

**STATE TRANSPORTATION BOARD MEETING MINUTES**

9:00 a.m., Friday, January 19, 2018

Sierra Vista Council Chambers

1011 N. Coronado Drive

Sierra Vista, AZ 85635

**Pledge**

The Pledge of Allegiance was led by Chairman Cuthbertson.

**Roll call by Board Secretary Linda Priano**

**In attendance:** William Cuthbertson, Jack Sellers, Mike Hammond and Jesse Thompson. Steve Stratton and Joe La Rue participated by teleconference. Deanna Beaver was not in attendance and there were approximately 35 people in the audience.

**Opening Remarks**

Chairman Cuthbertson thanked Mayor Mueller and the city of Sierra Vista for sponsoring the dinner Thursday evening and for hosting today's meeting. He thanked the elected officials and staff for their participation. The board members echoed the Chair's comments and added the evening reinforced how impressed everyone is with the city.

**Title VI of the Civil Rights Act**

Floyd Roehrich reminded all attendees to fill out survey cards to assist our Civil Rights Department.

**Call to the Audience:**

The following members of the public addressed the Board:

1. Rick Mueller, Mayor, Sierra Vista, re: thanked the board members for coming to Sierra Vista and stated he appreciates the open communication with the board and ADOT staff.
2. Ann English, Cochise Board of Supervisors, re: welcomed members to Cochise County. She discussed the Highway Performance Management System and how happy she is that this has been lifted off the county. She discussed the importance of trade with Mexico, the Douglas and Naco ports and pinch points that cause heavy wide loads to come through Cochise County. She also stated she is very interested in the possibility of a federal government commercial port in the Douglas area and the need for infrastructure. Ms. English noted that she supports the naming of the historic route as long as it does not add a lot of bureaucracy or additional costs.
3. Gary Knight, Deputy Mayor, Yuma, re: thanked the board for accepting the invitation to have the next board meeting in Yuma, Arizona in February.
4. Charlie Odegard, Councilman, Flagstaff, re: discussed the IGA for the design work for the Fourth Street Bridges and stated his passion is to see this project completed. He added Flagstaff will be hosting the board meeting in April.
5. Randy Heiss, Executive Director, SEAGO, re: provided copies of a Transportation Issues Position Statement to the members and stated members could contact him if they had any questions or comments. Mr. Heiss thanked Director Halikowski and ADOT staff for restoring the HURF exchange, which is so important to local governments. He stated he is appreciative of the efforts in dealing with the City of Nogales, Santa Cruz County and other stakeholders on the I-19 corridor, to build the full solution for the SR189 project. He also discussed how Davis Road has become an increasingly popular shortcut from the Douglas POE from SR191 to HWY 80, which brings oversized loads and commercial traffic.

6. Vincent Gallegos, Director, Lake Havasu MPO, re: stated the MPO has committed \$1.2M toward SR95 safety improvements. He thanked Alvin Stump who spent time meeting with the MPO, Mayor, and city council, working through issues. Mr. Gallegos stated Jesse Gutierrez has also come out to look at the project. He added that although they have the majority of the funding, traffic signal funding is an issue.
7. Miles BeGay, Tribal Transportation Manager, Navajo County, re: provided a handout that discussed the repairs needed on the Homolovi Roads and asked the board to revisit this.
8. David Wessel, MPO Manager, Flagstaff, re: Reiterated Councilmember Odegard's comments and stated this is a top priority on their MPO board and is encouraged by the IGA. He added that he looks forward to seeing the Board in Flagstaff in April. Mr. Wessel thanked the Board and ADOT for the work that has been taking place for the master planning effort on Milton Road and US180, noting how critical they are to the region.

STATE TRANSPORTATION BOARD MEETING – JANUARY 19, 2018

INDEX

PAGE

**ITEM 1: DISTRICT ENGINEER'S REPORT (Rod Lane)**.....3

**ITEM 2: DIRECTOR'S REPORT (John Halikowski)**.....10

**ITEM 3: CONSENT AGENDA** .....12

**ACTION TAKEN**

**MOTION TO APPROVE CONSENT AGENDA**.....13

**ITEM 4: LEGISLATIVE REPORT (Floyd Roehrich, Jr.)** .....14

**ITEM 5: FINANCIAL REPORT (Floyd Roehrich, Jr.)** .....19

**ITEM 6: PUBLIC COMMENTS REGARDING THE LONG RANGE PLAN (Greg Byres)** .....21

**ITEM 7: MULTIMODAL PLANNING DIVISION REPORT (Greg Byres)** .....37

**ITEM 8: PRIORITY PLANNING ADVISORY COMMITTEE (PPAC) (Greg Byres)**.....40

**ACTION TAKEN**

**MOTION TO APPROVE PROJECT MODIFICATIONS ITEMS 8a through 8h**.....41

**MOTION TO APPROVE NEW PROJECTS ITEMS 8i through 8m**.....41

**ITEM 9: STATE ENGINEER'S REPORT (Dallas Hammit)** .....42

**ITEM 10: CONSTRUCTION CONTRACTS (Dallas Hammit)** .....43

**ACTION TAKEN**

**MOTION TO APPROVE ITEM 10a**.....44

**MOTION TO APPROVE ITEM 10b** .....46

**ITEM 11: PRESENTATION REGARDING THE PROCESS REQUIRED TO DESIGNATE STATUS (PARKWAY, HISTORIC OR SCENIC) TO A ROAD THAT IS PART OF THE ARIZONA STATE HIGHWAY SYSTEM—SPECIFICALLY ADDRESSING FORM US ROUTE 80 (Floyd Roehrich, Jr.)** .....46

**ACTION TAKEN**

**MOTION TO APPROVE ITEM 11a**.....60

**MOTION TO APPROVE ITEM 11b** .....61

**ITEM 12: CHANGE OF MARCH BOARD MEETING LOCATIONS (Floyd Roehrich, Jr.)** .....62

**ITEM 13: SUGGESTIONS**.....64

1 (Beginning of excerpt.)

2 CHAIRMAN CUTHBERTSON: Item number 1, Rod Lane,

3 South Central District engineer will provide the district

4 engineer's report for information and discussion only.

5 MR. LANE: Yes, it did. Button here?

6 UNIDENTIFIED SPEAKER: Yes.

7 MR. LANE: Good morning, Mr. Chair, members of

8 the Board. Welcome to the South Central District. So let me

9 give you a brief update on what we've got going on down here.

10 First of all, I always typically start off with a map of the

11 district so that everybody in the audience kind of knows exactly

12 where we operate. Nothing's changed over the last year. The

13 boundaries have remained the same. So we'll keep moving.

14 I want to talk about some of the construction

15 projects that are going on locally down here and throughout

16 the district. We're pretty busy right now in terms of our

17 construction program, so we'll provide an update with this.

18 Right now, you -- most of you have probably drove

19 through the SR-90 at Milepost 396 right down at Buffalo

20 Soldiers Trail. That's an intersection improvement project

21 being done by KE&G. It's got a value -- contract value of about

22 2.63 million. We're about 30 percent complete on that, and we

23 expect to have it done around August of this year. Another --

24 this is an aerial of the final intersection when it's completed

25 down there using KMZ files in Google Earth.

1 Another project that's coming up that's currently  
 2 advertised to bid down in this area is SR-92 at Milepost 321,  
 3 Fry's Boulevard to Milepost 325.25, Kachina Road, and that's  
 4 actually two projects. There's a reconstruction portion, which  
 5 goes from south of Bisbee Drive to just south of Foothills  
 6 Drive, and then there's a mill and fill portion that goes all  
 7 the way from Fry's to Kachina, and that's currently advertised  
 8 the bid opening is expected to occur on the 9th of February. We  
 9 expect to start the project around the middle of April and have  
 10 it completed around the end of this year.

11 Another project that I thought might be of  
 12 interest to the Board that's going on in the district is north  
 13 of Tucson on SR-77 in the town of Mammoth. It's about a 6.8  
 14 mile mill and fill project right in the town, going from Tiger  
 15 Road (sic) to Miguel Road north of town. The contractor is FNF.  
 16 We've got a contract value of 4.32 on that. We're about 40  
 17 percent completed. There's a temporary signal in place right  
 18 now. We'll have that signal in place for about another week,  
 19 and then we'll be able to open that up. It should be about a  
 20 two-week function -- or excuse me. Not a temporary signal. A  
 21 detour. We built a detour as opposed to the temporary signal.  
 22 So that's got about another week to be in place there.

23 Some of the larger problems we have going on  
 24 within the district. Our largest one currently is the Ina Road  
 25 traffic interchange being done in the north part of Tucson in

1 cooperation with the town of Marana. So the project consists of  
 2 a full traffic interchange. Also in cooperation with Marana,  
 3 we're reconstructing the bridge of Ina Road over the Santa Cruz  
 4 River. We're also taking Ina Road over the railroad tracks and  
 5 then back down. So it's a very significant job. The contractor  
 6 is a joint venture between Sundt and Kiewit. It's about a \$124  
 7 million job. We're about 50 percent through with that. We have  
 8 -- hope to have it completed in about a year from now. We're  
 9 going to do a traffic switch in another week on there and have  
 10 all the traffic over on the west side, all -- all I-10 traffic  
 11 on the west side of the project right now. We're kind of in a  
 12 football condition where we've got some on the east and some on  
 13 the west, and that's only a one month thing when we do some --  
 14 excuse me -- some work on the box in the middle. So we've got  
 15 about another week and a half or so on that, and then we'll have  
 16 everybody over on one side.

17 Another large project we have going on in the  
 18 Tucson area is I-19 Ajo TI. This is another traffic interchange  
 19 full reconstruct. This is actually just phase one that's going  
 20 on now. We expect to have this one actually done in a few  
 21 months. We're wrapping up phase one of this. The contractor's  
 22 aim, it's about a 39.9 or \$40 million project. So phase one is  
 23 the reconstruction of the TI, sound walls and such.

24 Phase two is going to be advertised in a few  
 25 months, and what phase two will consist of is a reconstruction

1 of SR-86 over the Santa Cruz River. It will also consist of a  
 2 new ramp for Irvington. Those of you that are familiar with the  
 3 area know that there's a lot of traffic buildup in the Irvington  
 4 area. So that new on ramp that you see be -- has just been  
 5 constructed is kind of -- has a bit of a weird configuration,  
 6 and that's because there's going to be a ramp that goes  
 7 underneath it that goes all the way to Irvington, which is  
 8 almost a mile, for a significant amount of stores, for two malls  
 9 up there. So again, we've got that one just about completed. A  
 10 few more months to wrap that one up, and then we'll move into  
 11 phase two of that.

12 Another large project we've got going is SR-86,  
 13 Kinney to Valencia, out on the west side of the city up there.  
 14 That's being done by Ashton. The contract amount, \$40.9  
 15 million, and that's an arterial widening from a two-lane roadway  
 16 to a four-lane divided section. We anticipate having that one  
 17 done in the fall of this year.

18 Another one that's interesting is the I-10 over  
 19 Wilmot. It's very similar to the I-10 over Craycroft that we  
 20 just finished last year where we used a temporary structure. In  
 21 fact, these are the pictures of it. This was the first time, at  
 22 least in our district, that we've used a temporary structure.  
 23 It was very successful. So you can kind of see the picture  
 24 there where we're going to -- you've got traffic on the right,  
 25 is on the temporary structure, and they'll kind of swap it and

1 put a whole new superstructure, replace both superstructures by  
 2 using that detour. It worked very well over there, so I think  
 3 we're going to continue to use this process moving forward  
 4 probably in other jobs.

5 We've got two projects that are very significant  
 6 to the state that are in our district. They're not necessarily  
 7 being administered by the South Central District construction,  
 8 but they are within the district. So I thought I would kind of  
 9 give you a brief update. I'm sure the Phoenix construction, who  
 10 is administering them, will be give any more details on it.

11 But the I-10/SR-87 in Picacho has gotten  
 12 underway. That's one of the narrow sections of I-10 that have  
 13 -- has been on everybody's radar for several years. So the  
 14 contractor is moving forward. Coffman Specialties. We've got a  
 15 value of about 58.5 million. Again, it's a main line widening  
 16 and a new TI construction. It's also coming with a dust  
 17 detection and warning system that's going to be put in there.  
 18 So one's moving forward, very much anticipated project.

19 And the other one up there that is currently --  
 20 we have an apparent low bidder at this point. So in other  
 21 words, the bids have been open, but it hasn't been approved by  
 22 the Board yet. So at this point the apparent low bidder is  
 23 Ames. That's -- this project is also going to be administered  
 24 by the Central District for -- from a construction standpoint,  
 25 but it is within the South Central District. So this is another

1 project that was very anticipated by the community, and  
 2 everybody up there is -- it's the other widening of I-10 at I-8.

3           So this kind of gives you a view of what we've  
 4 got going on construction in the South Central District. We're  
 5 currently at about \$225 million right now on the streets out  
 6 there in terms of what we're actually building. The color codes  
 7 really are the units for them.

8           So let's look at what we've got coming up over  
 9 the next bit, some of the major projects that we're going to see  
 10 coming up. We'll start with just the I-10 area. We talked  
 11 about -- the first one is a signal. I'm going to just kind of  
 12 highlight some of the big ones, which is I-10/Ruthrauff TI.  
 13 That's going to be coming up next year following Ina Road. So  
 14 the promise that we've made to the community that we're working  
 15 through is we won't close Ruthrauff or the ramps on Ruthrauff  
 16 until Ina is fully operational. So that's on board. We've got  
 17 our 60 percent plan moving forward, and we anticipate making  
 18 that schedule.

19           Another big one down here to the community is  
 20 going to be the I-10/the Houghten TI in fiscal year '20. So  
 21 we're starting to kick that project off in terms of design,  
 22 final design right now and moving forward with that.

23           A large one on there is -- right below that  
 24 Ruth- -- or that Houghten Road one is the I-10 widening portion  
 25 of Ina to Ruthrauff, and that's the third project out of the

1 design concept report that produced both the Ina Road project,  
 2 the Ruthrauff project, and this is the third project out of that  
 3 report.

4           So we're going to be modifying the value on that,  
 5 hopefully, and trimming the scope a little bit due to some  
 6 changes. So there will be some changes in that, but we -- at  
 7 this point, I still anticipate it being out there in '21.

8           And then I-8 and I-19, you'll see Ajo phase two.  
 9 The plan is to advertise that one this fiscal year and get that  
 10 out there. I've already discussed that. We're looking at  
 11 putting some deck rehabs and pavement pres., and more  
 12 maintenance and preservation projects down on I-8, I-19.

13           In Pima County, some of the big projects. One of  
 14 the main ones is that SR-77 one from River to Magee. We're kind  
 15 of incorporating all of those four separate projects into one  
 16 project, and that will be out in fiscal year '20.

17           In Pinal County, the SR-79 Gila Bridge, we're  
 18 expecting to do the design in fiscal year '18 and the  
 19 construction probably in '20. We're still navigating through  
 20 that. That's going to be a full -- that -- that's going to be a  
 21 full deck replacement. So it's going to be an interesting  
 22 project. Anybody who's familiar with that bridge knows it's  
 23 going to be a complicated and -- from an engineering standpoint,  
 24 lots of fun project.

25           So that's it for my update. Does anybody have

1 any questions? Thank you.

2 CHAIRMAN CUTHBERTSON: Okay. Thank you.

3 MR. HALIKOWSKI: Mr. Chair, if I could, I want to  
4 -- Mr. Stratton or Mr. La Rue, were you able to keep up with  
5 that, or do you have any questions?

6 MR. LA RUE: Floyd, I'm okay. I Googled some  
7 stuff, so it's good.

8 MR. HALIKOWSKI: Yes, sir.

9 MR. LANE: Thank you.

10 CHAIRMAN CUTHBERTSON: Okay. We'll move on to  
11 Item 2. Item 2, ADOT Director John Halikowski will provide the  
12 director's report for information and discussion.

13 MR. HALIKOWSKI: Thank you, Mr. Chairman.  
14 Really what I have to talk about is a last minute  
15 item. And Mr. La Rue, if you'd like to Google something else  
16 while I'm doing that, feel free.

17 MR. LA RUE: Mr. Chair, the South Central  
18 District has a great report on the internet. I didn't know  
19 that. So what you learn when you sit here and listen and  
20 search.

21 MR. HALIKOWSKI: Thank you, sir.

22 So Mr. Chairman, members, once again we're facing  
23 this prospect of a federal government shutdown, and this is  
24 supposed to happen at midnight tonight, and at this time this  
25 one looks more likely than probably those that we've had in

1 recent instances. So whether this is a relatively short  
2 disruption -- there's talk of a three- or four-day extension to  
3 give Congressional negotiators and the President and his  
4 administration more time to work out differences on a variety of  
5 issues, or whether it's going to be a more protracted standoff,  
6 no one yet seems to know.

7 The areas of disagreement, as you know, extend  
8 far beyond the annual appropriations of government agencies,  
9 and the continuing resolution expires at midnight tonight.  
10 But I think it might be useful to give you sort of an overview  
11 or big picture of what this shutdown means, whether it comes  
12 into play this weekend or at some time in the future as far as  
13 ADOT's concerned.

14 So first, this federal government shutdown is not  
15 a total government shut down. Certain programs and agencies  
16 federally and the federal government are exempt because they  
17 don't receive their funding through the annual appropriations.

18 So what does this mean for USDOT agencies like  
19 Federal Highway Administration? I'd like to recognize our  
20 Federal Highway administrator is in the audience, Carla. Nice  
21 to see you here. But based on an operations plan recently  
22 updated by USDOT, even during a federal government shutdown, the  
23 FHWA will be open for business as usual given that its funding  
24 flows in the form of contract authority from the Highway Trust  
25 Fund.

1           So what does this mean for ADOT? This is not our  
2 first rodeo. As you know, we went through the same thing in  
3 2013, and under our administration at that time, Governor  
4 (inaudible) administration, we submitted an entire plan so ADOT  
5 would continue to function, even in the event of a federal  
6 government shutdown. We'll be presenting the same plan to  
7 Governor Ducey's administration with some edits by close of  
8 business today.

9           So the good news is is that, you know, our CFO,  
10 Kristine Ward, we have had (inaudible) finances set aside so  
11 that we'll be able to weather this federal government shutdown,  
12 whether it's for a few days or for a more protracted period. We  
13 stay in close contact with the FHWA. Because of our prior  
14 planning and funding, we're going to be okay, and our jobs are  
15 going to continue to be constructive, and work will continue to  
16 be done.

17           So that's my report, Mr. Chairman.

18           CHAIRMAN CUTHBERTSON: Thanks. Any questions or  
19 comments?

20           MR. HALIKOWSKI: Mr. Chair, because that was a  
21 last minute item and not agendaed as a specific topic, I think  
22 I'm going to (inaudible) discussion now.

23           CHAIRMAN CUTHBERTSON: (Inaudible.)

24           Okay. Moving on to Item 3 on the agenda, the  
25 Board will consider items (inaudible) in the consent agenda for

1 information and possible action. Board members, I assume you've  
2 had a chance to look at the consent agenda. Is there anything  
3 you'd like to pull for (inaudible) or individual discussion?

4           MR. SELLERS: Mr. Chair.

5           CHAIRMAN CUTHBERTSON: Yes.

6           MR. SELLERS: I move for approval of the consent  
7 agenda as presented.

8           MR. THOMPSON: Second.

9           CHAIRMAN CUTHBERTSON: Okay.

10           MR. THOMPSON: Chairman, I had one question on  
11 it, but that was clarified and I do support the motion. Second.

12           CHAIRMAN CUTHBERTSON: Okay. I've had a motion  
13 to approve and seconded.

14           MR. ROEHRICH: Mr. Chair, if we could, I think  
15 the state engineer had a comment that he did want to make about  
16 one of the items on the consent agenda, just to make sure the  
17 Board fully understood it. It's still acceptable for the  
18 consent agenda, but there was a special condition that he wanted  
19 to discuss.

20           MR. HAMMIT: Mr. Chair, on Item 3F, Mr. Thompson  
21 actually brought this to my attention this morning, is a project  
22 noted for postponement. Generally, that's on the justification.  
23 This project is set for postponement. The locals are coming up  
24 with some funding to support it. It will come back in front of  
25 the Board in a future meeting.

1 CHAIRMAN CUTHBERTSON: And that is -- it is  
2 presented as such in the consent agenda, so...

3 MR. ROEHRICH: Mr. Chair, that is correct. The  
4 way the motion's been presented and with the clarification and  
5 additional comments, it is acceptable to be addressed in the  
6 consent agenda.

7 CHAIRMAN CUTHBERTSON: Okay. All right. I  
8 have a motion and a second. All in favor?

9 BOARD MEMBERS: Aye.

10 CHAIRMAN CUTHBERTSON: Motion passes.

11 Item 4 on the agenda, Floyd Roehrich will provide  
12 us the legislative report for information and discussion.

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

14 Obviously with the State Legislature in session,  
15 Kevin Biesty and his team is fully engaged. So I'm going to  
16 give you a short overview of some of the bills that so far we've  
17 been tracking and they've been working with key legislative  
18 staff and legislators.

19 On the Senate, there's Senate Bill 12 (sic),  
20 which is the transportation revision bill. This is a continuing  
21 effort that looks at streamlining -- eliminating and  
22 streamlining old or outdated statutes, bringing them up-to-date,  
23 and the ability to make adjustments that will improve our  
24 agency's operations. This bill, SB 1200, will address  
25 conforming Arizona's law to the Interstate Fuel Tax Agreement.

1 Some additional upgrades and language in there that, again, will  
2 make that program work more efficiently.

3 There's a second revision bill that's working on  
4 in the Senate that's not given a number yet, but this will  
5 prepare the department for the completion of the Motor Vehicle  
6 Division modernization project by allowing the director to  
7 implement digital credentials and also allow customers to opt  
8 in to receive most department correspondence by mail. It sets  
9 up a secure financial account online, and it designates people  
10 -- an individual to interact with those accounts on their  
11 behalf. Basically, again, providing more options to the public  
12 that they can do online services as opposed to coming to a Motor  
13 Vehicle office.

14 On the House side, there's HB 2076. State  
15 highway work zone. This addresses accidents. This bill would  
16 increase the penalties for a person who causes an accident in a  
17 highway work zone. It increases the civil traffic violations.  
18 It also bestows more legal culpability on those who cause  
19 serious injury or death in those work zones.

20 House Bill 2166, and then a corresponding Senate  
21 Bill 1146, vehicle fees for alternative fuel, vehicle license  
22 tax. This bill will require highway patrol fund -- would  
23 establish a highway patrol fund and allow the director to  
24 annually determine a highway safety fee to fund the DPS highway  
25 patrol costs using these moneys that are generated from this

1 fund. It would also eliminate the VLT reduction for alternative  
2 fuel vehicles. Right now they get a very deep reduction in  
3 their costs associated with being alternative fuel vehicles, yet  
4 they still have the same impact onto the roadway.

5 And then there's House Bill 2243, wrong-way  
6 driver violations, DUI bill. This bill was co-sponsored by ADOT  
7 -- or co-written by ADOT and DPS, and would increase the  
8 penalties for an individual who drive impaired the wrong way on  
9 a controlled access highway. It would make such driving a class  
10 four felony, which results in jail time. It would also require  
11 a civil penalty of \$500 and require additional education through  
12 a traffic safety school.

13 That's the state level update.

14 Mr. Chair, I'm going to talk a little bit about  
15 what's going on at the federal level. The director just  
16 addressed what's happening with the possible shutdown. In  
17 addition to that, there's a few other actions that are going on.  
18 There's an automated vehicle deployment discussion going on in  
19 the federal government, and the USDOT has been working to help  
20 expedite deployment of some of the pilot and test programs.

21 There's a petition that was submitted by General  
22 Motors that would help reduce mass production -- that indicates  
23 it ready to start mass production on driverless Chevy Cruze  
24 vehicles that could be used as taxi services or other type of  
25 services, and that could be available as early as next year,

1 making the federal government aware that they want to move into  
2 that sooner than maybe people thought.

3 There's an infrastructure plan that has been  
4 proposed, and right now that's still being developed. The  
5 administration's priorities continue to be tested, especially  
6 now with the potential of a government shutdown, but there's  
7 anticipation that there will be a roll out of a plan in the very  
8 near future, possibly right after -- right during or right after  
9 the State of the Union Address on January 30th.

10 There's a number of issues that they're  
11 addressing, Congress is addressing regarding broadband and  
12 especially the interest to push it into rural and more isolated  
13 areas as part of an infrastructure plan. Whether that gets  
14 included in the plan or not is -- we'll wait to see once we see  
15 the plan.

16 And the last item they have here is that there's  
17 a caucus starting to form at the Congressional level. That is  
18 proposing a gas tax hike of 25 cents to help with the costs  
19 associated with an expanded infrastructure plan, and that is  
20 starting to hear some discussion from this group with no formal  
21 designation or action at this point.

22 Mr. Chair, members of the Board, that's the  
23 legislative update.

24 MR. STRATTON: Mr. Chairman.

25 CHAIRMAN CUTHBERTSON: Yeah. We have -- is it --

1 MR. ROEHRICH: Mr. Stratton.  
 2 CHAIRMAN CUTHBERTSON: Mr. Stratton.  
 3 MR. STRATTON: (Inaudible.)  
 4 MR. ROEHRICH: Mr. Stratton, Mr. Stratton, you're  
 5 breaking up. I'm sorry but we couldn't -- we couldn't hear what  
 6 you said. Mr. Stratton, we're not hearing anything. I'm sorry.  
 7 MR. STRATTON: (Inaudible.)  
 8 UNIDENTIFIED SPEAKER: There you go.  
 9 CHAIRMAN CUTHBERTSON: That sounded better.  
 10 Can you try again, Steve?  
 11 MR. STRATTON: (Inaudible.)  
 12 MR. ROEHRICH: Mr. Stratton, if you would email  
 13 me your question, I will get an answer, and then if we need to  
 14 bring it back to present it to the whole Board, we can do that  
 15 at our next meeting. Thank you.  
 16 CHAIRMAN CUTHBERTSON: Okay. Thanks.  
 17 MR. HALIKOWSKI: Mr. Chairman, the only other  
 18 thing I'd add from the state legislative perspective is the  
 19 governor's budget does move 25 million from the capital side  
 20 over to maintenance and preservation, and I met with (inaudible)  
 21 committee members yesterday and discussed these issues with them  
 22 and ADOT's budget. I just wanted the Board to be aware that  
 23 they understand the need to shift to maintenance and  
 24 preservation so that we don't get into a situation where we're  
 25 paying a lot more to bring the roadway back from a very bad

1 condition and rather keep up with that from the beginning.  
 2 CHAIRMAN CUTHBERTSON: Okay. Thank you.  
 3 MR. ROEHRICH: Somebody.  
 4 CHAIRMAN CUTHBERTSON: Somebody --  
 5 UNIDENTIFIED SPEAKER: I think they just pushed a  
 6 button.  
 7 CHAIRMAN CUTHBERTSON: Board Member Stratton or  
 8 La Rue, did you have comment?  
 9 Okay. Well, we'll move to Item 5, the financial  
 10 report.  
 11 MR. ROEHRICH: Thank you, Mr. Chair.  
 12 Kristine sends her regards, but apologizes,  
 13 unfortunately. An issue came up right at the end, so she asked  
 14 me to fill in. I guess I'll go through.  
 15 Basically, there wasn't -- I guess I'm not going  
 16 to say good news or bad news, but if -- that sounds like  
 17 somebody may have logged off. But it looks as if --  
 18 MR. STRATTON: I came back on. I'm not sure. I  
 19 changed phones. Can you hear me better?  
 20 UNIDENTIFIED SPEAKER: Yeah.  
 21 MR. ROEHRICH: Yes, sir. You're -- Mr. Stratton,  
 22 you're coming in much clearer.  
 23 MR. STRATTON: Okay. Thank you.  
 24 MR. ROEHRICH: Where we're at, right now starting  
 25 the financial report. Why don't I finish that, and then

1 Mr. Chair, if you wanted to go back to --

2 CHAIRMAN CUTHBERTSON: Okay.

3 MR. ROEHRICH: -- his topic, we can do that or  
4 we can -- he can just email me and I can deal with it  
5 separate.

6 CHAIRMAN CUTHBERTSON: Okay. That sounds fine.

7 MR. STRATTON: I'll email you. It's just a  
8 clarification on one of the bills. It's not a big deal.

9 MR. ROEHRICH: Yes, sir.

10 So on the revenues, as you can see, we're  
11 within her forecasted range, but it's very moderate growth. She  
12 shows up there about two-tenths of a percent, but we are within  
13 her target range. Here she's not -- or here she's indicated  
14 that the diesel tax has actually declined a little bit, which is  
15 bringing down the growth that's being seen in the gas tax. So  
16 overall, it stays within her target, but it's basically bouncing  
17 out to virtually zero, or two-tenths of a percent positive.

18 There has been a strong vehicle license tax  
19 growth. About 6.8 percent. So good to see that people are  
20 buying new vehicles. You all deserve a new vehicle. Go buy a  
21 Lexus for the new year. Start off the new year right.

22 MR. HALIKOWSKI: Just a note to that. We like to  
23 see growth in the vehicle license tax, Mr. Chairman, since it is  
24 inflation sensitive.

25 CHAIRMAN CUTHBERTSON: Yeah.

1 MR. ROEHRICH: So it looks as if, at least as  
2 you've seen, it's been kind of down the first part of the  
3 year. It's kind of leveling a little bit, but we're basically  
4 just bouncing out to zero. No growth, so no real additional  
5 revenues coming forward, Highway Fund.

6 The Regional Area Road Fund, it's been a little  
7 bit more positive. It's all been a little positive, but again,  
8 it stayed within her variance range, and so very moderate  
9 growth, which may lead to maybe a few additional revenues later  
10 in the year. But for now, it's basically maintaining the  
11 current system the way they have, with no real ability to grow  
12 the program.

13 The federal report, she said at this time she  
14 doesn't have anything updated on the federal report. She  
15 hopes to have maybe some additional information by the study  
16 session, but the study session, she wanted me to remind the  
17 board members that she will be laying out all of the financing  
18 that will lead into the tentative five-year program, and then  
19 she'll also have an opportunity to try to update any additional  
20 information at the federal or the state level at that time.

21 With that, Mr. Chair, that concludes the  
22 financial report.

23 CHAIRMAN CUTHBERTSON: Okay. Thank you.

24 Moving on to Item 6 on the agenda, Greg Byres,  
25 Director of the Multimodal Planning Division, will present

1 public comments regarding the long range plan for information  
2 and discussion.

3 MR. BYRES: Thank you, Mr. Chair, board members.

4 What I'm going to do is kind of start here and  
5 kind of go through the plan a little bit just as a quick  
6 reminder of what we're looking at.

7 So what the plan does is this is a policy  
8 document that we're putting together. It takes and puts  
9 together a couple different things, recommendations for  
10 investment as well as putting together some framework for our  
11 performance-based policies that we're trying to put together as  
12 part of our Federal Highway requirements as we go forward.

13 So it is also giving us recommendations or at  
14 least for investment purposes, recommendations that will go  
15 forward in our planning and programming purposes for the five-  
16 year plan.

17 As far as the performance measures and goals go  
18 for Federal Highway, those all consist of safety, infrastructure  
19 conditions, congestion reductions, system reliability, freight  
20 movement and economic viability as well as environmental  
21 sustainability.

22 And as I mentioned prior with the presentations I  
23 had done before, we did have a substantial amount of public  
24 input when we were putting together this document. The majority  
25 of it was -- fell very much in line with preservation

1 recommendations that are made in the report, and they followed  
2 through pretty much as we put the document together.

3 One of the big things that we did was put  
4 together the needs for the next 25 years for highway, which came  
5 out with the total of \$53.3 billion in need. That's statewide,  
6 including both our -- I should say statewide including our PAG,  
7 MAG, and throughout the rest of the state.

8 So the recommendation statewide, we have 18  
9 percent for preservation, or I'm sorry, 18 percent  
10 modernization, 47 percent expansion, and 35 percent  
11 preservation. That's the recommendation in the report itself.  
12 Again, that's statewide. If we're looking at MAG and PAG, for  
13 MAG we're looking at 87.5 percent expansion, 6 -- or 1.5 percent  
14 preservation, and 11 percent for modernization. And the  
15 modernization is mostly safety measure projects that we have  
16 upcoming.

17 MR. HALIKOWSKI: Mr. Chairman, I just want to ask  
18 Greg a question. We see a lot of expansion in the MAG and PAG  
19 area. Is that due to their half cent sales tax?

20 MR. BYRES: That's all their half cent sales tax.

21 MR. HALIKOWSKI: That's all of it. Okay. Thank  
22 you.

23 MR. BYRES: Those are -- that's exactly what that  
24 tax is based on, so -- and the same in the PAG region. So we've  
25 got 77.5 percent expansion, and 22.5 percent modernization.

1 For the Greater Arizona, what the recommendation  
 2 in the plan is, is to put 78 percent towards preservation and 22  
 3 percent towards modernization. Now, we also have a 5 percent  
 4 set aside that would take care of basically our match for any  
 5 grants that we get, and we're going to go after every INFRA  
 6 grant, every TIGER grant, if TIGER's still out there, that we  
 7 possibly can in the Greater Arizona area. So -- but we've got  
 8 to have a match to be able to pull those funds in. So that's  
 9 why we're setting aside that 5 percent. That 5 percent can also  
 10 be utilized, if we've got entities that are coming forth with  
 11 substantial funding for a project that we can possibly utilize  
 12 that funding as a match to help those projects out if those fall  
 13 within the priorities of our five-year plan. So that's what  
 14 we're looking at, so...

15 MR. HALIKOWSKI: Another question, Mr. Chairman,  
 16 for Greg. We saw the financial report, and the VLT's going up  
 17 by about 6 percent, and of course, when that gets distributed  
 18 out to the cities and counties, if we continue to see the rise  
 19 in that for more available funding, will that be factored in to  
 20 the amounts that are available?

21 MR. BYRES: Yes, it will, but it won't change the  
 22 recommendation of what we're putting forth.

23 MR. HALIKOWSKI: Okay. Got it.

24 MR. BYRES: So as far as the comments go, we  
 25 received a whole -- a total of 120 comments, and so we took and

1 wrote those comments down into five separate categories. So the  
 2 first category is project specific comments and requests, which  
 3 was 41 percent. The second is more transportation funding needs  
 4 at 14 percent. Third is need more focus on alternative modes at  
 5 11 percent. Provide follow-up information on needs and  
 6 performance at 8 percent, and still need new expansion projects  
 7 in Greater Arizona, which fell at 7 percent. So for the project  
 8 specific comments and requests, those kind of fall into -- the  
 9 majority of those comments mentioned I-17, I-10, US-191, State  
 10 Route 30, State Route 24, State Route 95, and US-95.

11 Now, those are all project specific. This plan  
 12 is a policy document. It is not a project driven document.  
 13 It's just providing the information or providing us guidance in  
 14 our five-year program where the projects are -- come through and  
 15 approved by this board. So that's -- that's not part of what  
 16 we're looking at doing with this. So it's -- we're not ignoring  
 17 it. There's actually several of those comments that came  
 18 through that are within MPOs that we will take those comments  
 19 and make sure those MPOs get those comments so that at least the  
 20 information's passed on as well, so...

21 The more transportation needs, 14 percent, ADOT's  
 22 always been a good steward of its funding, and we will continue  
 23 to try and get as much funding as we possibly can with  
 24 applications for all of the grants that we can possibly get.  
 25 Again, the plan's accounting for that with its 5 percent set

1 aside, so we're trying to do that at least in the Greater  
2 Arizona area.

3           The MPOs as well as MAG and PAG, they too may be  
4 going out for additional funds as well. They can go out for  
5 these grants on their own. But we will also be going out for  
6 grants within -- on our -- on our system itself.

7           Need for more focus on alternative modes, both  
8 bus, rail and air. ADOT is HURF funded. HURF is strictly for  
9 street and highway purposes. So we can't utilize that funding  
10 out for different modes. Now, we also have transit funds that  
11 come through FTA, and those are distributed out. We try and get  
12 as many of those funds as we can. We have a lot of  
13 participation from local entities, and we utilize those funds as  
14 much as we can, but that's a pass through that ADOT is taking  
15 and pulling those funds from FTA and distributing them out to  
16 the local -- the local entities. And so if those local entities  
17 are helping or want anything, we're certainly there as an avenue  
18 to try and distribute those funds.

19           As far as aviation goes, we have no FAA funding  
20 that comes through the state, but we do have the State Aviation  
21 Fund, which is state money, and those funds are utilized as --  
22 at this rate, right now what we're trying to do is empty that  
23 fund on an annual basis as long as we're staying fiscally  
24 constrained so that all of that money is getting put out to the  
25 different airports across the state. So we're doing everything

1 we can with that. So we're trying to be as good of stewards as  
2 we possibly can with the funding in our planning purposes.

3           MR. HALIKOWSKI: So Mr. Chair, I just want to  
4 make a point on the bullet that ADOT is HURF funded. I know  
5 it's a sore point to make, but it's limited to street and  
6 highway and public safety purposes, which is why we often hear  
7 discussion about shifting HURF dollars to DPS. So I just  
8 wanted to make that clarification.

9           MR. BYRES: The next item was provide follow-up  
10 information needs and performance. The way we determined the  
11 needs in this report was using the ATRS model, which is -- that  
12 model is used nationwide. It's a very good model for taking and  
13 depicting needs, but it's a systematic model. It is not a  
14 program specific or a project specific model.

15           Now, as we're going through and setting all of  
16 our performance measures and goals and targets over the next  
17 years, and we're starting to track some of this data, as time  
18 goes by, we can start collecting more and more data so that we  
19 can start changing our modeling out from, instead of it being  
20 systematic, to project specific so that we're starting to get a  
21 little better handle on exactly how much funding we can program  
22 out and plan out as we do on different categories of projects.  
23 So expansion, preservation, modernization, all those different  
24 types of projects, we'll have a little better handle that we can  
25 actually do that on a project basis instead of just systematic.

1 We also have a whole lot of different tools that  
2 we're utilizing in trying to put that information together.  
3 We've got Decision Lens, the eSTIP and our asset management  
4 tools that we're putting together that is all part of the  
5 Federal Highway requirements that we're currently following for  
6 our performance demands.

7 The last one was still need new expansion  
8 projects in Greater Arizona, and again, we're trying to get as  
9 much funding as we possibly can any way we can to account for  
10 that, as well as having that 5 percent set aside to account for  
11 anything that we can possibly do.

12 One of the things I'd kind of like to go through  
13 now is just -- I've done this before, but I want to make sure  
14 that everybody understands exactly where we're at with our  
15 pavement preservation and our bridge preservations and why this  
16 is becoming so important. I mean, it's -- everybody knows that  
17 if we don't spend the money up front on a highway, it starts  
18 costing us a whole lot more money later on.

19 But you've got to remember that when we design  
20 new pavement structures, that design is for 20 years. That  
21 doesn't mean that we don't touch those structures for 20 years.  
22 It means they're good for about five, seven years before we  
23 start maintenance up on them. So especially in Arizona where we  
24 have very harsh sunlight, very harsh climates. We get a lot of  
25 oxidation of our pavements. So that maintenance starts off a

1 little bit earlier than it would in other parts of the United  
2 States.

3 So we start with flushes of emulsions and so  
4 forth to keep that pavement as flexible as we possibly can and  
5 keep the life in it. But over time, it also cracks, so we've  
6 got to do crack sealing. We also have surfaces, friction  
7 surfaces that wear out. They ravel out. So those have to be  
8 replaced in order to maintain that all the way through that 20  
9 year process, and so each one of those different maintenance  
10 items occurs roughly on about a five-year basis if you average  
11 it all out, under normal traffic, under normal conditions.  
12 That's how it works. That will get us to our 20 years. If  
13 they're not done on time, the degradation, you can see on the  
14 curve that we have, that degradation starts in an exponential  
15 manner, and then the costs start going through the roof. So  
16 it's a huge thing.

17 One of the big things to also remember is that  
18 the majority of all of our pavements, especially on our  
19 interstates, was built in the 1960s and 1970s. That pavement is  
20 now 50 to 60 years old, those pavement structures. And thanks  
21 to our operations and maintenance people, those structures are  
22 still working. They were designed for a 20 year life, but  
23 they're still out there working 50, 60 years later. But  
24 inevitably, we're going to start seeing more and more major  
25 projects that are going to occur for complete reconstructions.

1 So that's kind of coming down the pike that's not really being  
2 accounted for, so...

3           This next slide kind of gives you an idea of  
4 where the dollars are spent and where -- what happens when we  
5 get into the different levels of pavement condition. So as  
6 long as we're in good condition and we're doing those small  
7 maintenance items, you know, that's only two bucks per square  
8 yard. But if we get out and don't have enough money to do that  
9 and things start going awry, it doesn't take us long to get down  
10 into a poor condition where now it's costing us 40 to 70 bucks a  
11 scare foot -- or a square yard. Excuse me. That's an  
12 outrageous cost. So that kind of gives you an idea.

13           One of the other things is if we keep going --  
14 we've taken and done some modeling here -- if we keep going at  
15 current funding levels, and I say "current," is what we've  
16 basically been -- historically had over the past five years,  
17 this kind of gives you an idea of what the projection looks like  
18 on our pavement conditions, and you can see that our "good" goes  
19 -- shrinks down. Our "fair" expands way up, but our "poor"  
20 starts getting more and more, and by the time we got out to  
21 2040, we're -- we're looking at major, major costs. So that  
22 kind of gives you an idea of where we're at, so...

23           This is just a history of -- from 2010 to 2016.  
24 This is our highway system, which you can see where it is  
25 actually very good as far as having almost next to nothing for

1 poor condition. If you look at the non-interstate system, it's  
2 pretty much there, but you can see our "fair" amount is -- is  
3 accelerating. And if you look on the -- off the non-highway  
4 system, that "fair" continues to grow.

5           So this is a look at our bridge, and if you look  
6 at the bridge conditions, you can see that same exaggerated  
7 curve that's starting to take off with more "fair" and less  
8 "good" condition for the bridge deck areas. This is what this  
9 is based on.

10           One good factor is if you look at the last two  
11 years, '16 and '17, you see that they've pretty much evened out,  
12 but that is mostly because of an influx of money that was given  
13 in to bridge back in '13 and '14. So as those projects came out  
14 and were implemented, that actually raised our level. But it  
15 took that influx to break that curve, and now we've got to  
16 maintain it at those levels.

17           So just as a summary on this, the focus is on  
18 preservation just for the reasons that we just said. In the MAG  
19 and PAG regions, it's a different story, because that's their --  
20 their tax money that they've been promised for expansion. So it  
21 kind of moves -- if you look at the -- at the statewide dial,  
22 that's why we've got the modernization the way we have it.

23           Again, all of this is a policy document that  
24 leads back into the five-year program, which is approved by this  
25 board for all projects that go forth. What we're looking for is

1 if anybody -- we're going to incorporate the comments we  
 2 currently have into the plan. If you all have more comments, we  
 3 will incorporate those, and the plan is to bring it back in to  
 4 this board for adoption either at the next board meeting or at  
 5 our study session or as we go forward. Whatever iteration it  
 6 takes to get to that point. So with that, thank you very much.

7 CHAIRMAN CUTHBERTSON: Thank you. I have a --  
 8 Board Member Hammond has a question.

9 MR. BYRES: Yes.

10 MR. HAMMOND: I was looking at that information,  
 11 because it was presented to us with a lot of interest. I think  
 12 I saw something that said of all of ADOT spending now, about  
 13 half comes from implementing the MAG and PAG and local dollars  
 14 into the system, and a half is actually from other sources,  
 15 HURF. Is that about right?

16 MR. BYRES: Yes, it is.

17 MR. HAMMOND: Okay.

18 MR. STRATTON: Mr. Chairman.

19 CHAIRMAN CUTHBERTSON: Yes. Board Member  
 20 Stratton.

21 MR. STRATTON: This is not a question for  
 22 Mr. Byres, but more a comment to share with the Board and the  
 23 staff. While ADOT has only received about 7 percent comments  
 24 about the expansion in Greater Arizona, approximately 90 percent  
 25 of the comments I received are concerns over the lack of

1 expansion dollars in Greater Arizona. I wanted to make sure  
 2 that the Board heard that and I shared it with the staff.

3 CHAIRMAN CUTHBERTSON: Okay. Thank you, Board  
 4 Member Stratton.

5 MR. SELLERS: Mr. Chair. Yeah. I guess a  
 6 concern I have, particularly when we look at Greater Arizona,  
 7 you know, yesterday, in yesterday's news, I heard that the  
 8 federal infrastructure plan, trillion-dollar plan, is going to  
 9 be dependent upon 80 percent of the money coming from local and  
 10 private sectors, and I'm not sure how that helps us in Greater  
 11 Arizona if that turns out to be the case.

12 MR. HALIKOWSKI: Well, Mr. Chairman, if I might,  
 13 Board Member Sellers, it really doesn't, because essentially, if  
 14 we have to match that money, we have to have money to be able to  
 15 match it with, and when it comes to Greater Arizona, we don't  
 16 have those funds available to go after that match. So, you  
 17 know, depending on the way this infrastructure plan goes, if it  
 18 goes, we're going to have to understand the rules of the game,  
 19 but it seems pretty clear by everything that I've been hearing  
 20 also that if there is money out there available, there will be  
 21 expected to be significant state and local contribution to draw  
 22 down those federal dollars.

23 MR. HAMMOND: Yeah. All of the comments go to my  
 24 initial point. It seems to me that if Rural Arizona or any kind  
 25 of expansion money is going to either have to come from local,

1 self-imposed taxation or for increased funding in the HURF,  
 2 which -- whether it's federal or state. So, you know, I think  
 3 the message is that we need to -- and I know staff can't do  
 4 this, but the public can, and I think the Board can, encourage  
 5 other funding sources, whether it's another -- I was encouraged  
 6 to hear that the feds might even be considering an increase,  
 7 because I would suspect the state gas tax would probably be a  
 8 heavier -- or a lot less heavy lift than a federal, and also,  
 9 we'd get more bang for our buck at a state level increase in the  
 10 gas tax. But -- and I -- by the way, I'm encouraged to hear  
 11 that even in the legislature, there's some recognition that  
 12 we've got to do something or -- or we're stuck with these  
 13 maintenance and safety issues for the non-self-imposed gas tax  
 14 funding to aid with our road systems outside of the MPOs.

15 MR. HALIKOWSKI: Mr. Chairman, I want to be  
 16 clear. In Floyd's report, he mentioned a 25 percent increase at  
 17 the federal level. That's being proposed by the U.S. Chamber of  
 18 Commerce. I don't know that there's any -- I know there have  
 19 been talk of bills to increase the gas tax, but the federal  
 20 Highway Trust Fund has been insolvent for many years, and has  
 21 been propped up by general fund appropriations into it. Not to  
 22 say that the federal government hasn't also taken money out of  
 23 the Highway Trust Fund for other purposes.

24 So this continues to be a debate in Congress as  
 25 to how best to fund infrastructure. But what we see happening

1 in Congress, we also see happening on the state level, and you  
 2 know, I don't get a lot of calls from people saying, hey,  
 3 increase my taxes for a better transportation system. To them,  
 4 it's like electricity or water. It's largely invisible. It's  
 5 just been there every day. But what Greg's trying to warn us  
 6 about is that eventually things do wear out, and they get a lot  
 7 costlier to replace the longer you let them go.

8 CHAIRMAN CUTHBERTSON: Great. thank you for your  
 9 presentation. I think you've done it.

10 MR. THOMPSON: Mr. Chair.

11 CHAIRMAN CUTHBERTSON: Go ahead.

12 MR. THOMPSON: I guess I can only reiterate what  
 13 had already been mentioned, that the HURF shifting can  
 14 (inaudible), you know, to not only here, but to the local  
 15 government. We are very limited with that limited dollar --  
 16 limited in what we can do to respond positively to include more  
 17 road improvement projects at the local level as requested by the  
 18 citizens. So anything that we can do, you know, to bring more  
 19 of those revenues back to where they originally were used prior  
 20 to the shifting of that, it would be appreciated.

21 CHAIRMAN CUTHBERTSON: Thank you.

22 I just wanted to say, I think over the last  
 23 several years while I've been with -- the Board's done an  
 24 excellent job in kind of educating me and board members on the  
 25 importance of the maintenance and preservation program, and

1 Greater Arizona, I -- I certainly support that idea. I see it  
2 all the time.

3 I -- as much as I -- as much as we like projects,  
4 and this board is going to be challenged with trying to figure  
5 out how to reconcile these recommendations with the five-year  
6 plan, because that's -- that's -- that's upon us, and I know  
7 there are projects. I-17 is a great example. We're -- we know  
8 there's capacity limitations. We know there really needs to be  
9 some improvements there, but where do you make the hard choices  
10 of where to spend the money? And if you just keep that --  
11 kicking that maintenance can down the road long enough, it's  
12 going to hurt us. So I appreciate -- I appreciate your  
13 presentation.

14 Yes, Mr. Sellers.

15 MR. SELLERS: Just last comment from me, and that  
16 is our statewide commerce depends on statewide infrastructure,  
17 and even the MAG and PAG regions recognize that. So the  
18 challenge for us is how do we get improved state financing so  
19 that we can improve our entire state infrastructure. Thank you.

20 CHAIRMAN CUTHBERTSON: Thank you.

21 Any other comments?

22 MR. HALIKOWSKI: Mr. Chair, I just appreciate  
23 Board Member Sellers' comments, and I don't know if it would be  
24 good at a future study session to refresh the Board on ADOT's  
25 key commerce corridors plan, and we have, I think, updated quite

1 a bit of the numbers in that plan as far as economic impact if  
2 we were to do those infrastructure improvements in the future.  
3 So thank you, sir, for bringing that up.

4 CHAIRMAN CUTHBERTSON: Okay. Thanks.

5 Okay. Item 7 on the agenda. Greg will -- Byres  
6 will present an update on the current planning activities,  
7 Multimodal Planning Division pursuant to ARS 28-506.

8 MR. BYRES: Thank you, Mr. Chair, board members.  
9 I've just got a couple of quick slides.

10 Where we're at right now in our five-year plan,  
11 we've taken and completed our P2P process. We're currently  
12 going through our ranking system and how we're putting together  
13 the plan internally with the leadership. That's where we're at  
14 in our process. We're also going through our planning level  
15 scoping. We're working with all of the districts right now,  
16 which is actually working out real well, taking and defining  
17 each one of the projects that we currently have that are at the  
18 top of our list trying to make it into our five-year plan.

19 We also have collected the COG and MPO tips, and  
20 putting that information together, reviewing it, as well as  
21 working with MAG and PAG with their tips and their requirements  
22 for their program, trying to put it into our five-year program.  
23 We're developing agenda items for the January 30th study session  
24 coming up for that so that you'll see all that information in  
25 that coming up here in a couple weeks.

1 The only other thing I have, I just kind of  
 2 wanted to give a quick update on current major studies that  
 3 we've got going. The I-11 tier one environmental study is  
 4 ongoing. The alternative selection report was released December  
 5 2nd. So that's out and currently being worked on. The north  
 6 south corridor tier one environmental study, it's ongoing with a  
 7 study group preparing the preferred alternative report. So  
 8 that's -- again, that's an ongoing study that's going to be  
 9 worked on for at least the next year or so.

10 We also have the Sonoran corridor tier one  
 11 environmental study, which is currently underway. We're  
 12 gathering -- in the information gathering phase of that at this  
 13 point in time. So it's -- it again is also going to be a  
 14 long-term study trying to get that put together.

15 So that's pretty much all I have for updates, if  
 16 you have any questions.

17 CHAIRMAN CUTHBERTSON: Questions?

18 The -- so maybe -- I'm not exactly sure what all  
 19 you have -- we have planned for the study session. We've  
 20 mentioned at one time talking a little bit about the Decision  
 21 Lens, kind of reviewing that and kind of giving us, you know,  
 22 just an update. I think you've presented it before, but what  
 23 goes into the planning process and how, you know, projects are  
 24 picked for recommendation in the five-year plan? I'm a process  
 25 person. I really enjoy looking at that and seeing, and to me it

1 shows the amount of work that goes into those things so that,  
 2 you know, when we -- when we have projects coming up throughout  
 3 the year, it really -- it really, in my mind, supports the idea  
 4 of developing this five-year plan and trying to stick with that  
 5 (inaudible) as much as possible. So -- so I don't know if that  
 6 was -- you planned to do that in the study sessions. If not,  
 7 maybe we can put it on a session or agenda for (inaudible).

8 MR. BYRES: Mr. Chairman, board members, yes, we  
 9 are going to do that. But a Decision Lens is going to be  
 10 displayed and put up and show you exactly how we can manipulate  
 11 or what happens when we start manipulating projects within the  
 12 program itself. So that can you kind of see how they weigh out  
 13 and so forth.

14 We can also do -- include in there a presentation  
 15 on our P2P process so that you can see exactly -- it's a very  
 16 transparent process, so you can see exactly who's providing  
 17 those projects, how they're being scored and treated and so  
 18 forth and how the priorities are being laid out. All of that  
 19 information. We'll provide all that to you in the study  
 20 session.

21 CHAIRMAN CUTHBERTSON: I will look forward to  
 22 that. Okay. Thank you.

23 MR. BYRES: Uh-huh.

24 MR. THOMPSON: Chairman.

25 CHAIRMAN CUTHBERTSON: Yes. Board Member

1 Thompson.

2 MR. THOMPSON: Thank you for (inaudible) for my  
3 own understanding and trying to understand a little bit more  
4 about the concerns that has been expressed by a (inaudible)  
5 regarding addressing the (inaudible) up north, and I certainly  
6 do appreciate it. (Inaudible) how they came about (inaudible)  
7 agreed upon (inaudible). So thank you very much.

8 MR. BYRES: Thank you.

9 CHAIRMAN CUTHBERTSON: Okay. We'll move on to  
10 Item 9, the state engineer's report.

11 MR. HALIKOWSKI: Mr. Chair, we need to do the  
12 Item 8, priority and programming.

13 CHAIRMAN CUTHBERTSON: Did I skip one? I'm  
14 sorry. Sorry. Continuing on to Item 8. Greg Byres will  
15 present recommended PPAC actions (inaudible).

16 (Inaudible conversation.)

17 CHAIRMAN CUTHBERTSON: -- for discussion and  
18 possible action.

19 MR. BYRES: Mr. Chairman, board members, the  
20 Priority Planning Advisory Committee has -- is bringing forth  
21 with recommendations for approval. We have to start with a set  
22 of project modifications, which is Items 8A through 8H. I'd  
23 like to also make sure that you understand that Items 8C and 8D  
24 are on the agenda for the MAG Regional Council for approval, and  
25 they're contingent upon approval from MAG.

1 CHAIRMAN CUTHBERTSON: Okay. Any questions on  
2 the Items 8A through 8H? Okay. Do I have a motion to accept  
3 and approve the project modifications Item 8A through 8H as  
4 presented?

5 MR. SELLERS: Move for approval.

6 MR. HAMMOND: Second.

7 CHAIRMAN CUTHBERTSON: We've got a motion and a  
8 second. All in favor?

9 BOARD MEMBERS: Aye.

10 CHAIRMAN CUTHBERTSON: Okay. The motion passes.

11 MR. BYRES: Mr. Chair, board members, Items 8I  
12 through 8M are new projects. One thing I would like to note is  
13 Item 8I is funding that would be utilized to hire a consultant  
14 for the US-80 or old US-80 project for a -- that would be to put  
15 together their corridor management plan.

16 CHAIRMAN CUTHBERTSON: Questions on Items 8I and  
17 8M, through 8M?

18 MR. SELLERS: Move for approval.

19 MR. THOMPSON: Second.

20 CHAIRMAN CUTHBERTSON: Okay. Got a motion to  
21 accept and approve the new projects, Item 8I through 8M, as  
22 presented. All in favor?

23 BOARD MEMBERS: Aye.

24 CHAIRMAN CUTHBERTSON: Okay. The motion passes.

25 MR. BYRES: Thank you.

1 CHAIRMAN CUTHBERTSON: Thank you.

2 All right. Now we're ready to move on to Item 9  
3 on the agenda, state engineer, Dallas Hammit will present a  
4 report showing the status of highway projects under  
5 construction, for information and discussion.

6 MR. HAMMIT: Thank you, Mr. Chair, and I'm glad  
7 Greg stopped monopolizing the podium.

8 Currently ADOT has 102 projects under  
9 construction totaling about \$1.547 billion. In December, we  
10 finalized eight projects, totaling \$17 million, and year to  
11 date, we've finalized 53 projects.

12 Also in the state engineer's report, I wanted to  
13 talk about one of the projects you approved during the consent  
14 agenda. That project, and Mr. Lane mentioned it earlier on  
15 I-10, is a project where the Department contracted a little  
16 differently. We set value to the time of the project as well as  
17 the price. So we not only bid the low bid, but we put, hey, if  
18 you're out there for a period of time, there's value to the  
19 traveling public how much we're delaying. So we scored it as a  
20 best value, time plus their bid.

21 So in this project, the low bid, which is all  
22 we're going to pay the contractor, was -- in this case and what  
23 you awarded was approximately \$36 million. But they also said,  
24 we're going to do it in -- let me get my number right -- 7 --  
25 excuse me -- 482 days. So when the Department did our estimate

1 using normal production rates, we were at 713. So they came in  
2 and said, we're going to do it faster. And we evaluate that.  
3 So we gave a daily value, and that value calculates how much  
4 commerce is going through there, the delay of the public, at  
5 \$30,000 a day. So we'd multiply to get a best value the number  
6 of days, their 482, times 30,000, and add it to their bid, and  
7 compare that with everyone else's to get a best value.

8 This gives a good contractor that can accelerate  
9 a way to compete. Now, they may increase their price, and in  
10 this case it worked out the lowest bid was the best value. But  
11 if you looked at the bid tabs, one other contractor had a quite  
12 a bit higher bid, but they were going to do it in almost half  
13 the time, and they were the second best value. So we're going  
14 to look at that as a contracting method moving forward,  
15 especially where we're on these high volume routes. You may  
16 say, hey, why didn't we do that at Picacho? The majority of the  
17 work is off the existing system. It's a realignment. So the  
18 daily value wouldn't be as much, because we're not delaying  
19 people near as much as we are when we're widening the existing  
20 route. So I just wanted you to be aware of that contracting  
21 mechanism. We have not used that in a number of years. So are  
22 there any questions on that at all?

23 CHAIRMAN CUTHBERTSON: Okay. (Inaudible.) We'll  
24 move on to Item 10, construction contracts.

25 MR. HAMMIT: And again, thank you for approving

1 the items in the consent agenda. We have two projects that need  
 2 some more justification. Year to date, we've contracted with  
 3 the low bid about \$246.4 million. The low bid is 227.6. So  
 4 we've been under the state engineer's estimate \$18.8 million, or  
 5 7.7 percent. And if you go back and look, a lot of that are on  
 6 two, now three very big projects, two of them on I-10, and one  
 7 347. So the bigger projects, the industry's very hungry, and  
 8 they're giving us very good pricing. When we get to the smaller  
 9 projects, that's when we get much closer, or in fact, we  
 10 underestimate.

11 The first project that needs to be justified is  
 12 in the town of Quartzsite. This is a local project. It's to do  
 13 sign replacement. The low bid was \$96,894.50. The State's  
 14 estimate was \$117,882. It was under the State's estimate by  
 15 \$20,987.50, or 17.8 percent. We saw better-than-expecting --  
 16 expected prices in our (inaudible) panels and the brackets. The  
 17 Department has reviewed the bid and believes it is a responsive  
 18 and responsible bid and recommendation award to Sunland  
 19 Contracting, LLC.

20 CHAIRMAN CUTHBERTSON: Okay. Do I have a motion  
 21 to accept and approve staff's recommendation to award the  
 22 contract for Item 10A to Sunland Contracting, LLC?

23 MR. THOMPSON: I would so move.

24 MR. HAMMOND: Second.

25 CHAIRMAN CUTHBERTSON: Any discussion?

1 MR. HALIKOWSKI: Mr. Chair, if I could, I just  
 2 want to make sure that we're catching these since we're  
 3 recording these sessions. Will you acknowledge that Board  
 4 Member Thompson made the motion and Board Member Hammond  
 5 seconded?

6 CHAIRMAN CUTHBERTSON: Yes. Board Member  
 7 Thompson moved.

8 MR. THOMPSON: Board Member Thompson moved.

9 CHAIRMAN CUTHBERTSON: And Board Member Hammond  
 10 -- seconded by Board Member Hammond.

11 MR. ROEHRICH: If you repeat it, that would be  
 12 great. I mean, I think that works best, and that way we pick it  
 13 up the best. So you don't have to say this is the board member  
 14 making the motion, but if -- make sure we get it on record.

15 CHAIRMAN CUTHBERTSON: Okay. I'll try and  
 16 remember to do that. Thank you.

17 MR. ROEHRICH: If not, we'll be -- we're here to  
 18 back you up. We'll support you.

19 CHAIRMAN CUTHBERTSON: Okay. Any discussion?  
 20 Hearing none, all those in favor indicate by  
 21 saying aye.

22 BOARD MEMBERS: Aye.

23 CHAIRMAN CUTHBERTSON: Okay. The motion passes.  
 24 Item 10B.

25 MR. HAMMIT: Thank you, Mr. Chair.

1 This project is a chip seal project on State  
 2 Route 989 in the local area. This is Tangerine Road, but there  
 3 is a portion that is a state highway. On this project the low  
 4 bid was \$522,772. The State's estimate was \$458,122.15. It was  
 5 over the State's estimate by \$64,649.85, or 14.1 percent. As we  
 6 reviewed the bids, we underestimated the cost of milling. We  
 7 also saw higher-than-expected pricing for the cover material and  
 8 the attenuator. The Department has reviewed the bid and  
 9 believes it is a responsive and responsible bid, and recommends  
 10 award to Cactus Transport, Inc.

11 CHAIRMAN CUTHBERTSON: Okay. I have -- do I have  
 12 a motion to accept and approve staff's recommendation to award  
 13 the contract for Item 10B to Cactus Transport, Inc.?

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

15 CHAIRMAN CUTHBERTSON: Board Member Hammond  
 16 moves.

17 MR. SELLERS: Second.

18 CHAIRMAN CUTHBERTSON: Seconded by Board Member  
 19 Sellers. Any discussion?

20 Hearing none, all those in favor?

21 BOARD MEMBERS: Aye.

22 CHAIRMAN CUTHBERTSON: Okay. The motion moves.  
 23 Motion approved.

24 Okay. Thank you.

25 Item 11, just to kind of tee off Item 11, I'd

1 like to just make a few comments before we jump into this. You  
 2 know item 11 is -- board members recall at our last meeting in  
 3 December, we received a thorough presentation on the potential  
 4 designation of former US Highway 80 as a historic road by the  
 5 Arizona Parkways and Historic Scenic Road Advisory Committee,  
 6 PHSRAC. Mr. Demion Clinco, of the Tucson Historic Preservation  
 7 Foundation, also spoke to the topic -- well, spoke to the topic  
 8 at length, and we have hard copies this morning of the report  
 9 itself. So -- and also a link online. So you can see it's an  
 10 extensive report.

11 And in December, staff also provided us with a  
 12 presentation on the process involved in designing a highway --  
 13 or in designating a highway that's historic, and the roles that  
 14 PHSRAC, ADOT and the Board play in the process. When we closed  
 15 the December meeting, we -- we asked that the item be put on the  
 16 January agenda for discussion and possible action, and we also  
 17 had a few things that we asked staff to take a look at at that  
 18 time. What one was some clarity on how a designation like this  
 19 would impact the potential designation of a portion of a route,  
 20 so the Rose Mofford Highway. We wanted to see if that was a --  
 21 there was an impact to that.

22 And also there was -- there seemed to be some --  
 23 I don't know if it's a difference of opinion, but at least some  
 24 confusion on where the project was actually in the process. So  
 25 designation, where it was; and also, whether specific parts of

1 the process were governed by statutory rules, and if they were,  
2 how those rules affect the designation process.

3           So I think it's important for the Board to  
4 understand that before we move forward, and so I'll turn it over  
5 to Floyd, and I'm sure he'll enlighten us on how -- so that we  
6 can be confident in what actions we do take, that we do in a  
7 matter that's consistent with the rules. Floyd.

8           MR. ROEHRICH: Thank you, Mr. Chair.

9           And that, quite frankly, is a really complete  
10 background and lead-in to this. That's like my first three  
11 slides. We go almost to the end, because that's exactly what  
12 happened. As we looked at this, we realized that maybe the  
13 process we had been following hadn't completely conformed with  
14 the rules, although there are steps and processes that have been  
15 completed, but there are other things that need to happen that  
16 we need to move forward with, and that's what I'm going to spend  
17 a few minutes with today.

18           So the former US Route 80, again, background, you  
19 already (inaudible) the PHSRAC issue. You know about the  
20 purpose of the board. And the issue's what we need to move  
21 forward. I'm going to talk about the motion that PHSRAC did  
22 again, a little bit later in the discussion, because there's  
23 some flaws within that, which is going to lead to why the  
24 addendum came out, because you did see that this had been  
25 addendaed with some slight changes, and why we're looking at now

1 the potential for a one, two -- or maybe two types of motions  
2 that the Board can take today that moves this issue forward.

3           So just a reminder. As you said, former US Route  
4 80, which has been abandoned by -- and decommissioned by the  
5 US government and is now encompassed by a number of local roads  
6 as well as a number of state highways that have been renumbered.  
7 It maybe doesn't show up very clearly on here, but if you look  
8 down at the bottom left corner in that little key, you can see  
9 that the US government had made three different adjustments to  
10 the alignment of US-80, and all those alignments are being  
11 looked at, have been considered in the application, as well as  
12 will be considered as we go through the designation process, and  
13 I'll talk a little bit more about that.

14           So it's a pretty extensive -- it stretches from  
15 western Arizona to eastern Arizona and continues on, obviously,  
16 to our neighboring states, and it encompasses, as I said, a  
17 number of different state routes and local roads now as part of  
18 the process.

19           And here's where on the next slide I want to talk  
20 about the process. So here's now where we're at. When you  
21 really look at what process needs to be followed or followed --  
22 or should have been followed by rules and kind of where it  
23 diverges a little bit. So we have completed -- starting from  
24 the top left in the process -- so we've completed the  
25 application comment -- or application for the designation. That

1 has been submitted. It's a very thorough and complete  
 2 application, as you said. We've provided you the link for it.  
 3 So you have it electronically. But realizing it's a large  
 4 document, 250-plus pages or so, we printed that off, and we gave  
 5 you copies to move forward.

6           So the PHSRAC, going down, as you head down the  
 7 left side, PHSRAC had held their meeting and made their  
 8 assessment that the application is good. Let's move forward  
 9 with the recommendation. And they actually did a motion with  
 10 the recommendation. I'm going to talk a little bit farther  
 11 about why that doesn't necessarily -- the flaws in that and how  
 12 we need to move forward.

13           The basic flaw ends up being there's a  
 14 designation on a local road, non-highway road, that is required,  
 15 a separate agreement through an intergovernmental agreement with  
 16 the local entity, who now has jurisdiction of that segment of  
 17 the former route. So again, we can determine that it stays  
 18 eligible. Local governments are committed to maintaining that  
 19 to the degree necessary, and if there's signing or other issues  
 20 that they choose to do to -- as part of that designation, they  
 21 understand they've got the responsibility for that. So we kind  
 22 of codify what is required for the -- to maintain that historic  
 23 designation in that intergovernmental agreement, IGA, with the  
 24 local entities.

25           So on the local side, we view that all the

1 elements that have needed to take place have happened, and when  
 2 we get to the recommended action for the Board, the action today  
 3 we're going to ask is the Board designate the non-highway  
 4 portions as historic so we then as staff can move forward with  
 5 those local governments, enter into those intergovernmental  
 6 agreements, and go forward to make formal declaration of the  
 7 designation, because the historical designation doesn't take  
 8 place until we've completed that agreement, and the local entity  
 9 or the local jurisdiction and the Department have come to a  
 10 final agreement as specified in statute and in the rules and our  
 11 agreement process.

12           And then once that's been established, then you  
 13 develop that corridor management plan that has been -- even I  
 14 was confused on exactly where that corridor management plan  
 15 comes in, but that then establishes how the local governments  
 16 will be maintaining those non-highway segments in the future so  
 17 they can continue to maintain that historic designation if it's  
 18 important to them. If at some point they determine that their  
 19 development or what they choose to do with that route is going  
 20 to go to the severe enough degree that historic designation  
 21 doesn't qualify, then that's a decision they're going to have to  
 22 make, and they jeopardize losing that designation.

23           So we see a separation between the non-highway  
 24 portion, which we view is ready to move forward with, and we're  
 25 going to talk about that, but now where we still need additional

1 action at is the portions that are on the state highway system.  
2 Former US-80, that is now part of the state highway system,  
3 which encompasses routes like Interstate 8, US-60 has been  
4 pointed out, and some of the other routes that have, again,  
5 through this part of the state and on to the -- on to the -- our  
6 eastern borders. So that still requires a report. But that  
7 report is really based upon a lot of the criteria that was  
8 established in the application that addressed the non-highway  
9 portion as well as the state portion.

10           So what we view is our staff is going to take  
11 that application. We're going to do a real quick, thorough  
12 review of that application in regards to the analysis that we  
13 should be doing as part of the highway system portion. Not the  
14 non-highway. Now, this is the highway system portion. If  
15 that's ready to go, or if there's a few gaps in that, we will  
16 make the adjustments and the -- provide the supporting  
17 documentation necessary to ensure that now that full report is  
18 ready to be -- to be moved forward by action by the Board with a  
19 step yet to be done.

20           Once the agency gets done with that report,  
21 taking that application, developing it into our report, making  
22 sure it complies with all the necessary actions required, we do  
23 have to go through the step of submitting our report to the  
24 Arizona Historical Advisory Committee, which is part of the  
25 Arizona State Library. That's a committee that we've already

1 talked with their board chair, that they're prepared to take  
2 that -- they have to provide an analysis of that to make sure  
3 that it -- by their evaluation that there's no issues that they  
4 have, or if there's conflicts, they -- they need to work with us  
5 to kind of resolve them to make sure they've complied with that.

6           That evaluation then comes back, and if you will  
7 follow the process, the PHSRAC would then receive that report  
8 from ADOT and the analysis from the Arizona Historical Advisory  
9 Committee, and then if they concur with all that, then they make  
10 a recommendation back to the -- back to the state board, to the  
11 director to bring it to the state board. Now, you can go ahead  
12 and designate historic value for the rest of the on highway  
13 system segments. So that step really has to be done yet. We've  
14 got a plan in place.

15           Todd Emery, Assistant State Engineer, works under  
16 Dallas's team in the State Engineer's Office. He's going to be  
17 leading that effort and take over as chair of the PHSRAC. So  
18 we're going to move that process forward so we can get the  
19 highway portion done as quickly as possible, bring it back to  
20 the Transportation Board later this year. Hopefully it won't be  
21 more than, you know, a month, two, or whatever it takes -- we  
22 will be planning on that -- and then that will allow us to  
23 designate the on highway segments of the former US Route 80.

24           And that would complete all of the eligible off  
25 highway, on highway segments, which by analysis could

1 potentially be the full segment of -- or the full length of the  
 2 former US-80 from west to east or at least have identified the  
 3 ones that qualify and the ones that don't and have done the  
 4 analysis. So the idea would be come back at some point and  
 5 bring those segments back to the -- back to the state engineer  
 6 -- or back -- when the state engineer's team finishes their  
 7 analysis, bring it back to the Board for final designation.

8           So that's how we kind of look at that process.  
 9 You kind of have two parallel actions going on, off highway and  
 10 on highway. Off highway we feel is ready to go. On highway,  
 11 we've still got a couple more things left to do, that report,  
 12 taking it to the subcommittee, one more cycle back through the  
 13 PHSRAC, and then bring it to the Board.

14           So with that, the other issue that you'd brought  
 15 up, Mr. Chair, was again the request from the Arizona State  
 16 Geographic and Historic Naming Board to look at a former -- a  
 17 portion of US-60 as recognition of naming it for a former  
 18 governor, Rose Mofford. We're still coordinating with them on  
 19 exactly what they view this reading of the statute is, what we  
 20 view our reading of the statute is. We still think that they  
 21 can action, and wouldn't affect our action, and we won't affect  
 22 their action.

23           There's a way to do this, but they're still a  
 24 little hesitant. The staff member who was coordinate that for  
 25 them (sic) had to go on extended medical leave and presented it

1 to a new guy. I've talked to that guy. He's trying to get up  
 2 to speed. So they feel that they're going to be addressing this  
 3 at their next board meeting to make sure that they can come to  
 4 some resolution on that. So we'll continue to coordinate with  
 5 them. But again, we view that it's not an issue. They're not  
 6 so sure. We just have to continue that discussion to make sure  
 7 that we've addressed their concerns to move that process  
 8 forward.

9           But in the meantime, we'll finish our process and  
 10 get ready to bring our recommendation for the on highway system,  
 11 historic designation, former US-80 back to the Board.

12           CHAIRMAN CUTHBERTSON: So Mr. Roehrich, the Rose  
 13 Mofford portion that you discussed is part of the on highway  
 14 system, I assume. So that -- that wouldn't be -- the fact that  
 15 you don't quite have all the information doesn't -- wouldn't  
 16 preclude us from addressing the non-highway designation at this  
 17 (inaudible)?

18           MR. ROEHRICH: Mr. Chair, that's correct. That's  
 19 absolutely correct.

20           CHAIRMAN CUTHBERTSON: Okay.

21           MR. HALIKOWSKI: I would just say, Mr. Chair,  
 22 that you know, this rule was written in 1984, and as I listened  
 23 to Floyd, it's very confusing.

24           UNIDENTIFIED SPEAKER: We get that impression.

25           MR. HALIKOWSKI: Let's -- you know, our goal is

1 to move forward today with the non-state highway designation, as  
 2 you saw Mr. Clinco's presentation from the last board meeting  
 3 and (inaudible) have his report -- let the dogs out -- have his  
 4 report. It's a very thorough report, we believe. But the one  
 5 step in there is that it says by the rule, ADOT must prepare the  
 6 report. We're going to not do double work. We're going to use  
 7 a lot of that report, review it. If there's gaps, we'll see  
 8 where those are. But if there's, you know, things that happen  
 9 to be gaps that we might not see, we will work with him in the  
 10 future to supplement those.

11 So we're pretty confident that the action you  
 12 take today is not going to affect the Rose Mofford piece. Plus,  
 13 with the local governments, as you saw by the rule, there has to  
 14 be an intergovernmental agreement. So the designation doesn't  
 15 necessarily force anything on anyone.

16 So some of the other steps in there, as Floyd  
 17 point out, the PHSRAC motion really got the cart before the  
 18 horse, because they said, go ahead and designate, but the report  
 19 had not been prepared yet by ADOT, which was a flaw. And, you  
 20 know, of course the other thing, too, is that we have to send it  
 21 over to the library and archives for their concurrence. But if  
 22 you look at the PHSRAC motion -- and this gets technical because  
 23 it's in two different sections of the report -- some of those  
 24 steps regarding the inventory have already been done.

25 So whether or not we really need another meeting

1 right now is questionable by the PHSRAC. So we're going to  
 2 continue to work with this. We would ask your indulgence to go  
 3 ahead and calendar it for a March meeting, also, because our  
 4 goal is to move through this as expeditiously as possible.  
 5 Staff's been in touch with the library and archives chairman,  
 6 and we hope to get quick action in return from them.

7 CHAIRMAN CUTHBERTSON: Okay. I --

8 MR. ROEHRICH: But one thing, Mr. Chair. I want  
 9 to make sure to be clear on this, John. We don't question the  
 10 ability for the state naming board to name it Rose Mofford.  
 11 They're questioning their own self. So until they come to  
 12 resolution on that, it's really their issue. We intend to move  
 13 forward, because we don't think it's an issue. But again, we  
 14 want to be respectful of the fact that they're questioning it,  
 15 and we want to be able to work with them to provide what we  
 16 think is the guidance to move that issue forward. But you're  
 17 right. We don't question that.

18 CHAIRMAN CUTHBERTSON: Right.

19 MR. ROEHRICH: That's their question.

20 CHAIRMAN CUTHBERTSON: Okay. Okay. Lots of  
 21 stuff there.

22 So board members, have you got questions on -- on  
 23 this? I can -- maybe I can -- let me see if I can paraphrase  
 24 it, or at least check for my understanding. So we've got, you  
 25 know, potentially we've got -- we've got a motion for the Board

1 to in this session take action on designating non-state highway  
 2 portion --

3 MR. ROEHRICH: So I'm going to go to my last  
 4 slide.

5 CHAIRMAN CUTHBERTSON: Okay.

6 MR. ROEHRICH: Because we realize that the PHSRAC  
 7 motion is flawed, so let's not talk any more about it.

8 CHAIRMAN CUTHBERTSON: Okay.

9 MR. ROEHRICH: Let's talk about what we're  
 10 presenting here today.

11 CHAIRMAN CUTHBERTSON: Okay.

12 MR. ROEHRICH: And it's a substitute motion. And  
 13 on your screen and on your packet that you received in the  
 14 addendum is -- I'd like to read the motion, because here's what  
 15 we're asking today.

16 CHAIRMAN CUTHBERTSON: Okay.

17 MR. ROEHRICH: And these have been vetted. These  
 18 are good to go.

19 CHAIRMAN CUTHBERTSON: Okay.

20 MR. ROEHRICH: So the substitute motion from  
 21 PHSRAC is a motion to designate the primary and secondary road  
 22 segments for the non-state highway alignments of former US  
 23 Highway 80 as a historic road effective upon completion of an  
 24 interagency agreement between ADOT and the local entity pursuant  
 25 to Arizona Administrative Code R17-3-807.

1 MR. STRATTON: Mr. Chairman.

2 CHAIRMAN CUTHBERTSON: Yes. Board Member  
 3 Stratton.

4 MR. STRATTON: I'd like to have a clarification  
 5 from Floyd on this or whomever. I echo Supervisor English's  
 6 concern that this may cause additional time or money on the  
 7 local entity's part. So by doing it this way by the IGAs, with  
 8 the local entity, that would give them an opportunity to agree  
 9 or disagree whether they want to participate in this historic  
 10 alignment; is that correct?

11 MR. ROEHRICH: Mr. Chair, Mr. Stratton, that is  
 12 correct. This designation is the first step in formalizing it,  
 13 but the formally -- adoption of it doesn't happen until the  
 14 intergovernmental agreement is completed between ADOT and the  
 15 local entity that has jurisdiction of that highway segment of  
 16 road.

17 If they choose at some point in this process --  
 18 if they choose not to enter in that IGA agreement, then the  
 19 designation does not take effect.

20 MR. STRATTON: Okay. Thank you.

21 MR. ROEHRICH: So that's the motion that we view  
 22 is applicable to where we're at in the process and with all the  
 23 -- the work that has been done. That's the motion that we have  
 24 in front of the Board for your action.

25 CHAIRMAN CUTHBERTSON: Okay. And just for the

1 record, Floyd, so to the best of staff's knowledge, all the  
2 statutory requirements for designating non-state highway  
3 portions of former US Highway 80 as a historic road have been  
4 met?

5 MR. ROEHRICH: Mr. Chair, that is correct.

6 CHAIRMAN CUTHBERTSON: Okay. So I'm looking for  
7 the motion to designate the primary and the secondary road  
8 sections of non-state highway alignments of former US Highway 80  
9 as a historic road effective upon completion of an interagency  
10 agreement between ADOT and the local entity pursuant to Arizona  
11 Administrative Code R17-3-807.

12 MR. HALIKOWSKI: Mr. Chairman, I would ask the  
13 Board to offer that as a substitute motion to the PHSRAC  
14 motions.

15 CHAIRMAN CUTHBERTSON: Okay. I would like to  
16 offer that as a substitute motion to the PHSRAC motion.

17 MR. HALIKOWSKI: I don't want two competing  
18 motions.

19 MR. HAMMOND: I'll move approval.

20 MR. SELLERS: Second.

21 CHAIRMAN CUTHBERTSON: Okay. I have a motion by  
22 Board Member Hammond and a second by Vice Chair Sellers. Is  
23 there any discussion?

24 Okay. Hearing none, all those in favor, say aye.

25 BOARD MEMBERS: Aye.

1 CHAIRMAN CUTHBERTSON: Okay.

2 MR. ROEHRICH: Thank you, Mr. Chair, members of  
3 the Board.

4 Now the second motion in front of you is, again,  
5 an additional motion if the Board chooses to do that again  
6 provides your concurrence or at least your recommendation on the  
7 expeditious moving forward of the department to complete our  
8 portion as a way to make sure that we can bring this issue to  
9 fruition as quickly as possible. So I'd like to read that  
10 second motion. A motion to request that ADOT complete the state  
11 highway system segment report as required by Arizona  
12 Administrative Code R17-3-803 as expeditiously as possible.

13 MR. SELLERS: So moved.

14 MR. THOMPSON: Second.

15 CHAIRMAN CUTHBERTSON: Okay. Moved by Board  
16 Member Sellers. Seconded by Board Member Thompson. Discussion  
17 on that?

18 All in favor, say aye.

19 BOARD MEMBERS: Aye.

20 CHAIRMAN CUTHBERTSON: Okay. I mean, I'd just  
21 like to close by commending both those folks that are advocating  
22 for this, and also for staff. I know it's been -- you know, for  
23 the advocates, the persistence that you've shown and the  
24 patience has certainly paid off, and for the -- for the staff, I  
25 know just the diligence that you've shown in making sure that we

1 were doing everything according to rules so that it's proper is  
 2 very appreciated. And I think in the end, the public is the  
 3 ones that will benefit, will get (inaudible). So thank you very  
 4 much.

5 Okay. Any other comments?

6 Okay. Move on to Item 12. Floyd will present a  
 7 request by staff to change location, the March board meeting.  
 8 Discussion and possible action.

9 MR. ROEHRICH: Thank you, Mr. Chair.

10 When we had set the original meeting locations,  
 11 we had looked at, again, the historic location for the public  
 12 hearings and the tentative program in the kind of Tucson area,  
 13 and then we normally work with PAG to make sure that that works.  
 14 Well, they had a member -- after we originally thought it would  
 15 be at the City of Tucson again, they had a member come forward,  
 16 the City of Sahuarita, who really wanted to host the Board as  
 17 part of that public hearing process when the tentative program  
 18 comes out.

19 So we're asking -- and we think it's great. We  
 20 don't get a chance sometimes to go to a lot of those local  
 21 cities as much. The bigger cities kind of consume our time and  
 22 things like that. So we thought it would be a really great  
 23 opportunity to go ahead and make that change.

24 So Mr. Chair, we're requesting that the Board  
 25 adjust its board meeting location schedule so -- for the March

1 16th board meeting, which will also be the public hearing for  
 2 the tentative five-year program, that that actually take place  
 3 in the town of Sahuarita.

4 CHAIRMAN CUTHBERTSON: Sounds like a much easier  
 5 parking situation.

6 MR. ROEHRICH: I think so. Yes, sir.

7 CHAIRMAN CUTHBERTSON: (Inaudible.) Okay. I've  
 8 got a -- do I have motion to approve the changed location of  
 9 March 16th, 2018 board member -- board meeting to the town of  
 10 Sahuarita as presented?

11 MR. THOMPSON: So moved.

12 CHAIRMAN CUTHBERTSON: Moved by Board Member  
 13 Thompson.

14 UNIDENTIFIED SPEAKER: I can't make that second.

15 MR. SELLERS: Second.

16 CHAIRMAN CUTHBERTSON: Second by Vice Chair  
 17 Sellers. Any discussion? It sounds like it's a recommendation  
 18 by PAG.

19 MR. ROEHRICH: It's a recommendation by PAG, and  
 20 the City of Sahuarita as well has reached out and said, yes,  
 21 please -- we really want to welcome you here.

22 CHAIRMAN CUTHBERTSON: Okay. All in favor, say  
 23 aye.

24 BOARD MEMBERS: Aye.

25 CHAIRMAN CUTHBERTSON: Okay. The motion passes.

1 Okay. Item 13, are there suggestions by board  
2 members for items to be placed on the future board meeting  
3 agenda?

4 MR. ROEHRICH: Mr. Chair, if I just could really  
5 quickly, a couple things. We do have the study session on the  
6 30th of January where we do roll out the financing and the kind  
7 of (inaudible), the backup of the -- for the Board's  
8 consideration of the tentative five-year program so we can start  
9 collecting comments. Then in February we usually have the Board  
10 adopt the tentative for the purpose of the public hearings. We  
11 gather comments, and then at the May study session, we make  
12 final recommendations and changes to the tentative program based  
13 upon what the Board feels based upon their analysis and the  
14 public comments.

15 So at the study session, real quick, I do think  
16 it was a great comment to ask to include the -- kind of the  
17 decision making, some of the priority programming analysis and  
18 process. That will be included. Obviously Kristine will give a  
19 financial overview. In addition, we'll also bring back a couple  
20 of specific topics that the board members have asked before  
21 about. As to State Route 69 project, the local Prescott and  
22 YMPO want to bring some additional funding to move that forward,  
23 kind of our analysis of how that has gone, as well as the 4th  
24 Street Bridge in Flagstaff. So that's will be specific  
25 discussions at the study session as well. And any other topics

1 that board members may want, we'll finalize that agenda next  
2 week and get prepared for the study session.

3 And then the next board meeting itself is -- was  
4 identified by the vice mayor of Yuma, is the 16th of February in  
5 the city of Yuma at their council chambers.

6 CHAIRMAN CUTHBERTSON: Yes. Yeah. It sounded  
7 like, if I understood it, it sounded like the March meeting we  
8 might be ready to come back for action on the -- on the state --  
9 on the state portions of Highway 80 designation; is that  
10 correct?

11 MR. ROEHRICH: Mr. Chair, that is correct. What  
12 I think we will probably do is every month, we will agenda at  
13 least an item for an update so we can make sure that we're  
14 briefing you and any public members who may be attending on  
15 where we're at in that process, because it does have a number of  
16 stakeholders who are interested. So we will continue to get  
17 monthly updates and then bring back the action as soon as we  
18 have, as quickly as we have it available.

19 CHAIRMAN CUTHBERTSON: Okay. Thank you. Any  
20 other discussion on that?

21 (End of recording.)  
22  
23  
24  
25

**Adjournment**

*A motion to adjourn the January 19, 2018 State Transportation Board meeting was made by Board Member Thompson and seconded by Board Member Hammond. In a voice vote, the motion carried.*

Meeting adjourned at 10:49 a.m. MST.

  
\_\_\_\_\_  
William F. Guthbertson, Chairman  
State Transportation Board

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