million, and year to date, we have finalized 115 projects.
22 Anything from the state engineer's report? Anything additional?
23 Questions?

24 CHAIRWOMAN BEAVER: Looks like you're good.

25 MR. HAMMIT: Moving on to our projects, thank you

1 for your approval of the six projects in the consent agenda, and
2 I'll note that one of them was one of the ones Madhu mentioned
3 on -- in Peoria. It was a local project, and it was one of them
4 that he listed in his route forward. So thank you for that.

5 We have five projects that we need to have a
6 little more explanation, and as you see this month, we -- that
7 the low bid was \$25.9 million. The State's estimate was 25.7.
8 We were -- we underestimated by \$169,000, or about .7 percent.
9 Year to date, we're within a half a percent, between the low bid
10 and the State's estimate.

11 So with Chair's permission, I'll go to Item 9A.
12 This project is a local project in the area of Kachina Village
13 just south of Flagstaff. It's a roadway reconstruction project.
14 The low bid was \$999,919. The State's estimate was 800,000. It
15 was over the State's estimate by \$199,919, or 25 percent. As we
16 reviewed the bids, we saw higher-than-expected pricing in the
17 roadway excavation, aggregate base, and then the asphalt
18 concrete mix that was proposed. It is a small job, tight
19 working areas. We have reviewed the bids, and the department
20 believes the bid is a responsible and responsive bid and would
21 recommend award to Band Contracting, Inc. (phonetic).

22 CHAIRWOMAN BEAVER: So do we have a motion to
23 accept and approve staff recommendation to award the contract
24 for Item 9A to Band Contracting, Inc.?

25 MR. THOMPSON: Madam Chair, I would so move for

1 approval.

2 CHAIRWOMAN BEAVER: Motion by Board Member
3 Thompson.

4 MR. CUTHBERTSON: Second.

5 CHAIRWOMAN BEAVER: Seconded by Board Member
6 Cuthbertson.

7 If there's no additional questions, all those in
8 favor?

9 BOARD MEMBERS: Aye.

10 CHAIRWOMAN BEAVER: All those opposed? The
11 motion carries.

12 MR. HAMMIT: Thank you, Madam Chair.

13 Item 9B, another local project. This is up in
14 the city of Page. It is a pavement preservation project. The
15 low bid was \$960,351.22. The State's estimate was \$432,613.95.
16 It was over the State's estimate by 127,737.27, or 29.5 percent.
17 We saw higher-than-expected pricing of -- again, for grading of
18 the roadway, some aggregate base, and again, our concrete items
19 were over. We have reviewed the bids and believe that the bid
20 is a responsible and responsive bid and would recommend award to
21 McCauley Construction, Inc.

22 MR. STRATTON: Madam Chair, I have a question.

23 CHAIRWOMAN BEAVER: Excuse me?

24 MR. STRATTON: Madam Chair, I have a question.

25 CHAIRWOMAN BEAVER: Board Member Stratton. Yes.

1 MR. STRATTON: In our packet, Item 9B is exactly
2 as you stated. However, in the agenda that was put out front,
3 9B is different. It is -- 9B in the agenda that was given to
4 the public is the city of Winslow.

5 MR. HAMMIT: That's my 9C, so let me check mine.

6 MR. STRATTON: I just wanted a clarification of
7 that.

8 MR. ROEHRICH: And we'll clarify that on the
9 packet, but the official posted agenda's the one you have here,
10 which is the one that we will take action on.

11 CHAIRWOMAN BEAVER: Okay. It looks like maybe
12 based on the agenda that I have, when 9B and C were kind of cut
13 and pasted, it was duplicated. So -- in at least the agenda
14 that I have. So as long as it's corrected on the posted
15 (inaudible).

16 MR. ROEHRICH: It's corrected on the -- in the
17 posted agenda that was put on the website. (Inaudible.)

18 CHAIRWOMAN BEAVER: Okay.

19 MR. STRATTON: I move for approval.

20 CHAIRWOMAN BEAVER: Okay. Board Member Stratton
21 moves to accept and approve the staff's recommendation to award
22 the contract for Item 9B to --

23 MR. HAMMIT: Item 9B.

24 CHAIRWOMAN BEAVER: 9B.

25 UNIDENTIFIED SPEAKER: McCauley.

1 MR. HAMMIT: Thank you.

2 CHAIRWOMAN BEAVER: McCauley. (Inaudible.)

3 MR. ROEHRICH: You need a second now.

4 MR. THOMPSON: (Inaudible.)

5 CHAIRWOMAN BEAVER: Dallas seconded it. Okay.

6 Board Member Thompson seconded. If there's no further
7 discussion on that, all in favor.

8 BOARD MEMBERS: Aye.

9 CHAIRWOMAN BEAVER: All those opposed? The
10 motion carries.

11 We'll now move on to Item 9C, and prior to you
12 speaking, I just -- I understand that it is the intention of our
13 Board Member Stratton to abstain. Would you like to speak to
14 that?

15 MR. STRATTON: Yes. I would like to recuse
16 myself from this item, because there's a possibility of a
17 conflict.

18 MR. HAMMIT: Thank you, Madam Chair.

19 This project is an older transportation
20 enhancement project in the city of Winslow. It is a restoration
21 of the depot at the La Posada Station there in Winslow. The low
22 bid was \$1,288,000. The State's estimate, \$794,000. We were
23 over -- underestimated the project. So it came in over our
24 estimate by \$494,000, 62 percent. This type of work, ADOT
25 generally doesn't design or estimate. It is a restoration of a

1 building. We did underestimate some of the architectural
2 features, the roof, the electrical system, and we worked with a
3 consultant that we definitely underestimated. Working with the
4 community, they have come up with funds to make this happen.
5 NACOG, Winslow, and there was some more enhancement funds, but
6 we have reviewed the bid. The department believes the bid is
7 responsible and responsive, and would recommend award to
8 Stratton Restoration, LLC, doing business as Stratton Builders.

9 CHAIRWOMAN BEAVER: Mr. Stratton says he's got a
10 lot of relatives, so he's not sure if he's related or not.

11 Do we have a motion to accept and approve the
12 staff's recommendation to award the contract for Item 9C?

13 MR. THOMPSON: Madam Chair, I would move for
14 approval.

15 CHAIRWOMAN BEAVER: Motion by Board Member
16 Thompson.

17 MR. CUTHBERTSON: Second.

18 MR. HAMMOND: Seconded by Board Member
19 Cuthbertson.

20 MR. HAMMOND: Can I just ask a quick question?

21 CHAIRWOMAN BEAVER: Yes.

22 MR. HAMMOND: The -- although I did see in one of
23 the contracts they're coming in, (inaudible) are we seeing
24 trends that we need to be careful of on increased pricing due to
25 better economy and due to contract labor, that sort of thing

1 being more expensive or unavailable? Is there a trend here that
2 we're seeing?

3 MR. HAMMIT: Madam Chair, Mr. Hammond, I don't
4 know that this gives us enough information to say that. These
5 first three are all small projects, and then again, we're --
6 this one is a building restoration, and I think here we just
7 missed the estimate because of that type of work. Our folks
8 aren't used to doing that.

9 MR. ROEHRICH: Madam Chair, Mr. Hammond, I would
10 point though that as the State engineer's -- Mr. Hammond, had
11 identified earlier, we're within a half a percent aggregate for
12 the year. That's as close as you can get on a \$400 plus million
13 number of projects. So I think we're tracking it very good, and
14 we are monitoring that as very closely as we can, and I think
15 we're accommodating that.

16 MR. HALIKOWSKI: Madam Chair, I just want to
17 clarify. Dallas, you said these are transportation enhancement
18 funds. Could you explain the source of those funds and what
19 they can be used for (inaudible)?

20 MR. HAMMIT: Madam Chair, Director, this is an
21 old program from the safety (inaudible) era. Transportation
22 enhancement. We have now changed -- the new name is
23 Transportation Alternatives. At that time, we could use those
24 for bike paths. We could use it for landscaping or for a
25 transportation structure. We could do some rehabilitation. In

1 this case, it's a depot for a train station. So those old funds
2 have a little more flexibility than our current transportation
3 alternatives, but today's program are more on the bike paths,
4 multi-use paths and some landscaping.

5 MR. HALIKOWSKI: I think the difficulty here is
6 we don't normally renovate buildings, and that's just kind of
7 (inaudible).

8 MR. HAMMIT: Exactly right.

9 MR. HALIKOWSKI: Thank you.

10 CHAIRWOMAN BEAVER: Thank you.

11 Board Member Hammond spoke with a question. A
12 motion as to accept and approve staff's recommendation to award
13 the contract for Item 9C, if there's no further discussion, all
14 those in favor?

15 BOARD MEMBERS: Aye.

16 CHAIRWOMAN BEAVER: All those opposed? The
17 motion carries.

18 We'll move on now to Item 9D

19 MR. HAMMIT: Thank you, Madam Chair.

20 Item 9D is a pavement mill and replacement on
21 Interstate 10 just south of Phoenix. In this project, the low
22 bid was \$305,000. The state's estimate was 400 -- excuse me --
23 \$3,555,000. The state's estimate was \$4,275,984.82. It came
24 under the State's estimate by \$720,984.92, or 16.9 percent. The
25 biggest areas in the asphalt items, and one of the areas that

1 we'd estimate is in our asphalt binder. Prices have been
2 (inaudible) about \$500 a ton. It came in at \$352 a ton. And
3 I'd ask for you to remember that number, because the next one
4 I'm going to show you how much variance we're getting in some of
5 our binder costs. But we have reviewed the bids and believe
6 this is a responsible and responsive bid and would recommend
7 award to Sunland Asphalt Construction, Inc.

8 CHAIRWOMAN BEAVER: Do we have a motion to accept
9 and approve staff's recommendation to award the contract for
10 Item 9D.

11 MR. SELLERS: So moved.

12 MR. CUTHBERTSON: Second.

13 CHAIRWOMAN BEAVER: Okay. A motion by Board
14 Member Sellers. Seconded by Board Member Cuthbertson to approve
15 as recommended.

16 All those in favor?

17 BOARD MEMBERS: Aye.

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

20 Item 9E.

21 MR. HAMMIT: Thank you, Madam Chair.

22 Item 9E is a chip seal project on US-60. In this
23 project, the low bid was \$1,470,651.75. The State's estimate
24 was \$1,224,056.70. It did go over the State's estimate by
25 \$246,595.05, or 21.1 percent. The reasons it went over, the

1 biggest one was our asphalt binder. And if you remember, on
2 that last one, \$352 a ton. On this project, we saw prices of
3 \$880 a ton. It's a little bit different binder, but not a lot.
4 Part of it was the quantity, because of the bigger job, they
5 were able to buy it in bigger quantities, and it was closer to
6 the source, and you didn't have to truck it. We did
7 underestimate that binder. But after we reviewed the bids, we
8 do believe it is a responsible and responsive bid and would
9 recommend award to Cactus Transport, Inc.

10 MR. STRATTON: So moved.

11 CHAIRWOMAN BEAVER: Motion by Board Member
12 Stratton to accept and approve staff's recommendation to award
13 the contract for Item 9E as presented. Is there a second?

14 MR. THOMPSON: Second.

15 CHAIRWOMAN BEAVER: Seconded by Board Member
16 Thompson.

17 And I'll just clarify here, too, that when --
18 maybe you can clarify. When there's an overestimate or
19 underestimate, these are all things that prior to these coming
20 to this board, you -- you all have met with the finance, with
21 Kristine, and that's where there's that flexibility for the
22 overage or underage?

23 MR. HAMMIT: Madam Chair, there is a contingency.
24 So as projects come in over or under the estimate, it goes in
25 there, and that's where we do meet with our financial group, and

1 they make sure I don't award something I can't pay for -- or
2 recommend that you award something I can't pay for.

3 CHAIRWOMAN BEAVER: Thank you. All those in
4 favor?

5 BOARD MEMBERS: Aye.

6 CHAIRWOMAN BEAVER: All those opposed? Motion
7 carries.

8 MR. HAMMIT: Thank you.

9 CHAIRWOMAN BEAVER: Item 10, suggestions. Do
10 board members have any suggestions for future agenda items?

11 MR. STRATTON: Madam Chair.

12 CHAIRWOMAN BEAVER: Board Member Stratton.

13 MR. STRATTON: Madam Chair and staff, I would
14 like to have a discussion about the HELP loans and the potential
15 re-establishing those to help (inaudible).

16 MR. ROEHRICH: Yes, ma'am. We'll work with
17 Kristine to make that -- bring that into the study session or
18 into another session.

19 CHAIRWOMAN BEAVER: Board Member Sellers.

20 MR. SELLERS: Madam Chair, a couple things.
21 First of all, I had a trip early this week to Hermosillo,
22 Mexico, driving, and I'd like to express kudos to our governor
23 and our director for their encouragement to the country of
24 Mexico to improve Highway 15. Virtually all of Highway 15 from
25 Santa Ana to Nogales is currently under construction. So it's

1 very impressive, so you thank you for that.

2 The thing I'd like to have more information on at
3 perhaps in a study session going forward is safety corridors. I
4 get a lot of questions from people about how they're
5 established, you know, what do we expect results from that, and
6 was it -- are we patterning that after some other state program
7 and those kind of things. So I'd like to have more information
8 on that.

9 CHAIRWOMAN BEAVER: Thank you.

10 Board Member La Rue.

11 MR. LA RUE: Madam Chair, this is not really a
12 suggestion on an agenda item, but I think earlier this morning
13 we heard, I believe, a gentleman was from the Nadaburg School
14 District. That was a pretty significant tragedy up there. I
15 drive that area quite a bit, and you know, if there's something
16 -- I don't think it's really a planning issue. It's more of an
17 operations issue. If they could just check it out, we could see
18 what safety enhancements we could make. Because you've got a
19 school on one side. You've got a lot of houses on another side.
20 You got -- you've got people doing 80 miles an hour (inaudible)
21 posted at 45, and then report back.

22 MR. HALIKOWSKI: Rest assured, Madam Chair,
23 Mr. La Rue, we'll -- Floyd and I had personally (inaudible)
24 working with Dallas and his group. And we've been to Globe, as
25 you know, where we installed a (inaudible) system based on some

1 of the same issues. And we'll take a hard look at this and see
2 what we can do.

3 MR. LA RUE: Thank you.

4 CHAIRWOMAN BEAVER: Would it also be possible to
5 maybe report back when there is some kind of decision made on
6 how to move forward over that situation? Thank you.

7 MR. STRATTON: Madam Chair.

8 CHAIRWOMAN BEAVER: Board Member Stratton.

9 MR. STRATTON: A comment on John's comment about
10 the (inaudible). That was a very, very dangerous intersection.
11 I've lived near it all my life, and I had my doubts (inaudible)
12 system is going to solve the problem, but it has, and it's
13 created a very good safe zone for the school kids and for other
14 residents trying to cross a very busy highway. So kudos to you
15 guys. Thank you.

16 MR. ROEHRICH: Madam.

17 CHAIRWOMAN BEAVER: Yes. Floyd.

18 MR. ROEHRICH: Madam Chair, just a couple things
19 as we wrap up, if I could. You had asked Bret before the
20 meeting about Board (inaudible) assistant, Linda Hogan, how
21 she's doing, and I'd like to pass along that she's doing great.
22 You know, she had to take a little bit of leave. She is
23 completing and working through her medical rehabilitation.
24 She's now projected to come back on June 5th. So we're very
25 excited that she's set a date to be able to come back, and we'll

1 move forward with that.

2 So, unfortunately, you'll only have me at the
3 study session, with the great help that we have, and in this
4 case, Laura Webb is here. She was assisting in this meeting.
5 We had McKenzie last meeting. Thank you, Laura. Lila's been
6 stepping up, so we've had a lot of great people that have all
7 pitched in to help as we work through this, but Linda's doing
8 well.

9 I'll pass along -- you'd asked me to pass along
10 that the Board wishes her continued success, and I'll make sure
11 to pass that along to her. In fact, Monday's her birthday, so
12 we were going to send her another card from the office wishing
13 her happy birthday.

14 The other couple things you'd asked me about is I
15 know you mentioned about the MAG's 50th anniversary. You had
16 asked me if there's any issues planned with that, and yes, they
17 do have a presentation planned to celebrate that, along with
18 passing of their chair of their regional council, which is set
19 for June 28th here in the valley. If you do want to attend that
20 they're asking that you go online to MAG's website and RSVP.
21 There's no cost to participate and be a part of that
22 celebration. They just need to make sure that they're tracking
23 the numbers. So anybody in the public who's interested in
24 attending that, please go to MAG's website, and go ahead and
25 RSVP, get signed up. And it is on Wednesday, June 28th. Starts

1 at 5:00 p.m., right after the regional council meeting. Same
2 time they'll be passing the gavel to the next chair of the
3 regional council.

4 And that -- my last item, I just wanted to remind
5 everybody that we've heard multiple times, the Board study
6 session on May 30th, which is here in Phoenix at HRDC. The
7 agenda will go out early next week with the meeting location and
8 all the other pertinent information. We do have three topics on
9 there, if you remember, Board Chair. Grand Canyon Airport
10 update, MAG is going to get an update on their major amendments,
11 a couple things that they're doing, and then the last item will
12 be the discussion on the five-year program as Brent and Greg and
13 the team (inaudible) planning, go through and finalize the
14 comments for the public as well as any final adjustments we've
15 been hearing, and at that time we'll talk to the board about any
16 other priorities that they want so we could review those
17 adjustments, (inaudible) evaluate the fiscal constraint and have
18 it ready for the June board meeting for action.

19 CHAIRWOMAN BEAVER: Board Member Thompson.

20 MR. THOMPSON: Madam Chair, I just have one
21 question. (Inaudible) person have resigned, and I had hoped it
22 would help me in reviewing the transportation system (inaudible)
23 I-40 (inaudible), and I don't know (inaudible). I still would
24 like to have a study session on that, you know, to review the
25 transportation systems (inaudible) I-40. That would certainly

1 be a very helpful (inaudible) in that area. (Inaudible.)

2 MR. ROEHRICH: Madam Chair, I'll work with the
3 state engineer and the planning director. I'll get a status on
4 filling that position. I'm sure they're going to move forward
5 with filling it. But at the same time, we'll be prepared to
6 talk about future transportation needs, as you said, north of
7 Interstate 40, in the northeast part of the state. That will be
8 a future study session, but we'll find the time where we can be
9 prepared to have that discussion.

10 (End of requested excerpt.)

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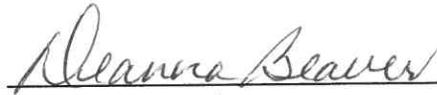
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Adjournment

A motion to adjourn the May 19, 2017 Board meeting was made by Michael Hammond and seconded by Steve Stratton. In a voice vote, the motion carries.

Meeting adjourned at 11:04 a.m. MST.



Deanna Beaver, Chairwoman
State Transportation Board



John Halikowski, Director
Arizona Department of Transportation